



MONASH University

Annual Report 2005



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Annual Report 2005

For and on behalf of the Council



Jerry Ellis
Chancellor

Monday, 20 March 2006

Report of the Council of Monash University
for the period 1.1.2005 to 31.12.2005

Approved by Council at its meeting held
on Monday, 20 March 2006

**Monash University
Annual Report 2005**

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Overview

Chancellor's statement

With each passing year, Monash continues to make significant strides forward in its aim to be one of the best universities in the world, and 2005 has been no exception.

As I move around all our campuses, I can see and hear the evidence of our continuing improvement, often in the face of significant challenges.

Monash's research reputation is growing steadily, as indicated by our improvement in obtaining ARC and NHMRC funding and being awarded three out of 24 Federation Fellowships in the 2005 round.

Our educational performance is improving, as indicated by the Federal Government's recognition of Monash as a university with high achievement in teaching and learning.

Our students have excelled in many fields and have also represented Monash proudly in humanitarian and civic projects around Australia and internationally.

The South Africa campus is developing solidly, and Monash University Malaysia keeps going from strength to strength.

The Monash University Council welcomed several new members and continued to provide guidance and support to the Vice-Chancellor and the University.

On behalf of Monash University Council, I would like to congratulate the Vice-Chancellor and his team on the leadership they have provided in taking Monash to a higher-quality performance.

My sincere thanks to the staff, students and my fellow Monash University Council members for their efforts and achievements in 2005.

Jeremy Ellis
Chancellor

Vice-chancellor's statement

This year has been a very good year for Monash University, with substantial progress made in all areas.

Our research performance improved markedly, with Monash researchers leading two out of 11 of the ARC Centres of Excellence Awards and involved as significant partners in three others. Our funding through the ARC Discovery Grants increased by 30 per cent, while our share of the NHMRC Project Grants and Fellowships increased by about 70 per cent. We were also awarded three out of 24 Federation Fellowships in the 2005 round and an existing Federation Fellow – currently based at the University of Melbourne – is joining Monash early next year.

In teaching and learning, Monash received \$4.5 million under the Federal Government's 2006 performance fund after being recognised as a university with high achievement in teaching and learning.

In significant planning developments, *Monash Directions 2025* was accepted as Monash's key directional blueprint. Staff overwhelmingly supported an enterprise agreement which meets the Federal Government's Higher Education Workplace Relations Requirements (HEWRR). A staff satisfaction questionnaire is being administered to all staff, and the outcomes will be used to improve their satisfaction and professional fulfilment.

The financial performance was slightly better than budget and further progress was made on development of infrastructure, with the Caulfield Stage 1 building nearing completion, work set to begin on the next stages of the Monash Science Technology Research and Innovation Precinct and the Minister for Innovation and State and Regional Development, The Honourable John Brumby, turning the first sod of major building works at the Victorian College of Pharmacy.

Our two international campuses have had an excellent year, with South Africa now hosting 800 students. Applications for 2006 are also extremely strong. Construction of the new campus in Malaysia has begun and the first intake of medicine students studying through the Malaysian campus began their course this year.

There were significant changes in Monash's leadership team, with the retirement of the Deputy Vice-Chancellor (Resources) Ms Alison Crook, the departure to participate in the Outside Studies Program and later retirement of the Deputy Vice-Chancellor (Academic) Professor Alan Lindsay, and the retirement of the Foundation Pro Vice-Chancellor of Monash South Africa, Professor John Anderson. Mr David Pitt has been appointed as Vice-President (Finance) and Chief Financial Officer, Mr Ron Fairchild as the Vice-President (Advancement) and Mr Peter Marshall as Vice-President (Administration). Professor Stephen Parker, the Senior Deputy Vice-Chancellor, assumed the Academic portfolio, and Professor Stephanie Fahey will take up the position of Deputy Vice-Chancellor (International) in February 2006. Professor Tyrone Pretorius has taken over the role of Pro Vice-Chancellor (South Africa) with Dr Annamaria Pagliaro as Academic Director of the Prato Centre and Professor Graeme Davison as Academic Director of the London Centre.

In other significant developments in 2005:

- Monash was ranked 33rd in the world in a global survey of international universities by the *Times* newspaper in the UK.
- The world's largest stem cell-dedicated research facility was opened at Monash's Clayton campus, comprising the Monash Immunology and Stem Cell Laboratories (MISCL), owned and operated by Monash, and the Major National Research Facility (M NRF) operating under the auspices of the Australian Stem Cell Centre (ASCC).
- Major medical research facilities at Monash and Southern Health were brought together under a single research entity, the Monash Institute of Medical Research.
- Monash featured strongly in the Australia Day Honours List with at least 23 staff, former staff and alumni receiving awards.
- Monash was declared one of Australia's most female-friendly employers, receiving an Employer of Choice for Women citation for the fourth consecutive year.
- The *Monash Business Review*, dedicated to communicating original academic research about business to a wider audience, was launched.
- Monash University's Master of Business Administration (MBA) was ranked among the world's best in the *Economist* magazine's 2005 MBA rankings, ranking sixth in the world for the quality of student experience and personal development.
- The Centre for Health Economics and the Centre for Policy Studies received a \$3.5 million grant to build an economic model for testing health initiatives and plans.
- Monash established Victoria's first inclusive kindergarten to educate high-needs children alongside typically developing children.
- Monash's Victorian College of Pharmacy and the Faculty of Medicine, Nursing and Health Sciences helped establish the Colleges of Medicine and Pharmacy at the University of Sharjah in the United Arab Emirates.
- A team of Monash engineering students won the 2005 International Future Energy Challenge in the US for their design of a cost-effective environmentally friendly power source for homes in developing nations.
- Monash's longest-serving academic, Mr Barrie Milne, retired after more than 40 years at the University.
- Professor Julian Smith, Head of the Department of Surgery at Monash Medical Centre, will be awarded the highest research accolade given by the Royal Australasian College of Surgeons, the John Mitchell Crouch Fellowship.
- Monash Bachelor of Industrial Design honours student Adam Ty Dean Smith won the 2005 *Wheels* Automotive Design Award for young designer of the year.

- Monash and Melbourne University researchers received \$1.2 million for a research project that could lead to the development of a cancer vaccine.
- Staff at Monash's Caulfield campus gathered to mourn the passing of alumnus and former staff member Mr Sam Ly, who was killed in the London bombings in July.
- The University established a \$3 million centre devoted to nurturing the use of e-research.
- Monash has signed an agreement with the Chinese Academy of Medical Sciences – Peking Union Medical College to offer the Monash MBA (Health Services Management) in Beijing from next year.

I commend this report to you, and particularly draw to your attention the progress we have made in reporting our environmental performance as we gradually evolve our triple bottom line reporting format.

Next year will bring many new challenges with the introduction in July of the so-called VSU legislation, the AUQA audit and preparations for the Research Quality Framework, but we have shown this year that we are capable of meeting even the most difficult challenges while still making progress in the twin platforms of excellence in education and research.

Professor Richard Larkins
Vice-Chancellor and President

Establishment

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

Objectives, functions, powers and duties

In 2005, the objectives of the University, as stated in section 5 of division 1 of the *Monash University Act*, were:

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

Services

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

Faculties of the University were: Art and Design; Arts; Business and Economics; 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.

Governance and administrative structure

Monash University Council

From 1 January 2005 to 31 December 2005, the following were members of the Monash University Council:

- Chancellor
Jeremy Kitson Ellis, MA *Oxon* HonDEng *C.Qld* FTSE FAICD FAusIMM Hon.FIEAustCPEng
- Vice-Chancellor and President
Richard Graeme Larkins, AO, MD BS *Melb.* PhD *Lond.* HonLLD *Melb.* FRACP FRCP London FRCPI FAM Malaysia FAM Singapore HonFRCP Thailand HonFACP USA HonFCeylon CP
- President of the Academic Board
Christopher Aidan Browne, BA *York* DPhil *Oxon*
- Three persons elected by and from the staff of Monash University
Professorial staff member
Warwick Peter Anderson, AM, BSc(Hons) *UNE* PhD *Adel.*
Non-professorial academic staff member
Carol Janice Williams, BMus(Hons) PhD *Adel.*
General staff member
Dale Halstead, BA BSocWork *Melb.* GradDipEdAdmin *HwthlnInst*
- Two persons elected by and from the students enrolled at Monash University
Undergraduate member
Leo Ostrobruski
Postgraduate member
Timothy Robert Wilson, BA(PolicyStuds) DipBus(FMI) *Monash*
- Six persons appointed by the Governor-In-Council
Lesley J Boston, BA BEd *Melb.* MACE
John Charles Hutchinson, DipMechEng ED FIEAust. MAICD MAIM
Charles Roderick Curwen, CVO OBE HonLLD FIPA from 12 April 2005
Paul Henry Ramler, AM, DipBusMktg MBus (Hons) *CIT* ACIT FAIM AFAMI

Leanne Rowe, MB BS *Monash* DipRACOG FRACGP FAICD

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

- One person appointed by the Minister
Jennifer Samms, BEc *Monash*
- Six persons appointed by the Monash University Council
Louise Adler, BA(Hons) *Reading* MA MPhil *Columbia*
Glenn Barnes, BAgSc *Melb.* CPM FAMI FAIM FAICD FAIBF FRSA to 21 March 2005
Colin J Bourke, MBE, BCom BEd *Melb.* LLB *Adel.* MEd *Canb* TPTC *Geelong* FACE FAIM
June Margaret Hearn, BA MA PhD *Melb.*
Penelope Florence Evans Hutchinson, BA(Hons) *Lond.* AMuA MA *Melb.* MAICD
Ian Pyman, BJuris LLB *Monash* from 8 August 2005
Sue Smith, BEc MAICD
Tony Calder – Secretary to Monash University Council
- Membership of Audit Committee
Penelope FE Hutchinson, BA(Hons) *Lond.* CA AMuA AICD
Jeremy Kitson Ellis, MA *Oxon* HonDEng *C.Qld.* FTSE FAICD FAusIMM Hon.FIEAustCPEng
Kim Langfield-Smith, BEc *Syd.* DipFinMgt *UNE* MEd *Macq.* PhD *Monash* FCPA
Sue Smith, BEc MAICD
In attendance:
Alison Laura Crook, AO, BA(Hons) *UNE* MBA *Qld.* DipLib *S. Aust.* DipEd *Adel.* HonDUniv *S.Aust.* HonDLitt *Macq.* FALIA FRIPAA FAIM FAICD to 29 July 2005
David Munro Pitt, BSc(Hons) BA *Melb.* MBA *RMIT* from 1 August 2005
Richard Graeme Larkins, AO, MD BS *Melb.* PhD *Lond.* HonLLD *Melb.* FRACP FRCP London FRCPI FAM Malaysia FAM Singapore HonFRCP Thailand HonFACP USA HonFCeylon CP
Greg Connell – Executive Officer and Secretary

Attendance by Monash University Council members at Monash University Council meetings 2005

Monash University Council member	Monash University Council meetings	
	Meetings attended	Meetings held
Mr J Ellis	7	8
Mr P Ramler	7	8
Dr J Hearn	7	8
Professor R Larkins	8	8
Professor C Browne	8	8
Ms L Adler	5	8
Mr G Barnes (resigned 22/3/05)	1	2
Professor W Anderson	8	8
Ms L Boston	7	8
Professor C Bourke	7	8
Dr C Curwen (commenced 12/4/05)	5	6
Ms D Halstead	6	8
Mr J Hutchinson	6	8
Ms P Hutchinson	5	8

