



Annual Report 2007



Annual Report 2007

**Monash University
Annual Report 2007**

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Overview

Letter to the Minister for Skills and Workforce Participation

The Hon Jacinta Allan MP
Minister for Skills and Workforce Participation
Level 36, 121 Exhibition Street
Melbourne Vic 3000

Thursday, 20 March 2008

Dear Minister

In accordance with the requirements of regulations under the Financial Management Act 1994, I am pleased to submit for your information and presentation to Parliament the Annual Report of Monash University for the year ending 31 December 2007. The report was approved by the Monash University Council at its meeting on Wednesday, 19 March 2008.

This is my first report as Chancellor of Monash University and before I mention my ambitions for the University I wish to acknowledge the achievements of my predecessor, Jerry Ellis, who in nine years saw the University go from strength to strength both as a teaching institution and a place where leading-edge research and development takes place.

Under his leadership a new campus in Johannesburg was established and in 2007 our Kuala Lumpur campus relocated into purpose-built new facilities. Further, the University secured a building in Prato, Italy, to create a conference and teaching centre that is routinely used by our researchers and students and to host international conferences led by the University. During Mr Ellis's term the University's teaching and research performance has advanced significantly.

These initiatives have made Monash one of the world's most international universities and underpin our philosophy that investment in education is the best investment that a country can make.

I am proud of the fact that I am the first Monash graduate appointed to the Chancellor's role. My own background is in science and the University is widely known for its research in science and medicine. But this is not the whole story. The University, for example, is helping us understand the causes and solutions to terrorism in our region; it is also exploring the forces behind migration and building understanding of the different religious groups that contribute to Australian society.

I am impressed with the many successes Monash has already achieved and its commitment to continuous improvement. University is as much about learning to be a fully-fledged citizen as it is about obtaining a degree and I will encourage the University to examine areas like student welfare and environmental sustainability when reviewing its performance.

With the support of Council, the Vice-Chancellor and his team have embarked on an ambitious plan to deliver outcomes for the 21st century around the themes of Sustainability, Peace and Security, Economic Development, Innovation, Health and Disease and Community Cohesion. This plan exhibits the increasing maturity of a university that is now entering its 50th anniversary year.

It is an approach that will help unite our efforts to tackle the challenges that lie ahead. It is an approach that also builds on two of the pillars of our success - teaching excellence and a challenging and rewarding student experience. Further success in these areas will depend on our ability to adopt new technology and the continued enthusiasm of our academic and general staff.

Other hallmarks of a well-rounded strategic approach are research excellence and successful fundraising strategies.

Monash has been extraordinarily successful at attracting research grant funding. However, because grant funding is not supported by adequate infrastructure payments the more research funding we attract the bigger our shortfall in the costs of supporting research. Dealing with this particular funding gap is one of our biggest challenges.

Donor support will enable us to continue to deliver the calibre of education that brings valuable and memorable experiences for students and helps us generate the research that will maximize Australia's international competitiveness.

I am optimistic about the future of Monash University as it continues to expand its teaching, research and community engagement programs. In an era of great change and opportunity in higher education Monash is committed to engaging the world and delivering new solutions in research and education for the 21st century.

Yours sincerely,



Dr Alan Finkel
Chancellor

Vice-Chancellor's statement

This year is particularly significant for Monash University. It marks the fiftieth anniversary of the proclamation of the Monash University Act by the Victorian Parliament and the commencement of the construction of Monash University in Melbourne. Monash enrolled its first students in 1961. The progress since then has been quite remarkable and I would like to provide a brief update on that progress in this introduction to the Annual Report.

When Monash University was founded, it was envisaged that the University would eventually grow to a size of about 12,000 students. It was intended that it should have academic standards comparable with the only other Victorian university at the time, the University of Melbourne which had enrolled its first students over 100 years before.

Monash University is now the largest university in Australia with about 55,000 students. But far more important than size it is also one of Australia's finest universities, a member of the Group of Eight Australian universities which between them undertake over 70 per cent of the research conducted in Australia's 39 universities. Monash has been ranked in the top 50 universities in the world and in the top four universities in Australia by the Times Higher Education Supplement for the last four years – a remarkable achievement for such a young university.

Monash University is committed to excellence in education. Feedback from our students and from external quality and accreditation agencies shows that we are succeeding in delivering high quality, enriching and intellectually challenging education and providing a rich student experience. Our multicampus structure in Australia allows us to provide educational opportunities to a wider range of students than for most of Australia's leading universities and to engage with local communities in a way which is unique amongst the Group of Eight universities.

Monash University has a wonderful record in research and scholarship in a diverse range of fields including biomedical and health research, economics and business, information technology, the humanities and creative arts, engineering, science, law, education, drug design and optimization and accident research. We are the fourth most productive research university in Australia measured by research income and publications and our research activity is growing rapidly.

From the time of its formation, Monash University has had a strong international focus. It embraced the Colombo Plan enthusiastically. Large numbers of students came from South East Asia to Monash under this enlightened scheme in the 60s's and 70's. With time and the growing reputation of the University, students came to Monash University in Australia from all over the world. About 30 per cent of our students now come from outside Australia from 130 different countries. The diverse cultural backgrounds immensely enrich the educational environment for all. In addition, we have research collaborations and student exchange programs with leading universities all over the world. Our alumni now occupy leadership positions in politics, business and industry, the professions, public service and academia throughout the world. We believe that true international engagement is enormously enhanced by a physical presence in other parts of the world. Our campuses in Malaysia and South Africa and our Centre in Prato in Italy are key parts of this strategy. They help our education and research programs to have a broad international approach and prepare our students to live and work in a world where national boundaries will be less and less relevant. We also believe that our international approach helps to build cultural understanding and mutual respect which are essential for peace and security as we progress through the challenging times of the 21st century.

In review, the 2007 year has been marked by further progress towards achieving our objectives of excellence in research, education and management, a strong international focus, fairness, diversity and self-sustainability.

Our leadership in climate change research was recognised when eight Monash scientists shared in the prestige of the Nobel Peace Prize through their involvement with the UN's climate change expert scientific panel, jointly awarded to the scientists and Al Gore.

Also in 2007 Monash welcomed a new era in scientific research with the official opening of the Australian Synchrotron, adjacent to the Clayton campus.

Total research income increased from \$189 million in 2006 to around \$215 million in 2007.

In 2007 Monash received \$49 million in National Health and Medical Research Council grants, up from \$39 million in 2006, and \$38.7 million for Australian Research Council grants, up from \$35.2 million in 2006.

For total NHMRC programs, projects and fellowships, Monash improved two places in 2007 to rank third in the Group of Eight for these grants and maintained sixth ranking for total ARC grants awarded.

Other research highlights included:

- \$15 million was received from the Commonwealth Government to complement the \$35 million from the State Government for the Australian Regenerative Medicine Institute;
 - Monash participated very successfully in the National Collaborative Research Infrastructure Strategy and was lead partner in the Victorian node of the Australian Nanofabrication Facility, with \$15 million funding from both the Commonwealth and State Governments;
 - New Federation Fellowships were awarded to Professor Douglas MacFarlane, Faculty of Science, and Professor Bernadette McSherry, Faculty of Law, taking our number of Federation Fellows to eight;
 - Our performance in education and management was also strong;
 - Monash received \$10.55 million out of \$83 million distributed from the Commonwealth Government's Learning and Teaching Performance Fund, including funding in each of the four discipline clusters. This was the highest amount awarded to any university;
 - The percentage of VTAC students within the top 5 per cent of ENTER choosing Monash University as first preference rose from 24.2 per cent in 2006 to 27.0 per cent in 2007 and overall Monash University received the highest number of first preferences through VTAC;
 - There was steady improvement in the mean student evaluation scores of units and a marked improvement in all parameters of the Course Experience Questionnaire;
 - The Monash University MBA was placed second in the world in the category "personal development and educational experience" by the Economist Intelligence Unit. Overall, the Monash MBA was the first-ranked program in Australia, third-best in Asia and ranked 43 in the world by the British-based Economist;
 - The new Gippsland Graduate Entry Medical School was accredited by the Australian Medical Council;
 - Monash students won three out of 13 Fulbright postgraduate scholarships and two of eight General Sir John Monash Awards for overseas postgraduate study awarded in 2007;
 - Transition from compulsory amenities fees was managed successfully with student campus experience, sporting activities and the role of the student associations preserved.
- Our achievements on the international front were captured by the official opening of the \$80 million Sunway campus in Malaysia. After a decade-long presence in Malaysia, a purpose-built campus was opened that will be an enduring example of our commitment to international education and engagement. Other measures of our success were:
- The Australian Medical Council gave full accreditation to the Medical School at Sunway campus and student numbers at the campus now stand at over 3300;
 - Student numbers at Monash South Africa increased to over 1700 in 2007 compared with 480 in 2004 and the budget target was comfortably bettered and a new Campus Centre and Learning Commons was opened;
 - An agreement with the Chinese Aluminium Company (CHALCO) to establish an International Centre for Light Alloy Research at Clayton was signed;
 - Commonwealth Government funding to set up a Centre of Excellence in Stem Cell Sciences with Beijing University was obtained and agreement signed;
 - Progress was made towards finalising the joint venture with the Indian Institute of Technology Bombay (IITB) to fund and establish a joint research academy/institute with PhD students recruited and government and industry funding achieved;
 - International student enrolment targets at Monash University in Australia were exceeded with commencing load in 2007 exceeding that in 2006 by 6.3 per cent.

Our financial performance is sound. The operating result for Monash University was a surplus of around \$50 million, exceeding the budget by \$7 million, and the consolidated result (University and controlled entities) of \$169 million reflected the highly successful sale of Monash University's shares in Monash IVF together with successful operation of other controlled entities. Our debt – equity ratio, interest coverage and current ratios are all comfortably within our target ranges.

In the tough and competitive environment of higher education, Monash University has performed very well in 2007. Responsibility for this lies with our outstanding and committed staff, our inspiring students and the support and leadership given by Council. Many challenges lie ahead, but we are well placed to meet them.

I would particularly like to acknowledge the role of the outgoing Chancellor, Mr Jerry Ellis. He has provided outstanding leadership of Council, invaluable advice to me and has steered the University through some challenging times with calmness and wisdom.

I join the rest of the Monash community as it welcomes its new Chancellor, a distinguished alumnus with remarkable achievements in a number of fields, Dr Alan Finkel AM.

We enter our Golden Jubilee year in 2008 proud of what Monash has achieved in its first 50 years and convinced that over the next 50 years, we will play a still greater role in building a better future for the world

Professor Richard Larkins
Vice-Chancellor and President

Report of members of Monash University Council

The Councillors of Monash University present their report together with the consolidated financial statements for the year ended 31 December 2007. The following persons were members of Monash University Council during 2007.

◆ Chancellor

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

Mr Ellis commenced as Chancellor of Monash in 1999. He is the Chairman of the board of directors of the Earth Resources Development Council, Landcare Australia Limited, Future Directions International and Golf Australia. Mr Ellis holds a number of directorships in the fields of finance, mining and engineering and is also a member of the Eisenhower Exchange Fellowships Board of Trustees. Mr Ellis was a member of the following sub-committees of Council: Executive Committee; Resources and Finance Committee; Membership Committee; Selection and Remuneration Committee.

◆ Vice-Chancellor and President

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

Professor Larkins commenced as Vice-Chancellor at Monash on 1 September 2003. His distinguished career in medicine, scientific research and academic management has included appointments as Dean of Medicine, Dentistry and Health Sciences at the University of Melbourne from 1998 to 2003 and the James Stewart Chair of Medicine at Royal Melbourne Hospital from 1984 to 1997. Professor Larkins is a member of the following sub-committees of Council: Executive Committee; Resources and Finance Committee; Membership Committee; Selection and Remuneration Committee; Special Professorial Appointments Committee. He was appointed to the Council of Melbourne Grammar School in 2007 and becomes Chair of Universities Australia in 2008.

◆ President of the Academic Board

Associate Professor John Hurst, BSc BE(Hons) *Adel.* PhD *UNSW*

Associate Professor Hurst has been a member of Council since 2006. He has published more than 60 research papers and is a member of the Australian Computer Society, Association for Computing Machinery, and Institute of Electrical and Electronics Engineers. Prior to his term as President of Academic Board, he was Associate Dean (Teaching), Faculty of Information Technology.

◆ Three persons elected by and from the staff of Monash University

Professorial staff member

Professor Susan Davis, MB BS PhD *Monash* FRACP

Professor Davis has been a member of Council since 2006. She is the Professor of Women's Health at Monash and Director of the Monash University National Health and Medical Research Council Centre of Clinical Research Excellence in Women's Health. Professor Davis is the immediate past President of the Australasian Menopause Society, presently serves on committees of the North American Menopause Society. Professor Davis is a member of the following sub-committees of Council: Executive Committee; Membership Committee.

Non-professorial academic staff member

Dr Carol Williams, BMus(Hons) PhD *Adel.*

Dr Williams has been a member of Council since 2005. She is a Senior Lecturer in the School of Historical Studies at Monash and is a member of the Equal Opportunity Committee.

General staff member

Mr Jeffrey Bender, BEc DipEd *Monash* GradDipLib *Melb.* CAE
MLib *Monash*

Mr Bender has been a member of Council since 2007 and is the Project Manager for the Education Plan Implementation Corps and the Vice-President (General), Monash University Branch, National Tertiary Education Union. Mr Bender is a member of the Resources and Finance Committee.

◆ Two persons elected by and from the students enrolled at Monash University

Undergraduate student member

Ms Zoe Edwards

Ms Edwards, a third year Bachelor of Arts student in the Dean's Scholars Program, has been a member of Council since 2007. An active member of the Monash Association of Debaters, Society of Arts Students and the Monash ALP Club, Ms Edwards was the 2007 President of the Monash Student Association, and Victorian President of the National Union of Students.

Postgraduate student member

Ms Mei-Leng Kok

Ms Kok has been a member of Council since 2007. She has an accounting background and is presently undertaking a Masters program with research interests in the field of International Business at Monash. Ms Kok is active in the Victorian community through her service on the executive committee of the Victoria Day Council, as Treasurer of Asian Television Association and her interests in operatic performance. In addition, Ms Kok sits on the Monash Academic Board as an elected member and is also a member of the Resource and Finance Committee.

◆ Six persons appointed by the Governor-In-Council

Ms Lesley Boston, BA BEd *Melb.* MACE

Ms Boston has been a member of Council since 2004. Ms Boston was Principal of MacRobertson Girls High School from 1996 to 2004 and Mentone Girls Secondary College from 1989 to 1996. A past President of the Association of Girls State Secondary Schools of Victoria and Vice-President of the Alliance of Girl's Schools of Australasia, she is an Honorary Life Member of the Alliance, a Member of the Australian College of Educators and an Honorary Judge of the Celebrating Melbourne Awards. Ms Boston is President of Convocation, University of Melbourne and has been a member of the Committee of Convocation since 1992. She is a member of the Honours and University Relations committees at the University of Melbourne and was previously a member of the Student Support Committee and the Student Theatre Board. Ms Boston is a member of the following sub-committees of Council: Executive Committee; Membership Committee; Special Professorial Appointments Committee.

Mr Charles Curwen, CVO OBE HonLLD FIPA

Mr Curwen has been a member of Council since 2005. Mr Curwen is Official Secretary and Chief Administrator of The Office of The Governor of Victoria, and has an advisory role to the Victorian Government on Trade, Investment and Biotechnology in North Asia and the US.

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

Mr Ramler has been a member of Council since 1990 and was appointed Deputy Chancellor in 1992. Mr Ramler was President of the Chisholm Institute of Technology Council prior to its amalgamation with Monash in 1990, serving the Institute and its predecessor Caulfield Institute of Technology from 1971 onward. Mr Ramler is CEO of Ramler Holdings Pty Ltd, Chairman of the Monash South Africa Board and a member of the Sunway campus, Malaysia Board. He is a member of the following sub-committees of Council: Executive Committee; Resources and Finance Committee; Selection and Remuneration Committee.

Mr Peter Redlich, AO, LLB *Melb.*

Mr Redlich has been a member of Council since 2006. Currently the Chairman of Holding Redlich, Mr Redlich has extensive commercial and legal expertise and has been an adviser to the trade union movement and government for more than 30 years.

Dr Leanne Rowe, AM, MB BS *Monash* DipRACOG FRACGP FAICD

Dr Rowe has been a member of Council since mid 2005 and was appointed Deputy Chancellor in 2007. A past Chair of the Royal Australian College of General Practitioners, Dr Rowe has extensive expertise in governance, finance, human resources, quality and research and ethics. A past member of the Barwon Health Board of Directors, Dr Rowe is a rural general practitioner and an author published by Allen and Unwin.

Dr John Zillman, AO, BA BSc(Hons) *Qld.* MSc *Melb.* PhD *Wisc.* HonDSc *Monash*

Dr Zillman has been a member of Council since 2005. Dr Zillman was the President of the Australian Academy of Technological Sciences and Engineering from 2003 to 2006 and President of the National Academies Forum from 2005 to 2006. From 1978 to 2003 he was Commonwealth Director of Meteorology and from 1994 to 2005 Principal Delegate of Australia to the Intergovernmental Panel on Climate Change. He was President of the World Meteorological Organization from 1995 to 2003 and President of the International Council of Academies of Engineering and Technological Sciences in 2005.

◆ **One person appointed by the Minister**

Vacant

◆ **Six persons appointed by the Monash University Council**

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

Ms Adler has been a member of Council since 1999. She is the Chief Executive Officer of Melbourne University Publishing and serves on the board of the Australian Centre for Contemporary Art. Ms Adler is a member of the Monash University Museum of Art Committee.

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

Professor Bourke has been a member of Council since 2001. He has been involved in Indigenous Education at local, state and national levels in various capacities since 1956. Professor Bourke has held a number of university and public service appointments and was formerly Professor and Dean of the Faculty of Aboriginal and Islander Studies, University of South Australia. Professor Bourke has published extensively on Indigenous issues.

Mr Shane Buggle, BComm Dip.ProfAcc FCPA FCA Ireland CA Aust.

Mr Buggle has been a member of Council since 2007. He is Group General Manager Finance at Australia and New Zealand Banking Group Limited and is a member of the National Executive of the Group of 100. Mr Buggle is a member of the Resources and Finance Committee.

Ms Penelope Hutchinson, BA(Hons) *Lond.* AMusA MA *Melb.* MAICD FCA

Ms Hutchinson has been a member of Council since 2000. Ms Hutchinson is currently the Director of Arts Victoria and previously was a partner at BDO, a Director of BDO Consulting and the National Director – Government Consulting. Ms Hutchinson has served on a number of boards including the Federal Airports Corporation, Medibank Private, and the Victorian College of the Arts. She is also a Director of Melbourne Health.

Mr Ian Pyman, BJuris LLB *Monash*

Mr Pyman has been a member of Council since mid 2005. He is currently a director of Lewinsky Pyman Frees Pty Ltd, a Melbourne-based corporate advisory firm, and a principal of Business Redirections, business and legal consultants. Mr Pyman is also a director of Merchant Capital Ltd, a commercial mortgage broker, Greearth Financial Pty Ltd, a residential loans mortgage manager, and Apollo Medical Imaging Technology Pty Ltd, a supplier of medical imaging software. He was previously a partner for nearly 20 years at Allens Arthur Robinson, one of Australia's largest legal firms. Mr Pyman is also Chairman of Brainwave Australia, a children's charity supporting children with neurological disorders, and is Chairman of the Monash Law School Foundation.

Ms Sue Smith, BEc *Monash* MAICD

Ms Smith has been a member of Council since 2005. In 2006, she retired from the position of Global Executive Director of STA Travel. Ms Smith was the driving force behind STA Travel's growth both locally and internationally and also the Chairman of the not-for-profit STA Travel Trust board. She divides her time between Italy and Melbourne.

Mr Tony Calder – Secretary to Council

◆ **Membership of Audit Committee**

Ms Penelope Hutchinson, BA(Hons) *Lond.* AMusA MA *Melb.* MAICD FCA

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

Mr Peter Redlich, AO, LLB *Melb.*

In attendance:

Mr Jeremy Ellis, MA *Oxon* HonDEng *C.Qld.* FTSE FAICD FAusIMM HonFIEAustCPEng

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

Mr Peter Marshall, BEc *Monash* CAHRI

Mr David Pitt, BSc(Hons) BA *Melb.* MBA *RMIT* FAICD

Mr Greg Connell, BEc *Monash* GradDipBusAdm *Swin.* – Executive Officer and Secretary

Meetings of members

Number of Council and Committee meetings held during the year ended 31 December 2007 and the number attended by each Councillor:

| Councillor | Years served on council | Council | | Executive Committee | | Resources and Finance Committee | | Membership Committee | | Selection and Remuneration Committee | | Special Professorial Appointments Committee | | Audit Committee | | Equal Opportunity Committee | | Honorary Degrees Committee | |
|---------------------|-------------------------|----------|----------|---------------------|----------|---------------------------------|----------|----------------------|----------|--------------------------------------|----------|---|----------|-----------------|----------|-----------------------------|----------|----------------------------|----------|
| | | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended |
| Mr J Ellis | 9 | 10 | 9 | 3 | 3 | 6 | 3 | 3 | 3 | 1 | 1 | | | 3 | 1 | | | 1 | 1 |
| Mr P Ramler | 17 | 10 | 8 | 2 | 2 | 6 | 5 | | | 1 | 1 | | | | | | | | |
| Dr L Rowe | 3 | 10 | 9 | 1 | 1 | 6 | 4 | 3 | 3 | | | 4 | 4 | | | | | | |
| Professor R Larkins | 5 | 10 | 10 | 3 | 3 | 6 | 6 | 3 | 3 | 1 | 1 | 4 | 4 | | | | | 1 | 1 |
| Professor J Hurst | 2 | 10 | 10 | | | | | | | | | | | | | | | | |

| Councillor | Years served on council | Council | | Executive Committee | | Resources and Finance Committee | | Membership Committee | | Selection and Remuneration Committee | | Special Professorial Appointments Committee | | Audit Committee | | Equal Opportunity Committee | | Honorary Degrees Committee | |
|--------------------|-------------------------|----------|----------|---------------------|----------|---------------------------------|----------|----------------------|----------|--------------------------------------|----------|---|----------|-----------------|----------|-----------------------------|----------|----------------------------|----------|
| | | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended | Eligible | Attended |
| Ms L Adler | 9 | 10 | 8 | 3 | 3 | | | | | 1 | 1 | 4 | 1 | | | | | | |
| Mr J Bender | 1 | 6 | 6 | | | 3 | 2 | | | | | | | | | | | | |
| Ms L Boston | 4 | 10 | 8 | 1 | 1 | | | 3 | 3 | | | 4 | 3 | | | | | 1 | 1 |
| Professor C Bourke | 7 | 10 | 9 | | | | | | | | | | | | | 5 | 5 | 1 | 1 |
| Mr S Buggle | 1 | 6 | 4 | | | 3 | 3 | | | | | | | | | | | | |
| Dr C Curwen | 3 | 10 | 9 | | | | | | | | | | | | | | | 1 | 1 |
| Professor S Davis | 2 | 10 | 8 | 3 | 3 | | | 3 | 2 | | | | | | | | | | |
| Ms Z Edwards | 1 | 10 | 9 | | | | | | | | | | | | | 5 | 5 | | |
| Ms P Hutchinson | 7 | 10 | 9 | 1 | 1 | | | | | | | | | 5 | 5 | | | | |
| Ms ML Kok | 1 | 10 | 8 | | | 6 | 5 | | | | | | | | | | | | |
| Mr I Pyman | 3 | 10 | 9 | 1 | 1 | 6 | 6 | 3 | 3 | | | | | | | | | | |
| Mr P Redlich | 2 | 10 | 9 | | | | | 3 | 3 | | | | | 5 | 5 | | | | |
| Ms S Smith | 3 | 10 | 7 | | | | | | | | | | | | | | | | |
| Dr C Williams | 3 | 10 | 10 | | | | | | | | | | | | | 5 | 5 | | |
| Dr J Zillman | 3 | 10 | 6 | | | | | | | | | | | | | | | | |

Subcommittees of Council

Under delegation from Council, Executive Committee can exercise all of the powers, authorities, duties and functions of the Council (other than the power of delegation and the power to make statutes) during the periods between the ordinary meeting of Council on any matter which either the Chancellor or a Deputy Chancellor has certified in writing is of such urgency that it ought not to await consideration by the Council at its next meeting.

The **Resources and Finance Committee** has oversight of the physical and financial resources of the University.

The **Membership Committee** is responsible for the selection and the performance assessment of Council members.

The **Selection and Remuneration Committee** has oversight of policy for the recruitment and appointment of senior staff, including involvement of Council in the selection and appointment of senior staff and quality assurance relating to the integrity and probity of the University's remuneration policies and practices.

The **Special Professorial Appointments Committee** considers proposals for conferring of the title of Emeritus Professor, appointment to personal chairs made on the recommendation of faculties, and of accelerated appointment to professor of fixed term professors, research professors, professorial fellows, adjunct professors, honorary professors and honorary professorial fellows for periods beyond one year when they are not made in accordance with procedures for established chairs.

The **Audit Committee** is responsible for monitoring the adequacy of internal control systems and providing a policy framework for the delivery of an efficient and effective audit function at Monash University and its controlled entities.

The **Equal Opportunity Committee** advises Council on the adoption of policies, revision to policies and strategies that will enable the University to provide equality of opportunity in education and employment, including the provision of equity planning and the fulfilment of affirmative action objectives.

The **Honorary Degrees Committee** considers proposals for the conferring of honorary degrees.

◆ Visitor

Professor David de Kretser, AO, MD BS *Melb.*
MD *Monash* FRACP FAAS FAATSE

◆ Chancellor

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

◆ Deputy Chancellors

Mr Paul Ramler, AM, DipBusMktg MBus(Hons) *CIT* ACIT FAIM AFAMI
Dr Leanne Rowe, MB BS *Monash* DipRACOG FRACGP FAICD

◆ Vice-Chancellor and President

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

◆ Acting Deputy Vice-Chancellor (Education) to 2 September 2007

Professor Merran Evans, BA MSc *Melb.* PhD *Monash*

◆ Deputy Vice-Chancellor (Education) from 3 September 2007

Professor Adam Shoemaker, BA(Hons) *Queen's* PhD *ANU*

◆ Deputy Vice-Chancellor and Vice-President (Research)

Professor Edwina Cornish, BSc(Hons) PhD *Melb.* FTSE FAIM

◆ Deputy Vice-Chancellor and Vice-President (International)

Professor Stephanie Fahey, BA(Hons) *Syd.* PhD *ANU*

◆ Vice-President (Administration)

Mr Peter Marshall, BEc *Monash* CAHRI

◆ Vice-President (Advancement)

Mr Ron Fairchild, BHK *Windsor* CFRE

◆ Vice-President (Finance) and Chief Financial Officer

Mr David Pitt, BSc(Hons) BA *Melb.* MBA *RMIT* FAICD

Establishment, objectives, and principal activities

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 Skills and Workforce Participation, The Honourable Jacinta Allan.

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

- 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
- To provide facilities for university education throughout Victoria and elsewhere by the affiliation of existing institutions, organisations or bodies to the University, by the creation of new institutions, organisations or bodies to be affiliated to the University, by the establishment of tutorial classes, correspondence classes, University extension classes and vacation classes and by such other means as the Monash University Council deems appropriate – and in the giving of instruction and training in any branch of learning the University 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 Monash University Council, which was advised by its subordinate standing committees, other boards and committees, the Vice-Chancellor and senior officers of the University.

The principal activities of Monash University in 2007 were the provision of post-secondary education and undertaking innovative research across a wide-range of disciplines on campuses at Berwick, Caulfield, Clayton, Gippsland, Parkville and Peninsula, and at international campuses in Malaysia and South Africa and a European centre in Prato, Italy.

In addition, the University had more than 100 bilateral institutional links that enabled academic and research collaboration and student exchange programs. It also provided courses to off-campus students.

Faculties of the University were: Art and Design; Arts; Business and Economics; Education; Engineering; Information Technology; Law; Medicine, Nursing and Health Sciences; Science; and the Victorian College of Pharmacy. Each provided undergraduate and postgraduate qualifications. In addition to the faculties, a range of centres 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.

Review of operations

Overview

The Annual Report for 2006 reported on endorsement by Council of the University's *Academic Plan 2006–10*, noting that it lays down Monash's objectives in research and research training, education and international through to 2010. The 2007 Annual Plan therefore focused on the University's high level, university-wide objectives and strategies for that year. Key achievements in 2007 included:

- Eight Monash scientists, as part of the Intergovernmental Panel on Climate Change (IPCC), shared in the 2007 Nobel Peace Prize awarded jointly to the IPCC and former US Vice-President Al Gore;
- Official opening of the new Sunway campus, Malaysia by the Deputy Prime Minister of Malaysia;
- Receipt of \$49 million for National Health Medical Research Council (NHMRC) funding, up from \$39 million last year;
- The award of \$27.7 million from the Australian Research Council (ARC) comprising 75 separate grants, compared to \$17.6 million previously. The number of successful grant applications increased by 57 per cent on last year's figure;
- Receipt of \$15 million from the Federal Government for the Australian Regenerative Medicine Institute (ARMI);
- Awarded \$10.55 million of the \$83 million on offer in the Learning and Teaching Performance Fund (LTPF);
- Launch of Australia's first new architecture course in 30 years, offered by the Faculty of Art and Design;
- The award of two new Federation Fellowships;
- Alliance with UNSW and ANU to spearhead national leadership in climate change research, education and policy (The Universities Climate Consortium (UCC));

- The award of \$2 million to the Monash Immunology and Stem Cell Laboratories (MISCL) by the Federal Government to establish a joint Australia-China Centre for Excellence in Stem Cell Sciences with Peking University.

Performance Indicators

Reputation

In 2007, Monash broadly retained its ranking position (within the 200-300 band) in the *Shanghai Jiao Tong Academic Ranking of World Universities* (SJTU). The 2007 rankings of universities in the Times of London Higher Education Supplement placed Monash 43rd in the world. The Monash University MBA was placed second in the world in the category "personal development and educational experience" by the *Economist* Intelligence Unit. Overall the Monash MBA was the first ranked program in Australia, third-best in Asia and ranked 43 in the world by the British-based *Economist*.

Research

In absolute terms, Monash improved in almost all of its research measures. Monash ranking in share of national competitive grants improved from sixth in 2005 to fourth in 2006. Monash's rankings in total research income and weighted publications were maintained at fourth.

Education

Monash's share of the top 5 per cent of Victorian Tertiary Admissions Centre (VTAC) entrants decreased from 33.5 per cent in 2006 to 32.9 per cent in 2007. The imminent introduction of the Melbourne Model has led to a decrease in the number of deferrals at Melbourne and this has negatively impacted on Monash's market share. Overall performance in the areas of student experience and graduate outcomes are meeting the University's aspirations.

International

Monash's ranking within the Group of Eight (Go8) remained at sixth for international Higher Degree Research (HDR) student load, with share of international research funding rising to fifth position in 2005.

Equity

Monash continues to meet its aspirations for access and participation rates for students from rural areas and non-English speaking backgrounds. Monash maintained its ranking of third in 2006 with more than a quarter of senior positions held by women.

Environment

Monash's energy consumption continued to increase in the five year period to 2006 with Monash ranked sixth within the Go8. The University has committed to an overall reduction in energy consumption of 20 per cent by 2010 (from 2005).

Administration

The Staff Attitude Survey, conducted in May 2007, was designed to provide staff members with an opportunity to offer their views and feedback on working at Monash. The 2007 survey focused on employee engagement. There has been a 10 per cent increase in overall satisfaction.

Advancement

In 2005, Monash held a 5.4 per cent share of non-DEEWR (Department of Education, Employment and Workplace Relations) domestic student load. In 2006, Monash held a 7.6 per cent share of non-DEEWR international student load.

Risk Profile

The 2007 University's *Consolidated Risk Management Profile* continues to identify risks in areas of teaching, research and finance. Risk management strategies are on-going and include:

- Strengthen existing student markets and widen recruitment areas;
- Further develop Monash's research capacity;
- Further develop Monash's various funding streams, including funding in research and fundraising initiatives; and
- Enhance the quality of student experience.

Environmental regulation

Monash University is subject to a range of environmental regulations under both Commonwealth and State legislation. The regulations, compliance and major initiatives are detailed in the Environmental performance section of this report.

Insurance of officers

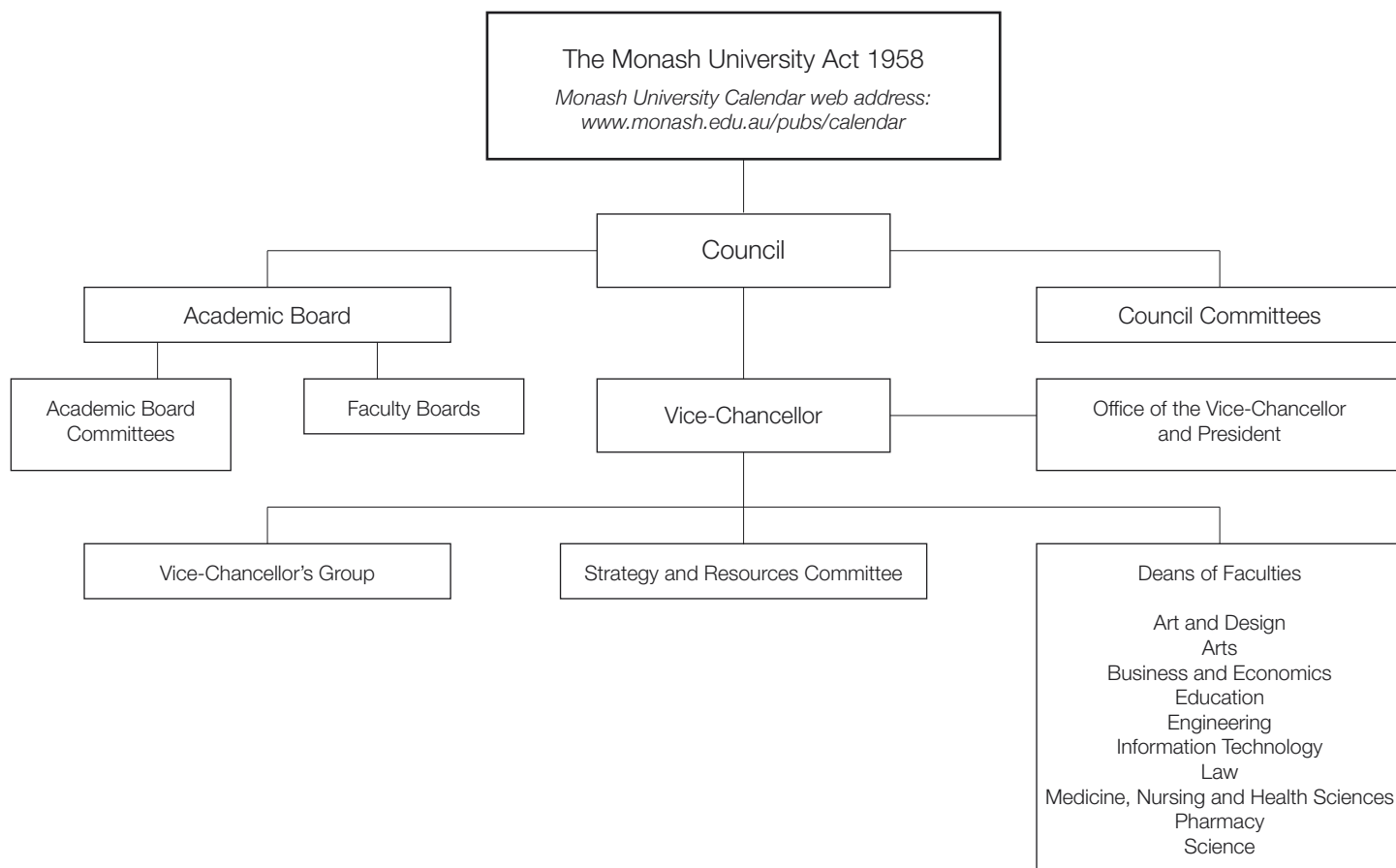
During the reporting period, the University incurred a premium for maintaining a Directors' and Officers' Liability/Company Reimbursement Insurance Policy for Council members and senior officers.

This report is made in accordance with a resolution of the members of Monash University Council.

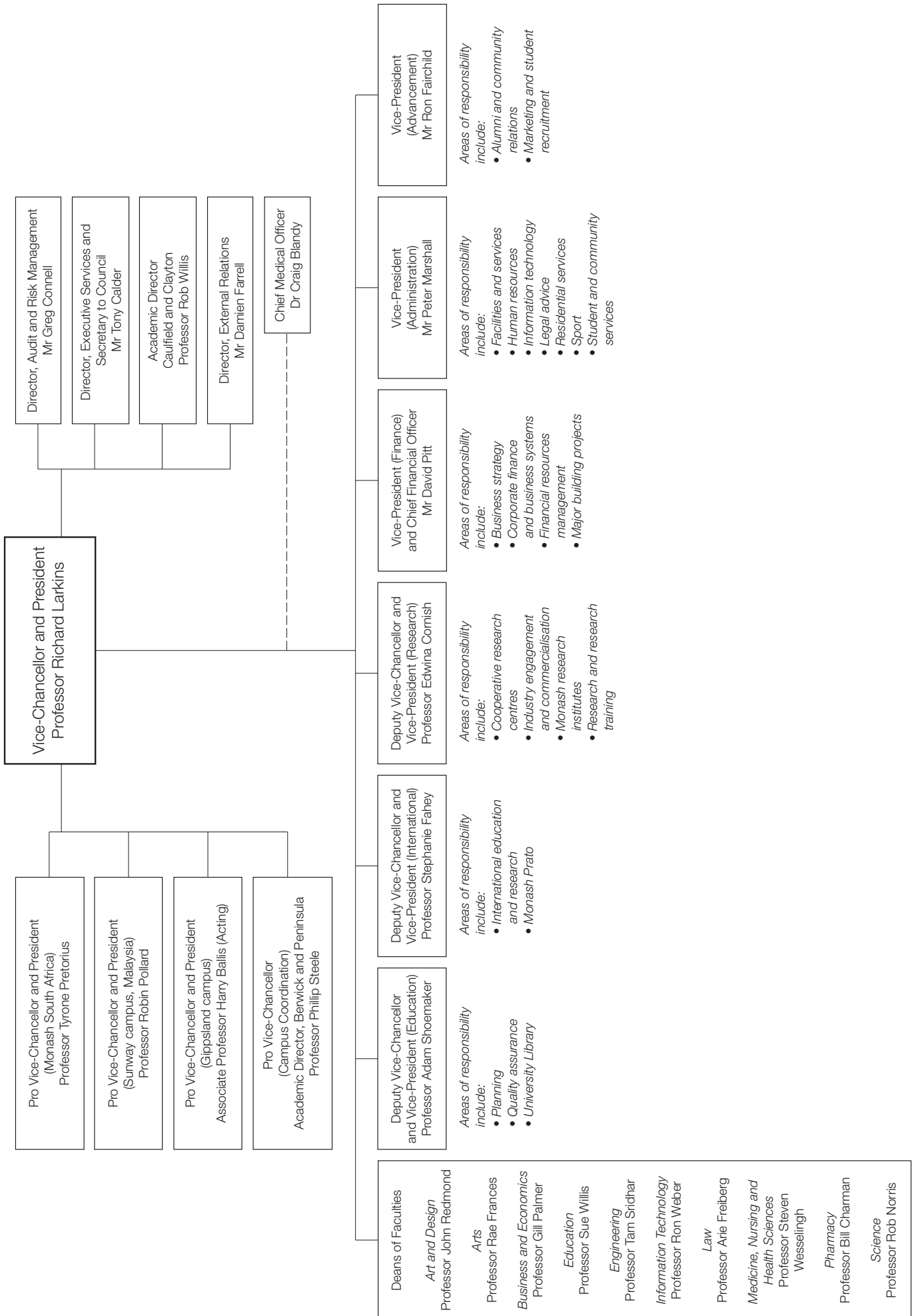
Dr Alan Finkel
Chancellor

Organisational charts

Overall governance and management



Senior management structure



Core business:
education, research, international

Operational objectives and initiatives

This section of the *Annual Report* details further progress by the Education, Research and International portfolios towards achievement of the University's objectives. The overall direction of the University is detailed in the long-term directional statement *Monash Directions 2025*, and the intermediate strategic framework from the document 'Excellence and Diversity, Strategic Framework 2004–2008' available from www.monash.edu.au/about/monash-directions/excellence.html.