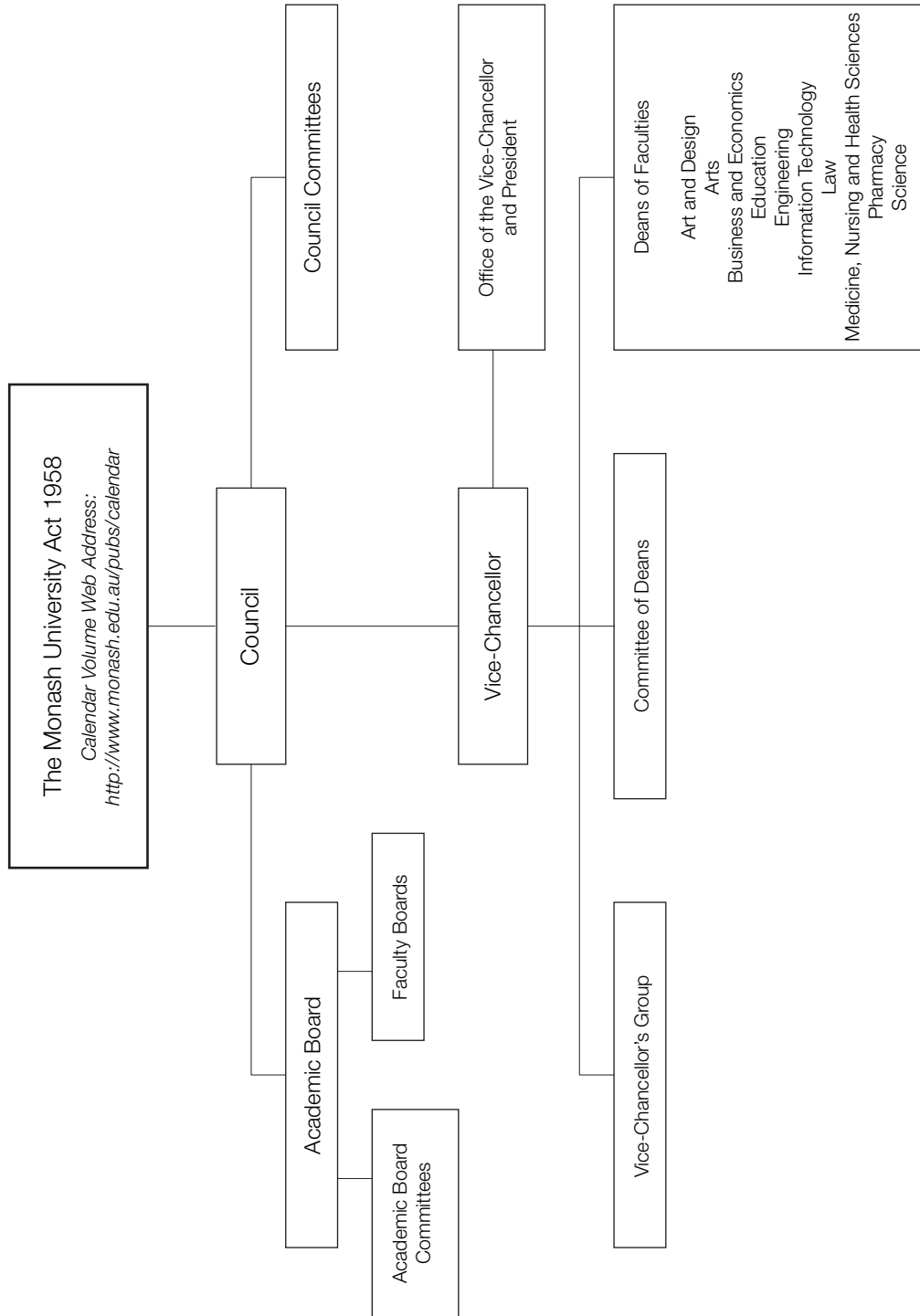
Monash University Council member	Monash University Council meetings	
	Meetings attended	Meetings held
Mr L Ostrobruski	7	8
Mr I Pyman (commenced 8/8/05)	2	3
Dr L Rowe (commenced 15/6/05)	5	5
Ms J Samms	7	8
Ms S Smith	5	8
Dr C Williams	8	8
Mr T Wilson	8	8
Dr J Zillman	5	8

Senior officers

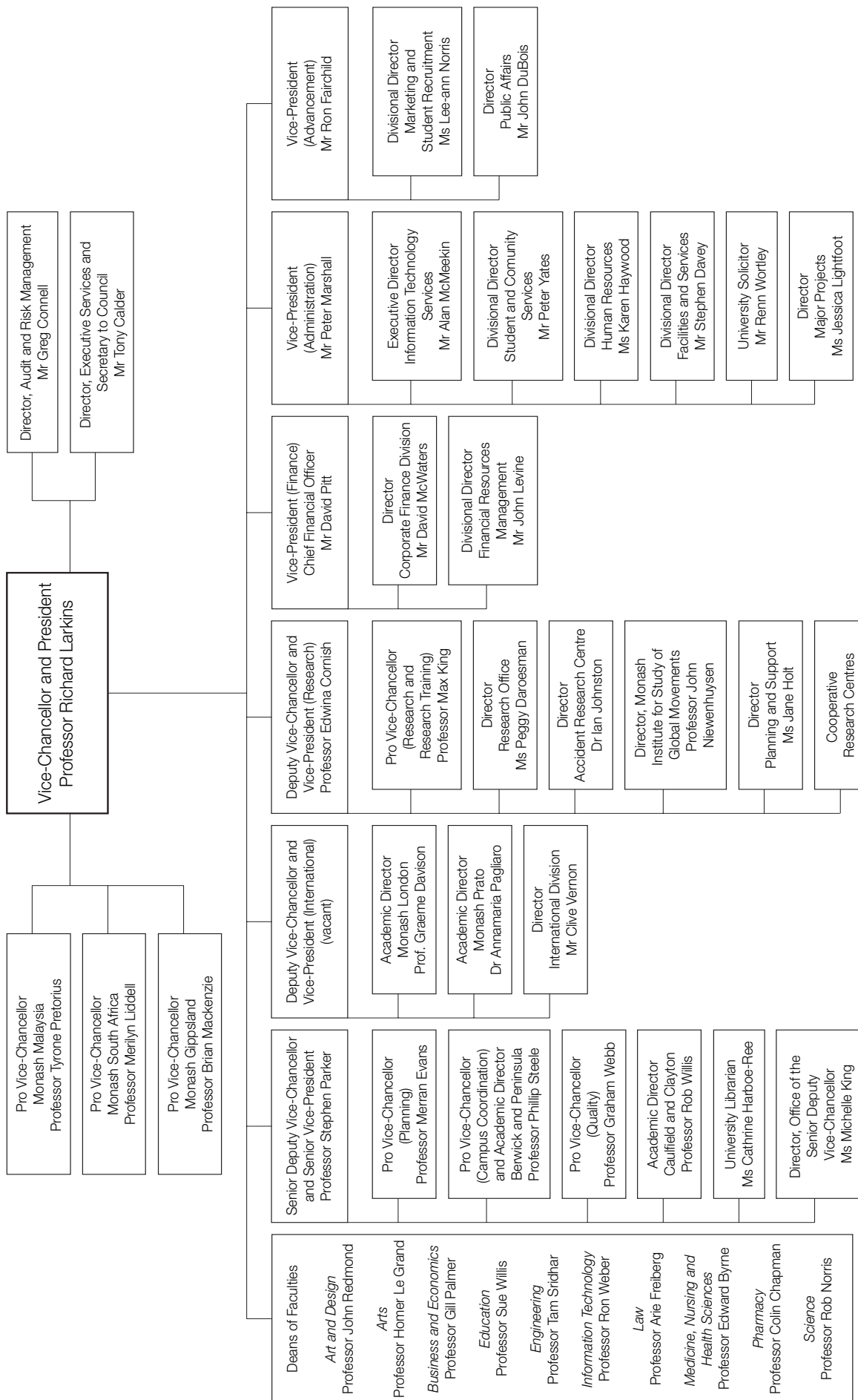
- Visitor
John Michael Landy, AC, MBE BAgSc *Melb.* HonLLD *Melb.* HonLLD *Vic.BC* HonDRurSc *UNE* FAIAS FTSE Governor of Victoria
- Chancellor
Jeremy Kitson Ellis, MA *Oxon* HonDEng *C.Qld.* FTSE FAICD FAusIMM Hon.FIEAustCPEng
- Deputy Chancellors
June Margaret Hearn, BA MA PhD *Melb.*
Paul Henry Ramler, AM, DipBusMktg MBus (Hons) *CIT* ACIT FAIM AFAMI
- Vice-Chancellor and President
Richard Graeme Larkins, AO, MD BS *Melb.* PhD *Lond.* FRACP FRCP London FRCPI HonFAM Malaysia HonFAM Singapore HonFRCP Thailand HonFACP USA HonFCeylon CP
- Senior Deputy Vice-Chancellor and Senior Vice-President
Stephen Parker, LLB(Hons) *Newcastle* (UK) PhD *Wales*
- Deputy Vice-Chancellor and Vice-President (Research)
Edwina Cecily Cornish, BSc(Hons) PhD *Melb.* FTSE FAIM
- Deputy Vice-Chancellor and Vice-President (Academic)
Alan William Lindsay, BSc DipEd MEd(Hons) *Syd.* PhD *Macq.*
- Deputy Vice-Chancellor and Vice-President (Resources)
Alison Laura Crook, AO, BA(Hons) *UNE* MBA *Qld.* DipLib *S. Aust.* DipEd *Adel.* HonDUniv *S.Aust.* HonDLitt *Macq.* FALIA FRIPAA FAIM FAICD to 29 July 2005
- Vice-President (Administration)
Peter Stuart Marshall, BEc *Monash* CAHRI
- Vice-President (Advancement)
Ron Fairchild, BHK *Windsor* CFRE
- Vice-President (Finance) and Chief Financial Officer
David Munro Pitt, BSc(Hons) BA *Melb.* MBA *RMIT* FAICD from 1 August 2005

Organisational charts

Overall governance and management (includes Monash University Council Committees)



Senior management structure



Core business: education and research

Operational objectives and initiatives

Strategic directions and planning

In February 2005, Monash University Council approved Monash's strategic directions statement, *Monash Directions 2025*, which sets out the University's statement of purpose and its broad aims over the next 20 years. Monash aims to be one of the best universities in the world, distinguished by its research-intensive international focus. Good progress was made in implementing Monash's new planning framework, which was established as part of *Monash Directions 2025*. The *Education Plan* and the *Research and Research Training Plan* were approved by Monash University Council in December 2005. These plans are discussed further in other sections of the annual report. Faculty and divisional operational planning was further developed, and a template for these plans was also developed.

The *Report on University-Wide Key Performance Indicators* was reviewed and improved to reflect the new strategic directions statement and the revised planning framework. It includes measures covering education, equity, finance, international, and research reputation. A new approach was used to represent the University's level of achievement against its targets to assist the Monash community to rapidly assess the University's performance.

Work continued to ensure that planning and budget activities would become more closely aligned. A key achievement in 2005 was the improved faculty operational planning process, through which faculty plans were finalised in conjunction with the budget.

The first annual Academic Heads Conference was held in September, a measure which will ultimately contribute to improved planning at the school and department level of the University.

The University's planning unit monitors and reviews the emerging international University ranking systems, as well as Monash's performance within them. In 2005, Monash University broadly maintained its 2004 position in the top 300 universities ranked in the Shanghai Jiao Tong University's *Top 500 World Universities*. In 2005, the University was again ranked 33rd in the *Times Higher Education Supplement (THES) World Ranking*. The *THES* also published rankings within discipline areas. Monash was ranked 18 in 2004 and 24 in 2005 in engineering and information technology, 37 in 2004 and 28 in 2005 in biomedicine, 28 in 2004 and 17 in 2005 in social science, 41 in 2004 and 39 in 2005 in science, and 23 in arts in 2005 (unranked in 2004).

Education

The year 2005 was significant for Monash with respect to the advancement and support of education activities. *Monash Directions 2025* and the associated University plans set out the key directions in education. Monash recognises, endorses and promotes teaching as a scholarly activity, and will further its overall aims as an international University by successfully combining "internationalism with research-led teaching to encourage intellectual growth in the University and produce opportunities for our staff and students which are unparalleled in higher education institutions" (*Monash Directions 2025*, p3).

During 2005, Monash commenced a number of initiatives aimed at furthering this overall direction, as well as completing activities associated with its previous *Learning and Teaching Plan 2002–2005*. Strategy A1 of that plan required Monash to develop a shared understanding of the meaning of high-quality learning and teaching. This requirement was built into the *Annual Plan 2004*, and was reported on in 2005. The acceptance by Academic Board in March of policy and procedures on the following values for high-quality teaching and learning signified the realisation of this strategy:

- Maintaining excellence in academic standards of quality-assured programs.
- Nurturing an environment for intellectual stimulation, innovation and creativity.
- Recognising student learning needs.

- Recognising staff teaching needs.
- Embracing organisational and cultural diversity.
- Incorporating an international focus.
- Providing learning outcomes that relate to a range of key stakeholders.
- Acting with integrity and fairness.

These values can "act as a 'checklist' for staff as they reflect upon their own teaching practices and seek guidance for new approaches. They also help steer those in leadership positions of teaching, such as the Education Committee, the associate deans and faculty education committees, as they consider or review policies and procedures. More generally, the values should inform the normal University planning process, for example during the development of plans for learning and teaching" (*Values for High-Quality Teaching and Learning Policy*, p2).

Monash University's strong commitment to internationalism was reflected in completion of a number of projects. The International Self-Review analysed how well Monash applies our quality cycle to international dimensions. The review panel considered our plans in relation to international aspects, how well we act on them, how well we monitor our performance and the extent to which we improve as a consequence. This then led to closer analysis of particular themes, such as the performance of international students and the counselling and support available to students. Another example was the Working Party on Internationalisation of the Curriculum, which completed and presented its report to Education Committee in September. Advice on the recommendations will be presented to Academic Board in 2006, with a view to increasing and deepening, for example, the international aspects of Monash coursework programs.