There are individual plans relating to Education, Research and Research Training, and International, and the most significant parts of these have been incorporated into the *Academic Plan 2006–2010*. Annual plans focus around the academic plans and detail the objectives and targets for each sequential 12-month period. The following sections detail the achievements against these objectives during 2007.

Education

The *Academic Plan 2006–2010*, comprises plans for research and research training, the education and international portfolios. The Education section of the *Academic Plan* consists of eight main objectives and details the specific targets and strategies related to each of these objectives. Actions, resources and responsibilities are set out in an Annual Plan and progress towards meeting these objectives is monitored biannually. In addition, the Library's Education Support Plan was introduced in 2007, to support its existing Research Support Plan.

The eight objectives of the Education section of the *Academic Plan* may be accessed at www.monash.edu.au/teaching/academic-plan-2007.pdf

Increased demand for our places from a diverse range of the most-able students

In 2007, Monash continued to experience strong levels of demand, in both first and total preferences, including from the most-able students. The University again exceeded its target for increasing its market share of high-performing students.

This demand in part reflects the impact of new courses, as well as the continuing appeal of double degrees and the choices available from a large range of generalist and professional degrees. The introduction of the Architectural Practice course in 2008 will also appeal to high achieving students.

To further build on these successes, a number of projects were undertaken to enable high-performing and academically promising students to enrol at Monash irrespective of their means and circumstances. A review of the Schools Access Monash program, aimed at increasing tertiary participation, was undertaken and the number of participating schools expanded. A review of Indigenous Access programs was also undertaken and a number of strategies will be implemented in 2008. As part of the Review of Coursework undertaken in 2007, many research projects were completed which will inform future strategies for attracting talented students from diverse backgrounds. Monash has introduced aptitude tests, including a trial using the Victorian General Achievement Test (GAT) for VCE students, as an additional selection mechanism to identify students whose results may not fully reflect their ability to succeed in tertiary study.

Results in indices, rankings, competitions, external audits and assessments

In 2007, the University received recognition of its excellence in teaching and learning through the allocation of funds from the Federal Government's Learning and Teaching Performance Fund (LTPF). Monash received \$10.54 million based on its excellent performance in all of the four discipline groupings: in Band A1, 2nd in the university sector in Health; and in Band A2 for Science, Computing, Engineering, Architecture, Agriculture; Business, Law, Economics; Humanities, Arts and Education. In monetary terms, Monash ranked first overall in the university sector.

At the end of 2006 and early 2007, the Australian University Quality Agency (AUQA) and the South African Higher Education Quality Committee (SAHEQC) released their audit reports about Monash. AUQA commended Monash on its planning, performance monitoring and quality assurance processes, its educational pathway programs into the University, and its educational support services provided by the Monash University Library. The SAHEQC was generally favourable with four commendations for good practice, including the Academic Development Program at Monash South Africa.

The national accreditation board of Malaysia, Lembaga Akreditasi Negara (LAN), undertook a combined audit/re-accreditation exercise at Sunway campus, Malaysia in March 2007. The findings of this audit/re-accreditation were positive with the panel recommending full accreditation of all courses. With the dissolution of LAN and establishment of the Malaysian Qualifications Agency (MQA) late in 2007, Monash (through the PVC Quality) was invited to participate in the development of a new national code of practice for program accreditation and institutional audit.

Education policy, programs and pedagogy

The quality of education at Monash is a key priority for the University, as outlined in the *Academic Plan 2006–2010*. Robust planning, policy and management are required to support Monash's education objectives. In 2007, Monash managed its rolling three-year education policy review cycle and undertook biannual education policy compliance audits. A number of policy developments were undertaken to strengthen Monash's coursework programs including the review of plagiarism; special consideration; qualifications categories; grading; course structure; and establishing, disestablishing and amending course and unit policies and procedures. A major review of the statute, regulations, policies and procedures governing assessment commenced in 2007 and recommendations are expected to be implemented in 2008.

The effective management of multi-campus programs is important to ensure equivalence of academic standards, alignment with university, faculty and campus strategic objectives and effective program marketing. In 2006, the University developed the Academic Programs Offered from Multiple Campuses Policy, which was implemented from the beginning of 2007. This new policy applies to all courses and units offered from more than one campus or where students undertake studies on more than one campus, including campuses in Australia, Malaysia and South Africa. It also applies to courses and units that are offered concurrently in both on-campus and off-campus mode.

In 2007, a comprehensive review of coursework was undertaken and a summary report and a series of supplementary discussion papers and analyses have been produced. The report includes a list of recommendations for consideration. The key areas addressed by the Review of Coursework Report are – Course Delivery Architecture and Coursework Principles, Employability and Employment Outcomes, Internationalisation of the Curriculum, Generic Graduate Attributes, Research-led Teaching and Ethics in the Curriculum.

All units offered by the University are evaluated by students at least annually, using a survey with 10 common items across all faculties. In 2007, unit evaluation data showed a general trend of improvement in each of the common quantitative items since 2005. Improvement in unit performance is effected through response teams that operate collaboratively with faculties in delivering interventions and support.

Unit and Course Profiling, a system to consolidate core performance metrics for units and courses, was launched in 2007. The system provides single-page reports of an agreed set of indicators, with three-year time series, on variables such as enrolment, attrition, progression, grade point average, unit evaluation, Course Experience Questionnaire, Graduate Destination Survey, student cohort data and financial data. Each variable has 'red and green light' indications of performance against targets to denote areas worthy of further consideration for recognition and reward or for follow-up and improvement.

The Monash Experience Questionnaire (MEQ), a survey of all currently enrolled undergraduate and postgraduate coursework students, was conducted again in 2007. The MEQ obtains systematic feedback on the quality of the student experience and completed returns were received from more than 14,700 students (a response rate of approximately 30 per cent). Results show improvement in ten of the 11 scales compared with the 2005 survey, which itself showed improvement across the board from the 2003 survey. The provision of timely and appropriate feedback to students on assessed work continues to be a major area requiring ongoing improvement.

The Centre for the Advancement of Teaching and Learning (CALT) has a number of responsibilities for the implementation of Monash's education objectives as outlined in the *Academic Plan 2006–10* including: developing academic staff, recognising and rewarding good teaching and extending good practice with regard to sector-wide teaching assessments, as well as contributing to Monash's educational quality generally. As part of these activities, CALT is responsible for the administration of Teaching Awards introduced by the Carrick Institute and Monash was pleased to

receive five Citation Awards in 2007; CALT itself also received two Carrick Grants related to teaching and academic leadership. A Carrick Action Plan is being implemented to further improve Monash's performance with respect to funding and awards.

Another initiative undertaken in 2007 relating to the improvement of teaching has been the Communication and Learning Enhancement for Academics and Researchers (CLEAR) project which identifies weaknesses in the quality of teaching for some Monash staff whose language and communication skills require development, and provides a program of support and development.

Monash's commitment to maintaining its leadership role in the appropriate use of communication and information technology in teaching and learning was enhanced by the Educational Technology Committee. As well as supporting innovation and advancement in this area, the Committee developed the Educational Technology Framework, which will set directions and update policy for the near future.

Monash University Library

During 2007 the library assumed responsibility for the University's language and learning services with the inclusion of the Learning Skills Unit into its operations. This is one of the library's most significant contributions to the University's education objectives this year.

The library continues to provide excellent support to Monash's staff and students, as evidenced by once again achieving improvements in the results of the biennial survey of library users. This survey also enables comparisons against Group of Eight University Libraries and this year's results showed an improvement in the library's ranking in several important areas. Quarterly reviews of faculty expectations showed that the library met or exceeded most of its performance indicators reported throughout 2007.

During 2007 more than 3.5 million visits were made to the Monash libraries. The library's collection continued to grow, with over 44,000 new volumes added to the physical collection. Continued growth of electronic resources means that Monash has one of the best developed collections in Australia, providing access to almost 800 databases, almost 75,000 electronic journals, and more than 245,000 electronic books.

The Facilities Master Plan coordinates an ongoing program of improvement and refurbishment across all campuses. During 2007 planning was completed for a major refurbishment of the Pharmacy Library and work on this project will be completed during the first half of 2008.

In partnership with the e-Research Centre and Information Technology Services (ITS), library staff are playing key roles supporting best practice in the development of repositories for published and unpublished research. During 2007 the Monash node of ARROW (Australian Research Repositories Online to the World) extended its content significantly and now includes material from a wide range of research disciplines. The range of titles offered by the ePress continued to grow.

The library continues to serve as the cornerstone of the academic enterprise at all Monash campuses, and it serves to underpin all eight objectives of the Education section of our Academic Plan.

Professor Adam Shoemaker
Deputy Vice-Chancellor (Education)

Research

The Research and Research Training Plan (2006-2010) specifies three core objectives:

- Research Excellence;
- Impact through Research Training; and
- Impact through Engagement and Collaboration.

In 2007, there were a number of major achievements which supported Monash's research and research training goals.

Research excellence

In 2007, Monash attracted \$96 million in national competitive grants, an increase of 11 per cent on the previous year. The University attracted grants to the value of \$38.7 million from the Australian Research Council comprising of:

- \$27.7 million in the ARC Discovery Program, which was a 57 per cent increase in the total value of grants awarded in 2007, as compared to \$17.6 million in 2006;
- \$5.9 million for ARC Linkage;
- \$3.2 million for ARC Federation Fellowships;
- \$1.6 million for ARC Large Infrastructure, Equipment and Facilities (LIEF) grants.

The University has continued to perform strongly in the National Health and Medical Research Council (NHMRC) funding rounds and was awarded grants valued at \$49.5 million in 2007, comprising of:

- \$29.6 million for 56 NHMRC project grants which is the highest number of NHMRC Project grants ever awarded to Monash University, representing a 21 per cent increase on the number of project grants awarded from the previous year;
- \$11 million for one NHMRC Program grant representing 10 per cent of the total funds allocated nationally for 2007. Monash ranked first amongst the Group of Eight in the total value of dollars awarded for the NHMRC program grant;
- \$4.9 million in NHMRC Research Fellowships.

Through the National Collaborative Infrastructure program, Monash was awarded \$27.3 million by the Federal Government and \$19.6 million by the Victorian State Government. This funding will support the establishment of key research infrastructure in the areas of proteomics, animal models of human disease, nanotechnology, advanced microscopy and microanalysis, biotechnology products, geosciences and data management.

In 2007, external recognition of research excellence at Monash included the award of:

- Two Federation Fellowships to researchers in the faculties of Law and Science;
- Five Monash researchers were made fellows of Australian research academies;
- Eight Monash scientists shared in the prestigious Nobel Peace Prize through their involvement with the UN's Intergovernmental Panel on Climate Change, jointly awarded to the scientists and former US Vice-President Al Gore.

A Monash researcher was awarded the 2007 Commonwealth Health Minister's Award for Excellence in Health and Medical Research and the prestigious 2007 Gottschalk Medal.

A Monash researcher was awarded a 2007 Young Tall Poppy Science Award in recognition of their outstanding achievements in the understanding and promotion of science.

The 2007 Vice-Chancellor's Award for Excellence in Research by Early Career Researchers was shared by two recipients, from the Faculty of Arts and the Faculty of Medicine, Nursing and Health Science respectively.

Monash Research Month was developed and coordinated as a joint initiative between the Office of the Deputy Vice-Chancellor (Research) and Marketing and Student Recruitment. The month was designed to raise the profile and understanding of research at Monash both internally and externally. There were 11 centrally coordinated events and 49 faculty events which included public lectures, Higher Degrees by Research (HDR) information sessions and a HDR poster exhibition. A total of 1107 people registered to attend research month events (56 per cent internal and 44 per cent external).

A research orientation program was developed and the first session held on 7 August 2007. The program will be held twice a year and targets all new academic and research staff to Monash.

Impact through research training

In 2007, Monash achieved an increase of 15 per cent in international HDR students. The number of national HDR students remained stable.

An HDR Recruitment Plan was jointly developed by members of the Research Graduate School Committee and representatives of the Monash Research Graduate School, Marketing and Student Recruitment of the Advancement Division, the Office of the Deputy Vice-Chancellor (International), faculty research and marketing units and the Careers and Employment unit. Implementation of the plan will continue in 2008.

The Commonwealth Government awarded Monash \$378,600 through the Commercialisation Training Scheme to provide certificate level training to selected HDR students in 2007. In 2008, a further \$404,520 has been allocated to Monash. Monash Research Graduate School, together with the Graduate School of Business (GSB) will continue to review, develop and promote the attractiveness of the Commercialisation Training Scheme program in 2008.

Monash is committed to providing enhanced support for HDR students. In addition to the Monash funded scholarships, in 2007 Monash awarded 335 postgraduate travel grants (\$315,000) and 27 Equity Postgraduate Research Travel Grants worth \$74,600.

Monash was awarded \$1.64 million in Federal Government funding under the Workplace Productivity Program to move the current scholarship and admission procedures involving submission of hard copy applications to an online internet based system, and to integrate the current diverse and incompatible range of inquiry procedures into a streamlined and accessible environment.

The Monash exPERT program, an annual seminar and workshop program for postgraduate research students which focuses on key aspects of employment and research training and the development of generic and transferable skills, continued to expand in 2007. In recognition of the diversity of the Monash postgraduate research community and to increase the accessibility of the exPERT program to all students, the Monash Research Graduate School offered a program of skills-based training seminars and developed a range of innovative studio-based DVDs. The Monash ExPERT Program is now recognised on the Australian Universities Quality Agency (AUQA) Good Practice Database, as an example of international good practice in higher education.

As part of Monash Research Month, 198 current HDR students submitted posters highlighting their research projects for the HDR student poster exhibition.

Monash continued its program of training for supervisors of HDR students in 2007. The Monash Research Supervisor Accreditation Program offered level 1 all-day workshops and advisory panels (2 hour seminars) to 522 staff. Level 2 master classes were attended by 579 staff (level 2 accreditation is attained after attendance at five master classes which cover a number of supervision-related topics). Overall, 376 Certificates of Accreditation were issued in 2007 (286 for Level 1 and 90 for Level 2), an increase of more than 100 per cent in comparison to 2006.

A PhD student in the Department of Epidemiology and Preventive Medicine, was awarded the prestigious 2007 Ralph Reader Prize - Basic Science Section, by the Cardiac Society of Australia and New Zealand for his paper entitled: 'Reduced cardiac fibrosis and improved ventricular function in an experimental model of myocardial infarction using a purpose designed direct antifibrotic drug'.

A former PhD student from the Department of Epidemiology and Preventive Medicine and Head of Clinical Epidemiology at Cabrini Medical Centre, was awarded a commendation in the 2007 Premier's Award for Medical Research for work done in the area of health policy and back pain research.

Impact through engagement and collaboration

Monash's strategy for increasing engagement with industry and government has involved enhancing the Industry Engagement and Commercialisation Group, investing in University-wide institutes to address national priority research issues drawing on expertise from multiple disciplines across the University, and constructing state-of-the-art infrastructure and research platforms with open access to industry and other research collaborators.

Some of the outcomes achieved in 2007 aligned to our engagement and collaboration strategy included:

- Key appointments were made to the positions of Pro Vice-Chancellor (Industry Engagement and Commercialisation), Director, Monash Sustainability Institute, Director, Monash Accident Research Centre, Director, Monash e-Research Centre and the Director, Monash Institute for Regional Studies;
- The Federal Government awarded \$15 million towards the establishment of the Australian Regenerative Medicine Institute in addition to the \$35 million provided by the State Government awarded in 2006;

- \$45 million for the establishment of the Melbourne Centre for Nanofabrication. Monash is the lead agency for the centre. The Federal Government and the Victorian State Government each contributed funding of \$15 million; CSIRO contributed \$10 million; Monash provided funding of \$2.5 million; RMIT, Swinburne, La Trobe, Melbourne and Deakin universities each contributed \$0.5 million.

Monash and CSIRO continued to offer grants through a jointly-funded Collaborative Research Support Scheme (CRSS) to seed collaboration between Monash researchers and CSIRO staff. In 2007, the scheme awarded seven grants to the value of \$300,000.

Monash participated in Australia's successful application to the European Molecular Biology Laboratory (EMBL) for Associate membership status. EMBL is one of the top research institutions in the world and the flagship of European molecular biology, ranking as the highest non-US institute in research performance (ISI Science Indicator, 1992-2002).

The 12th International Metropolis Conference was officially opened by the Hon John Brumby, Premier of Victoria. Hosted by the Monash Institute for the Study of Global Movements and the Australian Multicultural Foundation, the five-day event held in Melbourne during October was attended by 700 local and international delegates, including more than 100 from Canada. The conference was research-based and included the launch of three Monash associated publications, among them Social Cohesion in Australia. Funded by the Scanlon Foundation and published by Cambridge University Press, the book was launched by the Hon James Merlino, Minister Assisting the Premier on Multicultural Affairs.

The Monash Accident Research Centre (MUARC) celebrated its 20th anniversary in 2007. MUARC was founded in 1987 in a bid to curb Victoria's alarming road toll. Research initially targeted initiatives aimed at reducing drink driving and excessive speeding. By 1992, Victorian road fatalities had dropped by almost 50 per cent and serious injuries by more than 40 per cent. This has been further reduced to the point where Victoria's fatality rate is today amongst the lowest in the world.

Professor Edwina Cornish
Deputy Vice-Chancellor (Research)

International

Monash University adopted an International Statement of Purpose to support and integrate the understanding of internationalisation more effectively into the activities of the University.

The University awarded \$800,000 through the International Strategic Projects Fund to support a range of innovative activities that enhance the University's international focus. The fund represents a specialised aspect of the University's strategic approach and supports significant international enterprises that cannot be funded by other means.

International campuses and centres

Malaysia's Deputy Prime Minister opened the new Sunway campus, Malaysia. Student numbers have increased from 3119 in 2006 to 3300. Postgraduate and Higher Degrees by Research have commenced and an active research program is in place with support from Malaysian Government and industry sources.

Monash's campus in South Africa has increased its student numbers from 900 in 2006 to 1710. A new research initiative for Africa was announced to draw African specialist researchers from around Australia to support collaborative research and education initiatives. A Monash University Fund for Education in South Africa was launched to raise corporate and government funding in support of education scholarships.

Monash concluded the operations of its London Centre and will refocus its efforts and resources towards increasing its support for collaborations and mobility of researchers with selected institutions in the UK. Monash will remain the principal Australian university supporter and sponsor of the Menzies Centre for Australian Studies at King's College.

The Monash Prato Centre maintained its multidisciplinary presence in Europe with nine of Monash's ten faculties utilising the facilities for courses or conferences. The 27 international conferences and workshops conducted in Prato enhanced global links and research projects. Of particular note are research projects initiated in the area of accident research and migration and integration studies. A varied teaching program comprising 34 courses from four different faculties was delivered, in some cases in collaboration with European and North American universities

thus providing valuable benchmarking experiences for both staff and students. In particular the Faculty of Art and Design teaching program was expanded to include a postgraduate component and the Faculty of Law negotiated a substantial increase in its offerings to include the participation of new university partners. The Centre has consolidated links with the universities of Bologna, Florence, Rome (La Sapienza) and the European University Institute in Florence and created new international institutional links in the area of Medieval and Renaissance studies.

Monash Abroad, in partnership with faculties, continued to encourage Monash students to enhance their academic experience by undertaking part of their Monash course overseas. Opportunities offered to students included intercampus exchanges to the Monash campuses in Malaysia and South Africa, exchanges to more than 115 partner universities in 26 countries and nearly 50 different short term international study programs. More than 1280 Monash students took up one of these opportunities, an increase of 38 per cent over the previous year and the University provided \$1.4 million in travel grants to these students.

Global partnerships

Monash has strengthened its partnership with Sichuan University by hosting a senior delegation of academic Deans, formalising a research framework to conduct joint projects in key areas of mutual interest and developing joint academic programs.

Monash Immunology and Stem Cell Laboratories was awarded a prestigious Federal Government grant to establish a joint Australia-China Centre for Excellence in Stem Cell Sciences with Peking University. The grant has been matched by the Chinese Government.

Monash has established a new consortium to provide a platform for research and industrial engagement between Australia and China. The Australia-China Consortium on Engineering Education and Research (ACCEER) will foster active interaction between Monash, Wuhan University of Technology and Central South University. Industrial partners include Rio Tinto, the Aluminium Corporation of China Ltd (CHALCO) and the Wuhan Iron and Steel (Group) Corporation.

Monash and Aluminium Corporation of China Limited (CHALCO) signed an agreement to establish the Australia-China International Centre for Light Alloy Design (ICLAD). The centre will focus on alloy design, processing, characterisation and application, and joint research projects to address strategic targets in materials design and manufacture.

Monash and the Indian Institute of Technology, Bombay, have agreed to the creation of a joint academy institution for research and research training in areas of mutual importance to India and Australia. The PhD agreement has been signed and the first students have commenced at the Academy.

To help enhance our global partnerships and networks, Monash introduced a central information management system to consolidate information on all international partnerships, agreements and activities.

Monash College

Monash College Pty Ltd is the new name adopted for Monash College Group Pty Ltd. The company offers successful academic pathway programs both onshore and offshore through the Monash College and Monash University Foundation Year (MUFY) business units. Approximately 90 per cent of Monash College students who completed their higher education diplomas with the College, either onshore or offshore, subsequently enrolled in Monash University undergraduate courses. These students in general performed as well as or better than direct entry students to the University.

Monash College launched Monash Professional, a business unit which offers a range of workplace related education and training courses including short-courses from its Melbourne CBD premises and internship placements for Australian and foreign students. These innovative programs address workforce and skill shortages and help Monash University graduates become more "workplace ready".

The company's Monash University English Language Centre (MUELC) and Monash Academy Study Groups business units offered a range of ELICOS programs to groups and individuals seeking entry into Monash University. MUELC also offers support programs for students in the University.

Professor Stephanie Fahey
Deputy Vice-Chancellor (International)

Report of the Pro Vice-Chancellor and President, Sunway campus, Malaysia

Monash University was the first foreign university to be invited by the Malaysian government to open a campus in Malaysia. Located in Bandar Sunway, Selangor Darul Ehsan, the Sunway campus is a joint-venture between Monash and the Sunway Group. It is administered by an operating company, Monash University Sunway Campus Sdn. Bhd., and is governed by a board.

Since commencing operations in 1998, enrolments have grown steadily, accompanied by an increasing breadth and depth of programs and research activities offered by the schools of Arts and Sciences, Business, Engineering, Information Technology, and Medicine and Health Sciences. Highlights in 2007 included:

- Relocation to a new, purpose-built campus;
- In Semester 2 a 60 per cent increase in enrolments by commencing students;
- Opening of a new medical school;
- Award of the Business of the Year by the Malaysia-Australia Business Council;
- Appointment of Professor Robin Pollard as Pro Vice-Chancellor and President.

Strategic Planning

Strategic planning and reporting at Sunway campus is underpinned by the following documents:

- Campus Directions 2015;
- Educational Plan 2006-2010;
- Operational Plan 2008-2010;
- Research and Research Training Plan 2008-2010.

Operational Plan 2008-2010

The Operational Plan 2008-2010 was developed and approved in 2007. The plan articulates a vision for Sunway campus to be the premier private research-intensive university in South-East Asia, contributing to the Malaysian nation and to the region. To continue the ongoing development of the campus, the incoming Pro Vice-Chancellor has endorsed the following objectives drawn from the operational plan:

- Increase campus student load;
- Increase and promote scholarly research;
- Improve the depth of engagement by academic staff in teaching;
- Improve engagement in governance by academic staff and students;
- Improve the performance of administrative units; and
- Use strategic planning to guide developments.

The plan delegates accountability for meeting benchmarks to the relevant portfolios and progress will be measured against it during future reviews.

Quality improvement cycle

To further the strategic objectives of Sunway campus, the Monash quality cycle (planning, implementation, evaluation, and ongoing quality improvement) was embedded in campus activities. The range of survey evaluations and their frequencies include: unit evaluation (every semester); teaching evaluation (annually); student experience evaluation (every second year); support services evaluation (every other year); staff attitude survey (annually); graduate destination survey (annually); and employer experience survey (annually).

Teaching quality

Survey data was analysed and benchmarked, and action plans developed, with focus on areas in need of improvement. It is of note that the results of unit evaluations by students demonstrate that, due to ongoing improvement in teaching quality, the campus has achieved results consistent with greater global University-wide evaluation items.

Accreditation

The Malaysian Qualifications Agency (MQA) (previously the Lembaga Accredits Negara (LAN)) conducted an institution-wide audit in March 2007 and subsequently granted full accreditation to all courses offered at Sunway campus (applied retrospectively from January 2007). The accreditation of professional courses is additionally dependent on professional body decisions which operate under different schedules.

Monash University Sunway campus was the first university in Malaysia for which LAN/MQA conducted an institutional-wide audit and, subject to developments in government policy, the Sunway campus may be granted self-accrediting status for its courses in the future.

A panel from Engineers Australia visited to assess undergraduate engineering programs. It is anticipated that the panel will recommend accreditation of undergraduate programs in mechanical and mechatronics engineering and ongoing accreditation of the provisionally accredited electrical and computer systems engineering course.

The Nursing Board of Malaysia visited the campus and is expected to recommend full accreditation of the Bachelor of Nursing (Post Registration), reporting to the Malaysian Qualifications Agency.

Facilities

A new purpose-built campus was officially opened by the Deputy Prime Minister of Malaysia on September 3rd, 2007. The campus of 66,000m² provides high-quality teaching and research facilities and resources for up to 5000 students.

Undergraduate medical program

From 2007, Bachelor of Medicine/Bachelor of Surgery students were able to complete their studies at Sunway campus. The previous two student cohorts were required to spend at least one year studying in Victoria. Two groups also returned from Victoria to continue their studies at Sunway campus.

The new Tan Sri Jeffrey Cheah School of Medicine was officially named in honour of the Malaysian businessman, philanthropist and Monash University partner.

Admissions and enrolments

The majority of commencing students have completed a pre-university program, such as the Monash University Foundation Year or the International Baccalaureate. As the campus has built its reputation in the region, it has attracted better prepared commencing students, with the average admission score for Semester 1 in 2007 equivalent to an Australian ENTER score of 87.

Total enrolments increased from 2846 students in 2006 to 3366 in 2007, of which 27 per cent were international students. Enrolments by international students grew by 56 per cent in 2007 in comparison to the previous year and the majority originated from Indonesia, Sri Lanka, Singapore and Bangladesh. Significantly enrolments by commencing students grew by 20 per cent and 60 per cent in Semester 1 and 2 respectively in comparison to the previous year.

Student mobility

Sunway campus students participated in the Inter-campus Exchange Program coordinated by Monash Abroad, with ten inbound and 82 outbound exchanges taking place. There was also one outbound exchange through the Inter-University Exchange Program. Short-term visits to Sunway campus by students from other Monash campuses included 35 Faculty of Law students and 20 Faculty of Medicine, Nursing and Health Sciences students.

Research

Sunway campus is committed to increasing research output as measured by the number and value of research grants received, collaboration with external institutions, and the number of scholarly publications.

From an initial enrolment of nine students in 2005, masters by research and PhD programs have grown to an enrolment of 48 students in 2007.

In 2007, researchers received a total of RM1.1m in internal grants funded by Sunway campus.

A total of RM2.5m was received in external research grants, consisting of:

- RM1.7m from the e-Science Fund scheme administered by the Malaysian Ministry of Science, Technology and Innovation, Malaysia. Many projects funded by this scheme involved collaborations between Sunway campus, colleagues at other Malaysian research institutions and Monash campuses in Victoria;
- RM0.6m from the Malaysian Ministry of Health.

In addition, RM0.2m was received from Monash University for neuroscience projects.

Scholarly publications

An increasing emphasis was placed on publishing in recognised, well-regarded scholarly journals with diminished emphasis on conference-level publications. Using DEEWR research measures, the number of research articles increased by 81 per cent during 2006 in comparison to the previous year.

Community engagement

In 2007, community engagement activities undertaken by staff and students included:

- Pro bono clinical service and teaching by School of Medicine and Health Science staff;
- A project to provide English language tuition to rural children in Jeli, Kelantan. Sponsored by the Minister of Higher Education, three visits were conducted, with 25 Monash staff and students participating;
- Professional development for 37 English language teachers from rural areas of Malaysia.

The campus is also an active member of the Malaysia Australia Business Council (MABC).

Administration

In October 2007, Professor Merilyn Liddell concluded her term as Pro Vice-Chancellor and President and was congratulated by the Vice-Chancellor for her outstanding contribution to campus development. Professor Robin Pollard was welcomed as her successor. The Pro Vice-Chancellor and President is responsible for managing and coordinating the ongoing academic development of the campus, and also the person who provides line management for the academic and administrative support staff of the campus.

In November 2007, a restructure of campus administration was completed, following a period of consultation with staff. The objective was to support increased professionalism in administration, and involved reducing the number of administrative units, provide for greater leadership and coordination, improve the capacity of middle management, and enhance the scalability of campus operations during its continuing growth.

Professor Robin Pollard
Pro Vice-Chancellor and President
Sunway campus, Malaysia

Report of the Pro Vice-Chancellor and President, Monash South Africa

To support the ongoing development of Monash South Africa (MSA), the three-year campus plan released in 2005 was updated. Within that Plan, the Campus Directional Statement (2007-2009) articulates the following vision for MSA:

MSA will be a pre-eminent higher education institution in the country and region. It will be considered an exemplar of an international campus throughout the global higher education sector. It will be a site where the goals of the broader Monash are realised and an active and integral member of the Monash family.

The academic vision of Monash South Africa is to play a positive role in the educational, economic and social development of southern Africa; to build educational, research, economic and cultural links within South Africa, between South Africa and Australia, and the rest of the world; and to participate strongly in Monash University's international operations. In so doing, Monash South Africa is committed to advancing human rights, social justice and a sustainable environment.

The statement:

- Provides a strategic framework to support current and new programs, and continued growth in enrolments at the schools of Arts, Business and Economics and Information Technology. It is of note that growth in enrolments for 2007 successfully met and exceeded our target of 1650 students, with a total enrolment of 1710 students;
- Addresses the recommendations made by the recent audit reports of the Higher Education Quality Committee of South Africa and the Australian Universities Quality Agency;

- Within the broader context of the institutional planning framework, details a commitment by MSA to continue supporting, promoting and contributing to the goals of higher education in South Africa established by documents such as the National Plan for Higher Education, White Paper, and relevant legislation including the National Qualification Framework.

The objectives that underpin the statement and outcomes for 2007 are detailed below.

Programs and short courses

Objective – We are committed to a multidisciplinary and interdisciplinary focus and to provide students with a diverse range of course offerings.

The development of new programs and short courses continued, with submission of proposals for approval and accreditation to the relevant national bodies. During 2007 course development took place in the following areas:

- Film and Television studies;
- Sports Management;
- Health Science;
- Business and Commerce honours;
- Pharmacy Management;
- Nursing;
- Retirement Funds; and
- Radiography.

Significant progress was also made towards introduction of Higher Degrees by Research.

The Academic Development Programme (ADP) was restructured and renamed the Monash South Africa Foundation Programme (MSAFP). The MSAFP provides an alternative admission and entry pathway to undergraduate degrees. Students who successfully complete the one year MSAFP with a credit average meet the admission criteria for a three year undergraduate degree at MSA or its equivalent at Monash campuses in Victoria.

MSA offered skills-based intensive courses tailored to the needs of local government and industry in areas such as Retirement Funds, Business Writing Skills, and Business Communication. Continuing education at MSA also provided an additional source of income to the campus.

Research

Objective – The campus will strive to contribute to the vision of the broader Monash system to be a research-intensive university and ensure that research programs are focused on themes and issues relevant to the region in which the campus is located.

The campus research plan was approved and provided the strategic framework for development of school research plans. Several research nodes were developed in the areas of water research, global movements, injury prevention and accident management – with a focus on development informatics, health promotion and transport studies. These research themes were closely linked to the research foci of the broader university. A research website was developed and launched, and the expanded MSA Library and Learning Commons provided excellent facilities to support research by staff and students.

Community engagement

Objective – The campus will continue to build its community engagement profile and strive to integrate community engagement with the other core activities.

The Community Engagement Office focused on strengthening relationships with community partners and supporting the Monash University Students Volunteer programme (MUSVP). The MUSVP provides students with valuable experience in projects ranging from sports to the environment, education and welfare. The program has grown from 100 volunteers at the beginning of 2007 to 480 participants by year's end. Activities hosted by the Community Engagement Office and MUSVP included a successful community sports day for several local schools.

Strategic relationships were maintained and established with public and private higher education providers in South Africa. MSA also received a donation for teacher development, as a consequence of which a project

to offer Life Orientation workshops for teachers from disadvantaged schools was developed.

Quality audits

Objective – To successfully address the recommendations made by the Australian Universities Quality Agency (AUQA) and the Higher Education Quality Committee (HEQC) in the respective audit reports.

AUQA recommended that “there is a need for MSA to increase the awareness of Monash University in South Africa and in the region. The establishment of the new reference groups should therefore be given immediate attention.” Following consultation across schools and faculties, generic terms of reference for the proposed reference groups were prepared. The first draft was approved in principle by the Board of Studies (MSA) in September 2007 and schools have subsequently identified potential group members.

MSA received the audit report of the Higher Education Quality Committee (HEQC) on the 1st September 2007. MSA received commendations for the following:

- The range of surveys and evaluations of teaching and the student experience conducted for quality assurance purposes;
- The tutor-mentor program for students enrolled in the Foundation Program;
- The quality of library resources;
- The quality of IT infrastructure in teaching and learning spaces. Recommendations made by the HEQC have been incorporated in the three-year campus operational plan, 2008-2010.

Actions in response to the recommendations of the HEQC report were also factored into the preparation of the campus plan.

Senior appointments

The following senior appointments were made during 2007:

- Head of Student Development;
- Campus Librarian; and
- Information Technology Services Manager.

Facilities

Construction of new student residences commenced and it is anticipated that the project will be completed by the end of January 2008.

Student services

In response to strong demand from students for on-campus health care, a doctor and part-time nurse were appointed. A number of health and study support programs i.e. mental health program, survivor program and time management skills were also offered. The restructuring and relocation of the Student Services Centre was completed and led to improved service delivery.

There was an excellent level of student participation in approximately 12 sports and an inter-institutional sports day was also held. Staff and students also competed in several sports, the Walk the Talk Challenge hosted by a national radio station and the 10,000 Steps Walktober Challenge 2007.

The first edition of the Monash Student Bulletin was launched during October 2007.

Professor Tyrone Pretorius
Pro Vice-Chancellor and President
Monash South Africa

Report of the President, Academic Board

The Academic Board of Monash University is responsible for oversight of the University's academic affairs, including the maintenance of high standards in teaching and research. To discharge its responsibilities, the Board considers a broad spectrum of issues including institutional strategic planning, quality, policy development, and chair, course and centre establishment.

All key components of Monash's strategic planning processes require endorsement by the Board. During the reporting year the Board considered the following:

- Credit Transfer Agreement between Group of Eight (Go8) universities;
- Statement of International Purpose;
- Joint PhD Program between the Indian Institute of Technology Bombay (ITIB) and Monash University;
- Memorandum of Understanding between CHALCO (Chinese Aluminium Company) and Monash;
- The University's 2008 Annual Plan and Budget.

In addition, the Graduate Attributes for both coursework and higher degrees by research students were approved by the Board during the reporting year.

A significant focus for the Board throughout 2007 was the development of Terms of Reference, a timely process given that most Australian universities are also grappling with the need for greater focus on the status and role of academic boards. The resultant statement affirms the Board's statutory remit and responsibilities, its status as one of the tripartite arms of university governance and delineates its role as the voice of the academic community at Monash. Adoption of the Terms of Reference is a necessary precursor to the next stage in the Board's development, that is, a review of its constitution and operations, to ensure that it is best placed to discharge the responsibilities conferred upon it.

The Student Experience Network (improving the Monash student experience), Student Retention Rates, Monash Mobility (improving access by staff and students to other campuses) were other high-level issues considered by the Board. Significant reports received and considered by the Board during 2007 included the Report against University-wide Key Performance Indicators, Load and Admissions Report, the annual priorities, Monash Research Performance Report, and reports of key rankings agencies.

While the AUQA review held during 2006 has been completed, the Board continued to receive reports on the follow-up and implementation actions from the Quality Portfolio. The Board also received a report on the outcome of the HEQC Audit.

During the reporting year, the Board was responsible for the development, approval and review of a range of significant legislation and policies, many of which were developed by its standing committees, and a number of which were targeted to improvement of the University's education and research governance regimes. Items dealt with under the Board's legislative and policy program included:

- Academic and Administrative Complaints and Grievances Policy for HDR and Coursework Students;
- Posthumous Completion and Conferral of Awards Policy;
- Qualifications Categories Policy;
- A suite of policies relating to HDR candidature;
- Access to Monash Courseware Policy;
- Academic Promotion 2007 Guidelines and Committees;
- Course Structure Policy;
- Establishing, Disestablishing and Amending HDR Courses and Unit Policy;
- Establishing, Disestablishing and Amending Coursework Courses and Units Policy;
- Plagiarism Policy;
- Unit Evaluation Policy;
- Special Consideration Policy;
- Statute 6.2 – Exclusion for Unsatisfactory Progress (Amendment No 1 2007);
- Several Faculties Regulations relating to the composition of Faculty Boards;
- Approval of a range of new/amended HDR programs;
- Amendment to the Schedule of Qualifications to allow use of the Assoc. Deg. Category in all disciplines.