Mobility is a key element of the University's international focus and an important mechanism in taking full advantage of Monash's eight campuses and two centres on four continents. Mobility was given explicit impetus by the 2005 Planning Conference, which led to the drafting of the *Monash Mobility Framework Discussion Paper*. Essentially, the paper outlined three schemes that will be implemented during 2006 for both staff and students, focusing on student international mobility, intra-Monash mobility for staff and students, and professional development programs for staff.

In line with this development, mobility is listed as an Annual Priority for 2006. Also listed as a 2006 Annual Priority, and having particular relevance to learning at Monash, is the Student Experience Project. A steering group began its work in 2005, based on a framework and a project plan (*Monash Student Experience Framework Discussion Paper*) that will continue through 2006. Under the general themes of engagement, experience and employability, the project will include establishment of a Student Experience Network to support and sustain the development and will give particular attention to induction and transition activities.

The Teaching and Learning Pool Budget supported a number of projects in 2005. Projects funded from this pool included a number of Course Innovation Grants, such as development of a cross-faculty course in biotechnology and Melbourne/Monash Teaching and Learning Courseware Development Grants. The funds also supported completion of the Global Online Development (GOLD) Projects and Infrastructure, an outcome of the *Learning and Teaching Plan 2002–2005*, and the Enhancing the Monash Experience Project.

Most universities in Australia are currently engaging in concerted efforts to reduce incidents of plagiarism, and the Teaching and Learning Pool Budget supported an academic integrity project that will continue into 2006. The emphasis of the project is on education and prevention, and will include an update of existing policy and procedures on plagiarism.

In 2004, the Centre for Learning and Teaching Support (CeLTS) was reviewed, and major changes took place in the latter half of 2005. The principal outcome was the disaggregation of CeLTS and subsequent formation of the Centre for the Advancement of Learning and Teaching (CALT). The centre aims to foster improvement in teaching and learning through strategically focused

support for both staff and students, in terms of language and learning services, staff induction and professional development programs, and supporting improvement in key areas identified through University monitoring and review processes (working closely with the Centre for Higher Education Quality).

A particular feature of CALT is the provision of an integrated service to support students of both Monash University and Monash College, combining the work of Language and Learning Services and the Monash University English Language Centre. The integration strengthened the work and effectiveness of each unit, and enabled the central service to respond appropriately to the shifting and diverse learning needs of Monash students in all locations and across different learning modes. CALT also aims to address key strategies identified in the *Annual Plan 2005*, such as the strengthening of academic staff development (including programs specifically targeted at sessional staff).

During 2005, Monash received a number of indications of recognition of its achievements in education. Among these was the announcement in November of allocations of funds from the Federal Government's Learning and Teaching Performance Fund (LTPF). The LTPF is designed to reward those institutions that best demonstrate excellence in teaching and learning, based on results from the Course Experience Questionnaire, Graduate Destination Survey scores and Inverse attrition and progress rates. Only 14 of Australia's universities were granted funding support, and Monash's total of \$4.591 million placed it fifth overall in terms of funding amounts.

In line with this recognition and constant efforts to achieve excellence in teaching and learning, University-wide performance indicators have been developed in relation to education that reflect the University's strategic directions, align with LTPF requirements and set targets for 2008. Monash aims to be in the top three among the Group of Eight Australian universities in all relevant categories by 2008.

Overall, Monash's performance with respect to teaching and learning during 2005 was pleasing. It was an important transition year from the completion of the *Learning and Teaching Plan 2003–2005* to the new *Education Plan 2006–2010*, which will pursue the goal of excellence in education through a number of key objectives:

- To help our graduates become ethical, employable, global citizens.
- To increase demand for our places from the best students.
- To ensure that Monash courses and teaching are relevant and responsive to the needs of our students and other key stakeholders.
- To achieve consistently superior results in indices, rankings, competitions, external audits and assessments.
- To establish an international focus in all coursework programs.
- To promote research-led teaching and learning.
- To ensure that the multi-campus nature of Monash is used to the greatest academic advantage of our staff and students.

Achievement of the objectives will allow us to show that Monash University offers an excellent, distinctive, international, research-led education.

Quality

The quality of teaching and learning at Monash is a key concern for the University, and activities during 2005 associated with the commitment to quality included the implementation of a new unit evaluation system. Academic Board endorsed the requirement for all units to be evaluated each year, and the system commenced in semester 1. The evaluation questionnaire contains 10 common items, and faculties may add up to 10 additional items in accord with their particular context. The results, available on the Monash website and with public access, enable faculties to systematically assess the student evaluations and thus address the improvement part of the Monash Quality Cycle. Another major effort with respect to obtaining systematic feedback on major areas of the student experience that require attention by the University was a further administration of the Monash Experience Questionnaire (MEQ) in

October. Completed returns were received from more than 16,000 students (a response rate of approximately 34 per cent). This provided time-series data to measure progress towards improvement in all areas of the educational, campus and global experience of current students.

Preparation for the Australian Universities Quality Agency (AUQA) audit was a focus of efforts during 2005. A draft of the Monash Performance Portfolio self-review document was completed for the audit, which will be combined with an audit of Monash South Africa by the Higher Education Quality Committee. The finalised portfolio will be submitted to AUQA in May 2006, and the audit will take place in August/September. Coordination and oversight of activities associated with quality are the responsibility of the Centre for Higher Education Quality (CHEQ), which during 2005 introduced the Monash Quality Network to act as a reference group for audit preparations.

Monash University Library

The Library also demonstrated strong performance in 2005. The biennial customer survey, undertaken in May 2005, showed an increased overall satisfaction with library services, rising from 72 per cent in 2003 to 74 per cent in 2005. Key findings from the survey were as follows:

- There was increased overall satisfaction compared with 2003, with the Library being in the top 50 per cent of University libraries.
- Library staff were ranked as the highest performing area and communication from the Library the most improved area.
- The key issue was the number of computer workstations.

The Matheson and Caulfield libraries again achieved more than 1,000,000 user visits each during the year. Quarterly reports on the service level agreement with faculties indicated the library met or exceeded most performance indicators reported throughout 2005.

The Library's Facilities Master Plan achieved a major milestone during 2005, with the completion of the Hargrave-Andrew Library refurbishment at Clayton campus. At the Berwick campus, work is well under way on the construction of the Berwick Library and Learning Commons, incorporating Information Technology Services' computer labs and service desk into a combined and enlarged space. An improved study environment was achieved through the installation of wireless at all libraries.

In addition to the continuing development of collections on site, strong support for electronic titles was evident in the increased access through the library catalogue to over 240,000 electronic books, more than 21,000 full-text electronic journals and 750 online databases. In response to the catalogue usability study, the Library's online catalogue was redesigned and given a modern, easy-to-use interface.

Monash University ePress was launched in March 2005 and is now publishing three online journals: *Applied GIS*, *The Bible and Critical Theory and History Australia*, as well as a book, *Melbourne 2030*. A further book was published in October, *Struggle Country*, and more titles are planned for 2006. -The ARROW (Australian Research Repositories Online to the World) project completed acceptance testing and installation of the latest version (VITAL 2.0) of the repository software.

The Library is committed to providing increased support for the University's research activities. A Research Support Plan is being created that includes such initiatives as enhanced information literacy programs for postgraduates and researchers, and targeted collection development.

A major review of the library services at Monash South Africa was undertaken by the University Librarian in April 2005. A number of improvements were implemented as a result of this review, and design started on a new library and learning commons for Monash South Africa students.

Professor Stephen Parker
Senior Deputy Vice-Chancellor

Major research and development activities

Outstanding research achievements

Monash was awarded three Federation Fellowships in the schools of Biological Sciences, Chemistry and Materials Engineering, respectively.

- Monash University received \$24.5 million in funding from the ARC for the establishment of two national Centres of Excellence – the \$14.5 million ARC Centre of Excellence for Design in Light Metals and the \$10 million Centre of Excellence in Structural and Functional Microbial Genomics.
- Monash was a significant partner in a further three ARC Centres of Excellence -- for Free Radical Chemistry and Biotechnology (led by the University of Melbourne), for Electromaterials Science (University of Wollongong) and in Coherent X-ray Science (University of Melbourne).
- An NHMRC Centre of Research Excellence in Patient Safety, worth \$2.2 million, was also awarded to Monash by the Commonwealth Department of Aging and Health.
- Monash University was a core participant in six Commonwealth Government Co-operative Research Centres funded in Round 9: Advanced Automotive Technology; Asthma and Airways; Biomedical Imaging; Cast Metals Manufacturing; eWater; and Polymers.
- Monash ranked second among the Go8 members in NHMRC Fellowships awarded in 2005:
 - \$7.9 million in NHMRC Research Fellowships, Practitioner Fellowships and Career Development Awards was granted to Monash, representing a 105 per cent increase from 2004;
 - Almost \$7 million in NHMRC Training Fellowships, scholarships and enabling grants was awarded to Monash.
- 19 ARC Discovery Research Fellowships were awarded to Monash researchers, the most successful year to date.

As part of its annual planning process in 2004, the University identified four key University-wide priorities for 2005. A summary of the outcome of strategies designed to implement these priorities is presented in a later section of this annual report. Significant achievements in research further contributed to implementation of University-wide priorities including:

Improving our management of people

Enhance Monash's research profile:

- A new policy on cross-faculty institutes was developed – the University Research Institute Framework.
- A review of existing institutes (Monash Environment Institute, Monash Asia and Monash Institute for the Study of Global Movements) was undertaken to expand their role in line with the new cross-faculty institutes framework.
- The Institute for Nanoscience, Materials and Manufacture was established.
- Seed funding was committed to evaluate the merits of establishing cross-faculty institutes in the areas of health and wellbeing (healthy ageing and sport); injury prevention and drug discovery.
- Four Monash academics were elected as fellows of Australian Academies in 2005.
- Dr Gareth Forde, from the Department of Chemical Engineering, was awarded a prestigious Veski Fellowship worth \$200,000.
- A new Deputy Director of the Monash Research Graduate School was appointed.
- Monash achieved an increase of 19.7 per cent in international higher degrees by research (HDR) students in 2005. This was facilitated through 20 new International Postgraduate Research Scholarships and 20 Monash Graduate Scholarships.
- On-campus HDR degrees commenced at Monash Malaysia.
- 339 doctoral theses were awarded in 2004, an increase from 307 in the previous year.

Seek Federation Fellows and eminent researchers:

- Professorial appointments increased by 109 per cent over the previous year.
- Federation Fellowships were awarded to Professor John Bowman, Professor Alan Bond and Professor Barry Muddle.
- Monash recruited Federation Fellow Professor Lenore Manderson.
- Professor Harald Schmidt took up the position of Head of Pharmacology in the Faculty of Medicine, Nursing and Health Sciences.
- Professor Bryan Williams was appointed Director of the Monash Institute of Medical Research and will commence in January 2006.
- Monash University appointed Professor Ah-Chung Tsoi as Director of the new e-Research@Monash Centre.
- Professor Claude Bernard joined the University as Head of the Neuroimmunology Laboratory at Monash Immunology and Stem Cell Laboratories.
- Monash appointed Dr Abid Khan to lead the establishment of the Monash Institute for Nanoscience Materials and Manufacturing.
- Professor Cameron Jones won an ARC Professorial Fellowship, which he will take up in 2006 at the School of Chemistry, Faculty of Science.
- World-renowned scientist Professor Elizabeth Blackburn visited Monash as the Louis Matheson Distinguished Visiting Professor.

Provide world-class infrastructure and facilities:

- The University established the Monash Centre for Electron Microscopy, which will serve researchers in the physical sciences from universities throughout Australia, the CSIRO, the Australian Synchrotron and related industries.
- Monash was awarded a total of \$2.889 million in ARC Linkage Infrastructure Equipment and Facilities Grants (Round 1).

Other achievements:

- A new accredited Research Supervision Training Program was implemented.
- The exPERT program, which provides employment and research training, was expanded from 90 to 110 seminars to include new programs for professional and student development.
- An exPERT Summer Series and an exPERT Replay Series (DVD recording of seminars and video conferencing) was introduced to allow better access the exPERT seminar and workshop series.

Responding appropriately to Backing Australia's Ability 2 and developing strategies to maximise support for our research in a changing funding environment

Highlights included:

- The total research income for 2005 was \$140 million, an increase of 14.9 per cent.
- Monash was a partner in eight of the 17 winning consortia of the Victorian Government's Science and Technology and Innovation (STI) Infrastructure Grants. The University leads three of the consortia and shares in \$24.2 million of funding in the areas of advanced materials manufacturing, healthcare innovation, small-scale technologies, automation, retinal vascular imaging, power transformer monitoring and diagnostics, tissue engineering, and stormwater biofilter technologies.
- Monash University took a lead role in developing the \$3.2 million project *Dataset Acquisition, Accessibility and Annotation e-Research Technologies* (DART) funded by the Federal Government's Systemic Infrastructure Initiative.