During 2007, the Board requested a review of IT procedures associated with its meeting operation, and this was carried out in conjunction with Information Technology Services. The recommendations of the review were implemented and resulted in greatly improved technology-based services to the Board (in conjunction with continued monitoring). An

encouraging outcome of this process has been the improved level of engagement and debate at Board meetings, not only within the Council Room (where Board meetings are held), but also via teleconferencing with remote campuses (Gippsland campus, Sunway campus, Malaysia, and Monash South Africa). Board agendas and minutes are now available to members electronically and are also available on the University website.

During 2007, the process of restructuring the Board's principal standing committees continued. The resultant emphasis on the key role played by these groups has allowed the Board to focus at a more strategic level on the key areas of education and research, while still maintaining oversight of the detail.

Throughout 2007, the Board continued to receive regular reports from its standing committees and faculty boards, and from the Vice-Chancellor and members of the Vice-Chancellor's Group.

The approval of new professorial establishments has been streamlined, with approval jointly by the Deputy Vice-Chancellor (Research) and the President of the Academic Board and subsequent noting by the full Board. The Board continues to deal with the establishment of a number of Chairs, Centres and Programs. In 2007 these included:

- Approval for the renaming of the Department of Mechanical Engineering to the Department of Mechanical and Aerospace Engineering;
- Renewal of the Van Cleeef/Roet Centre for Neurosciences;
- Establishment of the Centre for Dynamical Meteorology;
- Establishment of the Centre for Research in Intelligent Systems;
- In principle endorsement of the concept of the Monash Africa Research Institute;
- In principle endorsement of the Centre for Multimedia Computing, Communications and Applications;
- Approval of a range of new/amended HDR programs.

Associate Professor John Hurst
President, Academic Board

Social performance

Staff engagement

Staff profile

Monash employed the equivalent of 7106 full time staff. Males accounted for 46 per cent of all staff.

Thirty-seven per cent of general staff were male as were 54 percent of academic staff (both these figures were one per cent less than in 2006). Staff located in Australia were covered by enterprise agreements, awards and Australian Workplace Agreements. Figures 1–3 and Table 1 below provide an overview of staff contract, classification and employment types.

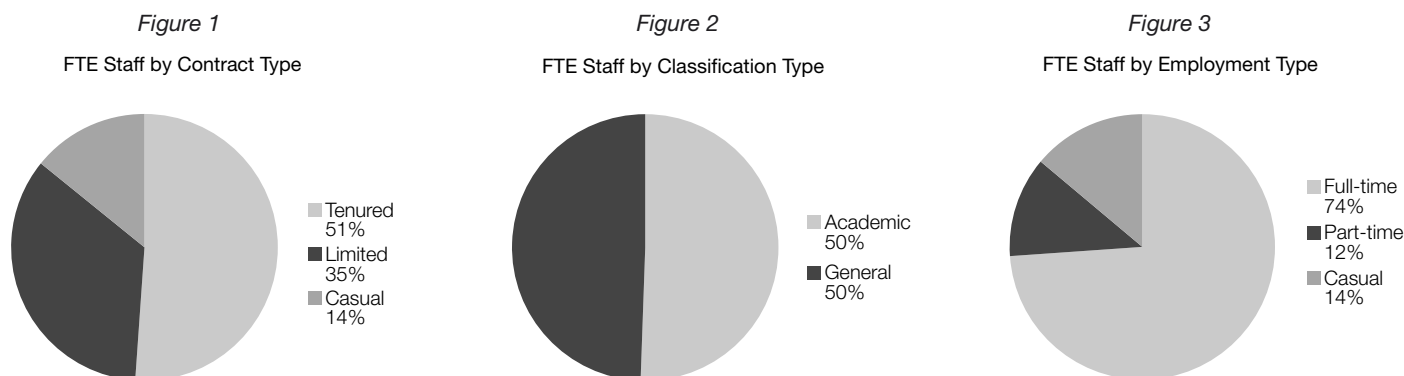


Table 1: Workforce data

| | 2005 | | | 2006 | | | 2007 | | |
|------------------|--------------|------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|
| | FT&FFT | Casual | Total | FT&FFT | Casual | Total | FT&FFT | Casual | Total |
| Academic | | | | | | | | | |
| Female | 1,143 | 288 | 1,431 | 1,238 | 309 | 1,547 | 1,313 | 331 | 1,644 |
| Male | 1,514 | 323 | 1,837 | 1,566 | 347 | 1,914 | 1,629 | 312 | 1,941 |
| Total | 2,657 | 611 | 3,268 | 2,804 | 656 | 3,461 | 2,941 | 643 | 3,585 |
| General | | | | | | | | | |
| Female | 1,802 | 199 | 2,001 | 1,900 | 176 | 2,076 | 1,988 | 236 | 2,224 |
| Male | 1,082 | 140 | 1,222 | 1,131 | 118 | 1,244 | 1,148 | 149 | 1,297 |
| Total | 2,884 | 339 | 3,223 | 3,031 | 293 | 3,325 | 3,136 | 385 | 3,521 |
| All staff | | | | | | | | | |
| Female | 2,945 | 487 | 3,432 | 3,138 | 485 | 3,623 | 3,300 | 567 | 3,868 |
| Male | 2,596 | 463 | 3,059 | 2,698 | 465 | 3,162 | 2,777 | 461 | 3,238 |
| Total | 5,541 | 950 | 6,491 | 5,836 | 950 | 6,786 | 6,077 | 1,029 | 7,106 |

Notes: Casual figures are estimates only. Includes Independent Operations staff for each year. Data is expressed as full-time equivalent (FT), rounded to the nearest whole number and includes staff employed on a fractional basis (FFT). Data excludes Monash Malaysia and Monash South Africa.

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 Directions 2025 that outlines a 20-year strategic vision and articulates the core purpose and values of Monash University. Performance reviews of individual staff were aligned to the divisional and departmental objectives. The Staff Development Unit provided new staff with an overview of facilities, policies and procedures at the half day Welcome to Monash information session. Attendance was voluntary. Approximately 76 per cent of new general staff with fixed term and tenured staff contracts and 24 per cent of equivalent academic staff attended the sessions. This is an increase of 23 per cent in general staff attendance and an increase of ten per cent in academic staff. Increased attendance is in part attributable to automatic enrolment of new staff to Welcome to Monash which was introduced mid-2007.

Some faculties conducted their own induction programs for new staff. The Office of the Deputy Vice-Chancellor (Research) commissioned a review of induction for research staff. A research orientation day was subsequently implemented in partnership between HR and the Research Office.

Staff involvement in the decision-making process was facilitated 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. One head of school/department questionnaire was conducted.

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. One department participated in the questionnaire and the response rate was 95 per cent.

Staff separation from Monash

The staff separation questionnaire aims to ascertain why staff members leave and what could be done to improve staff experiences. 30 per cent of eligible exiting staff completed the questionnaire (45 per cent in 2006).

Workplace culture survey

This survey focuses on key equity issues and considers the take-up of work, life and family options by staff, and the relationships between academic and general staff. It also includes questions on general workplace issues such as workloads, teaching/research balance and equity, communication issues and staff knowledge of equity principles. No workplace culture surveys were conducted.

Staff attitude survey

The Staff Attitude Survey, conducted in May, was designed to provide staff members with an opportunity to offer their views and feedback on working at Monash. The 2007 survey was revised to include a range of additional questions to the survey conducted in 2005 and focused on employee engagement, which is comprised of the following categories: organisational commitment, job satisfaction and intention to stay. The overall engagement score for Monash University was 72 per cent, which was very pleasing. This result was better than 73 per cent of organisations in the all industry benchmarking database. When Monash University is compared with the ten other Australian universities who have also taken part in similar staff attitude surveys, Monash outperformed in 15 surveyed categories, equalled the performance in 13 categories and performed under the benchmark in only seven of the 35 survey categories.

A selection of benchmark items from the 2005 survey were kept to ensure an accurate measure of improvement on those items. These items were selected because of their importance to the University and included items measuring satisfaction across a range of areas, including the extent to which staff feel valued and satisfied with their immediate work area. A full list of these benchmark items is posted on the Staff Attitude Survey website www.adm.monash.edu.au/sss/survey/2007-survey.htm. The survey provider, Voice Project, re-calculated the overall score from 2005, using only the benchmark items, to develop an accurate and valid comparison between the two years. Based on this calculation, there was an overall increase of 10 per cent in the score from 2005, with 58 per cent in 2005 and 68 per cent in 2007.

Staff recorded their highest level of engagement against team work, role clarity and job satisfaction and recorded their greatest concerns as processes, leadership, career opportunities and involvement. The areas of leadership and career opportunities were identified as organisational priorities in 2008. Results were communicated to staff and action plans were formulated with strategies to address both University-wide issues and faculty/campus/division issues.

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 required to include at least one member trained in staff selection. 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.

Retention

Many factors contributed to staff retention at Monash such as the benefits offered, morale, flexible working arrangements and opportunities for development. Average retention for general staff was 8.1 years (7.8 years in 2006). The average retention rate for academic staff was 7.4 years, an increase from 6.9 years in 2006.

Staff benefits

Salary rates, allowances and entitlements for staff covered by the enterprise agreements were presented on the Workplace Policy and Procedures webpage at www.adm.monash.edu.au/workplace-policy/. Staff entitlements included superannuation, leave-loading and parental leave.

Staff development

Individual staff development needs were identified in consultation with supervisors and 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.

The majority of senior staff have undertaken Monash's five-day Leadership for the Future Program since its inception in 2004. The Leadership and Management Development Reference Group convened to oversee implementation of the leadership and management development approach agreed in 2006. Leadership Forums were introduced, an Academic Heads network was established, a Financial Management Program was implemented and the Leadership for the Future Program was reviewed. A revised Leadership Development program will be rolled-out in 2008. This program will have a focus on people and strategic management abilities.

The Staff Development Unit administered a number of staff awards on behalf of the Vice-Chancellor. Two individuals and two teams received the Vice-Chancellor's awards for exceptional performance by general staff.

The major Monash providers offering training and development services provided 11.36 hours of in-house training per FTE tenured and fixed-term staff member, plus additional online training. Other staff development and training activities included the job rotation scheme for general staff, the staff study support program, career and professional development awards and fellowships, other faculty and departmental-based training courses and informal lunchtime seminars.

Expenditure on formal learning and development programs increased to \$7.5 million. This included attendance at conferences, training courses, the Outside Studies Program (for academic staff) and the 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.

University-wide review of staff development

This initiative is part of the Human Resources Department's commitment to the Monash Quality Review process. The purpose of the University-wide Review of Staff Development is to review and analyse current practice regarding staff development strategies throughout Monash University including both Australian and non-Australian campuses, academic and general staff. This data will inform recommendations for strategic approaches to effective staff development that align with the achievement of Monash Directions 2025. A panel of representatives from the Monash community has been formed to steer the review. The review and report will be completed in 2008.

Performance reviews

Through the performance management schemes, 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. An 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 one and above, unless they were employed for less than one year. The annual performance enhancement scheme that applied to all trades and services staff continued. The University used SAP for compliance reporting and performance management schemes. Utilisation of the SAP system was increased, enabling improved reporting capability. Analysis of performance development plans across the University reveals that 34 per cent of all development undertaken was documented in staff member's performance plans.

Review of performance management

The review of the performance management process for academic staff continued and was overseen by a project team of across campus representatives. The process has been redesigned and will be implemented in 2008 following appropriate consultation. The revised performance management process is based on the principles of growth, accountability and feedback.

Employee relations

In Monash University – Excellence and Diversity and Strategic Framework 2004–2008, the University outlined its commitment to respecting individuals regardless of religion, race, belief, gender or disability. In relation to staff, the University was committed to providing employment opportunities for staff in a fair and equitable way and in accord with these values the University will ‘continue to develop and implement programs to ensure that no staff member is unfairly disadvantaged as a result of her or his gender’, and will ‘further develop an environment which welcomes and supports individuals without discrimination or intolerance’. The University’s Global Equal Opportunity Policy reiterated Monash’s commitment to promoting equal opportunity in education and employment in recognition of global principles of equity and justice.

There were no days lost due to industrial disputes.

Human resource compliance

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

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

Australian Indigenous employment

To increase Indigenous awareness within the University the Advancing Indigenous Employment Coordinator organised two Indigenous cultural awareness workshops. Of the 64 attendees, 40 were non-Indigenous employees and 24 were non-Indigenous students. An Indigenous traineeship program for administration staff was implemented in partnership with AFL SportsReady and three Indigenous trainees were employed. As of November, Indigenous employees at Monash numbered 26, with nine academic and 17 professional employees.

Gender equity

The University has a long standing and ongoing commitment to fair and equitable recruitment and selection processes and to building a staffing profile with an improved gender balance which include the initiatives outlined below. The University selection panel policy included a requirement that panels are to have ‘as close to equal representation of both sexes as practicable with a minimum one third women’. All selection panels must include at least one member who has completed the two-day staff selection training program.

A two-day staff selection training program for academic and professional staff participating in selection committees at Monash was offered on a monthly basis. The program content included a significant section on equal opportunity issues in recruitment processes which was presented by a staff member from the Equity and Diversity Centre. In addition, the proactive development of search plans to attract female staff was encouraged and supported in the two-day training program.

The web-based Recruitment and Selection Kit has been re-drafted to include more references to gender equity and now includes search plans and tools to assist in the active recruitment of women. Monash University has been awarded the Employer of Choice for Women citation six years in a row recognising the University’s achievements in the area of gender equity and advertised positions include this citation. Monash was also awarded waived status for reporting by the Equal Opportunity for Women in the Workplace Agency (EOWA) (Cwth) and will formally report to the Agency from 31 July 2010. Waived status was awarded for demonstrating to the EOWA that Monash University has done everything reasonably practicable to advance women and remove barriers through a high level of workplace program analysis, consultation with staff and formal action to address issues. Monash was commended by EOWA for “the work done in relation to piloting a Women’s Leadership Shadowing Program for both academic and professional staff.”

The Women’s Leadership and Advancement Scheme facilitated the University’s biennial mentoring program for women. The program involved matching individual women (academic and general) with more senior staff members (female and male) who met on a regular basis for a period of approximately six months. Prior to meeting as pairs, all participants were required to attend a three hour preparation session. One hundred and sixty women participated in the program which included networking activities. An evaluation is being conducted.

As part of the Equal Opportunity for Women in the Workplace Program, Monash recognised International Women’s Day with functions at Caulfield and Clayton campuses. More than 450 staff attended these events.

Gender equity continued to be supported by a number of committees, including the Vice-Chancellor’s Taskforce on the Advancement of Women, Monash University Council, the Equal Opportunity Committee (EOC) (which reports to Monash University Council), and the Inclusive Practices Workplace Equity Committee. The University’s ten faculties also supported gender equity through Faculty Equity and Diversity Committees and reported to EOC on an annual basis.

Employer of choice for women

Women now represent 41.9 per cent of academic staff at Level C and 25.4 per cent of staff at Level D. Women represent 17 per cent of staff at Level E and above. Overall, women now represent 45.5 per cent of all academic staff at Monash. In terms of general staff, women represented 48.3 per cent of staff at HEW Level 10 and above at the end of March, this is a large increase from 2006 when women represented 42.0 per cent of staff at HEW Level 10 and above.

Monash University Council has adopted as one of its key performance indicators (KPI) the representation of women in senior roles, with a target objective of being in the top three Group of Eight universities in 2008. A discussion paper was developed to provide an analysis of the current situation at Monash for women in senior positions (Monash was ranked third in the Group of Eight in 2005), to outline demographic trends which are likely to impact on the University’s future performance and to estimate future performance using two different modelling techniques.

Services for health, safety and wellbeing – students and staff

Occupational health and safety

Monash University is committed to providing staff, students, contractors and visitors with a healthy and safe environment and strives, through a process of continuous improvement, to fully integrate health and safety into all aspects of its activities. To achieve this, the University's OHS Policy Committee (OHSPC) developed and/or modified the following policies, procedures and guidelines for implementation across the University activities:

- Drivewise: a guide to driving safely and reducing environmental impact;
- Guidelines for health and safety during field activities in country and remote areas;
- Guidelines for identification of areas requiring regulatory or hazard signage in the workplace;
- Guidelines for the development of safe work instructions;
- Guidelines for the inclusion of OHS roles and responsibilities into position descriptions and engagement profiles;
- Hazard Alert: Inadvertent heating of magnetic stirrer/hotplates;
- Monash University Occupational Health and Safety Plan 2008;
- Monash University Occupational Health and Safety Plan 2008 - Faculty/Division;
- Occupational Health and Safety Policy;
- OHS corrective and preventive action;
- OHS Information Sheet 11: Indoor Thermal Comfort;
- OHS Information Sheet 23: Uranyl Acetate and Uranyl Nitrate;
- OHS Information Sheet 24: Hydrofluoric acid;
- OHS Information Sheet 25: First Aid for Cyanide Poisoning;
- OHS Information Sheet 26: Smoke Free Environment;
- Ionising radiation dosimetry procedures;
- Notification Procedures For: Positive Legionella Bacteria And/ Or Multiple Elevated Bacterial Levels In Cooling Tower Water, and Confirmed Case/s Of Legionella Disease;
- Procedures for issue resolution;
- Procedures for OHS consultation;
- Procedures for protecting the unborn child from the effects of ionising radiation;
- Purchase, registration and licensing of ionising radiation sources procedures.

Throughout the OHS audit program, five areas were audited internally by OHS, eight areas and three OHS procedures were audited externally. In addition, SAI Global conducted a surveillance audit in April, which included the Central and Eastern Clinical School at the Alfred and Box Hill hospitals. In the executive overview, the auditor stated that:

The Organisation has demonstrated continuing development of a very well structured Occupational Health and Safety management system, with strong senior management commitment and widespread ownership. The OHS strategic approach for the next five years has been developed, with a strong emphasis on driving cultural change throughout the University.

All identified issues from the Certification audit have been satisfactorily addressed through the corrective and preventive action process. A number of other safety improvement initiatives have been implemented.

There were no non-conformances identified. Audits of the additional sites at the Central and Eastern Clinical schools at the Alfred and Box Hill hospitals respectively have confirmed a consistent approach to safety management aligned to the requirements of AS4801. Recommendation is made for certification for these sites to proceed and for on going continuation of certification at Monash University.

Preparation of the Malaysia and South African campuses for OHSAS 18001 OHS management system certification in 2009 has commenced with the completion of gap analysis reports and the appointment of an OHS manager at the Monash Malaysia campus.

The University's safety performance with regard to workplace injuries is outlined in Table 2 below. There was an overall decrease of 19 per cent in reported workplace injuries. This result contributed to a 42 per cent reduction in reported injuries over the five year period of 2003 to 2007. Hazard reporting experienced a minor increase with 304 hazards reported in 2007 compared with 297 hazards reported in 2006.

Table 2: Reported Workplace Injuries

| Type | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------|------------|-----------|-----------|-----------|-----------|
| Sprains and strains | 63 | 50 | 57 | 36 | 35 |
| Contusions | 5 | 8 | 13 | 17 | 3 |
| Lacerations | 13 | 11 | 7 | 9 | 8 |
| Burns | 5 | 1 | 2 | 1 | 3 |
| Stress | 5 | 2 | 2 | 2 | 2 |
| Fracture | 3 | 4 | 3 | 6 | 5 |
| Foreign body | 0 | 3 | 0 | 0 | 0 |
| Needle-stick | 2 | 0 | 0 | 0 | 0 |
| Other | 9 | 8 | 10 | 4 | 5 |
| Total | 105 | 87 | 94 | 75 | 61 |

Note. Reported workplace injury equals injury or illness that resulted in an accepted WorkCover claim.

Monash notified WorkSafe Victoria of seven incidents. WorkSafe undertook 20 site visits and issued nine improvement notices on the University. All directions in the notices were complied with in the specified timeframes.

Monash University annual expenditure on occupational health, safety and environment included 21 scientific and technical staff and an operating budget of \$1.2 million. The OHSE Branch also oversaw the spending of \$2.9 million in capital works in areas such as asbestos removal, fume-cupboard rectification, roof, radiation and confined space safety, fire safety improvements, chemicals and cooling towers management, environmental initiatives and waste management.

The OHSE Branch trained approximately 3,735 staff and students in areas such as chemicals management, biosafety, asbestos management, height safety, radiation safety, environmental sustainability, prevention of occupational bullying and violence, risk assessment, general OHS induction, OHS management, job safety analysis, workplace inspections, incident reporting, fire safety, manual handling and ergonomics, general office safety, general first aid and mental health first aid.

OHSE staff have also assisted Monash University staff and students across all Australian and International campuses with issues such as: design of new or refurbished buildings and facilities, development of multimedia induction programs, strategies to counter outbreaks of avian flu and SARS, administering and auditing licences and registrations for carcinogens, dangerous goods, radiation sources and nuclear materials, waste removal, monitoring potential exposures to hazardous materials, maintaining equipment and facilities to protect health, supporting zone OHSE committees, vetting all applications to place telecommunications equipment on Monash buildings, constructing databases to manage OHSE information and providing advice on a wide range of OHSE issues.

Wellbeing services

The Wellbeing at Monash program co-ordinated through the OHSE branch in collaboration with Monash Sport and Community Services, included various health and wellbeing activities such as Weight Watchers at work, campus walks and the Monash Top End 10,000 Steps Challenge. Two hundred and four teams participated in the Challenge with a virtual walk from Cape York Peninsula to Katherine Gorge National Park. The Challenge grew from 800 participants in 2005 and 1121 in 2006 to 1622 participants in 2007. For the first time, 168 participants from Monash's international campuses of Malaysia and South Africa participated in the Challenge. In addition Monash Staff were encouraged through the 'Know Your Numbers' program to become aware of their vital health statistics. This was supported by the introduction of an online portal introduced to help staff at Monash be at their best, both at home and work.

Student and Staff Community Services continued to offer counselling to students and staff on all campuses within Australia and in addition, an after-hours emergency telephone counselling service was initiated in conjunction with the University's Employee Assistance Program provider.

Other services offered included student financial aid, off-campus accommodation, health, family and child care, and chaplaincy. The THRIVE stress reduction program continued to be well utilised by staff as were the meditation and relaxation seminars. The THRIVE program was also delivered to the Monash Medical Centre during the year.

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.

Mental Health First Aid (MHFA) training was continued and, amongst other participants, 15 students who assist with the Academic Progress Hearings were trained. The target is to have six per cent of the Monash Community (staff and students) trained at all times. The purpose of the course is to provide information on how to provide help to someone experiencing a mental health problem before professional help is sought.

Facilities

Sports and recreation facilities at the Caulfield, Clayton and Peninsula campuses were open for use by all staff and students. Gippsland campus staff and students received reduced rates at Latrobe Leisure Fitness and Aquatic centre at Churchill, which is managed by the local council.

In addition to the Monash sporting facilities and services being provided for all Victorian staff, students, alumni and local communities, large contingents of Monash staff and students participated with Team MONASH in a series of major community fitness events. They included the Mother's Day Classic run/walk and 'Around the Bay in a Day' bicycle ride. The events raised funds for worthy causes and the profile of the University in community-based sporting activities.

Equity and access

An environment free from discrimination and harassment

Equal Opportunity – Information and Resolution Services continued to support the University to achieve equity for students and staff. Opportunities for policy development were pursued, existing policies reviewed and information on equal opportunity rights and responsibilities were widely promoted on the web and through various training initiatives.

Information and communication of policies, procedures and services continued to be a high priority. Promotional material was regularly distributed across the University. Web-based material was developed to disseminate information about the Charter of Human Rights and Responsibilities Act (2006) in Victoria. The Equity and Diversity Centre (EDC) continued to review and modify frequently asked questions and manage the electronically submitted inquiries for ask.Monash.

Equal Opportunity online training was strongly promoted and further face-to-face workshops were provided for supervisors in addition to those offered to staff. Training opportunities continued to be offered on all Victorian campuses throughout the year. Training was also provided for staff on the Sunway campus in Malaysia.

Four new appointments were made to the network of advisers who support the University community through the Discrimination and Sexual Harassment Grievance Procedures. Advisers and conciliators who supported students and staff with their discrimination and sexual harassment concerns received further development, and the online database for the submission and analysis of advisers' reports facilitates the monitoring of the number and nature of matters handled under these procedures. Discrimination and Harassment Grievance Adviser training was offered and a number of advisers are expected to be appointed in early 2008. The Discrimination and Sexual Harassment Grievance Procedures continued to support students and staff to resolve a variety of equal opportunity related concerns.

EDC staff provided support to all Faculty and Divisional Equity and Diversity Committees on a rotating basis throughout the year and responded to invitations to speak to various groups and staff meetings. The EDC responded to several approaches by managers and supervisors for advice and support on equity-related matters when they arose in the workplace. The EDC continues to maintain a cultural calendar for staff and students in support of its commitment to diversity awareness. The calendar has been further developed to provide information on dates of strict religious observance two years in advance to support staff with their academic and administrative planning. Inclusive practices continued to be promoted across all areas of the University's operations.

Work life

The major initiative was the Lads and Dads pilot project aimed at assisting men to better manage their work-life balance. The project involved 30 hours of focus groups with male staff and 142 hours of training, including Men at Work, Staying Connected for separated dads, and stress management for men. This pilot was funded through the Staff Experience Program and was supported by Monash Sport, Health Wellbeing and Development, Occupational Health and Safety, and Andrology Australia, which generously provided its ambassador, Merv Hughes to launch the project.

The Work Life Consultant provided 185.25 training hours for staff and supervisors in relation to information about work-life balance and, in partnership with Human Resources Division, also conducted 30 hours of staff focus groups investigating the return-to-work experience from parental leave. The EDC continued to provide a consultancy service to staff and their managers by identifying and negotiating workplace flexibility and to respond to individual enquiries with most relating to parental leave.

Monash University was ranked 13th in the top 25 best practice organisations of 284 public and private organisations in Australia that participated in the work life initiatives benchmarking study conducted by Managing Work Life Balance International. The Lads and Dads pilot project was a finalist in the Diversity at Work Work/Life Awards.

Child care

There were five University-sponsored childcare services available at Caulfield, Clayton and Gippsland campuses operated by parent management committees or sponsored by student unions. In July the Peninsula campus childcare centre re-opened under the management of the Faculty of Education. For Monash University community families unable to access on-campus University sponsored services, the University funded a Family and Child Care Service to assist families in accessing a range of services based in the local community. Demand for child care continued to exceed supply. There were no services available at the Berwick or Parkville campuses, and discussions continue at these campuses with regards to salary packaging for Monash University staff, and childcare options.

Plans to build a new centre (Clayton campus) have been halted. The aim of the new centre was to accommodate the merging of two services, replace an ageing facility at Clayton campus and relocate a student union-sponsored service no longer subsidised through student amenities fees. Family and Child Care unit is continuing to work in conjunction with University financial advisors to present a discussion paper for the University regarding the financial and opportunity costs of directly managing childcare services. Plans are underway for the Gippsland childcare centre to relocate to a community hub that has been funded by federal and state government, and will increase the number of childcare places for the campus and Churchill community.

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. Family and Child Care, in conjunction with the Faculty of Education and a local church parish are in discussions to establish a similar type of playgroup close to the Caulfield campus.

The School Holiday Program (MUSHP) at Clayton campus continued to offer the University community workplace-sponsored school holiday care for primary school-aged children. In 2008, MUSHP will celebrate its 20th anniversary, with many exciting family and community events planned.

Access to facilities

Over \$1 million was spent on projects to improve accessibility across campuses. Works included installation of a passenger lift, construction of a cage to house electric scooters and other projects to improve access to buildings and upgrade accessible toilet facilities. Mobility maps detailing accessible facilities and routes were finalised for all campuses and attached to campus web-sites and detailed in the Student Resources Guide.

A Campus Watch program (similar to Neighbourhood Watch) was implemented across all campuses to help improve student and staff safety and reduce numbers of security incidents.

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

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 52,525 students enrolled in Australian courses (see Table 3), a three per cent increase on the enrolment figure for 2006. Parkville campus had the largest increase in student enrolments with a 12 per cent increase on 2006. Part-time enrolments increased by 57 per cent in Australia. These figures included those students enrolled in external (off-campus) and multi-modal (a mix of external and on-campus) learning, but did not include students enrolled at international campuses. Fifty-seven per cent of students were female (an increase of 1 per cent on 2006).

Table 3: Enrolment types by campus

| Campus | Full-time | Part-time | External | Total |
|--------------|---------------|---------------|--------------|---------------|
| Berwick | 1,389 | 555 | 32 | 1,976 |
| Caulfield | 7,038 | 5,190 | 1,215 | 13,443 |
| Clayton | 17,177 | 7,296 | 2,086 | 26,559 |
| Gippsland | 1,451 | 606 | 3,597 | 5,654 |
| Parkville | 1,080 | 145 | 341 | 1,566 |
| Peninsula | 2,011 | 855 | 461 | 3,327 |
| Total | 30,146 | 14,647 | 7,732 | 52,525 |

Orientation and transition

Orientation continued to be recognised as the official commencement of the academic year for first-year undergraduate students. A comprehensive range of events, including welcome ceremonies, academic programs and social activities, were organised on each campus to meet the needs of local and international student cohorts and help new students adjust to life at Monash.

Student adjustment to university life and study was enhanced through a range of discrete proactive pilot programs at the faculty level focusing on the student experience and institutional retention. Outreach to schools continued to take place helping to create a smooth transition to the higher education learning environment.

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 and housing advice, financial aid, course progression and transfer advice and programs aimed at strengthening social, community and academic networks. Students were provided with direct access to online services such as enrolment, examinations, information and application for scholarships, fee statements and payment options,

graduation applications and information, transcripts, library access, re-enrolment, the University calendar and the 'ask.monash' service. Student associations at each campus provided support to students, including travel services, advocacy and student rights services, welfare assistance, clubs and societies, volunteering opportunities and training.

Monash Abroad, in partnership with faculties, continued to encourage students to enhance their academic experience by undertaking part of their course overseas. Opportunities offered to students included intercampus exchanges to the Monash campuses in Malaysia and South Africa, exchanges to more than 115 partner universities in 26 countries and nearly 50 different short term international study programs. More than 1280 Monash students took up one of these opportunities, an increase of 38 per cent over 2006.

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 schools, three undergraduate courses, four postgraduate courses/programs, two centres, two institutes, five academic departments, and one non-academic department.

Formal student evaluation of teaching quality was provided via the Monash Questionnaire Series on Teaching (MonQueST). MonQueST comprised 11 surveys, and staff have been encouraged, but not obliged, to administer a MonQueST assessment every two to four years.

The Monash Experience Questionnaire (MEQ), which gives students an opportunity to provide feedback on aspects of their experience at Monash, was conducted and the response rate was 29.7 per cent. The MEQ is conducted in alternate years to the Monash Support Experience Questionnaire (MSEQ). The MSEQ, which was conducted for the first time in 2006 as an online survey, sought students' opinions on the quality of services provided by faculties and central services at the University. This survey was open to postgraduate (coursework) and undergraduate students who had at least one semester experience at the University. Outcomes of the MEQ were used as a performance indicator by the Monash University Council.

Student grievance procedures and complaints made to and investigated by the Ombudsman

Monash University has an Academic and Administrative Complaints and Grievances Policy and associated Procedures, for students. The framework makes the following specific reference to University obligations pursuant to the *Higher Education Support Act*:

A student may submit a request for review of a Faculty decision relating to Commonwealth Government student financial assistance schemes, in the case of the classes of decisions listed in appendix one, to the Director, Student Administration and Systems, who is appointed as the University Review Officer for the purposes of the Higher Education Support Act 2003 (Cth), Division 19.

The Director, Student and Community Services Division will act as the Review Officer where the Director, Student Administration and Systems has previously been involved in the case. If a student is dissatisfied with the decision of the University Review Officer they can apply to the Administrative Appeals Tribunal for a review of the decision.

The University was not made aware by the Administrative Appeals Tribunal of any decision referred to that Tribunal in 2007 for review by students dissatisfied with the decision of the University Review Officer. A copy of the policy can be found at www.policy.monash.edu/policy-bank/academic/education/management/complaints-grievance-policy. The procedure can be found at www.policy.monash.edu.au/policy-bank/academic/education/management/complaints-grievance-coursework-procedures.

In 2007, there were three complaints made by Monash students to the Ombudsman.

Student equity and access

The Student Equity Unit engaged in research on issues such as retention of students from under-represented groups via inclusive curriculum and has investigated the factors contributing to success of students entering university via non-traditional pathways. Advice was provided to a number of University committees including the Access Monash Coordinating Committee, the Student Experience Network, the Coursework

Scholarships and Admissions Committee, the Inclusive Practices Student Equity Committee and Faculty Equity and Diversity committees. The University aims to provide a supportive learning environment receptive to the perspectives and experiences of disadvantaged or under-represented individuals and groups from diverse backgrounds such as:

- 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; and
- People experiencing long-term family difficulties.

Monash continued to promote equity through its Access Monash scheme that included outreach activities undertaken in the Schools Access Monash program, special admissions scheme, entry pathways and the accompanying scholarships and bursaries.

The Student Equity Unit supported the Inclusive Practices Student Equity Committee, whose membership included a large number of student representatives of various student groups. A major committee and a network of campus subcommittees supported the Student Experience at Monash. This network supported initiatives that provided value to the learning experience of the University's student cohort.

The Unit co-ordinated two Student Equity forums for student equity officers located in faculties, divisions, residences and student associations. Training in issues such as cultural diversity, working with international students and updates on equity policy developments was provided. The Unit also provided advice and support to staff as well as current and prospective students and their parents.

The percentage of students from low socio-economic backgrounds increased from 12.7 per cent in 2005 to 13.1 per cent in 2006 (based on enrolment figures). Enrolments of students with a disability remained at 3.0 per cent and enrolments by Indigenous students increased slightly from 0.30 per cent in 2005 to 0.31 per cent. The percentage of students who came from rural areas increased from 12.7 per cent to 12.9 per cent of total enrolments.

The Disability Liaison Unit (DLU) within the EDC continued to provide support to registered clients who numbered over 776 (300 in 2001). The staff of the DLU sponsored and mentored the Disability Contact Officer (DCO) network which provided confidential advice to staff that have a disability. There were 24 Disability Contact Officers within the network.

The DLU, in partnership with the Centre for the Advancement of Teaching and Learning, facilitated training sessions for University staff (academic and professional) highlighting the services provided at the University and how inclusive practices and processes may alleviate the impact on study of a mental health condition or learning disability.

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 with the *Education Services for Overseas Students Act 2000*

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 (National Code 2007).

Graduation and beyond

Graduate students

The 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 2005.

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

Career assistance

Monash University Employment and Career Development, located at the Berwick, Caulfield, Clayton, Gippsland and Peninsula campuses, provided the following services: individual career counselling; career preparation seminars; job search and interactive workshops; application and interview skills coaching; employment opportunities; tutoring register; internships and student development programs; a comprehensive career information library; online job seeker's guide; vocational guidance tests; graduate, vacation and international careers fairs. The full-time employment rate of all Monash graduates in 2006 was 79.7 per cent. This rate has been calculated using Graduate Destination Survey data: the methodology used for the Learning and Teaching Performance Fund has been used here, except that the data is for all graduates rather than just domestic bachelor graduates.

Alumni

Monash University's alumni community now totals 214,056. The Alumni office connects with 79 per cent of alumni by mail, and 28.5 per cent by email. Email communications have increased 13.5 per cent over the past twelve months. Individual subscriptions to the monthly Alumni e-news bulletin now total over 58,000.

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:

- The Centre for Drug Candidate Optimisation, Victorian College of Pharmacy, continued to partner with the Medicines for Malaria Venture (Geneva, Switzerland) for the discovery and development of new drugs for malaria. It is now involved with four drug discovery projects and was awarded the prestigious drug discovery project of the year award in 2007 at an international stakeholders meeting in Kampala, Uganda.
- The staff of the Financial Resources Management Division continued their strong emphasis on community awareness by sponsoring a child in South America through the PLAN organisation and the donation of

200 soft toys to the Smith Family Toy Appeal for distribution prior to Christmas.

- The Faculty of Art and Design contributed to the community by providing free exhibition programs at both the Faculty Gallery and the Switchback Gallery in Gippsland, weekly Lunchtime Art Forums and the new Women in Research program introduced in 2007. In addition, staff and students contribute through national and international exhibitions, books and articles.
- As part of the Schools Access Monash (SAM) Program, Caulfield campus worked closely with Sandringham College and Hawthorn Secondary College and provided information sessions, brochures, campus visits, tutoring (free of charge), study skills sessions, motivational media presentations, support to attend VCE revision classes and sponsorship of SAM prizes. Caulfield campus also held various fundraising events in support of The Cancer Council Victoria, Prostate Cancer Foundation of Australia and beyondblue.
- Participation in VCE Revision classes at the Berwick campus increased with over 1,000 registrations from local secondary students. The campus also conducted a special program for local high-achieving students sponsored by the City of Casey. A learner-driver forum was held for local teenagers and their families, with participation by the Monash University Accident Research Centre, Victoria Police and VicRoads.
- Monash Asia Institute, with its partners the Music School (Clayton campus) and Professor Pat Rich, developed a plan for the Afghanistan government for the vocational training of about 120 Kabuli orphans a year in the field of traditional and modern musical traditions. The plan, when implemented, will also involve training new musical instructors in Melbourne and in Afghanistan.
- Peninsula campus ran a pilot for a High Achievers' Program involving students from seven local secondary colleges. The pilot was very successful and the campus will now use the feedback and evaluations from this to roll out a program for all local secondary schools in 2008. In addition, the campus ran mid-year and end-of-year VCE Revision Lectures with over 1,100 enrolments across both events.
- Instead of spending money on Christmas presents for each other, staff in Corporate Services Branch in Facilities and Services Division all donated non-perishable food items to the Salvation Army. Facilities and Services Division also provided major support to the annual Relay for Life event at Murrumbena to raise money for cancer research. Divisional staff coordinated the set-up of the event including organising and providing the equipment and staffing required.
- The Gippsland campus partnered the PowerWorks Energy Centre to host the Megawatt Exhibition from November 2007 to February 2008. This Scienceworks/Museum Victoria exhibition features 40 interactive displays demonstrating various aspects of electricity. It is expected that more 2500 people, including school groups and families, will visit the campus to see the exhibition.
- The Human Resources Division began work to establish a workplace giving program which will enable staff across the University to donate to preferred not-for-profit organisations and other charitable causes through salary packaging.
- Employment and Career Development within the Student and Community Services Division collaborated with Parks Victoria to recruit seven students to work as summer rangers at Mornington/Westernport, Wilsons Promontory and Metropolitan locations.
- The Student Finance team continued its sponsorship of one child from Burkino Faso through the Compassion program. Since June 2006 they have collected \$650 and sent an additional \$80 for family/Christmas gifts. They have also committed to contribute up to January 2009.
- Monash Sport organised a Disability Access Program for 30 disadvantaged members of the community to join mainstream Fitness Centre activities at Caulfield Campus.

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 comprised three committees (A, B and C), and each committee was constituted according to the National Statement, with representation of each gender. The committee comprised approximately 35 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 researchers, three representatives of animal welfare organisations and two lay members who were not animal researchers, one external to the University and the other from the Faculty of Law, 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.