Improving our engagement and collaboration with the community, industry and the professions and our capacity to commercialise our activities appropriately, where this will support our teaching and research

Develop new priorities, roles, structures and policies for the Research Grants and Ethics Branch:

- In accordance with the recommendations of the Research and Research Management Review, the Research Grants and Ethics Branch was restructured to provide more proactive research services. The restructuring involved:
 - Change of name to the Research Office.
 - The appointment of a new Director.
 - The office was structured into three groups: Research Ethics and Compliance (which includes the Human Ethics, Animal Ethics and Gene Technology compliance functions), Grants Development and Management, and Research Information Systems.
 - The Grants Development and Management team was organised to focus on a group of faculties and campuses, and was augmented by four new Grants Officers and one new Research Coordinator, bringing its staffing level from four to nine during the year.
 - A Manager position was created in the Research Ethics and Compliance Group, and its brief widened to include quarantine issues.
 - The Research Information Systems Group acquired a Projects Officer to implement new research information applications, as well as a team of casuals who are engaged in a data integrity project.
- The Research Office widened the range of grants information available to researchers, which involved visiting funding bodies and inviting representatives to Monash for briefing sessions and 'how to' workshops, to a total of 1335 staff.
- The Research Office greatly enhanced research information statistics and reporting tools available to managers of research.
- The Research Office undertook a review into ethics and compliance governance and processes, and delivery of training and workshops to about 1400 staff members.
- The Research Office developed close working relationships with faculty research offices, Associate Deans (Research), researchers, and with Monash Commercial.

Other achievements:

- Securing \$1.2 million from Circadian Technologies Ltd for Monash and Melbourne University researchers for the development of a cancer vaccine.
- Monash researchers filed 39 provisional patents, and seven patents were granted in 2005.
- The inaugural Monash University Innovation Festival, part of the Australian Innovation Festival, was launched and included 29 activities across five of the University's campuses.
- Monash Commercial expanded the PhD Commercialisation Retreat.
- Monash Commercial was restructured to provide more effective advice and commercialisation services for the University's cross-disciplinary research activities. This included the appointment of three Directors of Commercialisation.

Professor Edwina Cornish
Deputy Vice-Chancellor (Research)

Report of the President, Academic Board

Introduction

The Academic Board of Monash University is responsible for oversight of the University's academic affairs. As of December 2005, total membership was 150 staff and students. Members included:

- President and Vice-President of the Board.
- Chancellor and Deputy Chancellors.

- Vice-Chancellor and senior executive management of the University.
- Deans of all faculties and campus Academic Directors.
- Elected professorial and non-professorial staff, appointed campus-based members, heads of academic support units; and
- elected undergraduate and postgraduate student members.

The Board was chaired by an elected President, who was supported by a Vice-President. Responsibility for managing the business of the Board was undertaken by a Steering Committee.

Changes to committees reporting to the Board included the following:

- Establishment of an Affiliation Committee to manage the establishment and disestablishment of affiliation arrangements between the University and other institutions. Three such affiliation arrangements were begun in 2005, with the Peter MacCallum Cancer Institute, Cancer Council of Victoria and National Ageing Research Institute.
- Re-establishment of the Oscar Mendelsohn Lecture Committee, which manages a bequest from the Mendelsohn family in memory of the late Oscar Mendelsohn. The 2005 Oscar Mendelsohn lecture was presented by Professor Janet McCalman of the University of Melbourne, following the October meeting of the Board, in the presence of Mr Mendelsohn's son and grandson.
- Disestablishment of the Standing Committee on Animal Services consequent upon the devolution of responsibility for animal services to the Faculty of Medicine, Nursing and Health Sciences.
- Following a review of the terms of reference and composition of the Admissions Committee, a revised member list and terms of reference were approved by the Board in mid-2005.

Reports to the Academic Board

The President and the Vice-Chancellor reported to the Board at each meeting in 2005. The Vice-Chancellor reported on both internal and external matters which affected the academic business of the University. Highlights of the Vice-Chancellor's reports included the following:

- New senior appointments, including the Vice-President (Finance), the Vice-President (Advancement), the Vice-President (Administration) and the Pro Vice-Chancellor (South Africa).
- Successes of the University in the award of ARC Centres of Excellence, Federation Fellowships, ARC grants, NHMRC program and project grants.
- Key campus developments, particularly at Berwick, Malaysia and South Africa.
- Progress on the introduction of the Higher Education Workplace Relations Requirements, the Research Quality Framework and 'voluntary student unionism'.

The President's reports generally highlighted recent achievements of merit by University staff and students, and focused Board members' attention on procedural matters.

The Board acknowledged service to the University of retiring members of senior management, including the former Deputy Vice Chancellor (Resources), Ms Alison Crook, and the former chair and former Deputy Vice Chancellor (Academic), Professor Alan Lindsay.

Important business of the faculties was brought to the Academic Board for noting or approval via regular reports from the 10 Faculty Boards. Much of the Board's business was delegated to a range of standing committees, which reported regularly to the Board and from time to time sought its approval for key decisions. These included the Admissions Committee, Education Committee, Research Graduate School Committee, General Library Committee, Intellectual Property Committee, Scholarships Committee, Exclusions Appeals Committee, Standing Committee on Ethics in Research Involving Humans, and Honorary Degrees Committee.

Quality and reviews

As a part of the Academic Board's responsibility for the quality of the academic business of the University, a regular agenda item, 'Quality Matters', was instituted in mid-2004. This practice was continued in 2005, and quality matters were brought to the Board's notice by the Director of the Centre for Higher Education Quality, including regular updates on preparations by the University for the forthcoming 2006 audit of Monash by the Australian Universities Quality Agency in 2006.

In February, the Board re-established the Unit Evaluation Policy and Process, which requires evaluation of all units offered by the University each semester and reporting of evaluation data on the web.

The Board discussed the outcomes of the Monash Experience Questionnaire 2003 data during 2005 and noted the preparations and changes for the 2005 data collection.

Several reviews were presented to the Academic Board in 2005, both to inform the Board and to seek its advice. These included the Transnational Quality Assurance and Improvement Committee's review of offshore partnership programs with TMC. Quality reviews of the Centre for Higher Education Quality and the Faculty of Education were also presented to the Board.

Monash undertook an International Self-Review during 2004–2005 that examined all aspects of the University's international operations. The final review report, accompanied by a number of recommendations, was presented to the Board in 2005. In adopting the report's recommendations, the Board has committed the University to a policy of continually improving Monash's international processes, engagement and performance.

A strategic review of the Faculty of Information Technology was undertaken in 2004. The review report was presented to the Academic Board early in 2005, and among the recommendations that the Board endorsed was a restructuring of the faculty, accompanied by a restructure of its undergraduate degree programs. This led to fewer and more clearly differentiated degrees offered in information technology.

Policy development

The Academic Board was responsible for the development, approval, review and renewal of academic policies. Many of these policies were developed by subcommittees of the Board, but others arose from the portfolios of the Deputy Vice-Chancellors. During 2005, Education Committee developed, and Academic Board subsequently approved, new policies for:

- internationalisation of the curriculum;
- values for high-quality teaching and learning;
- results upload and amendment;
- internal transfer of students; and
- timetabling.

The Admissions Committee amended and Academic Board subsequently approved policies for:

- admission based on forecast results; and
- University English language requirements and overseas qualifications.

The President of the Academic Board and the Deputy Vice-Chancellor (Research) re-endorsed the Policy for Establishment of Centres/Departments/Schools/Research Centres. The Deputy Vice-Chancellor (Research) also developed, and the Academic Board subsequently approved, a new Conflict of Interest Policy. A Professorial Promotion Policy was developed by a working party, led by the Senior Deputy Vice-Chancellor, together with Guidelines for Promotions Committees for 2005. Both were debated and approved by the Academic Board.

Other highlights

In 2005, several major plans came before the Academic Board for approval and transmission to Monash University Council, including *Monash Directions 2025*, the *Monash University Annual Plan 2006*, the *Monash Education Plan 2006–2008*, and the *Monash Research and Research Training Plan 2006–2008*.

Led by the Pro Vice-Chancellor (Planning), the Board discussed the University Wide Performance Indicators and data for 2004 and 2005, and noted the progress of the University against the new reporting framework and format.

The process of presentation of the Campus Urban Plans begun in 2004 was completed by presentation of the Caulfield, Gippsland and Peninsula Campus Urban Plans.

The Board approved two new initiatives for entry pathways and student support specifically for the Gippsland campus: the Gippsland campus MAGNET Entry Scheme and the Gippsland campus Cooperative Education Scheme.

In the research domain, the Board approved a new University Research Institutes Framework, developed by the Deputy Vice-Chancellor (Research), and approved an amended policy for doctoral examination. The Board noted the launch of the Library ARROW Repository to establish institutional repositories of research-related data and citation indexing, a collaboration between the University Library and the Information Technology Services division. The Board also noted and congratulated the University Librarian on the successful launch of the Monash University ePress.

In international developments, the Board approved the establishment of a Memorandum of Understanding to offer a joint badged program with Institut National De Sciences Appliquees De Lyon, France. It also approved the establishment of a joint international doctorate (PhD) with the University of Naples Federico II. The Board, on the advice of the Monash Research Graduate School, approved the offering of the degrees of PhD and MPhil at the Malaysia campus.

Report against annual priorities

Previous sections of the Annual Report have referred to implementation of the University's planning framework. A significant component of the planning framework and cycle is the annual planning process. The *Annual Plan* includes a summary of the University's priorities for a particular year, providing an institution-wide explanation of important initiatives to be managed and resourced. The priorities for 2005 emanated from the Senior Management Summit in February 2004 and were subsequently approved by the Monash University Council. Overall accountability for implementation of individual strategies designed to achieve the University's stated priorities for the year was allocated to the portfolios of members of the Vice-Chancellor's Group.

The purpose of this section of the Annual Report is to provide a summary of the outcome of strategies designed to implement the priorities (or objectives) identified for 2005.

Objective 1: Improving our management of people

- The Faculty Strategic Staffing Plan was developed as a template by the Human Resources division with the Faculty of Arts and will be rolled out across the remaining faculties in 2006.
- The Leadership Program continued and was extended to senior management.
- Strategies for management of under-performing staff were reviewed with Leadership Program participants and taken into account in the Student and Staff Services Planning Forum.
- Provisions relating to management of under-performing staff were reviewed and amended in the course of negotiating the 2005 Enterprise Agreement. An external review of academic performance management processes is planned for 2006.
- Revised professorial appointment processes were implemented for the 2005 round.

- As part of the faculty reporting of progress towards achieving agreed research profiles, TARDIS (web-based system) was developed to integrate information from Monash's corporate systems.
- A web-based tool for researchers was developed, accessible via the Monash Portal.
- The new five-year Research and Research Training Plan (2006–2010) was developed and approved by Monash University Council.
- Professorial appointments more than doubled in 2005, with 23 new appointments, compared to 11 in 2004.
- Three Federation Fellowships were awarded to Monash researchers, and one Federation Fellow was recruited by Monash.
- Key research policies were developed or reviewed.
- Campus planning was progressed.
- Organising schema for Monash's multi-campus network, incorporating management matrix neared completion at the end of 2005.

Objective 2: Responding appropriately to Backing Australia's Ability 2 and developing strategies to maximise support for our research in a changing funding environment

- Monash appointed three new Research Directors at the Gippsland, Peninsula and Malaysia campuses. In addition, Monash South Africa commenced recruiting a Research Director.
- Faculty projections for 2005 suggest growth in research income will be 15%.
- Preparations for introduction of the Research Quality Framework continued.
- Progress towards increasing funds awarded through research commercialisation programs continued, with two new transactions successfully completed (\$2.2 million) as at 30 June. A further financing round (\$2.2 million) for an existing start up company is in progress.
- Work with AusIndustry to develop an innovative approach to COMET funds was ongoing.
- Progress was made in improving capture and reporting of data on research revenue and true costs.
- Management and strengthening of strategic alliances was ongoing.

Objective 3: Improving our engagement and collaboration with the community, industry and the professions and our capacity to commercialise our activities appropriately, where this will support our teaching and research

- A steering committee to oversee the development of an Industry Engagement Strategy was established.
- A new Vice-President (Advancement) commenced in August.
- Campus community engagement was ongoing.
- A business case for development of a specialist maths and science secondary school was submitted to the State Government in November.
- STRIP and Monash Commercial communication strategies were developed and implementation commenced.
- Synchrotron communication activities with politicians, councils, senior public servants were developed.
- Redevelopment proposal for the Berwick campus was under consideration by the State Government.
- The Research Grants and Ethics Branch was restructured to provide more proactive research services.
- Faculty projections for 2005 suggest growth in research income will be 15 per cent.
- Strategies to improve grantsmanship were implemented by all faculties.
- Information forums were held with representatives from DEST, ARC and NHMRC.
- The Monash/CSIRO Collaborative Grant Scheme awarded seven grants to the value of \$307,000.