Purchasing

Monash University's purchasing policy was based on negotiating competitive prices. Domestic suppliers are always given an opportunity to ensure that Australian businesses were supported, that the University received a local service, and that exposure to exchange rate fluctuations was minimised. The majority of Monash University's preferred suppliers are local organisations although many, due to local technology limitations, sell equipment that is manufactured overseas.

Monash continued its commitment to purchasing and promoting fair trade tea and coffee for office use.

National Competition Policy

The University continued to implement its established policies consistent with its obligations in relation to the National Competition Policy. The Trade Practices Compliance Manual guides compliance with the relevant legislation. The University was not the subject of any National Competition Policy-related action.

The University has established policies and procedures to ensure adherence to its obligations under the *Trade Practices Act 1974* and to practise competitive neutrality in relation to relevant significant business activities. Detailed information and guidelines may be obtained online from www.adm.monash.edu.au/tpa/compliance-procedures.html. Advice on the law of trade practices and competitive neutrality is provided by the University Solicitor. The policy on setting of fees is available through Finance and Resource Management website at www.firm.monash.edu.au/finance/references/cpf/feepolicy.pdf.

Vehicle fleet purchases

The University's policy is still to purchase vehicles that are manufactured in Australia, although there is increasing pressure to adapt the policy to facilitate the purchase of other vehicles made overseas where it offers a sound environmentally friendly alternative. This particularly applies to hybrid electric/fuel-based vehicles and smaller (4-cylinder) vehicles to minimise fuel consumption and greenhouse emissions.

Employing locally

Gippsland campus continues to be one of the largest employers in the region and advertised the majority of vacancies up to HEW level 5 internally and/or in local media only.

Socially responsible economic considerations

A new Procurement Policy was drafted to ensure that standard purchasing guidelines and procedures include mention of the need to ensure environmental and social issues are taken into consideration with regard to vendors and suppliers. This policy did not apply to research funds. There was no policy regarding the investment of University money in socially responsible investment (SRI) funds.

Payment terms

Disbursements

Monash University applied a general vendor payment policy of 30 days, providing for payments to be issued 30 days after the end of the month in which the invoice was dated. The University encouraged vendors to

agree to payments being credited directly to their bank via EFT rather than cheque.

While the University generally applied the standard 30-day terms policy, departments could negotiate more favourable terms at their discretion as vendor circumstances warranted. Although department recommendation was normally followed in such cases, the manager of Corporate Finance Disbursements (or delegated officer) had final authorisation of variance from policy terms.

Staff expense reimbursement normally occurred in the next scheduled payment run after the expense claim was processed.

The University has generally acquiesced to suppliers from rural centres requesting payment terms other than the standard University 30-day terms policy in order to ease cash flow burdens in view of the general hardships currently facing rural communities.

Accounts receivable

Monash University applies a general debtor payment due policy of 30 days net from the date of the generated and printed invoice. As with disbursements, discretion was applied in considering debtor circumstances especially in the case of students. Wherever possible, a negotiated arrangement was seen as preferential to placing the debt in the hands of collection agencies.

Statements of compliance

Freedom of information

Monash University processed ten requests under the *Freedom of Information Act 1982* as against two in the previous year. In addition there were three requests for consultation under section 34 of the Act concerning release of University documents by other agencies.

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 to 1990);
- Administrative correspondence (1962 to current); and
- Staff files (1962 to current).

Files within these record series were held or processed in accordance with best practice and approved record-keeping policies.

Major electronic 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, Mondays to Fridays, during semester). These and other principal University record series available were as follows:

- Monash University Council minutes (1961 to 2006);
- Academic Board minutes (1960 to 1996);
- Monash University 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);
- Strategy and Resources Committee (2007 to current); and
- Senior Management Forum (2007 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 Advancement division produced a range of publications that were distributed throughout the University and to the media, secondary schools, and 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 \$22.00 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 were granted, the applicant would be advised at this time of the arrangements for gaining access to the requested documents.

Charges for access complied 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:

Ms Fiona Hunt
Freedom of Information Officer
Executive Services
Building 3A
Monash University
Victoria 3800

Further information about Freedom of Information could be found at the Executive Services website at www.adm.monash.edu.au/execserv/.

Compliance with *Whistleblowers Protection Act 2001*

Monash University is committed to the aims and objectives of the *Whistleblowers Protection Act 2001*. The University does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who may come forward to disclose such conduct. The University would take 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/.

| | |
|--|-----|
| The number and types of disclosures made to the public body during the year. | Nil |
|--|-----|

| | |
|---|-----|
| 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. | Nil |
|---|-----|

| | |
|---|-----|
| 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 were no whistleblower complaints received by the University. We were not aware of any whistleblower complaints made to the Ombudsman that involved the University.

Statutes made and/or amended in 2007

| Statute | Approved by Monash University Council | Approved by Minister |
|--|---------------------------------------|----------------------|
| Statute 4.1 – Discipline (Amendment No.1 2006) | 25 September 2006 | 10 January 2007 |
| Statute 8.1 – The Seal of the University (Amendment No. 1 2007) | 19 March 2007 | 22 May 2007 |
| Statute 6.2 – Exclusion for Unsatisfactory Progress (Amendment No. 1 2007) | 28 May 2007 | 24 August 2007 |
| Miscellaneous Statutes Amendment (Promulgation) 2007 | 6 August 2007 | 25 September 2007 |
| Statute 3.2.3 – Pro-Vice-Chancellors (Amendment No.1 2007) | 16 July 2007 | 7 October 2007 |
| Statute 2.8 – Students Loan Fund (Substitution) 2007 | 16 July 2007 | 7 October 2007 |

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.

Environmental performance

Commitment

The University reviewed and updated its Environmental Sustainability Policy. All staff were given the opportunity to provide feedback and the document was then approved by the Environment Policy Committee and the Vice-Chancellor. The policy can be viewed at www.adm.monash.edu.au/ohse/environment/monash/environment-policy

Recognition

In June, the University was awarded a World Environment Day first prize in the category of Community and Leadership by Monash City Council and was a finalist in the category of Outstanding Large Business. The prize was awarded for Monash's achievement in its operations-based programs.

The University was honoured to receive an entry in the Australian Universities Quality Agency's (AUQA) Good Practice Database for Environmental Sustainability in operational plans.

Committees

The Waste Wise Task Force, Green Purchasing, Greenhouse Challenge Climate Change, and Water Conservation committees continued to operate under the same structure and to report to the Environment Policy Committee (EPC).

Memberships

Monash is a member of the Australian Greenhouse Office's Greenhouse Challenge Plus Program. Reporting is conducted online using the OSCAR, Online System for Challenge Plus Activity Reporting, system to input and update energy, waste, and materials consumption data for all campuses.

Monash University achieved WasteWise accreditation from Sustainability Victoria for all Victorian campuses.

Staff

The number of FTE staff directly employed in environmental improvement and compliance increased from 5.4 to 7.6. Monash spent more than \$2.02 million (\$808,610 in 2006) on environmental improvement and compliance, including direct staff costs (the 7.6 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.

The Monash Green Office Program (GOP) increased its staff volunteer numbers from 260 to more than 280, representing 4.36 per cent of FTE staff. The program continued to promote environmental themes such as reducing paper use, green procurement, sustainable catering and events, sustainable transport, and reducing waste to landfill through recycling and waste bin removal. Emphasis was placed on the role staff can play in reducing energy consumption through the Energy at Monash Guide booklet and staff were asked to complete maintenance requests for improvements to the efficiency of lighting in their work areas. The GOP has been broadened to include all work areas such as studios, workshops and laboratories.

The importance of Green Office Representatives and Environmental Officers (EnvOs) was highlighted in a request to heads of departments and faculties to ensure EnvOs were appointed to all Zone Committees and that Green Office Reps were encouraged to work on improving environmental sustainability within the work environment. There were 53 EnvOs at Monash at the end of the year, a decrease from 2006. These EnvOs represented 70 per cent of all zones. EnvOs focused on environmental matters in the workplace including offices and laboratories, collection of environmental data, addressing and reporting environmental risks and impacts, and working with Green Office Reps.

Information and Skills training sessions continued to be provided in environmental management, basic environmental assessment techniques, and problem-mapping to allow Green Office Reps and EnvOs to be effective change agents within their work environments. These were provided at no cost to their departments. The GOP also hosted a student environmental assessment of the HR department which raised awareness of environmental issues in the workplace and provided recommendations for Green Office Reps. This assisted in some major energy efficiency measures being implemented. Training was provided to 24 EnvOs, 67 Green Office Reps and 16 Environmental Auditors.

A lunch was held to launch 'Greening up our act' and the Energy at Monash Guide in July. The WasteWise accreditation of Monash's Victorian campuses for 2007/2008, was also celebrated with a Green Office Showcase hosted by the Financial Resources Management Division.

Students

The Introduction of the Green Campus Program in late 2006 led to initiatives to engage students in the environmental programs of the University. The introduction of the Green action page on the website gave students a voice on environmental matters and provided an avenue for enquiry across all campuses.

In conjunction with other 'Greening up our act' programs, 900 signs will be installed at all Victorian campuses to reiterate Monash's commitment to environmental improvement. The signs will form part of the overall environmental engagement of students at Orientation Week programs.

Environmental compliance

As one of the top 250 energy using organisations in the country, Monash successfully registered with the Commonwealth's Energy Efficiency Opportunities Program. This program requires energy savings to be integrated throughout the organisation, mandatory energy assessments and the preparation of public and departmental reports on identified energy efficiency opportunities.

After recent amendments to the *Water Act 1989* and *Water Industry Act 1994*, 1500 of Victoria's major water users (premises using greater than 10 mega-litres of water per annum), were required to register with their water retailers and prepare water management action plans (waterMAPS), and provide annual reports that demonstrate ongoing improvements in water management and efficiency. As a result of these amendments Caulfield and Peninsula campuses were registered and submitted waterMAPs to South East Water Limited while Gippsland campus registered and submitted a waterMAP to Gippsland Water. Clayton campus is one of the 'top 200' water users in Victoria and therefore prepared and submitted a water management plan to Yarra Valley Water in 2005 under the Pathways to Sustainability program.

Monash was subject to the following significant environmental regulations:

- *Environment Protection Act 1970* (Vic);
- *Prescribed Waste Regulations 1998* (EPA Vic);
- *Environment and Resource Efficiency Plans Regulations 2007* (EPA Vic);
- *Water Act 1989* (EPA Vic);
- *Water Resources Management Regulations 2007* (Vic);
- *Water Industry Act 1994* (Vic);
- *Water Industry Regulations 2006* (Vic);
- *Environment Protection and Biodiversity Act 1999* (Cwth);
- *Energy Efficiency Opportunities Act 2006* (Cwth); and
- *National Energy and Greenhouse Reporting Act 2007* (Cwth).

Monash was subject to the following Victoria State Environment Protection Policies (SEPPs):

- *Waters of Victoria*;
- *Control of Music Noise from Public Premises*;
- *Control of Noise from Commerce, Industry and Trade*
- *Ambient Air Quality*; and
- *Air Quality Management*.

Monash had a trade waste discharge failure rate of 1.8 per cent (down from 2.1 per cent in 2006) based on self-monitoring for pH levels and received one initial trade waste notice for an acid water discharge from building 19 on Clayton campus.

Water restriction exemptions were applied for from the relevant water retailers for activities such as watering new turf, or watering outside the scheduled hours to maintain a specialist collection of rare sub-tropical and temperate rainforest plants and for plants used for experimental work.

There were no other known environmental non-compliance issues.

Effluent

Effluent is monitored weekly at Clayton campus and monthly at Gippsland and Parkville campuses for pH, flow rate and appearance. Effluent is not monitored at other campuses, as they do not generate the same type of laboratory waste.

Prescribed waste, including hazardous and biomedical (effluent and solid), was disposed of according to Environment Protection Authority (state) and Office of Gene Technology Regulator (federal) requirements. See Table 1 for amounts of hazardous waste disposed (excluding low-level radioactive waste) for the past five years.

Table 1: Monash Clayton's (prescribed) waste disposal statistics

| Year | Tonnes | Year | Tonnes |
|-----------|--------|-----------|--------|
| 2002/2003 | 36.3* | 2005/2006 | 27.4 |
| 2003/2004 | 38.5* | 2006/2007 | 34.0 |
| 2004/2005 | 26.3 | | |

* The high disposal rates in 2002/03 and 2003/04 were due to a clean out of old stocks from laboratories.

Initiatives to reduce effluent

In general, effluent volume reduction can be 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 23 per cent gas at Parkville campus to 58 per cent at Caulfield campus. Overall the percentage of gas to electricity remained at 50 per cent. Monash University remains committed to its target to reduce energy by 20 per cent per EFTSL by 2010 based on 2005 energy use. Currently energy use has increased by seven per cent per EFTSL from 2005 (Table 2) across all campuses although many energy saving initiatives were not introduced until late 2007. Further energy saving initiatives are planned for 2008. Overall energy use per EFTSL decreased by 2.3 per cent based on 2006 use, with reductions at all campuses except Caulfield. The increase in energy use at Caulfield campus was largely due to high gas use.

Table 2: Gas and electricity use (gigajoules), by campus 2007 and per EFTSL 2005–2007

| Campus | Gas total 2007 | Electricity total 2007 | Total energy 2007 | Energy per EFTSL 2005 | Energy per EFTSL 2006 | Energy per EFTSL 2007 | Progression on Energy Target | Increase or decrease in energy use per EFTSL | Increase or decrease in absolute energy use since 2005 | Increase or decrease in absolute energy use |
|--------------|----------------|------------------------|-------------------|-----------------------|-----------------------|-----------------------|------------------------------|--|--|---|
| Berwick | 3,753 | 6,000 | 9,753 | 6.92 | 7.56 | 6.88 | -1% | decrease | -7% | decrease |
| Caulfield | 86,285 | 61,979 | 148,264 | 12.11 | 14.47 | 16.99 | 40% | increase | 39% | increase |
| Clayton | 203,855 | 215,747 | 419,602 | 22.03 | 23.27 | 22.02 | 0% | static | 2% | increase |
| Gippsland | 18,082 | 17,807 | 35,889 | 23.57 | 27.32 | 25.40 | -7% | decrease | -16% | decrease |
| Parkville | 2,701 | 9,010 | 11,710 | 11.59 | 13.09 | 10.58 | -9% | decrease | 6% | increase |
| Peninsula | 9,383 | 12,355 | 21,739 | 10.92 | 10.98 | 10.06 | -8% | decrease | -3% | decrease |
| Total | 324,060 | 322,898 | 646,958 | 17.95 | 19.47 | 19.03 | 6% | increase | 7% | increase |

Notes: EFTSL figures are for teaching campuses and do not include students studying externally (off-campus). These figures include energy use by Monash Residential Services. Annual energy use is based on the 12 months from December – November.

Initiatives to reduce energy use

Monash consolidated audits for all campuses into one database and prioritised completion of the high payback/low cost items. Most of these high priority works were completed by the end of the year.

On-campus renewable energy

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

Emissions

Greenhouse challenge

Emissions reported to the Australian Greenhouse Office's Greenhouse Challenge 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. Actions implemented to reduce energy use across the University included:

- Installation of low energy light fittings at most campuses;
- Distribution and launch of the Monash University Energy Guide to assist staff and students to reduce their energy consumption;
- Implementation of a more efficient room booking procedure;
- Trial of solar hot water heaters at Gippsland campus;
- Push-button timers to control heating in the Halls of Residence at Gippsland campus; and

- Installation of motion detectors for lights and air-conditioning operations at Parkville campus.

Emissions from transport

Monash did not continue its commitment to offset greenhouse gas emissions from business-related air travel, however \$40,000 was paid to Greenfleet to help offset air travel emissions from 2006. To offset the impact of greenhouse gas emissions from vehicles, 99 per cent of Monash-owned vehicles were subscribed to Greenfleet at a cost of just over \$16,400 (approximately 6,630 trees were planted). Staff with vehicles on a novated lease were not required to join Greenfleet.

Greenhouse gas emissions from energy

Monash continued to purchase 10 per cent of electricity from renewable sources for all Victorian campuses, for which no emissions were calculated (see Table 3 for emissions for gas and electricity). At the Clayton campus an additional three per cent (approximately) of renewable green energy was purchased to offset greenhouse gas emissions from the use of stand-alone/package air conditioning units and to discourage their installation and use. This figure has not been included in Table 3.

Greenhouse gas emissions were reduced per EFTSL at all campuses except Caulfield where they increased by 13 per cent. The greatest absolute reduction in emissions was at Gippsland campus, where emissions decreased by 18 per cent overall and by 15 per cent per EFTSL. This saving was due to initiatives to reduce electricity consumption at the campus. Across all Victorian campuses emissions were reduced by 2 per cent per EFTSL and 1 per cent overall. This overall reduction from 2006 emissions was due to the energy reduction initiatives that were implemented in late 2007.

Table 3: Greenhouse gas emissions as tonnes of CO₂-e, by campus

| Campus | Gas 2007 | Gas Emissions per EFTSL 2007 | Gas Emissions per EFTSL 2006 | Electricity 2007 | Electricity Emissions per EFTSL 2007 | Electricity Emissions per EFTSL 2006 | Total Emissions per EFTSL 2007 | Increase or decrease in emissions per EFTSL from 2006 | Absolute increase or decrease in emissions from 2006 |
|--------------|---------------|------------------------------|------------------------------|------------------|--------------------------------------|--------------------------------------|--------------------------------|---|--|
| Berwick | 238 | 0.2 | 0.2 | 1,987 | 1.4 | 1.5 | 1.6 | -6% | -12% |
| Caulfield | 5,470 | 0.6 | 0.5 | 20,527 | 2.4 | 2.1 | 3.0 | 13% | 20% |
| Clayton | 12,924 | 0.7 | 0.7 | 71,456 | 3.7 | 3.8 | 4.4 | -3% | -3% |
| Gippsland | 1,146 | 0.8 | 0.9 | 5,898 | 3.9 | 4.6 | 4.6 | -15% | -18% |
| Parkville | 171 | 0.2 | 0.2 | 2,984 | 2.7 | 3.4 | 2.9 | -21% | -14% |
| Peninsula | 595 | 0.3 | 0.3 | 4,092 | 1.9 | 1.9 | 2.2 | -3% | -5% |
| Total | 20,545 | 0.6 | 0.6 | 106,944 | 3.1 | 3.2 | 3.8 | -2% | -1% |

Notes: EFTSL figures are for teaching campuses and do not include students studying externally (off-campus). The AGO Factors and Methods Workbook, December 2006 was used to calculate emissions from electricity and gas for 2006 and 2007. These figures include emission from electricity and gas use by Monash Residential Services.

Integration into planning

The reduction of emissions was not fully integrated into the requirements for new buildings at Monash. The Office of the Vice-President (Administration) conducted a feasibility study regarding the University moving towards carbon neutrality.

Water use

Water use at each campus was monitored via the billing process (see Table 4) and by metering main inflow pipelines. All buildings at Clayton campus continued to be monitored individually and linked in with the Building Management System. Buildings at other campuses were not monitored individually.

Initiatives to reduce, reuse and recycle water

The Water Conservation Committee continued to focus on reducing water use at all campuses. Sophisticated HydroShare water meters were installed on all main water inlets at all campuses. These meters were connected to the internet and will allow comprehensive real time monitoring of water inflows and the development of usage reports which can detect leaks or abnormal usage.

To reduce water consumption at Clayton campus, high water use laboratory equipment, such as inefficient stills and water aspirators, were upgraded or replaced. Tanks for water harvesting were installed in the Engineering Courtyard and Botany Experimental Area. At the Halls of Residence all showers (more than 250) were converted to AAA rated shower heads to reduce water consumption from 21 to nine litres per minute, all toilet flush valves that used 13 litres per flush were replaced with 9/4.5 litres dual flush valves.

It is anticipated these plumbing improvement works at the Halls of Residence will save more than 10 million litres of water per annum. Cooling Towers on the Clayton campus are also being closely monitored and chemical dosing systems modified to reduce water usage.

A number of storm water harvesting tanks were installed at Gippsland campus, including a 9000 litre tank for vehicle washing, and 27,000 litre and 30,000 litre tanks for toilet flush and other purposes in several buildings. The new auditorium under construction will have a 45,000 litre underground storage tank for toilet flushing. It is estimated the tanks will result in savings of more than four million litres of potable water per annum.

At Parkville campus, extensive refurbishments included the installation of 6/3L dual flush toilet systems, hand basins with low and timed water flows, and waterless urinals.

Water use across Monash campuses decreased by four per cent per EFTSL compared to 2006 usage. Berwick campus achieved a 18 per cent per EFTSL water reduction by using only storm water and bore water to irrigate the soccer grounds. A major water leak was detected and rectified at Animal Services at Gippsland campus, which contributed toward a 10 per cent per EFTSL reduction. Water use at Peninsula campus was reduced by 18 per cent per EFTSL by converting grounds' spray irrigation systems to drips systems and incorporating sensors and timers.

Water use at Parkville campus increased by 8 per cent per EFTSL largely due to the amount of high water use lab equipment installed in the new building on campus.

Integration into planning

Water-saving and capture initiatives were not fully integrated into new building construction.

Table 4: Water use (kilolitres), by campus 2007 and per EFTSL 2005–2007

| Campus | Total KI 2007 | KI per EFTSL 2005 | KI per EFTSL 2006 | KI per EFTSL 2007 | increase/decrease in 2007 per EFTSL from 2005 | increase/decrease in 2007 per EFTSL from 2006 |
|--------------|------------------|-------------------|-------------------|-------------------|---|---|
| Berwick | 8,389.0 | 7.14 | 7.26 | 5.92 | -17% | -18% |
| Caulfield | 75,020.1 | 7.88 | 9.41 | 8.59 | 9% | -9% |
| Clayton | 424,168.0 | 23.24 | 22.30 | 22.26 | -4% | 0% |
| Gippsland | 39,497.7 | 36.49 | 28.89 | 25.94 | -29% | -10% |
| Parkville | 12,128.0 | 8.81 | 10.12 | 10.96 | 24% | 8% |
| Peninsula | 30,054.0 | 20.48 | 16.99 | 13.91 | -32% | -18% |
| Total | 589,256.9 | 18.59 | 18.05 | 17.33 | -7% | -4% |

Notes: Annual water use is based on the 12 months from December – November. Figures include usage only. EFTSL figures are for teaching campuses and do not include students studying externally (off-campus). These figures include water use by Monash Residential Services.

Land use and biodiversity

Monash's Australian campuses occupied more than 2.25 square kilometres. 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 (45 per cent), car parking and roads (15 per cent), outdoor sports fields (7 per cent), buildings (12 per cent), and vacant land and area for new buildings (21 per cent). Land use at each campus is depicted in Table 5; there were no changes from 2006.

Table 5: 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 | 32% | 22% | 0% | 46% | 0% |
| Clayton | 987,602 | 46% | 22% | 14% | 17% | 1% |
| Gippsland | 534,341 | 79% | 10% | 2% | 9% | 0% |
| Parkville | 9,768 | 26% | 15% | 0% | 59% | 0% |
| Peninsula | 123,526 | 50% | 29% | 6% | 15% | 0% |

Initiatives to preserve and enhance biodiversity

The Gippsland campus was involved in the planting of 1,600 native trees and under-storey shrubs on campus and in the surrounding community. The campus involvement in the Morwell River Neighbourhood Environment Improvement Proposal (NEIP) Steering Committee resulted in a further 1000 native trees and shrubs being installed along Eel Hole Creek, immediately adjacent to the campus.

Environmentally responsible purchasing

The Green Purchasing Committee (GPC) 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 Green Purchasing Committee and the Green Office Program continued to support the promotion and purchase of recycled content paper and Fair Trade tea and coffee in Monash departments.

Initiatives to reduce material use

The use of recycled content copy paper increased from 56 per cent to 72 per cent of all copy paper purchased, and paper use increased from 4.8 reams per EFTSL to 5.2 reams per EFTSL.

Packaging

Excess packaging, such as disposable cups and food containers, continued to be a problem at Monash campuses. Figures on amounts of packaging used by vendors were not available due to the fact that many food and beverage outlets are outsourced.

Buildings and major works

Rollout of the Ecological Sustainable Design (ESD) building guidelines continued with emphasis on new capital works (new buildings and all large refurbishments worth more than \$35,000). The new auditorium at Gippsland campus, which is currently under construction, will include some ESD principles. Project officers are also being educated in how to integrate ESD.

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 routes to campuses had bike lanes or suitable walking paths. This is a critical issue for Monash and, as the solution requires the cooperation and allocation of funds by both local and state government authorities, negotiation with these entities continued in 2007. Increased and more direct negotiations are planned for 2008. Free intercampus bus services ran between Berwick and Clayton campuses, Berwick and Peninsula campuses, Caulfield and Clayton campuses, and Peninsula and Clayton campuses.

Motor vehicles

The majority of 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 the need for cars to be efficient or from Australian manufacturers. Statistics for Monash fleet vehicles (excluding novated leases) are reported in Table 6.

Table 6: Monash fleet statistics

| Category | 2006 | 2007 | Increase/decrease on 2006 |
|--------------------------------------|---------|---------|---------------------------|
| Number of vehicles | 435 | 394 | -9% |
| Percentage of vehicles in Greenfleet | 97% | 99% | 2% |
| Number of LPG vehicles | 5 | 5 | 0% |
| Number of diesel vehicles | - | 39 | - |
| Number of hybrid vehicles | 7 | 20 | 186% |
| Number of eight-cylinder vehicles | 3 | 2 | -33% |
| Number of six-cylinder vehicles | 303 | 272 | -10% |
| Number of four-cylinder vehicles | 118 | 120 | 2% |
| Number of 4WDs | 20 | 21 | 5% |
| Total fuel use (litres) | 733,308 | 689,108 | -6% |

Note: Some vehicles were counted in more than one category.

The number of vehicles in the fleet has decreased by nine per cent since 2006 and the total litres of fuel used have decreased by six per cent. The number of hybrid vehicles in the fleet has increased from seven in 2006 to 20 in 2007. The number of eight and six cylinder vehicles in the fleet has decreased.

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 four per cent of reimbursements were for vehicles with engine sizes ranging from 1601cc to 2600cc (up from 50 per cent in 2006), and 33 per cent were for vehicles with an engine larger than 2600cc (down from 38 per cent in 2006). No claims were made for travel by personal bicycle on University business.

Bicycle parking

Additional bike lockers were installed on the Clayton and Berwick campuses to support and encourage staff and students to use alternative modes of travel to campus.

Initiatives to reduce the environmental impact of transport

The objectives and targets contained in the transport strategy for the Clayton campus were adopted for the whole University. This strategy has five main components: land use and campus activities; public and University provided transport improvements; active transport; travel behaviour change interventions; and parking management.

A University-wide travel survey was conducted at all Victoria based campuses in October. This survey provided important baseline information about Monash's transportation patterns and highlighted areas and issues which require attention. The survey will be repeated on a regular basis as part of the 'monitoring and review process' of the Transport Strategy.

Car pooling

The free carpooling service at Clayton campus continued to be sponsored by the University's Alternative Transport Fund. Carpooling information leaflets, a manual, and a number of new initiatives including the development of a new matching tool and the introduction of an expanded service for other campuses were undertaken.

Public transport

A TravelSMART program (a Victorian Government initiative to reduce car travel) was delivered to enrolling first-year students at the Clayton campus. This involved provision of information to increase awareness of student transport options.

Waste

Monash's commitment to Sustainability Victoria's WasteWise program requires continued efforts to reduce waste to landfill by reducing production of waste and diverting waste to recycling wherever possible. Several WasteWise events were held including a Green Office Showcase.

A waste tender process was undertaken to ensure that 2008 waste contracts maintained existing services, provided improved recycling services for plastics (1-7), and introduced recycling for putrecibles, construction and demolition waste.

Waste auditing

Waste audits were carried out across all campuses. These occurred monthly at Berwick, Caulfield, Clayton, and Peninsula campuses; twice at Gippsland campus; and once at Parkville campus. The results of the audits highlighted the need for more recycling infrastructure and that there was significant amounts of waste generated by food outlets such as disposable crockery and cutlery.

Initiatives to reduce waste to landfill

Services for recycling cardboard, paper and commingles (bottles and cans) were increased across all campuses. The Halls of Residences, at Clayton campus continued diverting food scraps from landfill via a composting service. A composting service has not been introduced to other food preparation areas across the University. Plans for the introduction of internal recycling stations for public areas in all buildings were commenced and will be completed in 2008.

Table 7: Availability of recycling and waste facilities by campus

| Type | Berwick | Caulfield | Clayton | Gippsland | Parkville | Peninsula |
|---------------------------|---------|-----------|----------------|-----------|-----------|-----------|
| Cardboard | Yes | Yes | Yes | Yes | Yes | Yes |
| E-waste | Yes | Yes | Yes | Yes | Yes | Yes |
| Co-mingled (public) | Yes | Yes | Yes | Yes | Yes | Yes |
| Co-mingled (offices) | Yes | Yes | Yes | Yes | Yes | Yes |
| Composting | – | – | Yes (limited*) | – | – | Yes |
| Paper | Yes | Yes | Yes | Yes | Yes | Yes |
| Mobile phones | Yes | Yes | Yes | Yes | Yes | Yes |
| Polystyrene | Yes | Yes | Yes | Yes | Yes | Yes |
| Construction & demolition | Yes† | Yes† | Yes† | Yes† | Yes† | Yes† |

* Limited means that some departments are taking care of compost removal amongst themselves and that there is no organisation-wide compost solution available at that campus.

† Service available, but recycling not yet prioritised.

Local environmental initiatives

In 2007, initiatives at Monash to promote environmental sustainability included:

- The Victorian College of Pharmacy was awarded a \$20,000 grant from City West Water to track water conservation actions and implement improvements. The grant recognised the significant water saving measures already implemented in the Department of Medicinal Chemistry laboratories.
- The Financial Resources Management Division practiced reuse and recycling of paper, cardboard, surplus IT equipment and furniture as well as donating shredded paper for use by Animal Services in their small animal enclosures. Environment matters were included

as agenda items in the Division's monthly meetings to ensure new initiatives, ideas and updates were actively reviewed.

- A community Permaculture garden was established at Clayton campus as a collaborative effort of Monash Environment Group, Monash students and community members, and the Short Courses Centre, which has used the community garden site as a practical learning base to teach about no-dig garden beds, composting and sustainable gardening practices.
- The Graduate School of Business held a highly successful workshop on Education for Climate Change and Sustainable Business at Caulfield campus. The workshop was opened by Vice-Chancellor Professor Richard Larkins and Dean of the Faculty of Business and Economics, Professor Gill Palmer, and featured presentations from leading climate scientist Dr Graeme Pearman, a range of industry speakers and several academics. The focus of the workshop was building the case for integrating environmental sustainability into business programs.
- The Monash Sustainability Network met on a regular basis at Caulfield campus to discuss recent climate change and sustainability related issues and developed local actions in support of broader relevant Monash and community initiatives. The informal staff network was closely aligned with the Climate Change and Sustainable Business initiatives in the Faculty of Business and Economics.
- The Gippsland campus is on track to meet the University target of 20 per cent energy savings on 2005 levels by 2010. The campus has already achieved overall savings of 16 per cent by installing lighting and heating systems controls, measuring lighting levels and de-lamping over lit areas, and installing energy efficient T5 tubes.
- The Facility for Advancing Water Biofiltration is developing and testing a range of stormwater biofilter systems. These systems can be applied to protect urban streams and bays from the damaging effects of polluted urban runoff, for harvesting of urban stormwater, greening our cities and promoting biodiversity in urban areas.
- The Faculty of Arts made a major contribution to the UN IPCC (Intergovernmental Panel on Climate Change) Fourth Assessment Report process via five members of the School of Geography and Environmental Science (Nicholls, Lynch, Alexander, Uotila and Tapper). These staff, along with the Director Monash Sustainability Institute (Griggs), were members of the global panel that provided this most up-to-date assessment of the global climate change situation and shared in the 2007 Nobel Peace Prize.
- Monash Residential Services (MRS) at Clayton campus coordinated the participation of 60 residents in Clean up Australia Day. MRS also installed two 3,300 litre rain water tanks for use on the residential community vegetable gardens. AAA rated shower heads were installed in residences on each campus, which is anticipated to save 9,705,051 litres (3.79 Olympic Size swimming pools) of water per annum.
- The Green Steps program offered by Monash Sustainability Institute (MSI) trained 72 students, from more than ten universities across Australia, in environmental change management.
- The Human Resources Division undertook an environmental audit conducted by MSI Green Steps Students, and implemented various environmental savings.

Compliance with the building and maintenance provisions of the *Building Act 1993*

The Facilities and Services division was responsible for all buildings, grounds and service infrastructure at Victorian campuses. Campus-based Facilities and Services managers arranged refurbishment and major maintenance in existing buildings, while Capital Works branch managed all new building construction.

Set out below are the responses relevant to the building and maintenance provisions of the *Building Act 1993*:

- 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 indicative of projects exempt from the 10-year liability.

Monash University continued the development and maintenance of its infrastructure with an emphasis on efficient, low maintenance, safe and environmentally sound facilities.

Compliance – major works

Caulfield campus

Stage one of the fit out of levels nine and ten of Building H commenced, at a cost of \$6.28 million. The project will provide approximately 2,115m² of office space for Advancement Division and it is anticipated that it will be completed in early 2008.

A refurbishment of level two of Building F commenced and will provide approximately 1,068m² of accommodation for staff and students of the new Department of Architecture. The project has a cost of \$2.4 million and it is anticipated that it will be completed in February 2008.

The fit out of 871 Dandenong Road was completed in November. The project cost was \$1.0 million and provides offices for the International Recruitment Services Unit and the Student Recruitment Unit.

Clayton campus

Construction of the Science, Technology, Research, and Innovation Precinct (STRIP) Stage Two, providing 17,200m² of space in two four-storey buildings, is well advanced. Completion of this \$116 million project for the School of Biomedical Sciences, Nursing and Health Sciences and the Australian Regenerative Medicine Institute is planned for early 2009.

Master planning for a \$65 million refurbishment of the Robert Menzies Building was completed. The project will provide new lifts, stairways, building services and improved office accommodation and spaces throughout the 29,000m² building. Construction is planned to commence during September 2008 and run over a six year period.

Construction of the Monash Centre of Electron Microscopy, a new \$15.1 million facility providing laboratories, support and office spaces, was completed in November. Due to the sensitivities of the Centre's sophisticated electron microscopes, the building was designed to minimise vibration and electromagnetic fields.

Fit out of approximately 3,565m² of existing floor space in STRIP Stage One commenced in late 2007. The project will provide research offices, laboratories and support space for 100 staff and completion is expected in the latter half of 2008.

Design work for the redevelopment of PC2 Laboratory in Building 16 commenced. The project will accommodate a High Throughput Protein Production and Crystallisation Facility and has a cost of \$5.6 million. It is anticipated that construction will begin in early 2008, with completion by October 2008.

A project to replace and upgrade the original high voltage substation at Clayton campus, costing \$2.0 million, was completed in August.

Alterations to the ground floor of STRIP Stage One to provide a Robotics Laboratory, incorporating two offices and four workstations, were completed in November 2007. The project cost was \$700,000.

Gippsland campus

Construction of the new Multipurpose Building commenced. The venue will host graduations, exams, conferences and lectures. Costing \$5.62 million, the project is expected to be completed in April 2008.

Refurbishment of Building 3W to provide 2,040m² of space over two levels for the Gippsland Medical School commenced. The project cost is \$4.2 million and completion is expected in early 2008.

Parkville campus

The fit out of 3,650m² of the ground, first and second levels of Building 404 to provide laboratory and office accommodation was completed in July. The project cost was \$9.2 million.

An extensive refit of 270m² on level five of the Animal House included new internal partitions, floor drainage, exhaust ducts and structural work. Costing \$3.4 million, the project was completed in October.

The upgrade of the Library in the Manning Building commenced. The project cost is \$785,000 and is due for completion in early 2008.

Financial performance

Report on financial operations

The Consolidated Result after tax and outside equity interests for Monash University and its controlled entities is \$169.1 million for 2007 compared to \$59.7 million in 2006.

The result provides a safety margin of 12.2 per cent, which exceeds the DEEWR benchmark of 3 per cent to 5 per cent.

The surplus supplements other internal funds and borrowings that enable the University to fund new buildings and refurbishments, which is reflected

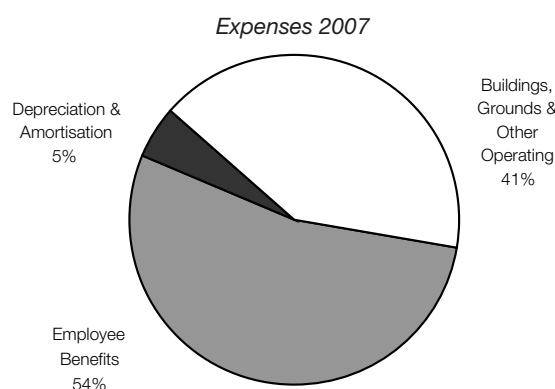
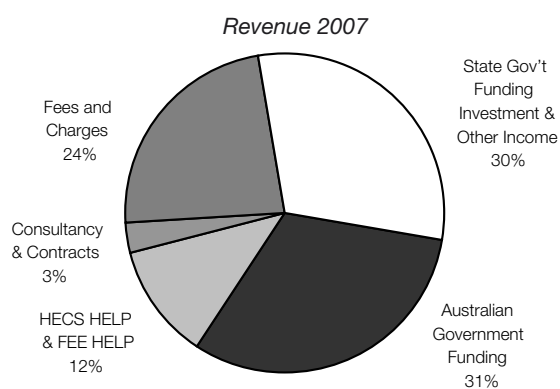
in the increased value of property, plant and equipment. In 2007, revenue of \$1,389.5 million and expenses of \$1,213.7 million show an increase of \$211.6 million and \$96.4 million respectively on 2006 values.

This result has been achieved with increased student fee revenue, largely from international students, increased government funding, good growth in research income and another year of strong investment returns.

The most significant movement in expenses is an increase in Employee Benefits of \$27.5 million, which relates to salary rises from enterprise bargaining and annual salary increases.

Statement of financial performance for the year ended 31 December

| | 2007 \$million | 2006 \$million | 2005 \$million | 2004 \$million | 2003 \$million |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue from continuing operations: | | | | | |
| Australian Government Funding | 437.4 | 401.1 | 346.5 | 304.6 | 267.7 |
| HECS HELP and FEE HELP | 161.9 | 147.0 | 132.7 | 125.4 | 117.0 |
| Victorian Government Funding | 52.9 | 37.2 | 15.2 | 16.5 | 14.6 |
| Consultancy and Contracts | 42.1 | 40.0 | 68.2 | 59.1 | 83.9 |
| Fees and Charges | 328.5 | 296.9 | 268.0 | 245.3 | 225.5 |
| Investment Income | 168.7 | 43.6 | 47.8 | 28.5 | 30.1 |
| Other Revenue | 197.9 | 212.2 | 162.3 | 137.0 | 122.8 |
| Total | 1,389.5 | 1,177.9 | 1,040.7 | 916.4 | 861.6 |
| Expenses from continuing operations: | | | | | |
| Employee Benefits | 650.5 | 623.0 | 543.4 | 491.6 | 450.3 |
| Depreciation and Amortisation | 60.0 | 58.1 | 52.3 | 46.7 | 44.6 |
| Buildings and Grounds | 33.7 | 25.6 | 25.5 | 21.4 | 22.4 |
| Other Operating | 469.4 | 410.6 | 361.9 | 316.7 | 309.7 |
| Total | 1,213.7 | 1,117.3 | 983.1 | 876.4 | 827.0 |
| Income Tax | 4.3 | 2.9 | 2.5 | 1.9 | 1.0 |
| Outside Equity Interest | 2.4 | (2.0) | 3.2 | 2.1 | 1.4 |
| Net Operating Result attributable to Monash | 169.1 | 59.7 | 51.9 | 36.0 | 32.2 |



Statement of financial position as at 31 December

| | 2007 \$million | 2006 \$million | 2005 \$million | 2004 \$million | 2003 \$million |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| What the Monash Group owns | | | | | |
| Property, Plant and Equipment | 1496.4 | 1,443.0 | 1,309.9 | 1,247.6 | 1,231.6 |
| Available-for-sale financial assets | 325.2 | 310.8 | 274.0 | 218.2 | 263.4 |
| Deferred Government Superannuation Contributions | 137.0 | 148.8 | 156.5 | 139.4 | 118.9 |
| Other | 393.3 | 279.5 | 276.8 | 218.5 | 118.2 |
| Total | 2,351.9 | 2,182.1 | 2,017.2 | 1,823.8 | 1,732.1 |
| What the Monash Group owes | | | | | |
| Borrowings | 307.2 | 268.6 | 262.2 | 191.3 | 116.6 |
| Provisions | 123.8 | 114.1 | 105.7 | 107.3 | 99.5 |
| Deferred Employee Benefits for Superannuation | 137.0 | 148.8 | 156.5 | 139.4 | 118.9 |
| Other | 110.6 | 124.9 | 124.6 | 106.6 | 117.7 |
| Total | 678.5 | 656.4 | 649.0 | 544.7 | 452.7 |
| Net Assets | 1,673.4 | 1,525.7 | 1,368.2 | 1,279.1 | 1,279.4 |

Statement of cashflows for the year ended 31 December

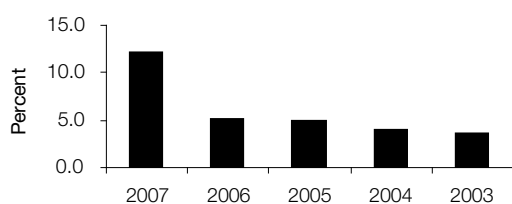
| | 2007 \$million | 2006 \$million | 2005 \$million | 2004 \$million | 2003 \$million |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net cash inflows from operating activities | 93.3 | 64.5 | 48.6 | 58.2 | 92.1 |
| Net cash inflows (outflows) from investing activities | (125.9) | (98.7) | (107.1) | (157.4) | (122.5) |
| Net cash inflows (outflows) from financing activities | 35.9 | 6.6 | 79.6 | 87.4 | 44.6 |
| Net increase/decrease in cash assets held | 3.3 | (27.6) | 21.1 | (11.8) | 14.2 |

Safety Margin

The Safety Margin is defined as the total operating surplus attributable to the group as a percentage of total revenue (Benchmark is 3 per cent to 5 per cent).

| 2007 | 2006 | 2005 | 2004 | 2003 |
|------|------|------|------|------|
| 12.2 | 5.1 | 5.0 | 3.9 | 3.7 |

Safety Margin – Group

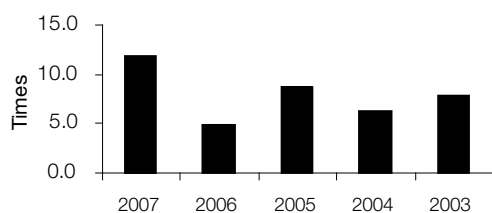


Interest Coverage

Interest Coverage expresses the number of times the group result (before interest expense) covers the interest expense (Benchmark is 3 times).

| 2007 | 2006 | 2005 | 2004 | 2003 |
|------|------|------|------|------|
| 11.9 | 4.9 | 8.8 | 6.3 | 7.9 |

Interest Coverage – Group



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 steady progress towards incorporating risk management into its operations and activities including:

- A Risk Management Framework was developed and approved by Council and communicated to University management;
- To ensure that risk management was integrated into the University's planning and business processes, divisional heads (deans and divisional/executive directors) and chief executive officers of University-controlled entities were required to annually review and update the risk registers for their areas. Risk profiles were amended to reflect the status of actions taken to address previous year's risks and to take account of new and emerging risks. This exercise coincided with the University's annual planning cycle to ensure that risk treatment strategies developed for those risks rated as high were included in the operational plans for each division and company. Divisional and company risk profiles were then aggregated into a University-wide Consolidated Risk Summary, which was reviewed by senior management, approved by the University Audit Committee and submitted to Council for information;
- Separate risk management projects were conducted on key functions and activities including online learning, international activities, occupational health and safety and information technology;
- Major projects requiring the approval of the Council require a risk assessment and risk plan to support the proposal. Risk Assessment Guidelines were developed to enable staff to prepare risk assessments for project proposals;
- During 2006, risk management reviews were completed at Monash South Africa and Sunway campus, Malaysia. Risk treatment strategies were developed to address all high risks identified;
- Crisis Management Planning was implemented on all campuses, including Monash South Africa and Sunway campus, Malaysia, using a risk management approach;

- To improve the management of legal compliance risks, a University-wide Legal Compliance Framework was approved by Council and a Compliance Office with responsibility for oversight of the Framework's implementation was established;
- The University's Audit and Risk Management Unit had well-established processes and systems in place for the conduct of risk management projects and maintained a comprehensive database of current and emerging risks.

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 College Pty Ltd | Education activities on behalf of Monash University | 500,000 |
| Monash Commercial Pty Ltd | Marketing and promotion of commercially viable projects developed predominantly by Monash University | 11,962,000 |
| Monash South Africa Limited/Monash Education Enterprises/Monash Property South Africa Pty Ltd | Operation of Monash University's South African campus in Roodeport, Johannesburg | 6,000,000 |

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

Major financial results

| Year | Net result* \$'000 | Revenue \$'000 | Expenses \$'000 | Assets \$'000 | Liabilities \$'000 | Equity \$'000 |
|------|-----------------------|-------------------|--------------------|------------------|-----------------------|------------------|
| 2007 | 169,127 | 1,389,477 | 1,213,692 | 2,351,859 | 678,489 | 1,673,370 |
| 2006 | 59,720 | 1,177,919 | 1,117,313 | 2,182,146 | 656,446 | 1,525,700 |
| 2005 | 51,872 | 1,040,709 | 983,103 | 2,017,220 | 648,990 | 1,368,230 |
| 2004 | 36,008 | 916,411 | 876,422 | 1,823,799 | 544,749 | 1,279,050 |
| 2003 | 31,829 | 861,234 | 827,002 | 1,732,047 | 427,826 | 1,304,221 |

* After tax and outside equity interests

Consultants

The University engaged a wide range of consultants to assist in the implementation of new systems, and to provide advisory services and information for business developments and a variety of research projects. The table below lists the consultants used by the University and the fees paid for their services during the year ended 31 December 2007.

| Name/description of service | \$ | Future commitments |
|--|-----------|--------------------|
| Bayside Health Service | | |
| STI 6th grant payment as per joint venture agreement | 1,143,483 | NA |
| Alfred Hospital | | |
| Development of the ACHCI | 806,043 | NA |
| RC Potok and Co | | |
| Supervise, facilitate & oversee the performance of the Commonwealth NTRB project | 533,904 | 805,829 |
| KPMG | | |
| Tax advisory services | 490,316 | 400,000 |
| Hobsons Australia Pty Ltd | | |
| Call centre and three-year support for international student enquiries and management system | 446,001 | 340,910 |
| PMMS Consulting Group Pty Ltd | | |
| Productivity and sourcing review | 379,496 | NA |
| Capgemini Financial Services Aust | | |
| Professional services in respect of ESD consultancy | 261,376 | 200,000 |
| Executive Central Group Pty Ltd | | |
| Leadership development program | 254,317 | 10,000 |
| SAP Australia Pty Ltd | | |
| Accounting software consultancy service | 243,089 | 95,855 |
| JWT Specialised Communications | | |
| Market research on the Monash brand | 238,250 | 35,000 |
| Oakton Services Pty Ltd | | |
| Multiple IT projects | 236,252 | 12,950 |
| Phillips KPA Pty Ltd | | |
| Multiple business reviews | 223,674 | 107,416 |
| Greythorn Pty Ltd | | |
| Multiple information database projects | 216,931 | 32,062 |
| Solutions at Work Pty Ltd | | |
| Human resources and industrial relations services | 182,150 | 510 |
| Moore Stephens HF | | |
| Consulting on business and tax issues | 180,105 | 200,000 |
| Voice Project Pty Ltd | | |
| Design, implementation, delivery and follow-up of the 2007 Staff Attitude Survey | 170,184 | 28,527 |
| Insightrix | | |
| Market research and student surveys | 169,161 | 8401 |
| Birch Consulting Pty Ltd | | |
| Multiple training programs | 165,806 | 7225 |
| Paton Pty Ltd | | |
| Multiple business review | 165,710 | NA |
| University of Melbourne | | |
| Novel therapeutic strategies to reduce the burden of chronic heart failure | 165,195 | NA |
| Norman Disney and Young | | |
| Delivery of engineering services solutions | 160,894 | 295,013 |
| PA Consulting Services Ltd | | |
| Shared Services Review | 158,432 | NA |
| Macfarlane Burnet Centre for Medical Research | | |
| Multiple medical research | 151,267 | NA |
| Garry Doyle and Associates | | |
| Multiple staff development program | 149,793 | 53,002 |

| Name/description of service | \$ | Future commitments |
|--|-------------------|--------------------|
| WHP Architects | | |
| Consulting services for conference organisation | 145,304 | NA |
| The Melbourne Furnace Pty Ltd | | |
| Multiple advertising agency services | 142,180 | 233,815 |
| Candle IT and Recruitment | | |
| Support the Callista business improvements and essential developments projects and accessible evaluation surveys | 136,051 | 65,400 |
| Pirion Pty Ltd | | |
| Human resources and industrial relations services | 134,500 | NA |
| Perpetual Improvement | | |
| Multiple business reviews | 134,397 | 16,923 |
| IBM Australia Ltd | | |
| Multiple IT consulting services | 133,153 | NA |
| Victorian Partnership for Advanced Computing Ltd | | |
| Multiple advanced computing research and development service | 130,376 | NA |
| Streamline Solutions | | |
| Strategic direction reviews for multiple businesses | 126,350 | NA |
| Medical College of Wisconsin | | |
| Multiple medical research | 125,693 | 167 |
| Paul C Davis and Associates | | |
| Management of science programs and eResearch | 119,285 | NA |
| Stayton Pty Ltd | | |
| KL project management | 110,000 | 50,000 |
| The Rogensi Pty Ltd | | |
| Multiple skills program | 108,626 | 8055 |
| Ernst and Young | | |
| International assignment policy review | 105,040 | 60,000 |
| Ondata Corporate Services Pty Ltd | | |
| Commercial development of contract research projects | 104,318 | 24,420 |
| IPP Consulting Pty Ltd | | |
| Multiple IT database projects | 104,082 | NA |
| Subtotal (> \$100,000) | 9,151,197 | |
| 261 Consultancies < \$100K | 9,004,566 | |
| Total Consultancies | 18,155,764 | |

Statement on compulsory non-academic fees

As a result of the implementation of the Commonwealth Government's Higher Education Support Amendment (Abolition of Compulsory Upfront Student Union Fees) Act 2005, the University was not able to charge students a compulsory amenities fee for the delivery of student services of a non-academic nature during the year.

Compliance index

The annual report of Monash University prepared in accordance with:

| | |
|-----------|---|
| FMA | <i>Financial Management Act 1994</i> |
| FRD | Financial Reporting Directions |
| SD | Directions of the Minister for Finance issued under section 8 of the <i>Financial Management Act 1994</i> |
| ETRA 2006 | <i>Education and Training Reform Act 2006</i> |

| | |
|-------|--|
| PAEC | Decision of Public Accounts and Estimates Committee of Parliament |
| RUG | Victorian Government response to the Review of University Governance |
| ESOS | <i>Education Services for Overseas Students Act 2000</i> |
| DEEWR | Department of Education, Employment and Workplace Relations |

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

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|-----------------------------------|---|-------|
| Report of operations | | |
| FRD 22B SD 4.2(g), (h) | General and financial information | 1–90 |
| SD 4.2(j) | Letter of Transmittal, including signature of chancellor and date of Monash University Council meeting that approved annual report | 3 |
| FRD 10 | List of relevant clauses of Victorian legislation with statutory disclosure requirements | 41–42 |
| General information | | |
| DEEWR | Report of members of Monash University Council | 5–9 |
| FRD 22B | Manner of establishment and relevant minister | 7 |
| FRD 22B | Objectives, functions, powers and duties | 7–8 |
| FRD 22B | Nature and range of service provision | 8 |
| FRD 22B | Governance and administrative structure | 9–10 |
| FRD 22B, DEEWR | Names of the members of the Council and their method of appointment, term of office, years served on Council, qualifications and experience, membership of other boards, information on the Committees of the Council, number of meetings attended by each member | 5–7 |
| FRD 22B, DEEWR | Indemnity of Council members and senior officers | 9 |
| FRD 22B | Names of members of Monash University audit committee and chief executive | 6 |
| FRD 22B | Names of senior office holders and brief description of each office | 10 |
| FRD 22B | Charts setting out organisational structure | 9–10 |
| FRD 22B | Workforce data for current and previous year and statement on application of merit and equity principles | 20–22 |
| FRD 22B | Statement on occupational health and safety matters, and performance measures | 23–25 |
| Financial year information | | |
| FRD 22B | Summary of financial results with previous four-year comparatives | 38 |
| FRD 22B | Summary of significant changes in financial position | NA |
| FRD 22B, DEEWR | Operational objectives and performance including significant activities and achievements | 1–90 |
| FRD 22B | Major changes or factors affecting the achievement of operational objectives | 8 |
| FRD 22B | Events subsequent to balance date which may have a significant effect on operations in subsequent years | 73 |
| FRD 22B | Full details of each consultancy > \$100,000 | 40–41 |
| FRD 22B | Number and total cost of consulting engagements, each costing < \$100,000 | 41 |
| Other relevant information | | |
| FRD 22B | Application and operation of the <i>Freedom of Information Act 1982</i> | 28 |
| FRD 22B | Compliance with the <i>Building Act 1993</i> | 35–36 |
| FRD 22B | Compliance with section 104 of the <i>Whistleblowers Protection Act 2001</i> | 28–29 |
| FRD 22B | Statement that other relevant information is available on request | 42 |

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|-----------------------------|--|-----------------|
| FRD 22B | Statement on implementation and compliance with National Competition Policy, including the Competitive Neutrality: A Statement of Victorian Government Policy and any subsequent reforms | 27 |
| FRD 22B | Summary of environmental performance | 30–36 |
| ETRA | Statement on compulsory non-academic fees, subscriptions and charges | 41 |
| PAEC (Dec. 1997) | Statement on significant international initiatives and strategies | 14–17 |
| RUG | Statement that public funds have been allocated to purposes specified by government or other public funding body | 40 |
| RUG | Monash University Council risk management strategy | 39–40 |
| ESOS | Compliance with the <i>Education Services for Overseas Students Act 2000</i> | 26 |
| DEEWR | Internal student and staff grievance procedures and number of complaints made to and investigated by the Ombudsman | 22, 25 28–29 |
| DEEWR | Website address for the current and previous annual reports | 29 |
| Financial statements | | |
| FRD 07A | Early adoption of authoritative accounting pronouncements | NA |
| FRD 11 | Ex-gratia payments incurred and written off during the reporting period | NA |
| FRD 17A | Long service wage inflation and discount rates | 52 |
| FRD 19 | Private Provision of Public Infrastructure | NA |
| FRD 21A(1)(a) | Name of each person holding the position that meets the definition of a responsible person of the reporting entity, at any time during the reporting period | 71 |
| FRD 21A(1)(b) | Total remuneration of all responsible persons received or receivable in connection to their employment | 71 |
| FRD 21A(1)(c) | Remuneration of responsible persons in bands of \$10,000 | 71 |
| FRD 21A(1)(d) | Table disclosing the aggregate amount of related party transactions at the reporting date | 75 |
| FRD 21A(2)(a) | Total remuneration of all executive officers | 71 |
| FRD 21A(2)(b) | Base and actual remuneration of executive officers | 71 |
| FRD 21A(2)(c) | Application of accrual principles in determining remuneration levels | 71 |
| FRD 22B, DEEWR | Details of indemnity for members of Council and senior officers | 9 |
| FRD 22B | Statement that declarations of pecuniary interests have been duly completed by all relevant officers and are available on request | 42 |
| FRD 22B | Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary or in a company with which the University has significant commercial dealings and are available on request | 42 |
| FRD 25 | Victorian industry participation policy | NA |
| FRD 26A | Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004 | NA |
| FRD 102 | Inventories | 50 |
| FRD 104 | Foreign currency | 83 |
| FRD 106 | Impairment of assets | 40 |
| FRD 107 | Investment properties | 52 |
| FRD 109 | Intangible assets | 64 |
| FRD 112A | Defined benefit superannuation obligations | 45 |
| FRD 113 | Investments in subsidiaries, jointly controlled associates and entities | 76–77 |
| FRD 114 | Financial instruments disclosure | 80–84 |
| RUG | Summary table of the financial performance of the University's associates and commercial ventures | 77 |

| Clause | Disclosure | Page |
|----------------|---|-------|
| FMA 1994 49(a) | The financial statements contain such information as is required by the Minister | 48 |
| FMA 1994 49(b) | The financial statements were prepared in a manner and form approved by the Minister | 48 |
| FMA 1994 49(c) | The financial statements present fairly the financial transactions of the University during the financial year to which they relate | 90 |
| FMA 1994 49(d) | The financial statements present fairly the financial position of the University as at the end of that year | 90 |
| FMA 1994 49(e) | The financial statements are certified by the accountable officer for the University in the manner approved by the Minister | 90 |
| SD4.2(a) | The financial statements are prepared in accordance with Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements (including Urgent Issues Group Interpretations Views) | 48 |
| SD4.2(a) | The financial statements are prepared in accordance with Financial Reporting Directions | 48 |
| SD4.2(a) | The financial statements are prepared in accordance with Business Rules | 48 |
| SD4.2(b) | Income statement | 44 |
| SD4.2(b) | Balance sheet | 45 |
| SD4.2(b) | Statement on recognised income and expense | 44 |
| SD4.2(b) | Cash flow statement | 47 |
| SD4.2(b) | Notes to the financial statements | 48–89 |
| SD4.2(c) | Fair representation of financial transactions and position | 90 |
| SD4.2(c) | The financial statements are prepared in accordance with financial reporting directions | 90 |
| SD4.2(c) | Compliance with Australian accounting standards | 90 |
| SD4.2(d) | Amounts in financial statements are rounded to the nearest thousand dollars | 48 |
| SD4.2(e) | Declaration by authorised officers that the financial statements have been reviewed by Monash University Council | 90 |
| DEEWR | The financial statements comply with the Financial Statement Guidelines for Australian Higher Education Providers for the 2007 Reporting Period issued by DEEWR | 90 |

Other relevant information available on request

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

- FRD 22B – Statement regarding declaration of pecuniary interest: contact the Divisional Director – Human Resources
- FRD 22B – Shares held by senior officers: contact the Director – Executive Services
- FRD 22B – Publications: contact the Divisional Director – Marketing and Student Recruitment or visit www.monash.edu.au/pubs
- FRD 22B – Changes in prices, fees, charges, rates and levies: contact the Divisional Director – Financial Resources Management Division
- FRD 22B – Major external reviews: contact the Director – Executive Services
- FRD 22B – Major research and development activities: contact the Office of the Deputy Vice-Chancellor (Research)
- FRD 22B – Overseas visits: contact the Director – Executive Services
- FRD 22B – Major promotional, public relations and marketing activities: contact the Divisional Director – Marketing and Student Recruitment or visit at www.adm.monash.edu.au/advancement
- FRD 22B – General statement on industrial relations and details of time lost due to industrial disputes and accidents: contact the Divisional Director – Human Resources
- FRD 22B – Major committees: contact the Director – Executive Services or visit www.adm.monash.edu.au/execserv/

Financial statements

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

| | Notes | Consolidated | | Monash University | |
|--|-------|------------------|------------------|-------------------|------------------|
| | | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| Revenue from continuing operations: | | | | | |
| Australian Government financial assistance | | | | | |
| Australian Government grants | 2 | 437,447 | 400,867 | 437,406 | 400,867 |
| HECS-HELP - Australian Government payments | 2 | 108,555 | 99,192 | 108,555 | 99,192 |
| FEE-HELP | 2 | 28,540 | 24,072 | 26,168 | 22,430 |
| State and Local Government financial assistance | 3 | 52,917 | 37,249 | 52,917 | 37,249 |
| Non-Government financial assistance | 4 | 37,659 | 43,431 | 37,375 | 43,297 |
| HECS-HELP - Student Payments | | 24,825 | 23,780 | 24,825 | 23,780 |
| Fees and charges | 5 | 328,520 | 296,850 | 276,861 | 255,491 |
| Investment income | 6 | 168,716 | 43,597 | 46,848 | 38,837 |
| Fair value gain on investment properties | 6 | 5,108 | 7,378 | 1,108 | 4,478 |
| Royalties, trademarks and licences | 7 | 10,306 | 4,497 | 14,961 | 5,359 |
| Consultancy and contracts | 8 | 42,093 | 39,960 | 42,093 | 39,889 |
| Other revenue | 9 | 131,744 | 147,046 | 74,321 | 81,452 |
| Share of net results of associates and joint venture partnership accounted for using the equity method | 45 | 1,234 | 2,272 | - | - |
| Subtotal | | 1,377,664 | 1,170,191 | 1,143,438 | 1,052,321 |
| Deferred Government Superannuation Contributions | | 11,813 | 7,728 | 11,813 | 7,728 |
| Total revenue from continuing operations | | 1,389,477 | 1,177,919 | 1,155,251 | 1,060,049 |
| Expenses from continuing operations: | | | | | |
| Employee benefits and on costs | 10 | 650,537 | 623,047 | 608,093 | 580,994 |
| Depreciation, amortisation and impairment | 11 | 60,001 | 58,097 | 56,037 | 54,471 |
| Repairs and maintenance | 12 | 33,726 | 25,573 | 31,695 | 23,913 |
| Finance costs | 13 | 15,514 | 15,385 | 15,310 | 15,082 |
| Bad and impaired receivables | 14 | 693 | 2,119 | 185 | 1,757 |
| Assurance and other services | 15 | 1,912 | 1,832 | 1,535 | 1,394 |
| Other expenses | 16 | 439,496 | 382,355 | 380,460 | 343,961 |
| Fair value loss on investment properties | 24 | - | 1,177 | - | 1,177 |
| Subtotal | | 1,201,879 | 1,109,585 | 1,093,315 | 1,022,749 |
| Deferred Employee Benefits for Superannuation | | 11,813 | 7,728 | 11,813 | 7,728 |
| Total expenses from continuing operations | | 1,213,692 | 1,117,313 | 1,105,128 | 1,030,477 |
| Operating result before income tax | | 175,785 | 60,606 | 50,123 | 29,572 |
| Income tax expense | 17 | 4,304 | 2,892 | - | - |
| Net operating result for the year | | 171,481 | 57,714 | 50,123 | 29,572 |
| Net operating result attributable to minority interest | | 2,354 | (2,006) | - | - |
| Net operating result attributable to members of Monash University | 34 | 169,127 | 59,720 | 50,123 | 29,572 |

The above Income Statement should be read in conjunction with the accompanying notes.

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

| | Notes | Consolidated | | Monash University | |
|--|-------|------------------|------------------|-------------------|------------------|
| | | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 18 | 48,241 | 42,036 | 39,726 | 26,833 |
| Receivables | 19 | 70,875 | 67,302 | 77,891 | 62,864 |
| Inventories | 20 | 6,261 | 7,184 | 1,125 | 1,086 |
| Other financial assets | 23 | 105,894 | 5,137 | - | - |
| Other non-financial assets | 27 | 11,929 | 16,763 | 11,139 | 15,735 |
| | | 243,200 | 138,422 | 129,881 | 106,518 |
| Non-Current Assets | | | | | |
| Investments using the equity method | 21 | 7,216 | 8,376 | 4,544 | 2,938 |
| Available-for-sale financial assets | 22 | 325,211 | 310,833 | 197,571 | 181,388 |
| Other financial assets | 23 | 10,237 | 11,618 | 16,576 | 26,696 |
| Investment properties | 24 | 70,588 | 65,480 | 40,088 | 38,980 |
| Property, plant and equipment | 25 | 1,496,387 | 1,443,006 | 1,451,830 | 1,399,315 |
| Intangible assets | 26 | 48,928 | 38,368 | 45,048 | 36,550 |
| Other non-financial assets | 27 | 13,135 | 17,273 | 37,264 | 32,069 |
| Deferred Government superannuation contributions | | 136,957 | 148,770 | 136,957 | 148,770 |
| | | 2,108,659 | 2,043,724 | 1,929,878 | 1,866,706 |
| Total Non-Current Assets | | | | | |
| | | 2,351,859 | 2,182,146 | 2,059,759 | 1,973,224 |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Payables | 28 | 86,908 | 101,973 | 112,640 | 113,864 |
| Borrowings | 29 | 65,391 | 47,800 | 65,150 | 47,658 |
| Provisions | 30 | 105,575 | 97,811 | 103,607 | 93,340 |
| Other liabilities | 31 | 23,646 | 22,964 | 17,754 | 15,749 |
| | | 281,520 | 270,548 | 299,151 | 270,611 |
| Total Current Liabilities | | | | | |
| | | 281,520 | 270,548 | 299,151 | 270,611 |
| Non-Current Liabilities | | | | | |
| Borrowings | 29 | 241,797 | 220,817 | 241,282 | 217,368 |
| Provisions | 30 | 18,215 | 16,311 | 17,749 | 15,649 |
| Deferred employee benefits for superannuation | | 136,957 | 148,770 | 136,957 | 148,770 |
| | | 396,969 | 385,898 | 395,988 | 381,787 |
| Total Non-Current Liabilities | | | | | |
| | | 396,969 | 385,898 | 395,988 | 381,787 |
| Total Liabilities | | 678,489 | 656,446 | 695,139 | 652,398 |
| Net Assets | | 1,673,370 | 1,525,700 | 1,364,620 | 1,320,826 |
| EQUITY | | | | | |
| Parent entity interest | | | | | |
| Capital | 32 | 115,861 | 115,414 | 83,102 | 83,102 |
| Reserves | 33 | 857,103 | 880,602 | 825,561 | 831,890 |
| Retained surplus | 34 | 700,406 | 531,726 | 455,957 | 405,834 |
| | | 1,673,370 | 1,527,742 | 1,364,620 | 1,320,826 |
| Parent entity interest | | | | | |
| | | 1,673,370 | 1,527,742 | 1,364,620 | 1,320,826 |
| Minority interest | 35 | - | (2,042) | - | - |
| | | 1,673,370 | 1,525,700 | 1,364,620 | 1,320,826 |
| Total Equity | | | | | |
| | | 1,673,370 | 1,525,700 | 1,364,620 | 1,320,826 |

The above Balance Sheet should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007**

| | Notes | Consolidated | | Monash University | |
|--|-------|------------------|---------------|-------------------|---------------|
| | | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| Total equity at the beginning of the financial year | | 1,525,700 | 1,368,230 | 1,320,826 | 1,190,961 |
| Gain on revaluation of land and buildings, net of tax | 33 | 8,501 | 96,170 | 4,873 | 91,965 |
| Movement in revaluation surplus of available-for-sale financial assets, net of tax | 33 | (27,287) | 20,612 | (11,202) | 8,328 |
| Reversal of accumulated reserves on disposal | | (1,959) | (6,945) | - | - |
| Exchange differences on translation of foreign operations | 33 | (2,754) | (6,013) | - | - |
| Net income recognised directly in equity | | (23,499) | 103,824 | (6,329) | 100,293 |
| Operating result for the year | | 171,481 | 57,714 | 50,123 | 29,572 |
| Total recognised income and expense for the year | | | | | |
| Transactions with equity holders in their capacity as equity holders: | | | | | |
| Dividends paid to minority interests | | - | (4,068) | - | - |
| Decrease in equity as a result of deconsolidation of subsidiaries during the year | | (312) | - | - | - |
| Total equity at the end of the financial year | | 1,673,370 | 1,525,700 | 1,364,620 | 1,320,826 |
| Total recognised income and expense for the year is attributable to: | | | | | |
| Monash University | | 169,127 | 59,720 | 50,123 | 29,572 |
| Minority interest | | 2,354 | (2,006) | - | - |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

| | Notes | Consolidated | | Monash University | |
|---|----------|------------------|-----------------|-------------------|------------------|
| | | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| Cash flows from operating activities | | | | | |
| Australian Government | | | | | |
| CGS and Other DEEWR Grants | 48.1 | 205,189 | 188,929 | 205,189 | 188,929 |
| Higher Education Loan Programs | 48.2 | 137,095 | 123,264 | 134,723 | 117,793 |
| Scholarships | 48.3 | 12,330 | 10,580 | 12,330 | 10,580 |
| DEEWR Research | 48.4 | 80,001 | 87,332 | 79,960 | 87,332 |
| ARC grants - Discovery | 48.5 (a) | 19,089 | 21,063 | 19,089 | 21,063 |
| ARC grants - Linkages | 48.5 (b) | 12,987 | 9,915 | 12,987 | 9,915 |
| ARC grants - Networks and Centres | 48.5 (c) | 8,767 | 8,596 | 8,767 | 8,596 |
| Other Australian Government Grants | | 99,084 | 73,384 | 99,084 | 73,384 |
| State and Local Government Grants | | 52,917 | 37,134 | 52,917 | 37,134 |
| HECS-HELP - Student payments | | 24,825 | 23,780 | 24,825 | 23,780 |
| Receipts from student fees and other customers | | 593,604 | 556,016 | 468,100 | 443,332 |
| Dividends received | | 11,018 | 4,795 | 9,223 | 16,774 |
| Interest received | | 7,590 | 7,543 | 4,794 | 5,428 |
| Payments to suppliers and employees (inclusive of goods and services tax) | | (1,149,123) | (1,066,968) | (1,033,820) | (942,998) |
| Finance costs | | (18,409) | (17,237) | (18,572) | (16,934) |
| Income taxes paid | | (3,683) | (3,632) | - | - |
| Net cash inflow from operating activities | 46 | 93,281 | 64,494 | 79,596 | 84,108 |
| Cash flows from investing activities | | | | | |
| Proceeds from sale of controlled entities | | 99,300 | - | - | - |
| Proceeds from sale of property, plant and equipment | | 8,056 | 3,515 | 5,600 | 3,415 |
| Proceeds from sale of investment properties | | - | 7,837 | - | 185 |
| Proceeds from sale of available-for-sale financial assets | | 380 | - | 380 | - |
| Repayments of loans, received from related parties | | - | - | - | 2,000 |
| Proceeds from other investing activities | | 1,326 | 1,251 | 8,420 | 10,679 |
| Payment for purchase of subsidiary, net of cash acquired | | - | (3,500) | - | - |
| Payments for property, plant and equipment | | (123,192) | (104,834) | (114,216) | (100,315) |
| Payments for available-for-sale financial assets | | (10,719) | (2,944) | (4,297) | (1,456) |
| Loans provided to related parties | | - | - | (11,738) | (16,772) |
| Payments for discount bills | | (99,300) | - | - | - |
| Payments for other investing activities | | (1,763) | - | - | - |
| Net cash outflow from investing activities | | (125,912) | (98,675) | (115,851) | (102,264) |
| Cash flows from financing activities | | | | | |
| Proceeds from borrowings | | 116,297 | 45,000 | 119,580 | 45,000 |
| Distribution from related parties | | - | - | 7,011 | 8,353 |
| Repayment of borrowings | | (80,360) | (38,416) | (80,360) | (37,500) |
| Payments for other financing activities | | - | - | - | - |
| Net cash inflow from financing activities | | 35,937 | 6,584 | 46,231 | 15,853 |
| Net increase / (decrease) in cash and cash equivalents | | 3,306 | (27,597) | 9,976 | (2,303) |
| Cash and cash equivalents at the beginning of the financial year | | 42,036 | 69,633 | 26,833 | 29,136 |
| Effects of exchange rate changes on cash and cash equivalents | | (654) | - | (636) | - |
| Cash and cash equivalents at the end of year | 18 | 44,688 | 42,036 | 36,173 | 26,833 |

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Monash University as an individual entity and the consolidated entity consisting of Monash University and its subsidiaries.

(a) Basis of Preparation

The general purpose financial reports have been prepared on an accruals basis in accordance with:

- Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board;
- Urgent Issues Group Consensus views;
- the requirements of the Commonwealth Department of Education, Employment and Workplace Relations;
- the disclosure requirements of the Victorian Financial Management Act 1994; and
- directions from the Minister of Finance of the Parliament of Victoria.

Historical cost convention

The financial reports are prepared on the basis of historical cost unless otherwise stated, except for the revaluation of available-for-sale financial assets, land and buildings, investment properties which are at fair value. Fair value includes market value or depreciated replacement cost.

(b) Principles of consolidation

Controlled entities:

The consolidated entity financial report incorporates the assets and liabilities of all controlled entities of the University as at the date of this report and the results of all controlled entities for the year then ended. The effects of all transactions between entities incorporated in the consolidated financial report are eliminated in full.

A controlled entity is an entity, including an unincorporated entity such as a partnership, which is controlled by the University. Under AASB 127 'Consolidated and Separate Financial Statements' control exists where the University has the power to govern the financial and operating policies of another entity so that the other entity operates with the University to achieve the objectives of the University, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity. Controlled entities consolidated into this financial report are outlined in Note 44.

The financial statements of controlled entities are included from the date control commences until the date control ceases.

Inter-company transactions, balances and unrealised gains on transactions within the consolidated group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

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 parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 45). Under the equity method, the consolidated entity's share of the post-acquisition profits or losses of the associate are recognised in the consolidated Income Statement, and its share of post-acquisition movements in reserves are recognised in Consolidated Reserves. The post-acquisition movements are adjusted against the cost of the investment.

(c) Rounding

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

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

- Grants received from Australian Government entities are recognised as income in the year of receipt.
- Revenues received from other Government sources in respect of future years are treated as income in the year 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.
- Fees and charges revenue is recognised when received, or when the University becomes entitled to receive it. Where revenue is received in advance for courses or programs to be delivered in the following year, the non-refundable portion of fees is treated as revenue in the year of receipt and the balance is treated as revenue in advance.
- Revenue from rendering a service or sale of goods is recognised upon delivery to the customer, or in accordance with governing contracts.
- 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.

(e) 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 following method of tax effect accounting.

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(e) Taxation (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation Legislation

Monash Commercial Pty Ltd and its wholly-owned Australian controlled entities have implemented the income tax consolidation legislation as of 1 January 2003.

Monash IVF Pty Ltd and its wholly-owned Australian controlled entities implemented the income tax consolidation legislation from 1 April 2003.

As a consequence, Monash Commercial Pty Ltd and Monash IVF Pty Ltd, as the head entities in their respective tax consolidated group, recognise current and deferred tax amounts relating to transactions, events and balances of their wholly-owned Australian controlled entities as if those transactions, events and balances were their own, in addition to the current and deferred tax amounts arising in relation to their own transactions, events and balances.

(f) Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(g) 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 Balance Sheet.

Cash flows are included in the Cash Flow Statement 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.

(h) Foreign Currency

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the University's functional and presentation currency.

Transactions and balances

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 (monetary assets) and payable (monetary liabilities) denominated 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 Income Statement in the financial year in which the exchange rates change.

Translation of Foreign Controlled Entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at average exchange rates;
- all resulting exchange differences are recognised as a separate component of equity; and
- 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, assets and liabilities are translated at the rates used to translate the associated asset or liability.

(i) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

(k) 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 impaired debt.

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

(l) Inventories

Inventories include books and retail, central building maintenance stores, stationery, academic services, laboratory and departmental supplies and other inventories.

Stock on hand is valued using the lower of cost or net realisable value and stocktakes were completed at year end. Cost is measured on the basis of weighted average cost.

(m) Available-for-sale financial assets

The Group classifies its investments as available-for-sale financial assets. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Balance Sheet date.

Purchases and sales of investments are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Income Statement as gains and losses from investment securities.

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial

assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments are not reversed through the Income Statement.

(n) Loans receivable

Loans receivable are non derivative assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the Balance Sheet date which are classified as non-current assets. Loans and receivables are included as other non-financial assets in the Balance Sheet and are carried at amortised cost using the effective interest method.

Loans to Monash Educational Enterprises and Monash South Africa Limited

Since commencement of the South African campus in 2001, Monash University has provided loans to fund the development of the campus property managed by Monash Property South Africa Pty Ltd and working capital for the educational businesses in South Africa, which operate through Monash South Africa Limited for the higher education activities and Monash Educational Enterprises for other educational activities. The loans to Monash South Africa Ltd and Monash Educational Enterprises are interest free, long term in nature and are recognised at fair value. The loans to Monash Property South Africa Pty Ltd are interest bearing, long term in nature and are recognised at cost.

As required by *AASB 139 Financial Instruments: Recognition and Measurement*, the fair value of these loans is the present value of the estimated future cash flows discounted using the prevailing market rate of interest for a similar instrument, which in this case is based on the prime lending rate in South Africa (31 December 2007 15.5%, 31 December 2006 13.5%), taking into account the University's continued support of the South African operations. This valuation model will be used as the basis for future fair value estimates of these loans at each reporting date.

This estimation has resulted in a fair value adjustment to write-down the cost value of the loans to Monash South Africa and Monash Educational Enterprises of \$6.3 million (2006: \$6.8 million) reflected in the Income Statement (refer note 16).

Whilst the adjustments are a significant write-down to the cost value of the loans to the educational businesses in South Africa, there is uncertainty in relation to the estimated fair value of these loans. At this early stage steady growth in student numbers indicates the campus is developing solidly, which may result in a revaluation of the loans in the longer term.

(o) Intangible assets

Intellectual Property

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.

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(o) Intangible assets (continued)

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 are expensed as incurred. Software capitalised to date has a useful life of 7 years (2006, 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 2007, software development did not include capitalised borrowing costs (2006, Nil).