- A number of CSIRO Flagship Cluster proposals were under development.

Objective 4: Broadening and coordinating our approach to development, in particular fund-raising and alumni relations

- A new Vice-President (Advancement) commenced in August.
- A major restructure of marketing and recruitment operations was implemented.
- Monash alumni totalled 189,144, and of these 143,207 regularly received communications about University events and news from the Alumni Relations office. Subscriptions to the *At Monash* monthly email newsletter increased by 47 per cent to 21,331.
- Relationship building with funding bodies including international agencies was ongoing.
- A major endowment of \$2.8 million was given to Monash to establish a research chair in Modern Israel Studies in the University's Australian Centre for the Study of Jewish Civilisation.
- Dr Xiaodong Wu, from the Department of Materials Engineering, was named the inaugural recipient of the University's Taft Fellowship, made available by the generous gift of Emeritus Professor Ron Taft and Mrs Ellen Taft.
- A \$125,000 scholarship for Crohn's disease was awarded to Monash University.
- Three new HDR scholarships were established through fundraising activities.

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

The University made significant progress towards consolidating its international strategies and activities.

Highlights included:

- A self-review of international operations. The self-review panel interviewed staff and students at all campuses, examined documentation and performance indicators, and conducted web-based surveys. The Monash University Council subsequently endorsed 30 recommendations for consolidation and enhancement of the University's international activities.
- The University's regional steering groups allocated \$560,000 to 24 projects that will enhance research links in Asia, Europe and the Americas.
- More than 4100 new international students from 90 countries commenced studies at Monash campuses in Australia.
- More than 840 Monash students participated in overseas study programs, with approximately 250 students completing a semester of study overseas.
- A total of 2500 students had subsequently enrolled in Monash University undergraduate courses after undertaking pathway programs offered by Monash College.
- The Monash College Group offered an Arts diploma in Jakarta for the first time.
- Enrolments in pathway courses offered in Jakarta increased to 120 students.
- The introduction of pre-University English language courses at Monash University Malaysia.
- More than 200 students undertook English language courses at the Monash University Prato Centre, Italy.
- Monash International Projects (MIP) generated income of \$3.6 million from services to a range of clients, including AusAID, The Asian Development Bank, and The World Bank. The services included short courses (46 per cent), technical assistance and consulting (38 per cent) and formal award courses (16 per cent).

Social performance

Staff engagement

Staff profile

Monash employed the equivalent of 6491 full-time staff.

Sixty-two per cent of general staff were female and 44 per cent of academic staff were female. Staff located in Australia were covered by enterprise bargaining agreements (EBA) and awards. Figures 1–3 and table 1 below provide an overview of staff contract, classification and employment types.

Figure 1

Figure 2

Figure 3

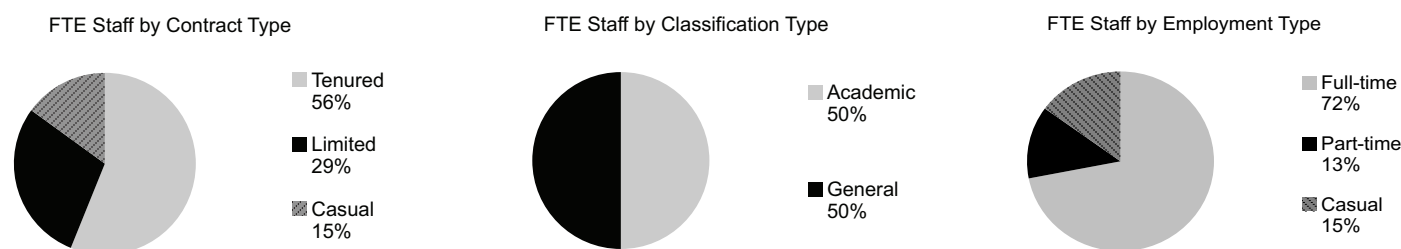


Table 1: Workforce data

	2003			2004			2005		
	FT&FFT	Casual	Total	FT&FFT	Casual	Total	FT&FFT	Casual	Total
Academic									
Female	989	331	1320	1032	388	1420	1143	288	1431
Male	1435	388	1823	1452	421	1873	1514	323	1837
Total	2424	719	3143	2484	809	3293	2657	611	3268
General									
Female	1696	273	1969	1732	173	1905	1802	199	2001
Male	1057	157	1214	1061	118	1179	1082	140	1222
Total	2753	430	3183	2793	291	3084	2884	339	3223
All staff									
Female	2685	604	3289	2764	561	3325	2945	487	3432
Male	2492	545	3037	2513	539	3052	2596	463	3059
Total	5177	1149	6326	5277	1100	6377	5541	950	6491

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).

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

All operational and strategic divisional and departmental plans were aligned to the Monash strategic framework: *Monash University – Excellence and Diversity* and *Monash Directions 2025*. *Excellence and Diversity* outlines the University's statement of purpose and core values, and *Monash Directions 2025* provides a 20-year strategic direction for Monash.

Performance management reviews of individual staff were aligned to the divisional and departmental objectives. The Staff Development Unit (SDU) provided new staff with an overview of facilities, policies and procedures at the half-day 'Welcome to Monash' information session. Attendance was voluntary; approximately 44 per cent of new general staff with fixed-term or tenured contracts (down from 51 per cent) and 10 per cent of equivalent new academic staff (down from 15 per cent) attended the session. Some faculties also ran their own induction programs for new staff members.

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

Staff feedback

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

Head of school/department

The head of school/department questionnaire provides management with staff feedback regarding perceptions of management performance. It is at management's discretion to employ the questionnaire. The questionnaire was administered to 50 staff members (one department), and 70 per cent responded.

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. Two departments invited staff to participate, and in total 411 questionnaires were issued (6.3 per cent of staff at Monash) with response rates of 95.2 per cent and 47.4 per cent.

Staff separation from Monash

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

Workplace culture survey

This survey focuses on key equity issues and looks at the take-up of the 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

For the first time, all staff at Monash were given the opportunity to provide feedback to the University about their experiences and satisfaction levels of working at Monash. The survey covered issues such as workload, supervision and work-life balance. The questions ranged from those about the individual's unit to their faculty or division, and the University as a whole. Results and response rates will be calculated in 2006 and taken into consideration in the strategic planning process at the annual senior management summit.

Recruitment

Procedures for recruitment required that the appointment process be managed by a selection committee comprising at least three staff members and coordinated by a convenor. Each selection committee was to include at least one member trained in staff selection. 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 benefits, morale, flexible work practices and development. These issues are discussed further below. Average retention for general staff decreased marginally from 8.2 years in 2004 to 8.1 years. The average retention rate for academic staff remained steady at 7.4 years.

Staff benefits

Salary rates, allowances and entitlements for staff that were covered by the major 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.

Enterprise bargaining negotiations concluded in October, with new enterprise agreements being certified by the Australian Industrial Relations Commission in November.

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.

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

The major Monash providers offering training and development services provided 6.77 hours of in-house training per tenured and fixed-term staff member, plus additional online training. Other staff development and training activities included the job rotation scheme for general staff, 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 was \$6.2 million. This included attendance at conferences, training courses, the Outside Studies Program (for academic staff) and the new Staff Study Support Program. This figure excludes training without direct charges, such as free seminars and on-the-job training, or the incidental costs of training such as travel and accommodation.

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

Performance reviews

Through the performance management scheme, staff and their supervisors ensured that the performance and development goals of staff addressed their learning needs and aligned with the strategic and operational objectives of the University. The annual performance management scheme applied to all ongoing and fixed-term academic staff, unless they were employed for less than one year, and to all ongoing and fixed-term general staff from HEW levels five and above, unless they were employed for less than one year. A major focus was the introduction of a new SAP module to provide heads of organisational units with direct access to meaningful data to assist with performance management of staff.

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 51.63 days lost due to industrial action. The disputes related to enterprise bargaining negotiations.

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 (Cwlth)*;
- *Equal Opportunity for Women in the Workplace Act 1999 (Cwlth)*;
- *Sex Discrimination Act 1984 (Cwlth)*;
- *Disability Discrimination Act 1992 (Cwlth)*;
- *Human Rights and Equal Opportunity Commission Act 1986 (Cwlth)*;
- *Occupational Health and Safety Act 1985 (Vic)*;

- *Equal Opportunity Act 1995* (Vic);
- *Racial Discrimination Act 1975* (Cwlth); and
- *Racial and Religious Tolerance Act 2001* (Vic).

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

Grievances – employment conditions

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

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

Indigenous employment

The Advancing Indigenous Coordinator worked to increase Indigenous awareness within Monash and to raise the University's profile within the Victorian Indigenous communities. During the year, Monash increased its numbers of Indigenous employees from 16 to 22. In facilitating an effective Indigenous recruitment processes, Monash implemented a new Indigenous recruitment policy that addressed the disadvantages Indigenous community members face within the Australian employment sector. The policy can be viewed on the website at www.adm.monash.edu/ssss/equity-diversity/indigenous-employment/Recruitment-policy.html.

The University established an Advancing Indigenous Steering Committee, chaired by the director of the Centre for Australian Indigenous Studies, which will provide oversight and guidance for the program. Monash looks forward to further increasing Indigenous employment numbers in 2006.

Gender equity

Monash continued to facilitate a range of initiatives to ensure progress towards gender equity. The Inclusive Practices: Equal Opportunity for Women in the Workplace Plan 2005–2010, developed to assist the University integrate equal employment opportunity for women across all its operations and practices, was finalised and strategies will be implemented in 2006. A review of the academic promotions process was undertaken by the Vice-Chancellor's Taskforce for the Advancement of Women, and the resulting recommendations were incorporated into the 2005 promotions process. The Women's Leadership and Advancement Scheme facilitated the third University-wide mentoring scheme for women that ran for nine months and concluded in May 2005; 120 women participated in the program. Two research seminars were organised for early career female academics, and a major project was undertaken to investigate women's participation in the research activities of Monash and to recommend strategies for increasing their research productivity. A number of high-profile women were invited to the University to provide keynote addresses to the female constituency, and a women's health forum was 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. Guest speakers and performers presented to more than 430 attendees at these events.

Gender equity continued to be supported by a number of committees, including the Monash University Council, the Vice-Chancellor's Taskforce on the Advancement of Women, the Equal Opportunity Committee (EOC) (which reports to Monash University Council), and the Inclusive Practices Workplace Equity Committee.

The University's 10 faculties also supported gender equity through Faculty Equity and Diversity Committees and reported to EOC on an annual basis. Some gender statistics in relation to staff are presented in figures 4 and 5.

For academic staff, the percentage of females at levels C and D increased by 3 per cent each to 40 per cent and 22 per cent respectively. The percentage of females at level A decreased by 6 per cent to 55 per cent. The most common levels for all academic staff are levels A and B; with 51 per cent of females at level A, followed by 31 per cent at B, and 39 per cent of males employed at level A, followed by 35 per cent at level B.

For general staff, the percentage of females at HEW 10 and above increased by 2 per cent, and females at HEW 9 increased by three per cent. At all other levels, there was a slight decrease in the percentage of female employees, of between one and 14 per cent (HEW 1) except HEW 2, which had an increase in females of 7 per cent. The most common HEW levels for males were HEW 5 (18 per cent) and HEW 7 (17 per cent), for females they are HEW 5 (25 per cent) and HEW 4 (19 per cent).

Figure 4
2005 General staff HEW levels by gender

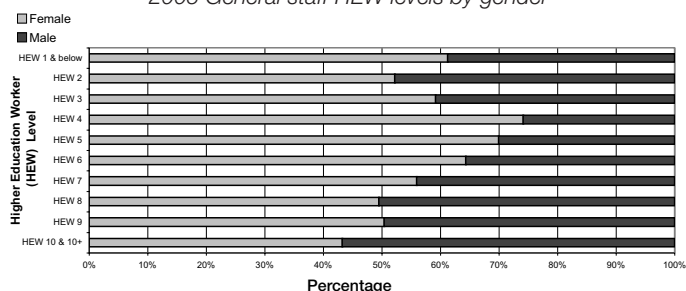
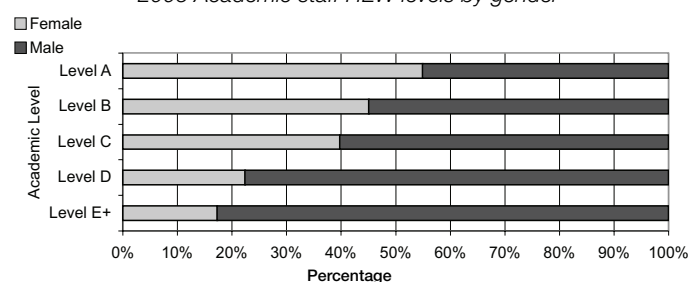


Figure 5
2005 Academic staff HEW levels by gender



Employer of choice for women

Since 2001, the University has seen a 6 per cent increase in the representation of senior female staff (academic and general).