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Electronic Publications

Electronic publications are split into perpetual access and annual subscription based access to database licences. Perpetual access based publications are capitalised and amortised over a period of 30 years. Annual subscription based publications are expensed as incurred.

(p) Property, Plant and Equipment

Acquisitions

Assets are initially recorded at cost to the economic entity. 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 116 "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 and 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 formal 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 year in which they are incurred.

Borrowing costs have been recognised as part of the carrying value of property and software development assets (where relevant). The capitalisation rate used to determine the amount of capitalised borrowing costs is 6.36% (2006, 6.25%).

Depreciation/Amortisation

Depreciation on property, plant and equipment is included in the Income Statement as an expense item. Depreciation is computed using 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 2007. Buildings have been valued using a depreciated replacement cost approach. Land has been valued on the basis of market value for a large scale residential property development sale. Additions and work in progress are valued at cost.

The fair value of the South African campus land and buildings as at 31 December 2007 has been assessed by Promax Valuation Services, a registered local valuer, and an incremental adjustment made to the Asset Revaluation Reserve.

Land and buildings are 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 2007, property includes capitalised borrowing costs of \$3.262M (2006, \$1.852M).

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 (2006, 33 years) with the exception of South Africa which uses 20 years (2006, 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.

Library Books

Library books are valued at cost and depreciated over their estimated useful lives, which are 30 years for serials and 20 years for monographs (no change from 2006).

Cultural Assets

Cultural assets include artworks and rare books. These assets are valued at 'fair value' which was assessed through formal valuation by J. Dwyer of Deutscher and Hackett Pty Ltd at balance date. These items are not depreciated as they appreciate in value.

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

(p) Property, Plant and Equipment (continued)

Cultural Assets (continued)

A full external valuation will be undertaken every 3 years, with an internal review completed in intervening years by expert Monash University staff with regard to market values of comparative items.

Leased Assets

Leases of property, plant and equipment where the Group has substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year. The property, plant and equipment acquired under finance lease is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Income Statement on a straight-line basis over the period in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

Leasehold Improvements

Leasehold improvements are carried at cost or formal valuation and amortised over the term of the lease to which the improvements relate. Leasehold improvements are capitalised in line with the property capitalisation policy. This policy is consistent with the prior year.

(q) Investment Properties

Investment properties represent properties held to earn rentals or for capital appreciation or both.

Investment properties exclude properties held to meet the service delivery objectives of the University.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the entity. Where an investment property is acquired at no cost or for nominal consideration, its cost shall be deemed to be its fair value as at the date of acquisition.

Subsequent to initial recognition at cost, investment properties are re-valued to fair value with changes recognised as revenues or expenses in the year that they arise. The properties are not depreciated. The fair value of investment properties was established by formal valuation by certified practising valuers of Urbis JHD Pty Ltd as at 31 December 2007.

Rental revenue from the leasing of investment properties is recognised in the Income Statement in the year in which it is receivable, as this represents the pattern of service rendered through the provision of properties.

(r) Interest in Cooperative Research Centres

The University has an interest in 19 Cooperative Research Centres. The University has previously provided funding to the Cooperative Research Centres through cash contributions and continues to provide research resources (in-kind support).

(s) 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.

(t) 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 119 'Employee Benefits' and includes related on-costs.

Provisions made in respect of annual leave expected to be settled within 12 months are measured at their nominal values using the salary rate and related oncost expected to apply at the time of settlement.

Provisions made in respect of annual leave which are not expected to be settled within 12 months are measured at their present value of the estimated future cash outflows to be made by the University in respect of services provided by employees up to the balance date.

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 Australian 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.

Where an employee is presently entitled to payment of their long service leave entitlement and the group has no right to defer payment, the provision is shown as a current liability.

Other Employee Benefits

The other employee benefits provisions include remuneration withheld until termination of employment contracts, anticipated redundancy costs 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 Income Statement. Further details are provided in Note 39.

(u) Cash Flow

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, in banks and at call deposits.

Notes to the Financial Statements

| Notes | Consolidated | | Monash University | |
|-------|--------------|-------|-------------------|-------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$000 | \$000 | \$000 | \$000 |

2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMS

| | | | | | |
|--|----------|----------------|----------------|----------------|----------------|
| (a) Commonwealth Grants Scheme and Other Grants | 48.1 | | | | |
| Commonwealth Grants Scheme [#] | | 179,869 | 170,290 | 179,869 | 170,290 |
| Indigenous Support Fund | | 387 | 365 | 387 | 365 |
| Equity Programs ⁺ | | 722 | 745 | 722 | 745 |
| Workplace Reform Program | | 2,501 | 3,195 | 2,501 | 3,195 |
| Workplace Productivity Program | | 1,206 | - | 1,206 | - |
| Learning and Teaching Performance Fund | | 4,254 | 4,591 | 4,254 | 4,591 |
| Capital Development Pool | | 6,422 | 1,917 | 6,422 | 1,917 |
| Superannuation Program | | 9,788 | 7,916 | 9,788 | 7,916 |
| Collaboration and Structural Reform Program | | 40 | 70 | 40 | 70 |
| Total Commonwealth Grants Scheme and Other Grants | | 205,189 | 189,089 | 205,189 | 189,089 |
| (b) Higher Education Loan Program | 48.2 | | | | |
| HECS-HELP | | 108,555 | 99,192 | 108,555 | 99,192 |
| FEE-HELP | | 28,540 | 24,072 | 26,168 | 22,430 |
| Total Higher Education Loan Program | | 137,095 | 123,264 | 134,723 | 121,622 |
| (c) Scholarships | 48.3 | | | | |
| Australian Postgraduate Awards | | 6,958 | 6,811 | 6,958 | 6,811 |
| International Postgraduate Research Scholarships | | 1,400 | 1,062 | 1,400 | 1,062 |
| Commonwealth Education Cost Scholarships | | 1,596 | 790 | 1,596 | 790 |
| Commonwealth Accommodation Scholarships | | 2,362 | 1,434 | 2,362 | 1,434 |
| Indigenous Scholarships - Stipend Payments | | 9 | - | 9 | - |
| Indigenous Scholarships - Tuition Fee Payments | | 5 | - | 5 | - |
| Total Scholarships | | 12,330 | 10,097 | 12,330 | 10,097 |
| (d) DEEWR - Research | 48.4 | | | | |
| Institutional Grants Scheme | | 22,280 | 21,370 | 22,280 | 21,370 |
| Research Training Scheme | | 41,391 | 40,213 | 41,350 | 40,213 |
| Systemic Infrastructure Initiative | | - | 12,748 | - | 12,748 |
| Research Infrastructure Block Grants | | 15,626 | 14,185 | 15,626 | 14,185 |
| Implementation Assistance Program | | 145 | - | 145 | - |
| Australian Scheme for Higher Education Repositories | | 180 | - | 180 | - |
| Commercialisation Training Scheme | | 379 | - | 379 | - |
| Total DEEWR - Research Grants | | 80,001 | 88,516 | 79,960 | 88,516 |
| (e) Australian Research Council | | | | | |
| (i) Discovery | 48.5 (a) | | | | |
| Project | | 17,431 | 18,628 | 17,431 | 18,628 |
| Fellowships | | 1,658 | 2,435 | 1,658 | 2,435 |
| Total Discovery | | 19,089 | 21,063 | 19,089 | 21,063 |

[#] Includes the basic CGS grant amount, CGS-Regional loading and CGS-Enabling loading

⁺ Includes amounts for Higher Education Equity Support Program and Students with Disabilities Program

Notes to the Financial Statements

| | Notes | Consolidated | | Monash University | |
|--|----------|----------------|----------------|-------------------|----------------|
| | | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| 2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMS (CONTINUED) | | | | | |
| <i>(ii) Linkages</i> | 48.5 (b) | | | | |
| Special Research Initiatives | | - | 136 | - | 136 |
| Infrastructure | | 5,167 | 3,005 | 5,167 | 3,005 |
| International | | 259 | 130 | 259 | 130 |
| Projects | | 7,561 | 6,644 | 7,561 | 6,644 |
| Total Linkages | | 12,987 | 9,915 | 12,987 | 9,915 |
| <i>(iii) Networks and Centres</i> | 48.5 (c) | | | | |
| Centres | | 8,767 | 8,596 | 8,767 | 8,596 |
| Total Networks and Centres | | 8,767 | 8,596 | 8,767 | 8,596 |
| (f) Other Australian Government financial assistance | | | | | |
| NH&MRC | | 50,355 | 38,407 | 50,355 | 38,407 |
| Other Australian Government financial assistance | | 48,729 | 35,184 | 48,729 | 35,184 |
| Total other Australian Government financial assistance | | 99,084 | 73,591 | 99,084 | 73,591 |
| Total Australian Government financial assistance | | 574,542 | 524,131 | 572,129 | 522,489 |
| Reconciliation | | | | | |
| Australian Government grants (a+c+d+e+f) | | 437,447 | 400,867 | 437,406 | 400,867 |
| HECS-HELP - Australian Government payments | | 108,555 | 99,192 | 108,555 | 99,192 |
| Other Australian Government loan programs (FEE-HELP) | | 28,540 | 24,072 | 26,168 | 22,430 |
| Total Australian Government financial assistance | | 574,542 | 524,131 | 572,129 | 522,489 |
| 3. STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE | | | | | |
| State Government financial assistance | | | | | |
| Operating | | 5,315 | 1,862 | 5,315 | 1,862 |
| Research | | 27,173 | 30,567 | 27,173 | 30,567 |
| Non-research | | 19,681 | 2,961 | 19,681 | 2,961 |
| Total State Government financial assistance | | 52,169 | 35,390 | 52,169 | 35,390 |
| Local Government financial assistance | | | | | |
| Research | | 578 | 872 | 578 | 872 |
| Non-research | | 170 | 987 | 170 | 987 |
| Total Local Government financial assistance | | 748 | 1,859 | 748 | 1,859 |
| Total State and Local Government financial assistance | | 52,917 | 37,249 | 52,917 | 37,249 |
| 4. NON-GOVERNMENT FINANCIAL ASSISTANCE | | | | | |
| Research | | 32,999 | 37,700 | 32,794 | 37,566 |
| Non-Research | | 4,660 | 5,731 | 4,581 | 5,731 |
| Total Non-Government Financial Assistance | | 37,659 | 43,431 | 37,375 | 43,297 |

Notes to the Financial Statements

| Notes | Consolidated | | Monash University | |
|-------|--------------|-------|-------------------|-------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$000 | \$000 | \$000 | \$000 |

5. FEES AND CHARGES

Course fees and charges

| | | | | |
|--|---------|---------|---------|---------|
| Fee-paying overseas students | 249,969 | 222,377 | 208,260 | 190,697 |
| Fee-paying domestic postgraduate students | 16,691 | 16,728 | 16,691 | 16,728 |
| Fee-paying domestic undergraduate students | 9,179 | 9,493 | 9,179 | 9,493 |
| Fee-paying domestic non-award students | 3,829 | 3,421 | 2,181 | 2,280 |
| Fee-offshore programs | 6,812 | 8,839 | 6,812 | 8,756 |
| Other domestic course fees and charges | 17,936 | 14,084 | 13,502 | 9,779 |

Total course fees and charges

| | | | | |
|--|---------|---------|---------|---------|
| | 304,416 | 274,942 | 256,625 | 237,733 |
|--|---------|---------|---------|---------|

Other fees and charges

| | | | | |
|----------------------------|--------|-------|--------|-------|
| Amenities and service fees | 126 | 2,632 | 113 | 2,378 |
| Parking fees | 4,252 | 2,489 | 4,251 | 2,487 |
| Registration fees | - | 753 | - | - |
| Student accommodation | 11,610 | 9,265 | 10,123 | 8,460 |
| Other fees and charges | 8,116 | 6,769 | 5,749 | 4,433 |

Total other fees and charges

| | | | | |
|--|--------|--------|--------|--------|
| | 24,104 | 21,908 | 20,236 | 17,758 |
|--|--------|--------|--------|--------|

Total fees and charges

| | | | | |
|--|---------|---------|---------|---------|
| | 328,520 | 296,850 | 276,861 | 255,491 |
|--|---------|---------|---------|---------|

6. INVESTMENT INCOME

| | | | | |
|--|---------|--------|--------|--------|
| Dividends | 42,721 | 27,342 | 33,839 | 23,905 |
| Interest | 7,674 | 7,543 | 5,998 | 6,579 |
| Fair value gain on investment properties | 5,108 | 7,378 | 1,108 | 4,478 |
| Trust distributions | - | - | 7,011 | 8,353 |
| Realised profit on sale of available-for-sale financial assets | 118,321 | 8,712 | - | - |

Total investment income

| | | | | |
|--|---------|--------|--------|--------|
| | 173,824 | 50,975 | 47,956 | 43,315 |
|--|---------|--------|--------|--------|

7. ROYALTIES, TRADEMARKS AND LICENCES

Student related

| | | | | |
|---------------------|-------|-------|-------|-------|
| Enrolment royalties | 4,764 | 3,838 | 9,724 | 4,700 |
|---------------------|-------|-------|-------|-------|

Total student related royalties, trademarks and licences

| | | | | |
|--|-------|-------|-------|-------|
| | 4,764 | 3,838 | 9,724 | 4,700 |
|--|-------|-------|-------|-------|

Intellectual Property Related

| | | | | |
|----------------------|-------|-----|-------|-----|
| Patents and Licences | 5,542 | 659 | 5,237 | 659 |
|----------------------|-------|-----|-------|-----|

Total intellectual property related royalties, trademarks and licences

| | | | | |
|--|-------|-----|-------|-----|
| | 5,542 | 659 | 5,237 | 659 |
|--|-------|-----|-------|-----|

Total royalties, trademarks and licences

| | | | | |
|--|--------|-------|--------|-------|
| | 10,306 | 4,497 | 14,961 | 5,359 |
|--|--------|-------|--------|-------|

8. CONSULTANCY AND CONTRACTS

| | | | | |
|-------------------|--------|--------|--------|--------|
| Consultancy | 13,541 | 13,329 | 13,541 | 13,329 |
| Contract Research | 28,552 | 26,560 | 28,552 | 26,560 |
| Other Contracts | - | 71 | - | - |

Total consultancy and contracts

| | | | | |
|--|--------|--------|--------|--------|
| | 42,093 | 39,960 | 42,093 | 39,889 |
|--|--------|--------|--------|--------|

Notes to the Financial Statements

| | Notes | Consolidated | | Monash University | |
|--|-------|----------------|----------------|-------------------|---------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$000 | \$000 | \$000 | \$000 |
| 9. OTHER REVENUE | | | | | |
| Donations and bequests | | 18,918 | 16,072 | 18,918 | 18,072 |
| Scholarships and prizes | | 1,169 | 633 | 1,169 | 633 |
| Net gain on disposal of property, plant and equipment | 9 (a) | 2,360 | 6 | 744 | - |
| Commercial operations | | 47,696 | 37,156 | 7,042 | 3,590 |
| Rentals and hirings | | 16,830 | 18,000 | 14,772 | 16,745 |
| Sale of goods and services | | 27,060 | 43,927 | 7,373 | 7,574 |
| Secondment recoveries | | 281 | 3,693 | 5,390 | 9,775 |
| Administration recoveries | | 4,632 | 5,896 | 6,352 | 6,160 |
| Other revenue | | 12,798 | 21,663 | 12,561 | 18,903 |
| Total other revenue | | 131,744 | 147,046 | 74,321 | 81,452 |
| (a) Net foreign exchange gains | | | | | |
| Net foreign exchange losses included in other expenses for the year | | (654) | (246) | (636) | (218) |
| Net foreign exchange gains recognised in operating result before income tax for the year (as either other revenue or expense) | | (654) | (246) | (636) | (218) |

10. EMPLOYEE BENEFITS AND ON COSTS

| | | | | | |
|---|--|----------------|----------------|----------------|----------------|
| Academic | | | | | |
| Academic staff salaries | | 298,283 | 284,019 | 287,093 | 274,305 |
| Contribution to superannuation and pension schemes: | | | | | |
| Funded | | 40,290 | 37,168 | 38,496 | 35,729 |
| Payroll tax | | 16,820 | 16,382 | 16,306 | 15,948 |
| WorkCover | | 1,146 | 1,208 | 1,073 | 1,165 |
| Fringe benefits tax | | 1,234 | 1,253 | 1,234 | 1,253 |
| Long service leave provision | | 4,077 | 3,406 | 3,971 | 3,382 |
| Recreation leave provision | | 2,931 | 2,357 | 2,504 | 2,038 |
| Recreation leave loading | | 2,689 | 2,551 | 2,574 | 2,404 |
| | | 367,470 | 348,344 | 353,251 | 336,224 |
| Non-academic | | | | | |
| Non-academic staff salaries | | 228,200 | 224,067 | 204,707 | 199,095 |
| Contribution to superannuation and pension schemes: | | | | | |
| Funded | | 32,257 | 29,675 | 29,470 | 26,994 |
| Payroll tax | | 12,791 | 12,700 | 11,728 | 11,420 |
| WorkCover | | 1,208 | 1,273 | 1,073 | 1,113 |
| Fringe benefits tax | | 1,274 | 1,404 | 1,234 | 1,204 |
| Long service leave provision | | 3,503 | 1,969 | 3,212 | 1,902 |
| Recreation leave provision | | 1,762 | 1,701 | 1,472 | 1,246 |
| Recreation leave loading | | 2,072 | 1,914 | 1,946 | 1,796 |
| | | 283,067 | 274,703 | 254,842 | 244,770 |
| Total employee benefits and on costs | | 650,537 | 623,047 | 608,093 | 580,994 |

Notes to the Financial Statements

| | Notes | Consolidated | | Monash University | |
|--|-------|---------------|---------------|-------------------|---------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$000 | \$000 | \$000 | \$000 |
| 11. DEPRECIATION, AMORTISATION AND IMPAIRMENT | | | | | |
| Depreciation | | | | | |
| Buildings | | 27,048 | 26,783 | 26,640 | 26,476 |
| Equipment | | 22,125 | 20,467 | 19,906 | 18,056 |
| Library books | | 3,990 | 3,730 | 3,903 | 3,592 |
| Total depreciation | | 53,163 | 50,980 | 50,449 | 48,124 |
| Amortisation | | | | | |
| Leasehold improvements | | 2,405 | 2,520 | 1,991 | 1,800 |
| Software development | | 2,605 | 2,964 | 2,605 | 2,914 |
| Electronic publications | | 992 | 798 | 992 | 798 |
| Total amortisation | | 6,002 | 6,282 | 5,588 | 5,512 |
| Impairment | | | | | |
| Property, plant and equipment | | | | | |
| Equipment | | 216 | 835 | - | 835 |
| Intangible assets | | | | | |
| Goodwill | | 620 | - | - | - |
| Total impairment | | 836 | 835 | - | 835 |
| Total depreciation, amortisation and impairment | | 60,001 | 58,097 | 56,037 | 54,471 |
| 12. REPAIRS AND MAINTENANCE | | | | | |
| Buildings | | 33,726 | 25,573 | 31,695 | 23,913 |
| Total repairs and maintenance | | 33,726 | 25,573 | 31,695 | 23,913 |
| 13. FINANCE COSTS | | | | | |
| Loans from banks and other non-related sources | | 18,681 | 17,164 | 18,572 | 16,934 |
| Finance charges from finance leases | | 95 | 73 | - | - |
| Less: | | | | | |
| Amounts included in the cost of qualifying assets | | (3,262) | (1,852) | (3,262) | (1,852) |
| Total finance costs | | 15,514 | 15,385 | 15,310 | 15,082 |
| 14. BAD AND IMPAIRED RECEIVABLES | | | | | |
| Bad debts written off | | 67 | 307 | 40 | 248 |
| Increase in provision for impaired receivables | | 626 | 1,812 | 145 | 1,509 |
| Total bad and impaired receivables | | 693 | 2,119 | 185 | 1,757 |
| 15. ASSURANCE AND OTHER SERVICES | | | | | |
| Assurance services | 36 | 458 | 731 | 195 | 338 |
| Advisory services | 36 | 1,454 | 1,101 | 1,340 | 1,056 |
| Total assurance and other services | | 1,912 | 1,832 | 1,535 | 1,394 |

Notes to the Financial Statements

| | Consolidated | | Monash University | |
|---|----------------|----------------|-------------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| Notes | \$000 | \$000 | \$000 | \$000 |
| 16. OTHER EXPENSES | | | | |
| Scholarships, grants and prizes | 68,193 | 55,235 | 67,805 | 54,953 |
| Advertising, marketing and promotional | 13,815 | 12,490 | 6,605 | 6,159 |
| Rent, leasing and utilities | 45,074 | 39,342 | 38,685 | 35,697 |
| Motor vehicles | 5,807 | 5,188 | 5,593 | 4,940 |
| Student | 8,102 | 7,699 | 5,889 | 6,405 |
| Laboratory | 39,937 | 36,451 | 36,975 | 33,635 |
| Other equipment | 8,357 | 8,352 | 7,978 | 7,893 |
| Communication | 12,824 | 13,317 | 11,913 | 12,422 |
| Information technology | 26,828 | 25,902 | 25,409 | 24,532 |
| Printing and stationery | 14,231 | 14,708 | 13,305 | 13,911 |
| Books and library | 17,360 | 17,687 | 5,594 | 5,158 |
| Travel | 33,545 | 31,133 | 32,429 | 29,684 |
| Financial and administration | 30,750 | 28,448 | 29,660 | 29,761 |
| Staff | 33,351 | 27,022 | 32,587 | 27,499 |
| Cost of sales and services | 681 | 21,326 | - | - |
| Fair value adjustment on loans to Monash South Africa Limited | - | - | 6,265 | 6,772 |
| Diminution of investments in subsidiaries | - | - | 7,300 | 4,662 |
| Net loss on disposal of property, plant and equipment | 29 | 2,906 | - | 2,349 |
| Foreign exchange losses (net) | 654 | 246 | 636 | 218 |
| Unrealised foreign exchange losses on translation of transactions and balances with foreign controlled entities | - | - | 1,298 | 1,389 |
| Grant payments to external parties | 19,546 | 13,942 | 28,095 | 17,326 |
| Impairment of other loans receivable | 19 | 325 | 19 | 5,497 |
| Loss on acquisition of minority interest | 8,658 | - | - | - |
| Loss on deconsolidation of subsidiary | 6,462 | - | 235 | - |
| Diminution of investments in associated entities | 2,629 | - | 2,629 | - |
| Other expenses | 42,644 | 20,636 | 13,556 | 13,099 |
| Total other expenses | 439,496 | 382,355 | 380,460 | 343,961 |
| 17. INCOME TAX EXPENSE | | | | |
| (a) Income tax expense | | | | |
| Current tax | 4,304 | 2,734 | - | - |
| Deferred tax | - | 145 | - | - |
| Under (over) provided in prior years | - | 13 | - | - |
| | 4,304 | 2,892 | - | - |
| Income tax expense is attributable to: | | | | |
| Surplus from continuing operations | 4,304 | 2,892 | - | - |
| Aggregate income tax expense | 4,304 | 2,892 | - | - |
| Deferred income tax (revenue) expense included in income tax expense comprises: | | | | |
| Decrease (increase) in deferred tax assets (note 27) | - | 277 | - | - |
| (Decrease) increase in deferred tax liabilities (note 30) | (621) | (133) | - | - |
| | (621) | 144 | - | - |
| (b) Numerical reconciliation of income tax expense to prima facie tax payable | | | | |
| Operating result from continuing operations before income tax expense | 15,177 | 15,029 | - | - |
| Tax at the Australian tax rate of 30% (2006, 30%) | 4,553 | 4,509 | - | - |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | | | |
| Depreciation and amortisation | - | 71 | - | - |
| Sundry items | 58 | (436) | - | - |
| | 4,611 | 4,144 | - | - |
| Under (over) provision in prior years | - | 13 | - | - |
| Adjustment in relation to current year tax losses not booked | (307) | - | - | - |
| Prior year tax losses not recognised now recouped | - | (1,265) | - | - |
| Income tax expense | 4,304 | 2,892 | - | - |

Notes to the Financial Statements

| Notes | Consolidated | | Monash University | |
|-------|--------------|-------|-------------------|-------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$000 | \$000 | \$000 | \$000 |

17. INCOME TAX EXPENSE (CONTINUED)

(c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised
Potential tax benefit @ 30%

| | | | | |
|--|-------|-------|---|---|
| | 2,654 | 3,400 | - | - |
| | 796 | 1,020 | - | - |

All unused tax losses were incurred by Australian entities.

18. CASH AND CASH EQUIVALENTS

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Cash at bank and on hand | 5,980 | 10,536 | - | 1,971 |
| Managed funds, at cost | 39,726 | 24,862 | 39,726 | 24,862 |
| Short term investments | 2,535 | 6,638 | - | - |
| Total cash and cash equivalents | 48,241 | 42,036 | 39,726 | 26,833 |

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the Cash Flow Statement as follows:

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Balances as above | 48,241 | 42,036 | 39,726 | 26,833 |
| Less: Bank overdrafts | (3,553) | - | (3,553) | - |
| Balance per Cash Flow Statement | 44,688 | 42,036 | 36,173 | 26,833 |

(b) Cash at bank and on hand

These are non-interest bearing.

(c) Deposits at call

The deposits are bearing floating interest rates between 7.19% and 7.41% (2006: 6.39% and 6.57%). These deposits have an average maturity of 82 days (2006: 109 days).

19. RECEIVABLES

External

| | | | | |
|--|---------------|---------------|---------------|---------------|
| Sundry debtors | 37,740 | 44,727 | 35,859 | 39,831 |
| Less: Provision for impaired receivables | (1,017) | (1,598) | (913) | (1,149) |
| Student fees | 7,151 | 4,206 | 6,400 | 4,206 |
| Less: Provision for impaired receivables | (3,044) | (1,980) | (2,359) | (1,980) |
| Student loan debtors | - | 442 | - | - |
| Other amounts receivable | 25,490 | 17,162 | 16,887 | 14,994 |
| GST refundable | 4,555 | 4,343 | 4,435 | 3,487 |
| Total external receivables | 70,875 | 67,302 | 60,309 | 59,389 |

Intercompany

| | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Monyx Pty Ltd | - | - | 197 | 94 |
| Monyx Education Services Pty Ltd | - | - | 2 | - |
| Montech Pty Ltd | - | - | - | 42 |
| Monash Property South Africa Pty Ltd | - | - | 548 | 392 |
| Monash College Pty Ltd | - | - | 10,090 | 2,947 |
| Monash University Foundation Trust | - | - | 6,745 | - |
| Total intercompany receivables | - | - | 17,582 | 3,475 |
| Total Receivables | 70,875 | 67,302 | 77,891 | 62,864 |

Bad and impaired trade receivables

The Group has recognised a loss of \$693,000 (2006: \$2,119,000) in respect of bad and impaired receivables during the year ended 31 December 2007. The loss has been shown separately in the Income Statement. Refer note 14.

Notes to the Financial Statements

| | Notes | Consolidated | | Monash University | |
|--|-------|----------------|----------------|-------------------|----------------|
| | | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| 20. INVENTORIES | | | | | |
| Books and Retail | | 5,119 | 5,712 | - | - |
| Central Building Maintenance Store | | 253 | 230 | 253 | 230 |
| Stationery Store | | 236 | 111 | 236 | 111 |
| Academic Services | | 31 | 34 | 31 | 34 |
| Laboratory and departmental supplies | | 576 | 679 | 576 | 679 |
| Other | | 46 | 418 | 29 | 32 |
| Total current inventories | | 6,261 | 7,184 | 1,125 | 1,086 |
| 21. INVESTMENTS USING THE EQUITY METHOD | | | | | |
| Shares in associates | 45 | 7,216 | 8,376 | 4,544 | 2,938 |
| Total investments accounted for using the equity method | | 7,216 | 8,376 | 4,544 | 2,938 |
| (a) Shares in associates | | | | | |
| Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the parent entity (see note 45). | | | | | |
| 22. AVAILABLE-FOR-SALE FINANCIAL ASSETS | | | | | |
| At beginning of year | | 310,833 | 273,978 | 181,388 | 157,955 |
| Additions | | 34,955 | 31,846 | 27,486 | 15,105 |
| Disposals (sale and redemption) | | (1,222) | (6,945) | - | - |
| Revaluation surplus transfer to equity | | (19,355) | 11,954 | (11,303) | 8,328 |
| At end of year | | 325,211 | 310,833 | 197,571 | 181,388 |
| Listed securities | | | | | |
| Dia B Tech Ltd | | 125 | 125 | - | - |
| Acrux Ltd | | 524 | 290 | - | - |
| Metabolic Pharmaceuticals Ltd | | 384 | 9,054 | - | - |
| Norwood Immunology Ltd | | 371 | 1,201 | - | - |
| Vernalis Plc | | 1 | 9 | - | - |
| Total listed securities | | 1,405 | 10,679 | - | - |
| Managed Funds | | | | | |
| Macquarie Funds Management | | 174,071 | 160,379 | 47,836 | 41,613 |
| MLC | | 149,735 | 139,775 | 149,735 | 139,775 |
| Total managed funds | | 323,806 | 300,154 | 197,571 | 181,388 |
| Total available-for-sale financial assets | | 325,211 | 310,833 | 197,571 | 181,388 |

Notes to the Financial Statements

| | Notes | Consolidated | | Monash University | |
|---|-------|----------------|---------------|-------------------|---------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$000 | \$000 | \$000 | \$000 |
| 23. OTHER FINANCIAL ASSETS | | | | | |
| Current | | | | | |
| Macquarie funds management | | 6,594 | 5,137 | - | - |
| Discount bills | | 99,300 | - | - | - |
| Total current other financial assets | | 105,894 | 5,137 | - | - |
| Non-current | | | | | |
| Shares in subsidiaries | 44 | - | - | 18,472 | 19,911 |
| Provision for non-recovery of investments in subsidiaries | | - | - | (11,962) | (4,662) |
| Other unlisted securities | | | | | |
| Sarou Pty Ltd | | 1,600 | 1,600 | - | - |
| Cortical | | 125 | 125 | - | - |
| Open Universities Australia Pty Ltd | | 100 | 100 | 100 | 100 |
| Monash Health Research Precinct Pty Ltd | | 6,592 | 5,992 | 6,592 | 5,992 |
| Vernet Pty Ltd | | 1,479 | 3,227 | 1,479 | 3,227 |
| Other financial assets | | 341 | 574 | 1,895 | 2,128 |
| Total non-current other financial assets | | 10,237 | 11,618 | 16,576 | 26,696 |
| Total other financial assets | | 116,131 | 16,755 | 16,576 | 26,696 |

These financial assets are carried at cost.

24. INVESTMENT PROPERTIES

Land

| | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|
| Valuation as at 1 January | 59,669 | 52,291 | 33,169 | 28,691 |
| Net fair value gain | 5,084 | 7,378 | 1,084 | 4,478 |
| Valuation as at 31 December | 64,753 | 59,669 | 34,253 | 33,169 |

Buildings

| | | | | |
|--------------------------------|--------------|--------------|--------------|--------------|
| Valuation as at 1 January | 5,811 | 6,826 | 5,811 | 6,826 |
| Net fair value gain / (loss) | 24 | (1,177) | 24 | (1,177) |
| Transfer to/from another class | - | 162 | - | 162 |
| Valuation as at 31 December | 5,835 | 5,811 | 5,835 | 5,811 |

Total investment properties

| | | | | |
|--|---------------|---------------|---------------|---------------|
| | 70,588 | 65,480 | 40,088 | 38,980 |
|--|---------------|---------------|---------------|---------------|

25. PROPERTY, PLANT AND EQUIPMENT

Movements in Property, Plant and Equipment

| Consolidated 2007 | Equipment \$000 | Library Books \$000 | Cultural Assets \$000 | Land \$000 | Buildings | | Leasehold Improvements \$000 | Total \$000 |
|---|--------------------|---------------------------|-----------------------------|----------------|--------------------|--------------------------------|------------------------------------|------------------|
| | | | | | Buildings \$000 | under Construction \$000 | | |
| At 1 January 2007 | | | | | | | | |
| - Cost | 218,418 | 90,922 | 512 | - | 2,030 | 31,434 | 33,231 | 376,547 |
| - Valuation | - | - | 37,551 | 290,731 | 889,784 | 5,530 | 56 | 1,223,652 |
| Accumulated depreciation | (137,901) | (9,364) | - | - | (10) | - | (9,918) | (157,193) |
| Net book amount | 80,517 | 81,558 | 38,063 | 290,731 | 891,804 | 36,964 | 23,369 | 1,443,006 |
| Year ended 31 December 2007 | | | | | | | | |
| Opening net book amount | 80,517 | 81,558 | 38,063 | 290,731 | 891,804 | 36,964 | 23,369 | 1,443,006 |
| Revaluation surplus | - | - | 4,873 | 1,267 | 1,624 | - | - | 7,764 |
| Additions | 36,427 | 7,328 | 439 | 1,200 | 18,983 | 34,860 | 13,779 | 113,016 |
| Disposals | (4,194) | (441) | - | (783) | (205) | (102) | - | (5,725) |
| Depreciation | (22,125) | (3,990) | - | - | (27,048) | - | (2,405) | (55,568) |
| Impairment | (216) | - | - | - | - | - | - | (216) |
| Transfer (to) / from another class | (28) | - | 28 | - | 19,747 | (19,747) | - | - |
| Foreign currency translation | (79) | (26) | - | (1,934) | (1,856) | - | - | (3,895) |
| Loss on deconsolidation of a subsidiary | (1,995) | - | - | - | - | - | - | (1,995) |
| Closing net book amount | 88,307 | 84,429 | 43,403 | 290,481 | 903,049 | 51,975 | 34,743 | 1,496,387 |
| At 31 December 2007 | | | | | | | | |
| - Cost | 232,145 | 97,669 | 134 | 1,200 | 33,450 | 51,975 | 46,496 | 463,069 |
| - Valuation | - | - | 43,269 | 289,281 | 896,247 | - | 570 | 1,229,367 |
| Accumulated depreciation | (143,838) | (13,240) | - | - | (26,648) | - | (12,323) | (196,049) |
| Net book amount | 88,307 | 84,429 | 43,403 | 290,481 | 903,049 | 51,975 | 34,743 | 1,496,387 |

| Consolidated 2006 | Equipment \$000 | Library Books \$000 | Cultural Assets \$000 | Land \$000 | Buildings | | Leasehold Improvements \$000 | Total \$000 |
|------------------------------------|--------------------|---------------------------|-----------------------------|----------------|--------------------|--------------------------------|------------------------------------|------------------|
| | | | | | Buildings \$000 | under Construction \$000 | | |
| At 1 January 2006 | | | | | | | | |
| - Cost | 551,124 | 82,908 | 3,692 | 15,974 | 60,516 | 143,051 | 33,343 | 890,608 |
| - Valuation | - | - | 30,042 | 221,247 | 705,167 | - | 700 | 957,156 |
| Accumulated depreciation | (480,266) | (5,345) | - | - | (43,348) | - | (8,885) | (537,844) |
| Net book amount | 70,858 | 77,563 | 33,734 | 237,221 | 722,335 | 143,051 | 25,158 | 1,309,920 |
| Year ended 31 December 2006 | | | | | | | | |
| Opening net book amount | 70,858 | 77,563 | 33,734 | 237,221 | 722,335 | 143,051 | 25,158 | 1,309,920 |
| Revaluation surplus | - | - | 3,555 | 55,790 | 39,366 | - | (103) | 98,608 |
| Additions | 36,585 | 8,169 | 774 | 719 | 26,861 | 27,195 | 2,201 | 102,504 |
| Disposals | (5,421) | (418) | - | (80) | (993) | - | (404) | (7,316) |
| Depreciation | (20,467) | (3,730) | - | - | (26,783) | - | (2,520) | (53,500) |
| Impairment | (835) | - | - | (265) | - | - | - | (835) |
| Transfer (to) / from another class | - | - | - | (162) | 134,058 | (132,830) | (963) | - |
| Transfer to investment properties | (203) | (26) | - | (2,654) | (2,878) | (452) | - | (162) |
| Foreign currency translation | - | - | - | - | - | - | - | (6,213) |
| Closing net book amount | 80,517 | 81,558 | 38,063 | 290,731 | 891,804 | 36,964 | 23,369 | 1,443,006 |
| At 31 December 2006 | | | | | | | | |
| - Cost | 218,418 | 90,922 | 512 | - | 2,030 | 31,434 | 33,231 | 376,547 |
| - Valuation | - | - | 37,551 | 290,731 | 889,784 | 5,530 | 56 | 1,223,652 |
| Accumulated depreciation | (137,901) | (9,364) | - | - | (10) | - | (9,918) | (157,193) |
| Net book amount | 80,517 | 81,558 | 38,063 | 290,731 | 891,804 | 36,964 | 23,369 | 1,443,006 |

25. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Movements in Property, Plant and Equipment

| University 2007 | Equipment \$000 | Library Books \$000 | Cultural Assets \$000 | Land \$000 | Buildings \$000 | Buildings under Construction \$000 | Leasehold Improvements \$000 | Total \$000 |
|------------------------------------|--------------------|---------------------------|-----------------------------|----------------|--------------------|---|------------------------------------|------------------|
| At 1 January 2007 | | | | | | | | |
| - Cost | 203,580 | 90,049 | 512 | - | 2,030 | 31,434 | 30,256 | 357,861 |
| - Valuation | - | - | 37,551 | 274,530 | 873,832 | - | 570 | 1,186,483 |
| Accumulated depreciation | (127,714) | (8,807) | - | - | (10) | - | (8,498) | (145,029) |
| Net book amount | 75,866 | 81,242 | 38,063 | 274,530 | 875,852 | 31,434 | 22,328 | 1,399,315 |
| Year ended 31 December 2007 | | | | | | | | |
| Opening net book amount | 75,866 | 81,242 | 38,063 | 274,530 | 875,852 | 31,434 | 22,328 | 1,399,315 |
| Revaluation surplus | - | - | 4,873 | - | - | - | - | 4,873 |
| Additions | 33,566 | 7,200 | 439 | 1,200 | 17,203 | 34,860 | 10,572 | 105,040 |
| Disposals | (3,745) | (441) | - | (465) | (205) | (102) | - | (4,958) |
| Depreciation | (19,906) | (3,903) | - | - | (26,640) | - | (1,991) | (52,440) |
| Transfer (to) / from another class | (28) | - | 28 | - | 14,217 | (14,217) | - | - |
| Closing net book amount | 85,753 | 84,098 | 43,403 | 275,265 | 880,427 | 51,975 | 30,909 | 1,451,830 |
| At 31 December 2007 | | | | | | | | |
| - Cost | 223,904 | 96,744 | 134 | 1,200 | 33,450 | 51,975 | 40,828 | 448,235 |
| - Valuation | - | - | 43,269 | 274,065 | 873,625 | - | 570 | 1,191,529 |
| Accumulated depreciation | (138,151) | (12,646) | - | - | (26,648) | - | (10,489) | (187,934) |
| Net book amount | 85,753 | 84,098 | 43,403 | 275,265 | 880,427 | 51,975 | 30,909 | 1,451,830 |

| University 2006 | Equipment \$000 | Library Books \$000 | Cultural Assets \$000 | Land \$000 | Buildings \$000 | Buildings under Construction \$000 | Leasehold Improvements \$000 | Total \$000 |
|------------------------------------|--------------------|---------------------------|-----------------------------|----------------|--------------------|---|------------------------------------|------------------|
| At 1 January 2006 | | | | | | | | |
| - Cost | 191,583 | 82,600 | 3,692 | 15,974 | 60,516 | 143,051 | 30,581 | 527,997 |
| - Valuation | - | - | 30,042 | 206,932 | 688,223 | - | 700 | 925,897 |
| Accumulated depreciation | (126,719) | (5,280) | - | - | (43,348) | - | (7,537) | (182,884) |
| Net book amount | 64,864 | 77,320 | 33,734 | 222,906 | 705,391 | 143,051 | 23,744 | 1,271,010 |
| Year ended 31 December 2006 | | | | | | | | |
| Opening net book amount | 64,864 | 77,320 | 33,734 | 222,906 | 705,391 | 143,051 | 23,744 | 1,271,010 |
| Revaluation surplus | - | - | 3,555 | 51,341 | 37,173 | - | (103) | 91,966 |
| Additions | 34,789 | 7,932 | 774 | 628 | 26,861 | 21,213 | 1,450 | 93,647 |
| Disposals | (4,896) | (418) | - | (80) | (993) | - | - | (6,387) |
| Depreciation | (18,056) | (3,592) | - | - | (26,476) | - | (1,800) | (49,924) |
| Impairment | (835) | - | - | - | - | - | - | (835) |
| Transfer (to) / from another class | - | - | - | (265) | 134,058 | (132,830) | (963) | - |
| Transfer to investment properties | - | - | - | - | (162) | - | - | (162) |
| Closing net book amount | 75,866 | 81,242 | 38,063 | 274,530 | 875,852 | 31,434 | 22,328 | 1,399,315 |
| At 31 December 2006 | | | | | | | | |
| - Cost | 203,580 | 90,049 | 512 | - | 2,030 | 31,434 | 30,256 | 357,861 |
| - Valuation | - | - | 37,551 | 274,530 | 873,832 | - | 570 | 1,186,483 |
| Accumulated depreciation | (127,714) | (8,807) | - | - | (10) | - | (8,498) | (145,029) |
| Net book amount | 75,866 | 81,242 | 38,063 | 274,530 | 875,852 | 31,434 | 22,328 | 1,399,315 |

26. INTANGIBLE ASSETS

Movements in Intangible Assets

| Consolidated 2007 | Software Development \$000 | Goodwill \$000 | Electronic Publications \$000 | Total \$000 |
|---|----------------------------------|-------------------|-------------------------------------|----------------|
| At 1 January 2007 | | | | |
| - Cost | 33,634 | 5,732 | 26,668 | 66,034 |
| - Accumulated amortisation and impairment | (21,948) | (4,018) | (1,700) | (27,666) |
| Net book amount | 11,686 | 1,714 | 24,968 | 38,368 |
| Year ended 31 December 2007 | | | | |
| Opening net book amount | 11,686 | 1,714 | 24,968 | 38,368 |
| Additions | 6,270 | 4,500 | 6,169 | 16,939 |
| Amortisation charge | (2,605) | - | (992) | (3,597) |
| Impairment | - | (620) | - | (620) |
| Retirement | (344) | - | - | (344) |
| Loss on deconsolidation of a subsidiary | (104) | (1,714) | - | (1,818) |
| Closing net book amount | 14,903 | 3,880 | 30,145 | 48,928 |
| At 31 December 2007 | | | | |
| - Cost | 29,320 | 4,500 | 32,837 | 66,657 |
| - Accumulated amortisation and impairment | (14,417) | (620) | (2,692) | (17,729) |
| Net book amount | 14,903 | 3,880 | 30,145 | 48,928 |
| Consolidated 2006 | | | | |
| At 1 January 2006 | | | | |
| - Cost | 28,475 | 5,732 | 21,186 | 55,393 |
| - Accumulated amortisation and impairment | (18,985) | (4,018) | (903) | (23,906) |
| Net book amount | 9,490 | 1,714 | 20,283 | 31,487 |
| Year ended 31 December 2006 | | | | |
| Opening net book amount | 9,490 | 1,714 | 20,283 | 31,487 |
| Additions | 5,160 | - | 5,483 | 10,643 |
| Amortisation charge | (2,964) | - | (798) | (3,762) |
| Closing net book amount | 11,686 | 1,714 | 24,968 | 38,368 |
| At 31 December 2006 | | | | |
| - Cost | 33,634 | 5,732 | 26,668 | 66,034 |
| - Accumulated amortisation and impairment | (21,948) | (4,018) | (1,700) | (27,666) |
| Net book amount | 11,686 | 1,714 | 24,968 | 38,368 |
| University 2007 | | | | |
| At 1 January 2007 | | | | |
| - Cost | 33,062 | - | 26,668 | 59,730 |
| - Accumulated amortisation and impairment | (21,480) | - | (1,700) | (23,180) |
| Net book amount | 11,582 | - | 24,968 | 36,550 |
| Year ended 31 December 2007 | | | | |
| Opening net book amount | 11,582 | - | 24,968 | 36,550 |
| Additions | 6,270 | - | 6,169 | 12,439 |
| Amortisation charge | (2,605) | - | (992) | (3,597) |
| Retirement | (344) | - | - | (344) |
| Closing net book amount | 14,903 | - | 30,145 | 45,048 |
| At 31 December 2007 | | | | |
| - Cost | 29,320 | - | 32,837 | 62,157 |
| - Accumulated amortisation and impairment | (14,417) | - | (2,692) | (17,109) |
| Net book amount | 14,903 | - | 30,145 | 45,048 |
| University 2006 | | | | |
| At 1 January 2006 | | | | |
| - Cost | 27,976 | - | 21,186 | 49,162 |
| - Accumulated amortisation and impairment | (18,566) | - | (903) | (19,469) |
| Net book amount | 9,410 | - | 20,283 | 29,693 |
| Year ended 31 December 2006 | | | | |
| Opening net book amount | 9,410 | - | 20,283 | 29,693 |
| Additions | 5,086 | - | 5,483 | 10,569 |
| Amortisation charge | (2,914) | - | (798) | (3,712) |
| Closing net book amount | 11,582 | - | 24,968 | 36,550 |
| At 31 December 2006 | | | | |
| - Cost | 33,062 | - | 26,668 | 59,730 |
| - Accumulated amortisation and impairment | (21,480) | - | (1,700) | (23,180) |
| Net book amount | 11,582 | - | 24,968 | 36,550 |

Notes to the Financial Statements

| | Consolidated | | Monash University | |
|---|---------------|---------------|-------------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$000 | \$000 | \$000 | \$000 |
| 27. OTHER NON-FINANCIAL ASSETS | | | | |
| Current | | | | |
| Prepayments | 11,732 | 16,616 | 11,099 | 15,732 |
| Short term loans | 40 | 3 | 40 | 3 |
| Accrued revenue | 157 | 144 | - | - |
| Total current other non-financial assets | 11,929 | 16,763 | 11,139 | 15,735 |
| Non-current | | | | |
| Deferred tax asset (refer (a) below) | - | 645 | - | - |
| Monash Investment Holdings Pty Ltd | - | - | 3,000 | - |
| Monyx Pty Ltd | - | - | - | 5,497 |
| Provision for non-recovery of loan | - | - | - | (5,497) |
| Monash Educational Enterprises | - | - | 37,590 | 37,590 |
| Fair value adjustment - Monash Educational Enterprises | - | - | (37,590) | (37,590) |
| Monash Property South Africa Pty Ltd | - | - | 21,129 | 18,941 |
| Monash South Africa Limited | - | - | 17,892 | 11,626 |
| Fair value adjustment - Monash South Africa Limited | - | - | (17,892) | (11,626) |
| Monash University Club | 189 | 146 | 189 | 146 |
| Other prepaid rental | 12,925 | 12,333 | 12,925 | 12,333 |
| Business acquisition | - | 3,500 | - | - |
| Other non-financial assets | 21 | 649 | 21 | 649 |
| Total non-current other non-financial assets | 13,135 | 17,273 | 37,264 | 32,069 |
| Total other non-financial assets | 25,064 | 34,036 | 48,403 | 47,804 |
| (a) Deferred tax assets | | | | |
| The closing balance comprises temporary differences attributable to: | | | | |
| Amounts recognised in operating result that are included in the closing balance | | | | |
| Impaired receivables | - | 45 | - | - |
| Employee benefits | - | 450 | - | - |
| Accrued expenses | - | 31 | - | - |
| Depreciation | - | 119 | - | - |
| | - | 645 | - | - |
| Movements: | | | | |
| Opening balance at 1 January | 645 | 922 | - | - |
| Charged to the Income Statement (note 17) | - | (277) | - | - |
| Deconsolidation of subsidiary (note 45) | (645) | - | - | - |
| Closing balance at 31 December | - | 645 | - | - |

Notes to the Financial Statements

| | Consolidated | | Monash University | |
|---|----------------|----------------|-------------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| Notes | \$000 | \$000 | \$000 | \$000 |
| 28. PAYABLES | | | | |
| External | | | | |
| Creditors | 44,480 | 38,792 | 41,837 | 31,004 |
| Accrued Charges | 7,730 | 16,545 | 5,359 | 16,218 |
| Funds under administration | 9,131 | 10,341 | 9,131 | 10,341 |
| Other | 25,549 | 35,932 | 24,794 | 33,202 |
| GST Collected | 18 | 363 | 1 | 2 |
| Total external payables | 86,908 | 101,973 | 81,122 | 90,767 |
| Intercompany | | | | |
| Monash Commercial Pty Ltd | - | - | 2,424 | 1,196 |
| Monash Investment Trust | - | - | 10,015 | 9,621 |
| Monash Property Management Pty Ltd | - | - | - | 1,221 |
| Monyx Pty Ltd | - | - | - | 304 |
| Monash South Africa Limited | - | - | 802 | 799 |
| Monash College Pty Ltd | - | - | 18,277 | 9,909 |
| Monash University Foundation Trust | - | - | - | 47 |
| Total intercompany payables | - | - | 31,518 | 23,097 |
| Total Payables | 86,908 | 101,973 | 112,640 | 113,864 |
| 29. BORROWINGS | | | | |
| Current | | | | |
| Secured | | | | |
| Finance leases | 241 | 242 | - | - |
| Total current secured borrowings | 241 | 242 | - | - |
| Unsecured | | | | |
| Bank Overdraft | 3,553 | - | 3,553 | - |
| Bank loans - Commercial Bills | 61,597 | 47,558 | 61,597 | 47,558 |
| Monash University Foundation | - | - | - | 100 |
| Total current unsecured borrowings | 65,150 | 47,558 | 65,150 | 47,658 |
| Total Current Borrowings | 65,391 | 47,800 | 65,150 | 47,658 |
| Non - Current | | | | |
| Secured | | | | |
| Finance leases | 515 | 299 | - | - |
| Total non-current secured borrowings | 515 | 299 | - | - |
| Unsecured | | | | |
| Loan from Bank - Commercial Bills: | | | | |
| Repayable 1-5 years | 60,678 | 78,529 | 60,678 | 78,529 |
| Repayable over 5 years | 175,586 | 138,839 | 175,586 | 138,839 |
| Other Loans, unsecured: | | | | |
| Repayable 1-5 years | - | 3,150 | - | - |
| Repayable over 5 years | 5,018 | - | 5,018 | - |
| Total non-current unsecured borrowings | 241,282 | 220,518 | 241,282 | 217,368 |
| Total Non-Current Borrowings | 241,797 | 220,817 | 241,282 | 217,368 |
| Total Borrowings | 307,188 | 268,617 | 306,432 | 265,026 |

Notes to the Financial Statements

| Notes | Consolidated | | Monash University | |
|-------|--------------|-------|-------------------|-------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$000 | \$000 | \$000 | \$000 |

29. BORROWINGS (CONTINUED)

Financial arrangements

Unrestricted access was available at balance date to the following lines of credit:

Credit standby arrangements

| | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|
| Total facilities | | | | |
| Bank overdrafts | 3,553 | - | 3,553 | - |
| Bank loans | 319,830 | 294,438 | 319,830 | 294,438 |
| Other loans | 5,018 | 2,948 | 5,018 | 2,948 |
| Finance leases | 1,332 | 55 | - | - |
| | 329,733 | 297,441 | 328,401 | 297,386 |
| Used at balance date | | | | |
| Bank overdrafts | (3,553) | - | (3,553) | - |
| Bank loans | (297,861) | (268,717) | (297,861) | (268,717) |
| Other loans | (5,018) | - | (5,018) | - |
| Finance leases | (756) | - | - | - |
| | (307,188) | (268,717) | (306,432) | (268,717) |
| Unused at balance date | | | | |
| Bank overdrafts | - | - | - | - |
| Bank loans | 21,969 | 25,721 | 21,969 | 25,721 |
| Other loans | - | 2,948 | - | 2,948 |
| Finance leases | 576 | 55 | - | - |
| | 22,545 | 28,724 | 21,969 | 28,669 |
| Bank loan facilities | | | | |
| Total facilities | 329,733 | 297,441 | 328,401 | 297,386 |
| Used at balance date | (307,188) | (268,717) | (306,432) | (268,717) |
| Unused at balance date | 22,545 | 28,724 | 21,969 | 28,669 |

30. PROVISIONS

Current

| | | | | | |
|--|--------|----------------|---------------|----------------|---------------|
| Deferred tax liabilities (refer (b) below) | | - | 621 | - | - |
| Provision for Investment Write Off | | 17 | 17 | - | - |
| Employee benefits: | | | | | |
| Academic: | | | | | |
| Provision for Long Service Leave | 30 (a) | 39,452 | 36,365 | 39,267 | 36,213 |
| Provision for Recreation Leave | 30 (a) | 25,517 | 22,310 | 24,781 | 21,653 |
| Provision for Bonus Payments | | 36 | 244 | - | - |
| Non-Academic: | | | | | |
| Provision for Long Service Leave | 30 (a) | 25,276 | 23,748 | 24,985 | 22,234 |
| Provision for Recreation Leave | 30 (a) | 15,178 | 14,265 | 14,574 | 13,240 |
| Provision for Redundancies | | 75 | - | - | - |
| Provision for Bonus Payments | | 24 | 241 | - | - |
| Total Current Provisions | | 105,575 | 97,811 | 103,607 | 93,340 |

| | Notes | Consolidated | | Monash University | |
|--|-------|----------------|----------------|-------------------|----------------|
| | | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| 30. PROVISIONS (CONTINUED) | | | | | |
| Non-Current | | | | | |
| Provision for Remuneration Withheld | | 1,624 | 1,737 | 1,624 | 1,640 |
| Provision for Bonus Payments | | 264 | 214 | 264 | 214 |
| Employee benefits: | | | | | |
| Academic: | | | | | |
| Provision for Long Service Leave | | 9,211 | 7,831 | 8,933 | 7,636 |
| Non-Academic: | | | | | |
| Provision for Long Service Leave | | 7,116 | 6,529 | 6,928 | 6,159 |
| Total Non-Current Provisions | | 18,215 | 16,311 | 17,749 | 15,649 |
| Total Provisions | | 123,790 | 114,122 | 121,356 | 108,989 |
| (a) Current Long Service Leave and Recreation Leave: | | | | | |
| Within 12 months | | | | | |
| Academic: | | | | | |
| Provision for Long Service Leave - nominal value | 1 (t) | 27,979 | 25,740 | 27,794 | 25,588 |
| Provision for Recreation Leave - nominal value | | 16,536 | 14,593 | 15,800 | 13,936 |
| Non-Academic: | | | | | |
| Provision for Long Service Leave - nominal value | | 17,118 | 16,452 | 16,827 | 14,938 |
| Provision for Recreation Leave - nominal value | | 10,698 | 10,175 | 10,094 | 9,150 |
| Total Within 12 months | | 72,331 | 66,960 | 70,515 | 63,612 |
| Beyond 12 months | | | | | |
| Academic: | | | | | |
| Provision for Long Service Leave - present value | 1 (t) | 11,473 | 10,625 | 11,473 | 10,625 |
| Provision for Recreation Leave - present value | | 8,981 | 7,717 | 8,981 | 7,717 |
| Non-Academic: | | | | | |
| Provision for Long Service Leave - present value | | 8,158 | 7,296 | 8,158 | 7,296 |
| Provision for Recreation Leave - present value | | 4,480 | 4,090 | 4,480 | 4,090 |
| Total Beyond 12 months | | 33,092 | 29,728 | 33,092 | 29,728 |
| Total Current Long Service Leave and Recreation Leave | | 105,423 | 96,688 | 103,607 | 93,340 |
| (b) Deferred tax liabilities | | | | | |
| Movements: | | | | | |
| Opening balance at 1 January | | 621 | 977 | - | - |
| Charged to the Income Statement (note 17) | | (621) | (133) | - | - |
| Charged to equity | | - | (223) | - | - |
| Closing balance at 31 December | | - | 621 | - | - |

Notes to the Financial Statements

| | Notes | Consolidated | | Monash University | |
|--|--------|----------------|----------------|-------------------|----------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$000 | \$000 | \$000 | \$000 |
| 31. OTHER LIABILITIES | | | | | |
| Current | | | | | |
| Australian Government Unspent Financial Assistance | | - | 183 | - | - |
| Prepaid rental | | 229 | 405 | - | - |
| Student fees paid in advance | | 22,923 | 19,913 | 17,365 | 14,528 |
| Income received in advance | | 389 | 2,355 | 389 | 1,221 |
| Other | | 105 | 108 | - | - |
| Total other liabilities | | 23,646 | 22,964 | 17,754 | 15,749 |
| 32. CAPITAL | | | | | |
| Funds Held in Perpetuity: | | | | | |
| Monash University Foundation | | | | | |
| Funds Held in Perpetuity at 1 January | | 32,312 | 31,837 | - | - |
| Transfer from Retained Earnings | | 447 | 475 | - | - |
| Funds Held in Perpetuity at 31 December | | 32,759 | 32,312 | - | - |
| Contributed Capital: | | | | | |
| Commonwealth and State Government financial assistance | | | | | |
| Contributions to capital works and land | | 83,102 | 83,102 | 83,102 | 83,102 |
| Total Contributed Capital | | 83,102 | 83,102 | 83,102 | 83,102 |
| Total Capital | | 115,861 | 115,414 | 83,102 | 83,102 |
| 33. RESERVES | | | | | |
| Asset revaluation reserve | | | | | |
| Asset revaluation reserve at 1 January | 33 (a) | 824,112 | 727,942 | 805,614 | 713,649 |
| Transfers to Asset revaluation reserve | | 7,764 | 96,170 | 4,873 | 91,965 |
| Asset revaluation reserve at 31 December | | 831,876 | 824,112 | 810,487 | 805,614 |
| Available-for-sale investments revaluation reserve | | | | | |
| Available-for-sale investments revaluation reserve at 1 January | 33 (b) | 61,664 | 47,997 | 26,276 | 17,948 |
| Transfers to Available-for-sale investments revaluation reserve | | (28,509) | 13,667 | (11,202) | 8,328 |
| Available-for-sale investments revaluation reserve at 31 December | | 33,155 | 61,664 | 15,074 | 26,276 |
| Foreign currency translation reserve | | | | | |
| Foreign currency translation reserve at 1 January | 33 (c) | (5,174) | 808 | - | - |
| Transfers to Foreign currency translation | | (2,754) | (5,982) | - | - |
| Foreign currency translation reserve at 31 December | | (7,928) | (5,174) | - | - |
| Total reserves | | 857,103 | 880,602 | 825,561 | 831,890 |
| Movements: | | | | | |
| (a) Asset revaluation reserve: | | | | | |
| Balance 1 January | | 824,112 | 727,942 | 805,614 | 713,649 |
| Revaluation - gross | | 8,501 | 96,170 | 4,873 | 91,965 |
| Reversal of previous revaluations on sale - transfer to net profit gross | | (737) | - | - | - |
| Balance 31 December | | 831,876 | 824,112 | 810,487 | 805,614 |

Notes to the Financial Statements

| | Consolidated | | Monash University | |
|--|----------------|----------------|-------------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| Notes | \$000 | \$000 | \$000 | \$000 |
| 33. RESERVES (CONTINUED) | | | | |
| (b) Available-for-sale investments revaluation reserve: | | | | |
| Balance 1 January | 61,664 | 47,997 | 26,276 | 17,948 |
| Revaluation - gross | (27,287) | 20,612 | (11,202) | 8,328 |
| Reversal of previous revaluations on sale - transfer to net profit - gross | (1,222) | (6,945) | - | - |
| Balance 31 December | 33,155 | 61,664 | 15,074 | 26,276 |
| (c) Foreign currency translation reserve: | | | | |
| Balance 1 January | (5,174) | 808 | - | - |
| Currency translation differences arising during the year | (2,754) | (5,982) | - | - |
| Balance 31 December | (7,928) | (5,174) | - | - |
| 34. RETAINED SURPLUS | | | | |
| Retained surplus at 1 January | 531,726 | 472,481 | 405,834 | 376,262 |
| Net operating result for the year | 169,127 | 59,720 | 50,123 | 29,572 |
| Transfer to original capital | (447) | (475) | - | - |
| Retained surplus at 31 December | 700,406 | 531,726 | 455,957 | 405,834 |
| 35. MINORITY INTEREST | | | | |
| Interest in: | | | | |
| Statutory funds | - | 2,221 | - | - |
| Share capital | - | (4,263) | - | - |
| Total minority interest | 35 (a) | (2,042) | - | - |
| (a) Movements: | | | | |
| Balance 1 January | (2,042) | 4,063 | - | - |
| Share of net operating result | 2,354 | (2,006) | - | - |
| Share of dividends paid | (312) | (4,099) | - | - |
| Balance 31 December | - | (2,042) | - | - |
| 36. REMUNERATION OF AUDITORS | | | | |
| During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms: | | | | |
| 1. Assurance services | | | | |
| Fees paid to Auditor-General of Victoria: | | | | |
| Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i> | 308 | 479 | 142 | 338 |
| Fees paid to related practices of Auditor-General of Victoria | - | 20 | - | - |
| Fees paid to non-Auditor-General of Victoria audit firms for the audit or review of financial reports of any entity in the consolidated entity | 150 | 232 | 53 | - |
| Total remuneration for assurance services | 458 | 731 | 195 | 338 |
| 2. Advisory services | | | | |
| Fees paid to non-Auditor-General of Victoria audit firms | 1,454 | 1,101 | 1,340 | 1,056 |
| Total remuneration for advisory services | 1,454 | 1,101 | 1,340 | 1,056 |

It is the consolidated entity's policy to seek competitive tenders for all major consulting projects.

Notes to the Financial Statements

37. RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS

The responsible Minister for Skills and Workforce Participation is The Hon. J. Allan MP. 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.

| | | |
|------------------------|---------------------|------------------------|
| Ms L Adler AM | Ms Z Edwards | Mr P H Ramler AM |
| Mr J Bender | Mr J K Ellis | Mr P Redlich AO |
| Ms L Boston | Professor J Hurst | Dr L Rowe AM |
| Professor C Bourke MBE | Ms P F E Hutchinson | Ms S Smith |
| Mr S Buggle | Ms M L Kok | Dr C Williams |
| Dr C Curwen CVO OBE | Dr J W Zillman AO | Professor R Larkins AO |
| Professor S Davis | Mr I Pyman | |

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. "External" members of the University Council (who are not employees of the University) do not receive remuneration for carrying out their University Council roles. However members of the University Council can receive remuneration for carrying out additional roles for the University (for example by serving on Boards of University controlled or associated entities) and it is this remuneration which is reported.

| Income Band | Total Remuneration | | Base Remuneration | |
|---------------------|--------------------|-------------|-------------------|-------------|
| | 2007 | 2006 | 2007 | 2006 |
| \$20,000 - 29,999 | 1 | - | 1 | - |
| \$60,000 - 69,999 | - | 1 | - | 1 |
| \$70,000 - 79,999 | - | 1 | - | 1 |
| \$80,000 - 89,999 | 1 | - | 1 | - |
| \$100,000 - 109,999 | 1 | 1 | 1 | 1 |
| \$150,000 - 159,999 | - | 2 | - | 2 |
| \$160,000 - 169,999 | 2 | - | 2 | - |
| \$510,000 - 519,999 | - | - | 1 | 1 |
| \$680,000 - 689,999 | - | 1 | - | - |
| \$710,000 - 719,999 | 1 | - | - | - |
| Total Numbers: | 6 | 6 | 6 | 6 |
| Total Amount: | \$1,263,312 | \$1,240,455 | \$1,069,812 | \$1,068,724 |

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.

| Income Band | Total Remuneration | | Base Remuneration | |
|---------------------|--------------------|--------------|-------------------|-------------|
| | 2007 | 2006 | 2007 | 2006 |
| \$100,000 - 109,999 | - | - | 1 | - |
| \$110,000 - 119,999 | - | 4 | - | 4 |
| \$120,000 - 129,999 | 5 | - | 4 | - |
| \$130,000 - 139,999 | 3 | 1 | 3 | 2 |
| \$140,000 - 149,999 | 1 | 3 | 2 | 3 |
| \$150,000 - 159,999 | - | 1 | 1 | 1 |
| \$160,000 - 169,999 | 3 | 1 | 3 | 4 |
| \$170,000 - 179,999 | 2 | - | 2 | 1 |
| \$180,000 - 189,999 | - | 3 | 2 | 9 |
| \$190,000 - 199,999 | 2 | 3 | 8 | 2 |
| \$200,000 - 209,999 | 2 | 1 | 5 | 5 |
| \$210,000 - 219,999 | 2 | 1 | 3 | 2 |
| \$220,000 - 229,999 | 2 | 4 | 3 | 1 |
| \$230,000 - 239,999 | 3 | 2 | 1 | 1 |
| \$240,000 - 249,999 | 1 | 3 | 2 | 2 |
| \$250,000 - 259,999 | 3 | 1 | 1 | 2 |
| \$260,000 - 269,999 | 1 | 3 | 1 | - |
| \$270,000 - 279,999 | 2 | 1 | - | 2 |
| \$280,000 - 289,999 | - | 1 | 1 | 1 |
| \$290,000 - 299,999 | 3 | 2 | - | 2 |
| \$300,000 - 309,999 | - | 1 | 2 | 1 |
| \$310,000 - 319,999 | 1 | - | - | - |
| \$320,000 - 329,999 | 1 | - | - | - |
| \$330,000 - 339,999 | 1 | 1 | - | - |
| \$340,000 - 349,999 | - | 2 | - | - |
| \$350,000 - 359,999 | 2 | 1 | - | - |
| \$360,000 - 369,999 | - | 1 | 1 | - |
| \$370,000 - 379,999 | 1 | - | - | - |
| \$380,000 - 389,999 | 2 | 2 | - | - |
| \$390,000 - 399,999 | 1 | - | - | - |
| \$400,000 - 409,999 | - | 1 | - | - |
| \$420,000 - 429,999 | 1 | - | - | - |
| \$430,000 - 439,999 | - | 2 | - | - |
| \$460,000 - 469,999 | 1 | - | - | - |
| \$470,000 - 479,999 | 2 | - | - | - |
| \$570,000 - 579,999 | - | 1 | - | - |
| \$680,000 - 689,999 | 1 | - | - | - |
| Total Numbers: | 49 | 47 | 46 | 45 |
| Total Amount: | \$12,850,380 | \$11,881,854 | \$9,098,153 | \$8,828,005 |

**37. RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS
(CONTINUED)****Controlled Entities - Remuneration of Directors**

Remuneration for Directors of Monash University 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 not included in this table. During the reporting period Monash has taken action to reduce the number of controlled or associated entities of the University. This has included the closing down of Monash Commercial and the sale of the University's interest in Monash IVF Pty Ltd. These actions have resulted in a number of Directors/Executives (some with long periods of service) receiving end of contract entitlements (such as redundancies, payment in lieu of accrued leave and bonuses) authorised by the Boards of those controlled or associated entities. As such this can explain some significant variations between base and total remuneration in the tables below. Such variations are not expected to be repeated in future reporting periods.

| | Total Remuneration | | Base Remuneration | |
|-------------------------|--------------------|-------------|-------------------|-----------|
| | 2007 | 2006 | 2007 | 2006 |
| \$0 - 9,999 | 1 | 4 | 1 | 4 |
| \$10,000 - 19,999 | 1 | 3 | 1 | 3 |
| \$20,000 - 29,999 | 1 | 8 | 1 | 8 |
| \$30,000 - 39,999 | - | - | 1 | - |
| \$40,000 - 49,999 | - | 1 | - | 1 |
| \$70,000 - 79,999 | - | - | 1 | - |
| \$80,000 - 89,999 | 1 | - | - | - |
| \$340,000 - 349,999 | - | 1 | - | 1 |
| \$400,000 - 409,999 | - | - | 1 | - |
| \$470,000 - 479,999 | - | 1 | - | 1 |
| \$630,000 - 639,999 | 1 | - | - | - |
| \$930,000 - 939,999 | 1 | - | - | - |
| \$1,430,000 - 1,439,999 | 1 | - | - | - |
| Total Numbers: | 7 | 18 | 6 | 18 |
| Total Amount: | \$3,126,005 | \$1,101,352 | \$558,498 | \$836,207 |

Controlled Entities - 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 in the relevant income bands. 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 all staff of the controlled or associated entity who earned over \$100,000 in the reporting period.

| | Total Remuneration | | Base Remuneration | |
|---------------------|--------------------|-------------|-------------------|-------------|
| | 2007 | 2006 | 2007 | 2006 |
| \$100,000 - 109,999 | 12 | 7 | 7 | 9 |
| \$110,000 - 119,999 | 4 | 1 | 4 | 3 |
| \$120,000 - 129,999 | 4 | 3 | 2 | 6 |
| \$130,000 - 139,999 | 2 | 4 | 1 | 2 |
| \$140,000 - 149,999 | 2 | 3 | 2 | 2 |
| \$150,000 - 159,999 | 1 | 2 | 2 | 5 |
| \$160,000 - 169,999 | 2 | 5 | - | 1 |
| \$170,000 - 179,999 | 3 | 1 | 2 | 2 |
| \$180,000 - 189,999 | 2 | 5 | - | 1 |
| \$190,000 - 199,999 | - | 1 | - | - |
| \$200,000 - 209,999 | 2 | 3 | 1 | - |
| \$210,000 - 219,999 | - | 1 | - | 1 |
| \$220,000 - 229,999 | - | 2 | - | - |
| \$230,000 - 239,999 | 1 | - | - | - |
| \$240,000 - 249,999 | - | 1 | - | - |
| \$250,000 - 259,999 | 1 | - | - | - |
| \$260,000 - 269,999 | 1 | - | - | 2 |
| \$270,000 - 279,999 | 1 | - | - | - |
| \$280,000 - 289,999 | - | - | 1 | - |
| \$290,000 - 299,999 | - | 1 | - | - |
| \$300,000 - 309,999 | - | 1 | - | - |
| \$320,000 - 329,999 | 1 | - | - | - |
| Total Numbers: | 39 | 41 | 22 | 34 |
| Total Amount: | \$5,862,790 | \$6,763,506 | \$2,999,072 | \$4,825,382 |

38. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets as at 31 December 2007 (2006, nil).

Monash University has provided Letters of Comfort to Monash Commercial Pty Ltd, Monyx Pty Ltd, Monash South Africa Ltd, Monash Property South Africa Pty Ltd and Monash Educational Enterprises. 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 South Africa Ltd has a finance leasing facility from a South African financial institution. The value of the facility is approximately \$1.3 million (2006: \$1.7 million) of which approximately \$0.8 million (2006: \$0.6 million) has been utilised at 31 December 2007. This facility is secured by a bank guarantee provided by Westpac Banking Corporation, which is supported by a letter of indemnity from Monash University Australia.

Other bank guarantees of \$1.1 million (2006: \$0) have been provided to third parties by Westpac Banking Corporation, which is supported by a letter of indemnity from Monash University.

Notes to the Financial Statements

39. SUPERANNUATION FUNDS

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

(a) UniSuper Ltd

UniSuper Ltd offers eligible members the choice of three schemes known as:

- (i) Defined Benefit Division
- (ii) Accumulation 2
- (iii) Accumulation 1

(i) Defined Benefit Division

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but, as a result of amendments to Clause 34 of the UniSuper Trust Deed, a defined contribution plan under Accounting Standard AASB 119.

The University makes contributions at the rate of 14% of gross salary. Employees contribute at the rate between 0% and 7% of gross salary.

(ii) Accumulation 2

This section of the scheme is a cash accumulation scheme and the University makes contributions at a rate of 14% of gross salary.

Employees contribute at a rate between 0% and 7% of gross salary.

The total contributions by the University to the Defined Benefit Division and Accumulation 2 for the year ended 31 December 2007 were \$44,095,195 (2006, \$40,855,857).

(iii) Accumulation 1

This section of the scheme is a cash accumulation productivity scheme and the University makes contributions at a rate of 3% to 9% of gross salary.

Total contributions by the University for the year ended 31 December 2007 were \$23,562,676 (2006, \$20,727,975).

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

This scheme was introduced under Statute 3.6 of the Monash University Act 1958 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 2007 were \$26,629 (2006, 25,480).

(c) Government Superannuation Office (GSO) (an operating division of the Emergency Services Superannuation Board)

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 administered by GSO.

As at 30 June 2007, 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 2007, amounted to \$136,957,000 (2006, \$148,770,000).

The movement in the notional liability is recorded as a decrease of \$11,813,000 (2006, \$7,728,000). The decrease in the liability is principally due to an actuarial gain arising from increases in the bond rate. The corresponding recovery from the Commonwealth through the commitment to fund the emerging scheme is recorded as an asset.

Total contributions by the University for the year ended 31 December 2007 were \$9,899,882 (2006, \$9,748,568).

The policy adopted for calculating employer contributions is based on the advice of the scheme's trustees, but generally the contribution rate represents 82.3% of pensions payable.

(d) 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.

The University makes contributions at 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 2007 totalled \$4,407 (2006, \$4,096).

(e) Other Superannuation Funds

Contributions are made by the University to approved superannuation funds. These funds include accumulation and defined benefit funds and have no unfunded liabilities.

Total contributions of \$59,544 were made in 2007 (2006, \$36,620).

40. 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 32% (2006, 29%) ownership of Monash University Sunway Campus Malaysia Sdn Bhd.

41. 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 state of affairs of the entity in future financial years.

| | Notes | Consolidated | | Monash University | |
|--|-------|----------------|----------------|-------------------|----------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$000 | \$000 | \$000 | \$000 |
| 42. COMMITMENTS FOR EXPENDITURE | | | | | |
| (a) Capital commitments | | | | | |
| Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows: | | | | | |
| Property, Plant and Equipment Payable: | | | | | |
| Within one year | | 92,516 | 46,954 | 92,292 | 46,954 |
| Later than one year but not later than five years | | 36,200 | 46,000 | 36,200 | 46,000 |
| | | 128,716 | 92,954 | 128,492 | 92,954 |
| (b) Lease commitments | | | | | |
| Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable: | | | | | |
| Within one year | | 13,782 | 12,177 | 8,600 | 9,010 |
| Later than one year but not later than five years | | 33,936 | 26,356 | 21,385 | 18,645 |
| Later than five years | | 125,236 | 108,618 | 107,776 | 108,618 |
| | | 172,954 | 147,151 | 137,761 | 136,273 |
| Representing: | | | | | |
| Operating leases | | 172,198 | 146,610 | 137,761 | 136,273 |
| Finance leases | | 921 | 629 | - | - |
| Future finance charges on finance leases | | (165) | (88) | - | - |
| | | 172,954 | 147,151 | 137,761 | 136,273 |
| (i) Operating leases | | | | | |
| Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows: | | | | | |
| Within one year | | 13,449 | 6,143 | 8,600 | 3,285 |
| Later than one year but not later than five years | | 33,513 | 21,188 | 21,385 | 13,709 |
| Later than five years | | 125,236 | 119,279 | 107,776 | 119,279 |
| | | 172,198 | 146,610 | 137,761 | 136,273 |
| (ii) Finance leases | | | | | |
| Commitments in relation to finance leases are payable as follows: | | | | | |
| Within one year | | 333 | 287 | - | - |
| Later than one year but not later than five years | | 588 | 342 | - | - |
| Minimum lease payments | | 921 | 629 | - | - |
| Future finance charges | | (165) | (88) | - | - |
| Recognised as a liability | | 756 | 541 | - | - |
| Representing lease liabilities: | | | | | |
| Current | 29 | 241 | 242 | - | - |
| Non-current | 29 | 515 | 299 | - | - |
| | | 756 | 541 | - | - |

Prior to 31 December 2007 an equitable mortgage existed between Monash University as mortgagor and National Australia Financial Management Ltd (NAFM) as mortgagee securing future rental payments amounting to \$0 (2006, \$0.613 million) due to National Australia Financial Management Ltd, under the deed of sub-lease entered into between mortgagor and mortgagee dated 30 June, 1993. In 2005, the security was reduced to \$5.3 million in line with the present value of the University's outstanding commitments at that time. This security amount was maintained through Australian fixed interest and liquidity investments within the MLC portfolio. Refer to Note 22. The equitable mortgage terminated on 30 June 2007.

43. RELATED PARTIES**(a) Parent entities**

The ultimate parent entity is Monash University.

(b) Subsidiaries

Interests in subsidiaries are set out in note 44.

(c) Directors and specified executives

Disclosures relating to directors and specified executives are set out in note 37.

(d) Transactions with related parties

The following transactions occurred with related parties:

Amounts received from:

| | | |
|------------------------------------|---------------------------|---------------------------|
| Monash Commercial Pty Ltd | 696 | 1,663 |
| Monash Investment Trust | 1,555 | 7,215 |
| Monash Property Management Pty Ltd | - | 1,606 |
| Monyx Pty Ltd | 4,730 | 13,574 |
| Montech Pty Ltd | 333 | 235 |
| Monash South Africa Limited | 1,827 | - |
| Monash IVF Pty Ltd | 6,252 | 5,277 |
| Monash College Pty Ltd | 15,850 | 7,215 |
| Monash University Foundation Trust | 7,690 | 959 |
| | <hr/> 38,933 <hr/> | <hr/> 37,744 <hr/> |

Amounts paid to:

| | | |
|--------------------------------------|---------------------------|---------------------------|
| Monash Commercial Pty Ltd | 525 | 4,761 |
| Monash Investment Trust | 1,949 | 779 |
| Monash Property Management Pty Ltd | - | 3,521 |
| Monyx Pty Ltd | 11,217 | 24,270 |
| Montech Pty Ltd | 42 | 6 |
| Monash Property South Africa Pty Ltd | 5,176 | 6,568 |
| Monash South Africa Limited | 243 | 6,749 |
| Monash IVF Pty Ltd | 250 | 310 |
| Monash College Pty Ltd | 1,421 | - |
| Monash University Foundation Trust | 1,972 | - |
| | <hr/> 22,795 <hr/> | <hr/> 46,964 <hr/> |

(e) Guarantees

The following guarantee has been given:

Monash South Africa Ltd has a finance leasing facility from a South African financial institution. The value of the facility is approximately \$1.3 million (2006: \$1.7 million) of which approximately \$0.8 million (2006: \$0.6 million) has been utilised at 31 December 2007. This facility is secured by a bank guarantee provided by Westpac Banking Corporation, which is supported by a letter of indemnity from Monash University.