Services for health, safety and wellbeing – students and staff

Occupational health and safety

In support of the University's OHS policy, and in response to the majority of provisions in the new Victorian OHS Act 2004 coming into force, the University's OHS Policy Committee (OHSPC) developed and/or modified the following policies and procedures and briefed the University community on the new or modified provisions of the Act through its safety and management committees:

- OHS management at Monash University: structure, functions, roles and responsibilities;
- OHS risk management;
- procedures for hazard and incident reporting, recording and investigation;
- health surveillance;
- OHS procedures for in-service, inspection, testing and tagging of electrical equipment; and

- OHS procedures for work and study during times when emergency response is limited.

The University undertook a major review of its OHS program in preparation for certification of its OHS management system, in line with Australian Standard AS/NZS 4801:2001. A gap analysis was initiated and deficiencies in the management system identified. Improved planning and auditing processes as well as documentation and document control were implemented. A comprehensive risk register was developed which also serves as the University's OHS legal compliance register. The University will seek certification in March 2006.

The University's safety performance with regard to workplace injuries is outlined in table 2 below. There was an 8 per cent increase in injuries overall with increases in contusions (63 per cent) and sprain/strain (14 per cent) type injuries.

Table 2: Reported workplace injuries

	2001	2002	2003	2004	2005
Sprains and strains	79	70	63	50	57
Lacerations	16	10	13	11	7
Contusions	18	12	5	8	13
Burns	12	7	5	1	2
Stress	5	9	5	2	2
Fracture	1	2	3	4	3
Foreign body	7	1	0	3	0
Needle stick	3	0	2	0	0
Other	8	9	9	8	10
Total	149	120	105	87	94

An important injury prevention strategy was initiated that focused on the proactive reporting of hazards. This program was designed to promote the reporting and rectification of safety hazards prior to incidents and injuries occurring. Reported hazards increased by 30 per cent compared to 2004. The program will again run in 2006.

Monash notified WorkSafe Victoria of one notifiable incident and WorkSafe issued two improvement notices on the University. All directions in the notices were complied with within the specified timeframes set out by WorkSafe.

WorkSafe Victoria continued the Chemical Safety Intervention Program initiated in 2004. The program saw a WorkSafe inspector undertake audits of three departments. All departments demonstrated a high level of compliance with no directions, improvement or prohibition notices being issued during the audits.

Monash expenditure on OHS included 21 dedicated specialist OHS staff with an annual budget of \$1.3 million, as well as \$3.2 million expenditure on OHSE matters from the capital works budget.

Wellbeing services

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, Housing, Health, Family and Child Care, and Chaplaincy.

Support and debriefing services were provided for major global disasters affecting Monash students and staff such as the tsunamis and the London bombings. Throughout the year, the THRIVE stress reduction program continued to be utilised by staff; meditation and relaxation seminars were attended by 500 staff and students; Safer Community activities included safety plan development, implementation of critical incident debriefing and training; more than 1070 staff and students participated in ACCTIVE (Active Caulfield Community to Increase Vitality and Energy), to promote physical wellbeing on the campus; and Wellbeing Happens at Monash (WHAM) was commenced. WHAM is a collaborative

program run by OHSE, Community Services and Monash Sport. The program is an ongoing calendar of activities for staff focused on improving the health of the body and mind, and the environment. The first activity was a 10,000-step challenge with more than 800 staff participating in the challenge.

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

Facilities

Sports and recreation facilities at the Caulfield, Clayton and Peninsula campuses were open for use by all staff and students, including the aquatic facilities at Clayton campus. The fitness and aquatic centre at Gippsland is now managed by the local council and offers reduced rates to Gippsland campus staff and students.

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 developed in 2004 was regularly distributed across the University. The Discrimination and Sexual Harassment Grievance Procedures were further developed, and web-based information was updated regularly. The Equity and Diversity Centre (EDC) provided information and support to students and staff via Ask.Monash, through which frequently asked questions and electronically submitted inquiries were managed.

Equal Opportunity online training was introduced and together with face-to-face training, which was offered on all Victorian campuses throughout the year, this significantly increased the number of trained staff at Monash.

Five 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 an online database was developed for the submission and analysis of advisors' reports that monitor the number and nature of matters handled under these procedures.

EDC staff continued to respond to invitations to speak to committees and staff meetings and welcomed approaches by managers and supervisors for advice and support on equity-related matters when they arose in the workplace. The EDC maintained a cultural calendar for staff and students in support of its commitment to diversity awareness and reinforced the promotion of inclusive practices across all areas of the University's operations.

The EDC's review of the Work Life Program resulted in an increased focus on training and information for staff and supervisors in negotiating and managing flexible working arrangements. The EDC's work life consultant coordinated the development of the draft Strengthening Diversity Policy and Procedures for the University, consulting closely with faculties. The EDC also assisted with the implementation of the University's new maternity leave provisions and other work place flexibility provisions. Links were initiated with the WHAM program in order to increase awareness of flexible working options, with a particular emphasis on supporting the life needs of the ageing workforce. Monash University was ranked in the top 25 of 377 public and private organisations in Australia that participated in the work life initiatives benchmarking study conducted by Managing Work Life Balance International.

New annual awards were introduced to acknowledge and recognise those who made a significant contribution to the enhancement of equity and diversity principles at Monash. The awards were open to individual enrolled students, staff members, departments, committees and/or other identifiable groups at the University. They encourage and reward outstanding efforts and promote and support best practice initiatives. The awards are for projects or initiatives regarding staff and students that demonstrate inclusive practices in support of: Indigenous Australians, student equity, disability, work life balance, equal opportunity, and Women's Leadership and Advancement.

Child care

There were six University-sponsored child care services available at Caulfield, Clayton, Gippsland and Peninsula campuses, operated by parent management committees or sponsored by student unions. For Monash University community families unable to access campus-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. There were no services available at the Berwick or Parkville campuses, and an ageing facility at Clayton campus needs to be replaced. There was also a need to better support the families of international students and visiting academics' families 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 Services worked with the work life coordinator in redesigning the University's expectant parent kit to streamline the distribution of a range of policy and resource information.

The School Holiday Program at Clayton campus continued to offer the University community workplace-sponsored school holiday care for school-aged children and was in the process of participating in the National Accreditation for out-of-school-hours care.

Access to facilities

Audits to determine levels of physical accessibility and compliance with the *Disability Discrimination Act 1992* were completed at all remaining campuses. Items identified by audits of all campuses will be prioritised in 2006, and an implementation plan for progressive improvement of physical accessibility will be developed in consultation with the respective campus community. Smaller projects such as tactile indicators, additional disabled-access car parks and improved access routes were completed.

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

Privacy

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

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

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

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

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

Student engagement

Student profile

Monash had 49,426 students enrolled in Australian courses (see table 3), a slight increase on the enrolment figure of 49,362 in 2004. These figures included those students enrolled in off-campus learning (OCL), but did not include students enrolled at international campuses. Forty-five per cent of students were male and 25 per cent were full-fee international students; there was no change in these figures when compared to 2004 data. Fifty-five per cent of students had Commonwealth-funded positions, a decrease on the 56 per cent of HECS places in 2004. The number of domestic full-fee students doubled to 14 per cent, and of these 78 per cent were enrolled in postgraduate studies. Forty-eight per cent of all students were enrolled at Clayton campus, followed by 26 per cent at Caulfield campus.

Table 3: Enrolment types by campus

	Full-time	Part-time	External	Total
Berwick	1428	473	47	1948
Caulfield	6774	4895	1192	12,861
Clayton	15,813	5900	1786	23,499
Gippsland	1625	580	4747	6952
Parkville	979	57	203	1239
Peninsula	1811	749	367	2927
Total	28,430	12,654	8342	49,426

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 student cohorts and help new students adjust to life at Monash.

Student transition was supported through embedded practices within faculties and discrete pilot programs conducted both at the University and in local feeder secondary schools. Outreach to schools took place to help 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, financial aid, student progress coordinators, study support and resources. Student associations at each campus provided support to students, including travel services, support groups, housing, welfare assistance, clubs and societies, and training. Students were provided with direct access to online services such as admissions, enrolment, examinations, information on scholarships and fees, graduation applications and information, transcripts, library facilities, news, re-enrolment, the University calendar and the 'ask.monash' service.

A new booklet, *Money Matters*, was published, and an associated website established, by the Student and Community Services Division, in order to further assist students with a broad range of financial matters including budgeting, transport, accommodation and concession cards. A copy of the booklet will be provided to all first-year students in 2006.

Monash Abroad, in partnership with the faculties, provided financial and administrative assistance to students wishing to study overseas to enhance their academic experience. More than 840 Monash students participated in overseas study programs.

Student feedback

Students were also provided with an opportunity to provide feedback to the University via the self-review process. Self-reviews were undertaken for five schools, 12 undergraduate courses (including honours), four postgraduate courses/programs, eight centres, six academic departments, seven providers of teaching and research services and quality within faculties, one institute, and international operations within two faculties.

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. Outcomes of these surveys were used as a performance indicator by the Monash University Council.

The Monash Experience Questionnaire (MEQ), which gives students an opportunity to provide feedback on their overall experience at Monash, was open to all undergraduate and postgraduate students, and the response rate was 41 per cent.

Student equity and access

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

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

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

The Indigenous Student Pathway, offering alternative entry into undergraduate study at Monash, completed its second year. Four Indigenous students successfully completed this pathway, which allowed them entry into their respective undergraduate degrees. The Faculty of Education offered five Indigenous Student Scholarships for studies in education to help increase opportunities for Indigenous students by training Indigenous teachers and leaders.

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

The percentage of students who were in a low socio-economic bracket decreased from 10 per cent in 2004 to 9.4 per cent (based on enrolment figures). Enrolments of students with a disability were 2.8 per cent, a slight decrease on the 2004 figure of 3.2 per cent. Enrolments by Indigenous students were 0.20 per cent, which was less than the 0.27 per cent enrolled in 2004. The percentage of students who came from rural and isolated areas decreased slightly from 9.5 per cent in 2004, to 9.4 per cent of total enrolments. There were 22.7 per cent of students under 20 years of age and 2.4 per cent of students over 50 years of age, both slight increases on 2004 figures.

Other departments and programs promoting equity and access were:

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

Facilities

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

Compliance

Education Services for Overseas Students Act 2000 (ESOS)

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

Graduation and beyond

Graduate students

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 survey was conducted in 2005, and of the 2744 students who qualified, 1086 students responded, giving an overall response rate of 39.6 per cent.

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

Career assistance

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

The national Graduate Destination Survey of all recent University graduates indicated that in 2002/2003 the employability of Monash graduates who completed the survey was 79 per cent.

Alumni

Monash alumni totalled 189,144, and of these 143,207 regularly received communications about University events and news from the Alumni Relations office. Subscriptions to the *At Monash* monthly email newsletter increased by 47 per cent to 21,331.

International relations were developed through functions hosted by the Vice-Chancellor and/or Chancellor, held in London, Singapore and Hong Kong. Major events included the Caulfield campus reunion and the presentation of the Distinguished Alumni Award. Reunions and events in Melbourne were held by the faculties of Business and Economics; Engineering; Law; Medicine, Nursing and Health Sciences; Arts; and Pharmacy. A mentoring program for alumni and final-year students engaged more than 190 participants.

Human rights

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

Community engagement

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

Other examples of community service included:

- The Monash University Tsunami Appeal raised approximately \$37,000 through collection tins and salary sacrificing. The money raised was passed on to aid agencies, including The Red Cross, World Vision, Plan Australia and NICEF.
- The Faculty of Art and Design contributed to community and professional groups both via the numerous free exhibitions held within the Faculty Gallery and the Switchback Gallery at Gippsland and by allowing public attendance at the weekly Lunchtime Art Forums.
- Staff from CAIS participated in a number of Indigenous community cultural and student recruitment festivals throughout Victoria.
- As part of the Schools Access Monash Program, Berwick campus worked closely with Cranbourne and Pakenham secondary colleges providing free tutoring for students, running motivational media presentations and study skills seminars, offering campus visits and sponsoring awards for academic achievement.
- The staff of Financial Resources Management division continued their sponsorship of a child through PLAN and again arranged a large donation of soft toys to the Salvation Army for distribution to needy children.
- The National Research Centre for the Prevention of Child Abuse, a joint initiative between Monash University (Faculty of Medicine, Nursing and Health Sciences) and the Australian Childhood Foundation, undertook research into many areas of child abuse and child protection including child homicide, child abuse prevention, child abuse and disabilities, as well as child abuse and domestic violence.
- The Gippsland campus financially supported community fund-raising for the Gippsland Cancer Care Centre at the Latrobe Regional Hospital to enable the full suite of cancer care services to be offered to patients, so they do not need to travel to Melbourne. The campus has also provided the facility for staff to make donations via payroll deductions.
- A staff member from the Faculty of Arts has been engaged in providing workshops to organisations dealing with Aboriginal English speakers, in particular to teachers of Aboriginal students in relation to intercultural communication between Aboriginal and non-Aboriginal speakers of English.
- The Faculty of Law continued to provide free legal advice to the community through the Monash-Oakleigh Legal Service and the Springvale Monash Legal Service. In addition, many of the

faculty's academic staff provided expert legal advice as members of government boards and advisory committees.

- Faculty of Education staff were part of the Warragul Cycling Club team that won the 2005 Victorian Government's Sport and Recreation Industry Awards for the Most User-Friendly Club. Their research investigated how cycling clubs can meet the needs of recreational and competitive cyclists and contributed to the club winning the award and increasing its membership by 50 per cent.
- The Breast Cancer Knowledge Online portal was a combined effort between Faculty of Information Technology researchers and the Breast Cancer Action Group. The portal allows women to conduct a personalised search for information on breast cancer (www.bckonline.monash.edu.au).

Facilities

Monash has several venues and centres open to the public, such as the Monash Science Centre, sporting and recreational facilities, retail outlets, galleries and performing arts venues. More than 196,380 audience members attended 254 events held in the performing arts venues of Monash University arts centres.

Human ethics and animal welfare in research

The Standing Committee on Ethics in Research Involving Humans advised the Deputy Vice-Chancellor (Research) and assisted Monash in conforming to the requirements of the National Statement on Ethical Conduct in Research Involving Humans. This committee 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 30 per cent external membership including the categories of lay member, lawyer, minister of religion and member of health care professions.

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

Media

Monash had a total of 16,370 mentions in the media, including 16,109 positive mentions across print, radio, television and the internet and 261 negative mentions.

Purchasing

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

Monash continued its commitment to purchasing and promoting fair trade teas and coffees 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. A review of the *Trade Practices Compliance Manual* was commenced that was designed to maintain and enhance the existing compliance framework. The review will be completed early in 2006. The University was not the subject of any National Competition Policy-related action.

Employing locally

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

Socially responsible economic considerations

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

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.

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 11 requests under the *Freedom of Information Act 1982* as against 10 in the previous year. Of these, 10 were applications for access to personal records. One matter from the previous year was appealed to the Victorian Civil and Administrative Tribunal, and the applicant was partially successful in his submission.

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 (1958 to 2001);
- 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);
- Committee of Deans minutes (1991 to current – previous minutes in archives); and
- selection of past examination papers (1993 to current).

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

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

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

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

Should formal FOI access be required, preliminary inquiries may be made to the FOI officer on +61 3 9905 5137. Formal FOI requests for access to University records under the *Freedom of Information Act 1982* must be made in writing addressed to the FOI officer and be accompanied by an application fee of \$21 as prescribed by the Act. Such requests for access should contain sufficient detail to enable the specific documents required to be identified.

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

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

Requests should be sent to:

Mr Tony Allan
Freedom of Information Officer
Executive Services
Building 3A
Monash University
Clayton, 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/index.html.

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 which involved the University.

Statutes made and/or amended in 2005

Statute	Approved by Monash University Council	Approved by Minister
Statute 3.2.3 – Pro Vice-Chancellors (Amendment No 1, 2004)	13 December 2004	6 May 2005
Deputy Deans Statute Amendments 2004	13 December 2004	6 May 2005
Statute 4.1 – Discipline (Amendment No. 1, 2004)	13 December 2004	6 May 2005
Professors Statutes (Amendment and Repeal) 2004	13 December 2004	6 May 2005
Including amendments to Statute:		
3.4.2 – Visiting Professors		
3.4.3 – Emeritus Professors		
3.4.4 – Honorary Professors		
3.4.5 – Conjoint Appointments		
3.4.6 – Adjunct Professors		

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

In a response to an initiative by the Monash Student Association (MSA) and the Australian Student Environment Network (ASEN), and with staff support, Monash significantly increased its dedication to reducing greenhouse gas emissions by committing to a further energy reduction of 20 per cent per EFTSL by 2010. This covers Monash's direct energy usage (gas and electricity) at Australian campuses using 2005 figures as the baseline.

Recognition

In June, the Monash Science Centre won a World Environment Day prize for excellence in sustainable design. The City of Monash awarded the centre the Sustainable Renovation/New Building Award for sustainable development in an urban environment.

The Gippsland campus was awarded the first Latrobe Valley 'Water Wise' certificate from Gippsland Water in recognition of a number of water-saving projects undertaken on the campus. Initiatives included the use of storm water recovery to service toilet cisterns and the installation of water-saving devices on all taps, resulting in anticipated water savings of 17 per cent per annum.

Clayton campus received a recognition event award from Yarra Valley Water for submitting a water management plan for the campus. Melbourne's largest water users were each required to submit a management plan.

In recognition of Monash being the first Australian organisation to offset greenhouse emissions from air travel, not-for-profit organisation Greenfleet presented Vice-Chancellor Professor Richard Larkins with a certificate of appreciation.

Committees

The Waste Wise Task Force, Green Purchasing and Water Conservation committees continued to operate under the same structure and to report to the Environment Policy Committee (EPC). The Australian Greenhouse Office's (AGO) Greenhouse Challenge (GHC) Committee was enlarged to incorporate at least three student representatives and changed its name to the Greenhouse Challenge Climate Change Committee. This change was made in light of the University's commitment to reduce energy use and to help engage students in supporting this goal with changes in behaviour. This committee continued to report to the EPC.

Memberships

Berwick, Caulfield, Gippsland, Parkville and Peninsula campuses joined Clayton campus as members of the AGO's GHC. Clayton campus continued to be a signatory to the Sustainability Victoria (EcoRecycle) Waste Wise Program.

Staff

The number of FTE staff directly employed in environmental improvement and compliance increased from three to 4.5. More than 290 staff were involved in working on office-based behavioural change and served as members of relevant committees, an increase on last year's figure of 220. Monash spent more than \$905,761 on environmental improvement and compliance, including direct staff costs (the 4.5 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 200 to more than 240 members, representing 3.7 per cent of FTE staff. The GOP focused on reducing waste to landfill through a bin removal project, reducing paper and energy usage, green procurement, recycling, conducting environmental assessments, rethinking food, and fair trade tea and coffee. In addition to these themes, the program introduced skills training to allow GO-Reps to be more effective change agents within their work environments.

The GO-Reps and EnvOs continued to work with staff at all campuses to foster positive behaviours such as switching off lights, computers, photocopiers and other equipment when not in use and encouraging the use of sustainable transport options such as walking, cycling or public transport.

There were 53 EnvOs at Monash at the end of the year which, through re-zoning, has left several zones unrepresented by EnvOs. 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 GO-Reps. Approximately half the EnvOs also volunteer as GO-Reps. Five training sessions and three seminars were organised for GO-Reps and EnvOs to attend, at no cost to their department.

Environmental compliance

Monash had a trade waste discharge failure rate of 2.5 per cent based on self-monitoring for pH levels and did not receive any trade waste notices for non-compliance at any campuses.

Permanent water restriction requirements were applied throughout the University, and there were no recorded issues of non-compliance.

A trade waste agreement was not obtained for a new building at Clayton campus prior to it becoming operational and occupied, and this omission was reported to Yarra Valley Water by Monash staff.

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 have the same types of laboratory waste.

Prescribed waste, including hazardous and biomedical (effluent and solid), was disposed of according to Environment Protection Agency (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 three years. The high disposal rates in 2002/03 and 2003/04 were due to a clean out of old stocks from laboratories.

Installation of meters, to monitor the majority of trade waste and sewerage outfalls at Clayton campus, was concluded with the completion of four additional meters. Data will be collected from 2006 onward to highlight water-use patterns so areas can be targeted for water reduction.

Table 1: Monash hazardous (prescribed) waste disposal statistics

Year	Tonnes
2002/03	36.3
2003/04	38.5
2004/05	26.3

Initiatives to reduce effluent

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

Energy use

The major sources of energy used at Monash were natural gas and electricity. The amount and combination of gas and electricity at each campus varied from 14 per cent gas at Parkville campus to 57 per cent at Caulfield campus (table 2). Overall the percentage of gas to electricity decreased from 49 per cent in 2004 to 48 per cent.

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

Campus	Gas total	Gas per EFTSL	Electricity total	Electricity per EFTSL	Total energy	Total energy per EFTSL
Berwick	3267.0	2.0	6036.3	3.8	9303.3	5.8
Caulfield	59,544.9	6.7	45,780.4	5.2	105,325.3	11.8
Clayton	176,329.9	9.4	193,329.9	10.4	369,659.8	19.8
Gippsland	13,467.0	3.5	18,253.0	4.8	30,602.3	8.0
Parkville	1547.0	1.5	9492.3	9.0	11,039.3	10.5
Peninsula	10,141.2	4.5	10,764.4	4.8	20,905.6	9.3

Gas use decreased per EFTSL at Berwick, Clayton, Gippsland, Parkville and Peninsula campuses by 16.7 per cent, 3.1 per cent, 5.4 per cent, 31.8 per cent and 13.5 per cent respectively. Berwick campus decreased actual gas use by 10.3 per cent by reducing the running hours of the electric boilers used for heating. The large decrease at Parkville campus was due to a drop in hot water temperature as an energy saving measure which decreased total use by 29.4 per cent. The large drop per EFTSL at Peninsula campus was due to an actual decrease of 2.8 per cent and student numbers (EFTSL) increasing by 12.6 per cent. Gas use decreased at Gippsland campus due to reduced utilisation of facilities after hours and the demolition of a gas-heated building which housed gas-fired kilns. Gas use increased at Caulfield campus by 26.4 per cent per EFTSL due to a boiler coming back online that was not operating in 2004.

Electricity use increased per EFTSL at Berwick, Caulfield, and Clayton campuses by 8.6 per cent, 10.6 per cent and 4.0 per cent respectively. The increase at Berwick campus (actual 11.6 per cent) was due to the first full operating for a building that runs mostly on electricity. The actual increases at Caulfield and Clayton campuses were 8.7 and 5.2 per cent respectively. The increase at Caulfield campus was partly due to problems with lighting schedules in the new multi-storey car park. Electricity use per EFTSL decreased at Gippsland, Parkville and Peninsula campuses by 2 per cent, 3.2 per cent and 2.0 per cent respectively. Actual use increased at Parkville campus by 1.6 per cent and at Peninsula campus by 8.8 per cent due to increases of student numbers at each campus (4.9 per cent at Parkville campus and 12.6 per cent at Peninsula campus). Actual electricity use decreased at Gippsland campus by 4.7 per cent as some boilers were converted from electricity to gas.

Initiatives to reduce energy use

Monash completed energy audits of Clayton, Gippsland and Parkville campuses to help departments and faculties identify where and how energy is being used and opportunities for savings. Other recommendations from the audits will be included in an annual University-wide energy reduction plan to be implemented 2006–2009. The remaining three Victorian campuses will be audited in 2006.

Four motion detectors on lighting controllers were installed at the Berwick campus, and a program has been developed to install motion detectors on lighting in lecture theatres in 2006. Building management time and event schedules were refined to ensure that heating, cooling and ventilation (HCAV) operates from 8 am to 6 pm. Berwick campus also purchased eight variable speed drive (VSD) pumps and air-handling motors to improve energy efficiency of HCAV in renovated buildings, which will be installed in 2006.

Actions undertaken at Clayton campus since the audit were: investigation of time and event schedules for buildings; installation of VSDs on heating pumps to improve HCAV efficiency at two buildings; the installation of high-efficiency chillers on one building; completion of the automated Building Management Software upgrade; efficient lighting controls were installed in refurbished buildings; and the program to replace ballasts and capacitors with more energy-efficient electrical components in light fittings during maintenance and refurbishments was continued.

A review of buildings' time and event scheduling is ongoing at Caulfield campus in order to reduce HCAV and lighting use.

At Gippsland campus, motion detectors were installed in some areas, and additional pulse meters were put in place to individually monitor separate building gas consumption to improve energy management.

At Parkville campus, time and event schedules have been more strictly controlled (as per Clayton and Berwick campuses). Hot water temperatures were reduced from 60 degrees Celsius to 45 degrees to save gas consumption. Further movement detectors were installed in public areas to control lighting.

VSD units were installed on air-handling units at Peninsula campus, which covers the HCAV needs of approximately 30 per cent of the buildings on campus. Light fixtures in areas undergoing refurbishment were replaced with T5 energy efficient lighting and technology.