44. CONTROLLED ENTITIES

| Entity (1) | Place of Incorporation | Countries where business carried on | Principal Activities | Details of Group Beneficial Interest | | Details of Investment | |
|--|------------------------|-------------------------------------|--|--------------------------------------|--------|-----------------------|---------------|
| | | | | 2007 % | 2006 % | 2007 \$000 | 2006 \$000 |
| Monash Commercial Pty Ltd (2) | Victoria | Australia | Commercialisation of research and the provision of other services. | 100% | 100% | 11,962 | 11,962 |
| Monash Property Management Pty Ltd | Victoria | Australia | De-registered on 21 October 2007. | - | 100% | - | - |
| Monash Reproductive Health Enterprises Pty Ltd | Victoria | Australia | De-registered on 18 November 2007. | - | 100% | - | - |
| Monyx Pty Ltd (2) (3) | Victoria | Australia | Oversee the administration and provision of services for students of the University. | 100% | 50% | 100% | 50% |
| Monyx Education Services Pty Ltd | Victoria | Australia | Management of services to students of the University and commercial activities. | 100% | 50% | 100% | 50% |
| Monyx Services Pty Ltd | Victoria | Australia | Management of services to students of the University and commercial activities. | 100% | 50% | 100% | 50% |
| ACN 103 275 967 Pty Ltd (formerly Monash IT Pty Ltd) | Victoria | Australia | De-registered on 14 January 2007 | - | 100% | - | - |
| Montech Pty Ltd | Victoria | Australia | De-registered on 31 October 2007 | - | 100% | - | 235 |
| Monash Investment Holdings Pty Ltd | Victoria | Australia | Trustee of Monash Investment Trust. | 100% | 100% | 10 | 10 |
| Monash Investment Trust | Victoria | Australia | Manage investments on behalf of Monash University. | 100% | 100% | - | - |
| Monash South Africa Limited (2) | Victoria | Australia / South Africa | Operation of core educational activities at Monash University's South African campus in Roodeport, Johannesburg. | 100% | 100% | - | - |
| Monash Property South Africa Pty Ltd (2) | Victoria | Australia / South Africa | Ownership and development of the campus property in Roodeport, Johannesburg. | 100% | 100% | 6,000 | 6,000 |
| Monash Educational Enterprises (2) | South Africa | South Africa | Operation of non-core educational activities at Monash University's South African campus in Roodeport, Johannesburg. | 100% | 100% | - | - |
| Monash IVF Pty Ltd (4) | Victoria | Australia | Provision of assisted reproductive services. Control ceased when investment was sold on 14 December 2007. | - | 54% | - | 1,204 |
| Monash Ultrasound Pty Ltd | Victoria | Australia | Provision of obstetric and gynaecological ultrasound services for patients. | - | 100% | - | - |
| Monash Reproductive Pathology and Genetics Pty Ltd | Victoria | Australia | Provision of diagnostic testing for patients. | - | 100% | - | - |
| Wesley Monash IVF Pty Ltd | Queensland | Australia | Provision of assisted reproductive services. | - | 60% | - | - |
| Monash College Pty Ltd | Victoria | Australia | Education activities on behalf of Monash University. | 100% | 100% | 500 | 500 |
| Monash International SRL | Italy | Italy | To provide English language courses. | 100% | 100% | - | - |
| Monash University Foundation Pty Ltd | Victoria | Australia | Trustee of Monash University Foundation Trust. | 100% | 100% | - | - |
| Monash University Foundation Trust | Victoria | Australia | Generation of investment income for the future benefit of Monash University. | 100% | 100% | - | - |
| Total | | | | | | 18,472 | 19,911 |

Notes:

- (1) Subsidiary companies of controlled entities are indented.
- (2) Economic dependency - Monash University provides financial support to these companies.
- (3) The 50% minority owned interest of Monyx Pty Ltd and its controlled entities was acquired by Monash Commercial Pty Ltd on 31 August 2007.
- (4) The economic entity sold its controlling interest in Monash IVF Pty Ltd and its controlled entities on 14 December 2007.

44. CONTROLLED ENTITIES (CONTINUED)

Summary of Financial Results

Income Statement

| Entity | Total Revenue | | Total Expenditure | | Foreign Exchange Gain / (Loss) | | Tax | | Operating Profit (Loss) | | Contribution to University Operating Result | |
|--------------------------------------|----------------|----------------|-------------------|----------------|--------------------------------|------------|--------------|--------------|-------------------------|---------------|---|---------------|
| | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| Monash Commercial Pty Ltd | 31,343 | 55,358 | 26,490 | 64,371 | - | - | - | 229 | 4,853 | (9,242) | 4,853 | (3,657) |
| Monash Investment Trust | 1,735 | 8,333 | 62 | 617 | - | - | - | - | 1,673 | 7,716 | 1,673 | 7,716 |
| Montech Pty Ltd | 26 | 595 | 2 | 561 | - | - | - | - | 24 | 34 | 24 | 34 |
| Monash Educational Enterprises | 19 | 696 | 89 | 752 | - | - | - | - | (70) | (56) | (70) | (56) |
| Monash Property South Africa Pty Ltd | 3,475 | 1,389 | 2,449 | 2,510 | - | - | - | 13 | 1,026 | (1,134) | 1,026 | (1,134) |
| Monash South Africa Limited | 9,948 | 8,175 | 14,820 | 15,070 | - | - | - | - | (4,872) | (6,895) | (4,872) | (6,895) |
| Monash IVF Pty Ltd | 43,248 | 34,851 | 34,199 | 24,803 | - | - | 4,304 | 2,650 | 4,745 | 7,398 | 4,413 | 7,167 |
| Monash College Pty Ltd | 49,665 | 39,136 | 47,143 | 37,123 | - | - | - | - | 2,522 | 2,013 | 2,522 | 2,013 |
| Monash University Foundation Trust | 136,609 | 14,258 | 12,761 | 418 | - | - | - | - | 123,848 | 13,840 | 123,848 | 13,840 |
| Total | 276,068 | 162,791 | 138,015 | 146,225 | - | - | 4,304 | 2,892 | 133,749 | 13,674 | 133,417 | 19,028 |

Balance Sheet

| Entity | Working Capital | | Physical Assets | | Total Assets | | Internal Borrowings | | External Borrowings | | Total Liabilities | | Equity | |
|--------------------------------------|-----------------|---------------|-----------------|---------------|----------------|----------------|---------------------|---------------|---------------------|--------------|-------------------|----------------|----------------|----------------|
| | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| Monash Commercial Pty Ltd | 5,169 | 7,662 | 140 | 958 | 9,847 | 21,141 | - | - | - | 3,205 | 4,538 | 15,739 | 5,309 | 5,402 |
| Monash Investment Trust | 10,104 | 9,740 | - | - | 14,676 | 20,729 | - | - | - | - | 3,042 | 185 | 11,634 | 20,544 |
| Montech Pty Ltd | - | 309 | - | - | - | 442 | - | - | - | - | - | 133 | - | 309 |
| Monash Educational Enterprises | (2) | 34 | - | 37 | 19 | 92 | 29,278 | 32,062 | - | - | 29,299 | 32,083 | (29,280) | (31,991) |
| Monash Property South Africa Pty Ltd | 3,134 | (631) | 37,838 | 37,683 | 41,611 | 39,563 | 21,129 | 18,941 | - | - | 21,768 | 21,452 | 19,843 | 18,111 |
| Monash South Africa Limited | 840 | 357 | 2,216 | 1,447 | 4,953 | 3,694 | 15,099 | 10,051 | 756 | 486 | 17,511 | 12,230 | (12,558) | (8,536) |
| Monash IVF Pty Ltd | - | 2,404 | - | 2,236 | - | 15,994 | - | - | - | - | - | 6,483 | - | 9,511 |
| Monash College Pty Ltd | 5,180 | 5,952 | 4,363 | 1,330 | 32,349 | 21,823 | - | - | - | - | 19,392 | 11,388 | 12,957 | 10,435 |
| Monash University Foundation Trust | 103,322 | 6,098 | 30,500 | 26,500 | 268,688 | 153,403 | 1,554 | 1,554 | - | - | 8,585 | 1,993 | 260,103 | 151,410 |
| Total | 127,747 | 31,925 | 75,057 | 70,191 | 372,143 | 276,881 | 67,060 | 62,608 | 756 | 3,691 | 104,135 | 101,686 | 268,008 | 175,195 |

45. INVESTMENTS IN ASSOCIATES

(a) Carrying amounts

Information relating to associates is set out below.

| | Ownership Interest | | | |
|--|--------------------|--------------|-------------------|--------------|
| | 2007 | 2006 | | |
| | % | % | | |
| Monash University Sunway Campus Malaysia Sdn Bhd | 32 | 29 | | |
| Fertility Associates | - | 40 | | |
| Hunter IVF Pty Ltd | - | 40 | | |
| | Consolidated | | Monash University | |
| | Carrying amount | | Carrying amount | |
| | 2007 | 2006 | 2007 | 2006 |
| | \$000 | \$000 | \$000 | \$000 |
| Monash University Sunway Campus Malaysia Sdn Bhd | 7,216 | 5,711 | 4,544 | 2,938 |
| Fertility Associates | - | 2,404 | - | - |
| Hunter IVF Pty Ltd | - | 261 | - | - |
| | 7,216 | 8,376 | 4,544 | 2,938 |

(b) Movements in carrying amounts

| | Consolidated | | Monash University | |
|--|-----------------|--------------|-------------------|--------------|
| | Carrying amount | | Carrying amount | |
| | 2007 | 2006 | 2007 | 2006 |
| | \$000 | \$000 | \$000 | \$000 |
| Carrying amount at the beginning of the financial year | 8,376 | 5,738 | 2,938 | 1,672 |
| Increase in shares in associates at cost | 1,606 | 1,266 | 1,606 | 1,266 |
| Share of profits after income tax | 1,147 | 2,272 | - | - |
| Dividends received and receivable | (908) | (843) | - | - |
| Share of foreign currency gain / (loss) on translation | 203 | (57) | - | - |
| Ownership lost on deconsolidation of subsidiary | (3,208) | - | - | - |
| Carrying amount at the end of the financial year | 7,216 | 8,376 | 4,544 | 2,938 |

(c) Fair value of listed investments in associates

There are no listed investments in associates.

(d) Share of associate's operating result

| | | | | |
|--|--------------|--------------|----------|----------|
| Net operating result before income tax | 1,604 | 3,087 | - | - |
| Income tax expense | (457) | (815) | - | - |
| Net operating result after income tax | 1,147 | 2,272 | - | - |

(e) Summarised financial information of associates

| | Assets | Liabilities | Revenues | Profit |
|--|--------------|--------------|---------------|--------------|
| | \$000 | \$000 | \$000 | \$000 |
| 2007 | | | | |
| Monash University Sunway Campus Malaysia Sdn Bhd | 9,482 | 5,801 | 8,976 | 45 |
| | 9,482 | 5,801 | 8,976 | 45 |
| 2006 | | | | |
| Monash University Sunway Campus Malaysia Sdn Bhd | 5,902 | 2,713 | 7,140 | 1,208 |
| Fertility Associates | 1,910 | 669 | 5,359 | 944 |
| Hunter IVF Pty Ltd | 475 | 140 | 1,022 | 205 |
| | 8,287 | 3,522 | 13,521 | 2,357 |

Notes to the Financial Statements

| Notes | Consolidated | | Monash University | |
|---|----------------|---------------|-------------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$000 | \$000 | \$000 | \$000 |
| 46. RECONCILIATION OF OPERATING RESULT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES | | | | |
| Operating result for the year | 171,481 | 57,714 | 50,123 | 29,572 |
| Donated assets | (1) | (1,429) | (1) | (1,429) |
| Net income from Monash University Foundation | - | - | (7,011) | (8,353) |
| Net (gain) / loss on investments | (130,236) | (32,154) | (14,354) | (17,623) |
| Net gain on investment properties | (5,108) | (6,201) | (1,108) | (3,301) |
| Net (gain) / loss on sale of non-current assets | (2,331) | 2,544 | (744) | 2,349 |
| Net exchange differences | 1,998 | (7,135) | 1,934 | 1,607 |
| Depreciation, amortisation and impairment | 60,001 | 58,097 | 56,037 | 54,471 |
| Capitalised finance costs | (3,262) | (1,852) | (3,262) | (1,852) |
| Bad and impaired debt expense | 693 | 2,119 | 185 | 1,757 |
| Provisions | 9,047 | 8,702 | 12,367 | 9,038 |
| Other non-cash items | 418 | (4,099) | 446 | 4,662 |
| Fair value adjustment of loans receivable | - | - | 6,284 | 12,269 |
| Capitalised interest revenue | - | - | (1,204) | - |
| Loss on deconsolidation of controlled entities | 3,813 | - | - | - |
| Changes in assets and liabilities: | | | | |
| Increase in receivables | (4,266) | (7,780) | (15,211) | (7,837) |
| (Increase) / Decrease in prepayments | 3,568 | (2,778) | 2,569 | (3,247) |
| (Increase) / Decrease in inventories | 923 | (955) | (39) | (312) |
| Decrease in other current assets | 305 | - | 305 | - |
| Increase / (Decrease) in payables | (15,065) | 2,319 | (9,744) | 11,282 |
| Increase / (Decrease) in student fees received in advance | - | (88) | 2,005 | 1,055 |
| Increase / (Decrease) in other income received in advance | 682 | (357) | - | - |
| Increase in other current liabilities | - | - | 19 | - |
| Increase / (Decrease) in provision for deferred tax liabilities | 621 | (596) | - | - |
| Decrease in other provisions | - | (1,577) | - | - |
| Net cash inflow from operating activities | 93,281 | 64,494 | 79,596 | 84,108 |

47. FINANCIAL INSTRUMENTS DISCLOSURE

| 2007 | Floating Interest Rate \$000 | 1 Year or less \$000 | Fixed Interest Rate Maturities | | | | | Over 5 Years \$000 | Non Interest Bearing \$000 | Total \$000 |
|------------------------------------|---------------------------------------|----------------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------|--------------------------|-------------------------------------|----------------|
| | | | Over 1 to 2 years \$000 | Over 2 to 3 years \$000 | Over 3 to 4 years \$000 | Over 4 to 5 years \$000 | | | | |
| Consolidated | | | | | | | | | | |
| Financial Assets | | | | | | | | | | |
| Cash at Bank | 5,980 | - | - | - | - | - | - | - | 5,980 | |
| Managed Cash | - | 39,726 | - | - | - | - | - | - | 39,726 | |
| Bank Call Deposits | 2,535 | - | - | - | - | - | - | - | 2,535 | |
| Discount Securities | 99,300 | - | - | - | - | - | - | - | 99,300 | |
| Shares | - | - | - | - | - | - | - | 18,858 | 18,858 | |
| Managed Trusts | - | - | - | - | - | - | - | 323,806 | 323,806 | |
| Other Managed Investments | 6,594 | - | - | - | - | - | - | - | 6,594 | |
| Receivables | - | - | - | - | - | - | - | 70,875 | 70,875 | |
| Total Financial Assets | 114,409 | 39,726 | - | - | - | - | - | 413,539 | 567,674 | |
| Financial Liabilities | | | | | | | | | | |
| Bank overdrafts | 3,553 | - | - | - | - | - | - | - | 3,553 | |
| Loans - Bank | 756 | 61,597 | 12,509 | 7,000 | 34,169 | 7,000 | 175,586 | - | 298,617 | |
| Loans - Other | - | - | - | - | - | - | 5,018 | - | 5,018 | |
| Payables | - | - | - | - | - | - | - | 86,907 | 86,907 | |
| Total Financial Liabilities | 4,309 | 61,597 | 12,509 | 7,000 | 34,169 | 7,000 | 180,604 | 86,907 | 394,095 | |
| Net Financial Assets | 110,100 | (21,871) | (12,509) | (7,000) | (34,169) | (7,000) | (180,604) | 326,631 | 173,578 | |

| 2006 | Floating Interest Rate \$000 | 1 Year or less \$000 | Fixed Interest Rate Maturities | | | | | Over 5 Years \$000 | Non Interest Bearing \$000 | Total \$000 |
|------------------------------------|---------------------------------------|----------------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------|--------------------------|-------------------------------------|----------------|
| | | | Over 1 to 2 years \$000 | Over 2 to 3 years \$000 | Over 3 to 4 years \$000 | Over 4 to 5 years \$000 | | | | |
| Consolidated | | | | | | | | | | |
| Financial Assets | | | | | | | | | | |
| Cash at Bank | 10,536 | - | - | - | - | - | - | - | 10,536 | |
| Managed Cash | 5,137 | 2,100 | - | - | - | - | - | - | 7,237 | |
| Bank Call Deposits | 3,282 | 1,908 | 1,448 | - | - | - | - | - | 6,638 | |
| Discount Securities | - | 22,762 | - | - | - | - | - | - | 22,762 | |
| Shares | - | - | - | - | - | - | - | 19,994 | 19,994 | |
| Managed Trusts | - | - | - | - | - | - | - | 300,154 | 300,154 | |
| Other Investments | - | - | - | - | - | - | - | 10,679 | 10,679 | |
| Receivables | 2,748 | 3,396 | - | - | - | - | - | 61,158 | 67,302 | |
| Total Financial Assets | 21,703 | 30,166 | 1,448 | - | - | - | - | 391,985 | 445,302 | |
| Financial Liabilities | | | | | | | | | | |
| Loans - Bank | 486 | - | - | - | - | - | - | - | 486 | |
| Loans - Other | - | 47,603 | 24,851 | 12,507 | 10,150 | 34,181 | 138,839 | - | 268,131 | |
| Payables | 3,054 | 5,263 | - | - | - | - | - | 93,840 | 102,157 | |
| Total Financial Liabilities | 3,540 | 52,866 | 24,851 | 12,507 | 10,150 | 34,181 | 138,839 | 93,840 | 370,774 | |
| Net Financial Assets | 18,163 | (22,700) | (23,403) | (12,507) | (10,150) | (34,181) | (138,839) | 298,145 | 74,528 | |

47. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

| 2007 | Floating Interest Rate \$000 | 1 Year or less \$000 | Fixed Interest Rate Maturities | | | | Over 5 Years \$000 | Non Interest Bearing \$000 | Total \$000 |
|------------------------------------|---------------------------------------|----------------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------|-------------------------------------|-----------------|
| | | | Over 1 to 2 years \$000 | Over 2 to 3 years \$000 | Over 3 to 4 years \$000 | Over 4 to 5 years \$000 | | | |
| Monash University | | | | | | | | | |
| Financial Assets | | | | | | | | | |
| Managed Cash | - | 39,726 | - | - | - | - | - | - | 39,726 |
| Shares | - | - | - | - | - | - | - | 21,120 | 21,120 |
| Managed Trusts | - | - | - | - | - | - | - | 197,571 | 197,571 |
| Receivables | - | - | - | - | - | - | - | 77,891 | 77,891 |
| Total Financial Assets | - | 39,726 | - | - | - | - | - | 296,582 | 336,308 |
| Financial Liabilities | | | | | | | | | |
| Bank overdrafts | 3,553 | - | - | - | - | - | - | - | 3,553 |
| Loans - Bank | - | 61,597 | 12,509 | 7,000 | 34,169 | 7,000 | 175,586 | - | 297,861 |
| Loans - Other | - | - | - | - | - | - | 5,018 | - | 5,018 |
| Payables | - | - | - | - | - | - | - | 112,640 | 112,640 |
| Total Financial Liabilities | 3,553 | 61,597 | 12,509 | 7,000 | 34,169 | 7,000 | 180,604 | 112,640 | 419,072 |
| Net Financial Assets | (3,553) | (21,871) | (12,509) | (7,000) | (34,169) | (7,000) | (180,604) | 183,942 | (82,764) |
| 2006 | | | | | | | | | |
| Monash University | | | | | | | | | |
| Financial Assets | | | | | | | | | |
| Cash at Bank | 1,971 | - | - | - | - | - | - | - | 1,971 |
| Managed Cash | - | 2,100 | - | - | - | - | - | - | 2,100 |
| Discount Securities | - | 22,762 | - | - | - | - | - | - | 22,762 |
| Shares | - | - | - | - | - | - | - | 23,542 | 23,542 |
| Managed Trusts | - | - | - | - | - | - | - | 181,388 | 181,388 |
| Other Investments | - | - | - | - | - | - | - | 6,092 | 6,092 |
| Receivables | - | - | - | - | - | - | - | 62,865 | 62,865 |
| Total Financial Assets | 1,971 | 24,862 | - | - | - | - | - | 273,887 | 300,720 |
| Financial Liabilities | | | | | | | | | |
| Loans - Bank | - | 47,558 | 24,841 | 12,507 | 7,000 | 34,181 | 138,839 | 100 | 265,026 |
| Payables | - | - | - | - | - | - | - | 113,864 | 113,864 |
| Total Financial Liabilities | - | 47,558 | 24,841 | 12,507 | 7,000 | 34,181 | 138,839 | 113,964 | 378,890 |
| Net Financial Assets | 1,971 | (22,696) | (24,841) | (12,507) | (7,000) | (34,181) | (138,839) | 159,923 | (78,170) |

47. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

(a) Significant accounting policies, terms and conditions

Financial Assets

Receivables [Note 19]

Sundry debtors are generally required to be settled within 30 days. No interest is currently charged on student loans. The Group impairs specific amounts receivable where it considers recovery unlikely.

The Group does not specifically provide for all receivables over 120 days because historical experience is such that these receivables are generally collected regardless of their age.

Included in the Group's sundry debtors balance are debtors with a carrying value of \$17,616,000 (2006, \$24,582,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the Group believes that the amounts are still considered recoverable. The Group does not hold any security over these balances.

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

Available for Sale Financial Assets [Note 22]

Available for sale financial assets on hand comprise investments in managed funds. These financial instruments are traded in an organised financial market and are recorded at market value. Unrealised market adjustments are initially recognised in equity. Investment gains and losses realised from the sale of investments are then transferred from equity and reflected in the Income Statement.

In respect of 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 member enter into such a financial arrangement unless there is sufficient assets (or liabilities) to support the transaction.

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 either University Council or the Board of Trustees at least quarterly.

Financial Liabilities

Payables [Note 28]

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 the month of billing. Generally, no interest is charged on payables as the Group has controls in place to ensure payables are paid within the credit timeframe.

Borrowings - Bank [Note 29]

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

Fair Values

The carrying amounts of all financial assets and liabilities approximate fair values.

Net fair value of financial instruments held by Monash University and 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's investments also includes direct property holdings which are shown at valuations advised annually by qualified independent valuers.

(b) Financial Risk Management Objectives

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. On occasions the Group and/or its fund managers use derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. The Group uses different methods to measure different types of risk exposures. These methods include sensitivity analysis on investment returns and other price risks, and ageing analysis for credit risk. As far as possible, borrowings are made on a fixed interest rate basis.

Policies cover specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Risk management is carried out by a central treasury department under policies approved by the University's Council. Treasury identifies, evaluates and hedges financial risks in co-operation with the Group's operating units. The Council provides written principles for overall risk management.

47. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

(c) Foreign Exchange Risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Significant exchange rate exposures are managed within approved parameters, and where appropriate utilise forward exchange contracts.

The carrying value of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is shown in the table below, together with sensitivity analysis which details the Group's sensitivity to a 10% increase and decrease in the Australian Dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items (including Rand based loans to the South African operations) and adjusts their translation at the period end for a 10% change in foreign currency rates.

| Consolidated | 31 December 2007 | | | | |
|------------------------------|---------------------------|-----------------------|------------------|------------------|-------|
| | Carrying Amount \$'000 | Foreign exchange risk | | | |
| | | -10% | | +10% | |
| | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | |
| Financial Assets | | | | | |
| Cash at Bank | 1,529 | 153 | 153 | (153) | (153) |
| Bank Call Deposits | 2,535 | 254 | 254 | (254) | (254) |
| Receivables | 1,350 | 135 | 135 | (135) | (135) |
| Financial Liabilities | | | | | |
| Loans - Bank | 756 | (76) | (76) | 76 | 76 |
| Payables | 306 | (31) | (31) | 31 | 31 |

| Consolidated | 31 December 2006 | | | | |
|------------------------------|---------------------------|-----------------------|------------------|------------------|-------|
| | Carrying Amount \$'000 | Foreign exchange risk | | | |
| | | -10% | | +10% | |
| | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 | |
| Financial Assets | | | | | |
| Cash at Bank | 977 | 98 | 98 | (98) | (98) |
| Bank Call Deposits | 1,448 | 145 | 145 | (145) | (145) |
| Receivables | 677 | 68 | 68 | (68) | (68) |
| Loans | | | | | |
| Financial Liabilities | | | | | |
| Loans - Bank | 486 | (49) | (49) | 49 | 49 |
| Payables | 2,320 | (232) | (232) | 232 | 232 |

47. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

(d) Interest Rate Risk

The University is not exposed to interest rate risk as it borrows funds at fixed interest rates. Some companies within the group are exposed to interest rate risks as they borrow at floating interest rates (through finance leasing facilities). This risk is managed by these entities by ensuring facilities are appropriately approved and monitored regularly. Such facilities are not significant to the Group.

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk as this represents management's assessment of the possible change in interest rates:

| Consolidated | Carrying Amount \$'000 | 31 December 2007 Interest rate risk | | | |
|------------------------------|---------------------------|--|------------------|------------------|------------------|
| | | -1% | | +1% | |
| | | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 |
| Financial Assets | | | | | |
| Cash at Bank | 5,980 | (60) | (60) | 60 | 60 |
| Bank Call Deposits | 2,535 | (25) | (25) | 25 | 25 |
| Discount Securities | 99,300 | (993) | (993) | 993 | 993 |
| Other Managed Investments | 6,594 | (66) | (66) | 66 | 66 |
| Financial Liabilities | | | | | |
| Bank overdrafts | 3,553 | 36 | 36 | (36) | (36) |
| Loans - Bank | 756 | 8 | 8 | (8) | (8) |

| Consolidated | Carrying Amount \$'000 | 31 December 2006 Interest rate risk | | | |
|------------------------------|---------------------------|--|------------------|------------------|------------------|
| | | -1% | | +1% | |
| | | Result \$'000 | Equity \$'000 | Result \$'000 | Equity \$'000 |
| Financial Assets | | | | | |
| Cash at Bank | 10,536 | (105) | (105) | 105 | 105 |
| Managed Cash | 5,137 | (51) | (51) | 51 | 51 |
| Bank Call Deposits | 3,282 | (33) | (33) | 33 | 33 |
| Receivables | 2,748 | (27) | (27) | 27 | 27 |
| Financial Liabilities | | | | | |
| Loans - Bank | 486 | 5 | 5 | (5) | (5) |
| Payables | 3,054 | 31 | 31 | (31) | (31) |

(e) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(f) Liquidity Risk Management

An appropriate liquidity risk management framework is in place for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 29 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Notes to the Financial Statements

48. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

48.1 DEEWR - CGS and Other DEEWR Grants

| | Commonwealth Grants Scheme | | Indigenous Support Fund | | Equity Support Programme | | Workplace Reform Programme | | Workplace Productivity Programme | |
|---|----------------------------|------------|-------------------------|------------|--------------------------|------------|----------------------------|------------|----------------------------------|------------|
| | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| Financial assistance received in cash during the year | 179,869 | 170,290 | 387 | 365 | 722 | 745 | 2,501 | 2,452 | 1,206 | 743 |
| Net accrual adjustments | - | - | - | - | - | - | - | - | - | - |
| Revenue for the year | 179,869 | 170,290 | 387 | 365 | 722 | 745 | 2,501 | 2,452 | 1,206 | 743 |
| Surplus from the previous year | - | - | - | - | 50 | - | - | - | - | - |
| Total revenue including accrued revenue | 179,869 | 170,290 | 387 | 365 | 772 | 745 | 2,501 | 2,452 | 1,206 | 743 |
| Less expenses including accrued expenses | 179,869 | 170,290 | 387 | 365 | 719 | 695 | 2,501 | 2,452 | 1,206 | 743 |
| Surplus for the year | - | - | - | - | 53 | 50 | - | - | - | - |

| | Learning and Teaching Performance Fund | | Capital Development Pool | | Superannuation Programme | | Collaboration and Structural Reform Programme | | Total | |
|---|--|------------|--------------------------|------------|--------------------------|------------|---|------------|------------|------------|
| | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| Financial assistance received in cash during the year | 4,254 | 4,591 | 6,422 | 1,757 | 9,788 | 7,916 | 40 | 70 | 205,189 | 188,929 |
| Net accrual adjustments | - | - | - | 160 | - | - | - | - | - | 160 |
| Revenue for the year | 4,254 | 4,591 | 6,422 | 1,917 | 9,788 | 7,916 | 40 | 70 | 205,189 | 189,089 |
| Surplus from the previous year | - | - | 566 | - | - | - | - | - | 616 | - |
| Total revenue including accrued revenue | 4,254 | 4,591 | 6,988 | 1,917 | 9,788 | 7,916 | 40 | 70 | 205,805 | 189,089 |
| Less expenses including accrued expenses | 4,254 | 4,591 | 4,115 | 1,351 | 9,788 | 7,916 | 40 | 70 | 202,879 | 188,473 |
| Surplus for the year | - | - | 2,873 | 566 | - | - | - | - | 2,926 | 616 |

48. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)**48.2 Higher Education Loan Programmes**

| | HECS - HELP | | FEE - HELP | | OS - HELP | | Total | |
|---|----------------|---------------|---------------|---------------|--------------|------------|----------------|----------------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Financial assistance received in cash during the year | 99,012 | 100,944 | 20,942 | 17,330 | 1,215 | (481) | 121,169 | 117,793 |
| Net accrual adjustments | 9,543 | (1,752) | 4,169 | 4,458 | (158) | 1,123 | 13,554 | 3,829 |
| Revenue for the year | <u>108,555</u> | <u>99,192</u> | <u>25,111</u> | <u>21,788</u> | <u>1,057</u> | <u>642</u> | <u>134,723</u> | <u>121,622</u> |
| Deficit from the previous year | - | - | - | (536) | - | - | - | (536) |
| Total revenue including accrued revenue | <u>108,555</u> | <u>99,192</u> | <u>25,111</u> | <u>21,252</u> | <u>1,057</u> | <u>642</u> | <u>134,723</u> | <u>121,086</u> |
| Less expenses including accrued expenses | <u>108,555</u> | <u>99,192</u> | <u>25,111</u> | <u>21,252</u> | <u>1,057</u> | <u>642</u> | <u>134,723</u> | <u>121,086</u> |
| Deficit for the year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

48. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

48.3 Scholarships

| | Australian Postgraduate Awards | | International Postgraduate Research Scholarships | | Commonwealth Education Costs Scholarships | | Commonwealth Accommodation Scholarships | | Indigenous Scholarships - Stipend Payments | | Indigenous Scholarships - Tuition Fee Payments | | Total | |
|---|--------------------------------|------------|--|------------|---|------------|---|------------|--|------------|--|------------|------------|------------|
| | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| Financial assistance received in cash during the year | 6,958 | 6,811 | 1,400 | 1,062 | 1,501 | 1,038 | 2,205 | 1,669 | 9 | - | 5 | - | 12,078 | 10,580 |
| Net accrual adjustments | - | - | - | - | 95 | (248) | 157 | (235) | - | - | - | - | 252 | (483) |
| Revenue for the year | 6,958 | 6,811 | 1,400 | 1,062 | 1,596 | 790 | 2,362 | 1,434 | 9 | - | 5 | - | 12,330 | 10,097 |
| Surplus from the previous year | 184 | 328 | (288) | 150 | (100) | 6 | - | 24 | - | - | - | - | (204) | 508 |
| Total revenue including accrued revenue | 7,142 | 7,139 | 1,112 | 1,212 | 1,496 | 796 | 2,362 | 1,458 | 9 | - | 5 | - | 12,126 | 10,605 |
| Less expenses including accrued expenses | 6,877 | 6,955 | 1,112 | 1,500 | 1,575 | 896 | 2,368 | 1,458 | 14 | - | 5 | - | 11,951 | 10,809 |
| Surplus / (deficit) for the year | 265 | 184 | - | (288) | (79) | (100) | (6) | - | (5) | - | - | - | 175 | (204) |

48.4 DEEWR Research

| | Institutional Grants Scheme | | Research Training Scheme | | Systematic Infrastructure Initiative | | Research Infrastructure Block Grants | | Implementation Assistance Programme | | Australian Scheme for Higher Education Repositories | | Total | | |
|---|-----------------------------|------------|--------------------------|------------|--------------------------------------|------------|--------------------------------------|------------|-------------------------------------|------------|---|------------|------------|------------|--------|
| | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | |
| Financial assistance received in cash during the year | 22,280 | 21,370 | 41,350 | 40,213 | - | 11,564 | 15,626 | 14,185 | 145 | - | 180 | - | 79,960 | 87,332 | |
| Net accrual adjustments | - | - | - | - | - | 1,184 | - | - | - | - | - | - | - | 1,184 | |
| Revenue for the year | 22,280 | 21,370 | 41,350 | 40,213 | - | 12,748 | 15,626 | 14,185 | 145 | - | 180 | - | 79,960 | 88,516 | |
| Surplus from the previous year | - | - | - | - | 12,655 | 2,929 | - | - | - | - | - | - | - | 12,655 | 2,929 |
| Total revenue including accrued revenue | 22,280 | 21,370 | 41,350 | 40,213 | 12,655 | 15,677 | 15,626 | 14,185 | 145 | - | 180 | - | 379 | 91,445 | |
| Less expenses including accrued expenses | 22,280 | 21,370 | 41,350 | 40,213 | 6,336 | 3,022 | 15,626 | 14,185 | 145 | - | 180 | - | 190 | 78,790 | |
| Surplus for the year | - | - | - | - | 6,319 | 12,655 | - | - | - | - | - | - | 189 | 6,508 | 12,655 |

48. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)**48.5 Australian Research Council Grants
(a) Discovery**

| | Projects | | Fellowships | | Total | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| Financial assistance received in cash during the year | 17,336 | 18,628 | 2,031 | 2,435 | 19,367 | 21,063 |
| Net accrual adjustments | 95 | - | (373) | - | (278) | - |
| Revenue for the year | 17,431 | 18,628 | 1,658 | 2,435 | 19,089 | 21,063 |
| Surplus from the previous year | 7,426 | 5,390 | 1,629 | 773 | 9,055 | 6,163 |
| Total revenue including accrued revenue | 24,857 | 24,018 | 3,287 | 3,208 | 28,144 | 27,226 |
| Less expenses including accrued expenses | 17,470 | 16,592 | 2,377 | 1,579 | 19,847 | 18,171 |
| Surplus for the year | 7,387 | 7,426 | 910 | 1,629 | 8,297 | 9,055 |

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

| | Special Research Initiatives | | Infrastructure | | International | | Learned Academics | | Projects | | Total | |
|---|------------------------------|---------------|----------------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|---------------|---------------|
| | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2006 \$000 |
| Financial assistance received in cash during the year | - | 136 | 5,167 | 3,005 | 259 | 130 | - | - | 7,479 | 6,644 | 12,905 | 9,915 |
| Net accrual adjustments | - | - | - | - | - | - | - | - | 82 | - | 82 | - |
| Revenue for the year | - | 136 | 5,167 | 3,005 | 259 | 130 | - | - | 7,561 | 6,644 | 12,987 | 9,915 |
| Surplus from the previous year | 64 | 117 | 2,614 | 1,329 | 156 | 133 | - | 42 | 3,918 | 3,278 | 6,752 | 4,899 |
| Total revenue including accrued revenue | 64 | 253 | 7,781 | 4,334 | 415 | 263 | - | 42 | 11,479 | 9,922 | 19,739 | 14,814 |
| Less expenses including accrued expenses | 51 | 189 | 1,938 | 1,720 | 228 | 107 | - | 42 | 7,874 | 6,004 | 10,091 | 8,062 |
| Surplus for the year | 13 | 64 | 5,843 | 2,614 | 187 | 156 | - | - | 3,605 | 3,918 | 9,648 | 6,752 |

48. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

48.5 Australian Research Council Grants (continued)

(c) Networks and Centres

| | Centres | | Total | |
|---|---------------|---------------|---------------|---------------|
| | 2007 \$000 | 2006 \$000 | 2007 \$000 | 2005 \$000 |
| Financial assistance received in cash during the year | 6,937 | 8,596 | 6,937 | 8,596 |
| Net accrual adjustments | 1,830 | - | 1,830 | - |
| Revenue for the year | <u>8,767</u> | <u>8,596</u> | <u>8,767</u> | <u>8,596</u> |
| Surplus from the previous year | 2,896 | 2,911 | 2,896 | 2,911 |
| Total revenue including accrued revenue | <u>11,663</u> | <u>11,507</u> | <u>11,663</u> | <u>11,507</u> |
| Less expenses including accrued expenses | <u>8,870</u> | <u>8,611</u> | <u>8,870</u> | <u>8,611</u> |
| Surplus for the year | <u>2,793</u> | <u>2,896</u> | <u>2,793</u> | <u>2,896</u> |

Declaration

2007 Consolidated Financial Statements

In our opinion:

- (a) the consolidated financial statements and notes of Monash University and its controlled entities present fairly the financial transactions of the University during the financial year ended 31 December 2007 and the financial position of its operations for the year ended on that date,
- (b) the financial statements have been prepared in accordance with the Australian Accounting Standards and other mandatory professional reporting requirements, the *Financial Management Act 1994* including financial reporting directives, and *Financial Statement Guidelines for Australian Higher Education Providers for the 2007 Reporting Period* as issued by the Department of Education, Employment and Workplace Relations, and
- (c) the amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended and Monash University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.

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.

This declaration is made in accordance with a resolution of the Council of Monash University.



A. Finkel AM
Chancellor



R. G. Larkins AO
Vice-Chancellor and President



D. M. Pitt
Vice-President (Finance) and
Chief Financial Officer



D. G. McWaters
Principal Accounting Officer
Divisional Director, Corporate Finance

20 March 2008

INDEPENDENT AUDITOR'S REPORT

To the Members of the Council of Monash University

The Financial Report

The accompanying financial report for the year ended 31 December 2007 of Monash University which comprises the income statement, balance sheet, statement of changes in equity, cash flows statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the declaration 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 Council's Responsibility for the Financial Report

The Members of the Council of Monash University are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University and the consolidated entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Council Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial statements published in both the annual report and on the website of the Monash University for the year ended 31 December 2007. The Members of the Council of the University are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. 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 the University's web site.


Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Monash University and the economic entity as at 31 December 2007 and their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
20 March 2008


D.D.R. Pearson
Auditor-General

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