On-campus renewable energy

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

Emissions

Greenhouse challenge

Emissions reported to the AGO's GHC included those from natural gas, electricity, petroleum products, synthetic gasses and Monash-owned vehicles, as well as those from waste generated on campus that went to landfill.

Energy action plans were completed for Clayton and Gippsland campuses as part of the GHC, and several items from the plans have been put into place, such as the energy audits and the investigation of building time and events schedules.

Emissions from transport

Monash continued its commitment to offset greenhouse gas emissions from business-related air travel. Approximately 42 per cent of the emissions for annual travel (booked through the preferred suppliers) were offset by planting 17,020 trees. GHG emissions from air travel (booked through Monash's preferred suppliers) were 10,886 tonnes of CO₂ equivalent.

To offset the impact of greenhouse gas emissions from vehicles, 97 per cent of Monash-owned vehicles were subscribed to Greenfleet at a cost of just over \$16,840. More than 7157 trees were planted on behalf of Monash. Staff with vehicles on a novated lease were not required to join Greenfleet.

Greenhouse gas emissions from energy

Monash continued to purchase 10 per cent of electricity from renewable sources for all Victorian campuses, and no emissions were calculated for this 10 per cent (see table 3 for emissions for gas and electricity). Greenhouse gas emissions were reduced at Berwick, Clayton, Gippsland, Parkville and Peninsula campuses by 2.2 per cent, 4.9 per cent, 10.8 per cent, 10.8 per cent and 12 per cent per EFTSL respectively. Emissions at Caulfield campus increased by 4.4 per cent per EFTSL, as Caulfield had the largest increases in gas and electricity (as a percentage of total use) when compared to the other campuses (see 'Energy use' for further explanation).

Gippsland campus replaced an electric hot water unit on one building with an energy efficient gas fired unit to supply building heating, to reduce both emissions and energy.

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

Campus	Gas	Emissions per EFTSL	Electricity	Emissions per EFTSL
Berwick	169.6	0.1	1960.3	1.2
Caulfield	3090.4	0.3	14,867.2	1.7
Clayton	9151.5	0.5	62,783.9	3.4
Gippsland	698.9	0.2	5927.6	1.5
Parkville	80.3	0.1	3082.6	2.9
Peninsula	526.3	0.2	3495.7	1.6

Integration into planning

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

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. Pressure balancing flow-control valves were installed on major plumbing fixtures in all buildings at each campus to restrict water flow without decreasing water pressure.

A water distillation unit at Clayton campus was replaced with a de-ionisation unit, which will reduce water use for the unit by approximately 90 per cent.

A water tank for irrigation of the common lawn at Caulfield campus was installed at the end of the year. Water is to be harvested from the roofs of two buildings.

A bio filtration system, using various grades of gravel, has been established at Clayton campus to filter water run-off captured from a multi-storey car park. The filtered water is stored in a pond and used to water the sports fields. The project was a joint initiative between operational and academic staff at Monash.

At Gippsland campus, storm water was recycled for use in toilets and to water the local golf course.

At Parkville campus, a diaphragm pump was installed to replace a running water system, in order to create a vacuum for laboratory work.

Water use per EFTSL decreased at Parkville and Peninsula campuses by 17 per cent and 19 per cent; actual figures show a decrease of 13 per cent at Parkville campus and 8 per cent at Peninsula campus due to the initiatives mentioned above. Water use per EFTSL increased at Berwick, Caulfield, Clayton and Gippsland campuses by 8 per cent, 7 per cent, 1 per cent and 3 per cent respectively. Actual water use increases at Caulfield, Clayton and Gippsland campuses were due to the relaxing of temporary water restrictions. The actual increase at Berwick campus was 12 per cent due to the relaxing of water restrictions regarding hockey field watering and the decrease in rainwater harvested.

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

Campus	Total KI	KI per EFTSL	Litres per EFTSL per day
Berwick	3909	2.5	6.7
Caulfield	64,362	7.2	19.8
Clayton	294,095	15.8	43.2
Gippsland	35,4267	9.2	25.3
Parkville	8414	8.0	22.0
Peninsula	17,573	7.8	21.4

Note: Figures include usage only: previous years' reports included usage and disposal kilolitres. Year-to-year comparisons are based on usage only.

Integration into planning

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

Land use and biodiversity

Monash's Australian campuses occupied more than 2.25 square kilometres. Monash leased buildings and operated property outside these campuses, but these operations have not been included in the 'Environmental performance' section of this report. Major land uses across campuses were gardens and paths (44 per cent), car parking and roads (15 per cent), outdoor sports fields (7 per cent), buildings (13 per cent), and vacant land and area for new buildings (21 per cent). Land use at each campus is in table 5.

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	36%	19%	0%	46%	0%
Clayton	987,602	43%	22%	14%	19%	2%
Gippsland	534,341	79%	11%	2%	8%	0%
Parkville	9768	36%	9%	0%	41%	13%
Peninsula	123,526	52%	26%	6%	15%	0%

Initiatives to preserve and enhance biodiversity

The Gippsland campus was involved in the planting of 4020 native trees and under-storey shrubs on campus and in the surrounding community. The campus also allocated funding to implement stage one of the Eel Hole Creek landscape master plan, and works will proceed in 2006. Peninsula campus continued to be a member of the Land for Wildlife program.

Environmentally responsible purchasing

The Green Purchasing Committee (GPC) promoted the purchase of environmentally preferred products and discouraged the purchase of environmentally unsound products. Evolve 100 per cent recycled post-consumer waste paper was selected as an environmentally responsible option for the University. The use of Evolve was promoted by the GPC and the GOP and averaged 16 per cent of copy paper purchased from Corporate Express.

The GPC had a successful stall at the annual Procurement Expo to encourage the use of environmentally preferred office products and to promote the GOP.

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.

At Clayton campus, sponsorship and funding for approximately 5000 eco-cups (thermal reusable cups) was negotiated by the GPC, and the cups were distributed to students (and some staff) to discourage use of disposable cups. To encourage use of the eco-cups, the GPC also negotiated a 20 cent discount for coffee at the major outlets on campus and arranged for posters to be displayed advertising the discount.

The GPC and the GOP continued to support the promotion and purchase of Fair Trade tea and coffee by departments.

The libraries at each campus switched to 100 per cent recycled paper for use in all printers and copiers. The libraries used more than 21,840 reams of paper, up from 19,200 reams in 2004.

Initiatives to reduce material use

The use of recycled content copy paper increased from 36 per cent to 56 per cent of all copy paper purchased, and paper use decreased from 5.9 reams per EFTSL to 5.0 reams per EFTSL. This was largely due to the decreased printing demands from CeLTS and Monash Print Services.

Packaging

Photocopiers and IT equipment tenders and proposal agreements included a request that suppliers needed to reduce packaging and take-back their own packaging.

Excess packaging, such as disposable cups and food containers, continued to be a problem at Monash campuses, however plans were implemented to enable Monash campuses to become 'plastic-bag free zones' in 2006.

Figures on amounts of packaging used by vendors were not available due to the outsourcing of many food and beverage outlets on campuses.

Four per cent of disposal cups purchased for departmental use, from the preferred supplier, were recyclable, down from 9 per cent in 2004.

Buildings and major works

The Facilities and Services division updated the Project Design and Management Guidelines, for projects such as renovations and retrofits, to address some environmental concerns. A project to develop environmentally sustainable building design guidelines was started, and a working party was created. The Facilities and Services division also developed an Environmental Operational Plan to further imbed environmentally sustainable development into the operation and management of facilities and grounds.

Of the buildings constructed (see 'Compliance – major works'), none incorporated ESD guidelines.

Transport

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

Motor vehicles

All vehicles purchased by Monash were sourced from companies that had manufacturing plants in Australia and used unleaded fuel (some special-purpose vehicles used diesel). Eligible staff at Monash could lease vehicles under a novated leasing scheme that did not stipulate that cars need to be efficient or from Australian manufacturers. Statistics for Monash fleet vehicles (excluding novated leases) are reported in table 6.

Table 6: Monash fleet statistics

Category	Amount
Number of vehicles	436
Number of vehicles in Greenfleet	421
Number of LPG vehicles	3
Number of hybrid vehicles	2
Number of eight-cylinder vehicles	3
Number of six-cylinder vehicles	345
Number of four-cylinder vehicles	88
Number of 4WDs	17
Total fuel use (litres)	688,908

The fleet has decreased by one vehicle since 2004, and the subscription to Greenfleet has increased by 10 vehicles. Total fuel usage has increased by 10 per cent, and total kilometres travelled by the fleet have decreased by 1 per cent.

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, and 36 per cent were for vehicles with an engine larger than 2600cc. Claims for personal bicycle use for travel on University business made up 0.02 per cent of the total cost for vehicle claims.

Car parking

A multi-level car park was completed at the Caulfield campus to provide an additional 762 spaces for staff, students and visitors.

The all-day, pay-as-you-go parking at Clayton campus was expanded by an additional 328 spaces to 781. These car spaces meet the need for those who regularly use alternative transport but have an occasional need to drive to campus. The intention is to reduce the need for parking permits, and therefore an assumed obligation to drive every day to make use of the permit.

There was further expansion of a multi-storey car park at the Clayton campus to replace parking spaces that were to be demolished for the construction of buildings.

Initiatives to reduce the environmental impact of transport

Development of a draft transport strategy for the Clayton campus was completed, and extensive consultation with the campus community will be undertaken in 2006 prior to implementation.

Car pooling

The free car-pooling service at Clayton campus continued to be administered by MSA in cooperation with the University. Pilot-funding for a 0.5 FTE carpool coordinator position was sponsored by the University's Alternative Transport Fund. A carpooling information leaflet was produced.

The number of car-pool participants increased from 2217 in 2004 to 2419. The number of carpooling spaces remained at 196, however eighty additional spaces will be allocated in 2006.

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. The University made a \$25,000 funding commitment to support the TravelSMART program for 2006.

Other transport alternatives

An intercampus bus service between Peninsula and Clayton campuses was established.

The Bikery was established to provide discount bike accessories and repairs to students at Clayton campus. This student initiative was funded by the University's Alternative Transport Fund and the MSA and operated from the MSA Transport Office; a weekly stall was established at the campus market. The Monash Community Bicycle Users Group (McBUG) was established and provided support to the Bikery project.

The University and MSA worked with VicRoads representatives to develop a plan for a bicycle facility between Huntingdale Station and Clayton campus. It is hoped that the bicycle facility will be funded as part of the 2006/2007 and 2007/2008 VicRoads funding program.

A 'Cycle In' video was commissioned by the University. This will be produced in time for screening during 2006 enrolment and is aimed at encouraging international students to cycle to Monash.

Waste

Monash University maintained its commitment to reducing waste to landfill by adhering to the Waste Wise Agreement with Sustainability Victoria and the City of Monash by promoting waste reduction measures on all campuses. Cardboard, paper and co-mingled (bottles and cans) recycling facilities have been extended at Clayton campus and introduced at all other campuses. Refer to table 7 for details of recycling services at each campus. Limited composting is available through the GOP on Clayton and Peninsula campuses; however, as this is a volunteer program, individuals in the area are responsible for disposing of the waste generated.

Waste auditing

Waste audits continued at Clayton campus with statistics gathered monthly from April to November and were introduced at Berwick, Caulfield and Peninsula campuses, and audits took place in September, October and November. Waste auditing will be introduced at Parkville and Gippsland campuses in 2006.

Waste and recycling contract conditions were altered so that they were more in-line with Monash's recycling and waste reduction needs and targets. Comprehensive waste solution programs for all waste streams and reliable data collection were included in the contract alterations. Negotiation with waste management suppliers will take place in 2006. Figures on waste to landfill were not consistently monitored; however, this will be addressed in the new waste management contracts. According to waste audit data at Clayton campus, approximately 40 per cent of waste to landfill was reusable or recyclable. There was an improvement in the percentage of recyclable or reusable paper sent to landfill, down to 25 per cent from 30 per cent. Recyclable bottles and cans to landfill continued to be a problem. At Clayton campus, 520 cubic metres of co-mingled recycling was collected.

Initiatives to reduce waste to landfill

The public recycling stations for separating co-mingled, paper and general waste were well utilised at Clayton campus and introduced at Berwick, Gippsland and Peninsula campuses. Services at all campuses will be further expanded in 2006 and stations installed at Caulfield and Gippsland campuses.

All schools and departments across the University had access to all streams of recycling with the exception of compostable materials. New cleaning contracts were negotiated to include removal of co-mingled recycling from office areas at Clayton campus. This will be rolled out across other campuses as cleaning contracts are renegotiated. The interior of the new building H at Caulfield campus, scheduled to open in January 2006, was designed to accommodate the 'no bin' policy for all office tenants (approximately 450 work stations).

Cardboard box recycling facilities continued to be provided at Clayton, Gippsland and Peninsula campuses and were introduced at Parkville campus. A total of 3380 cubic metres of cardboard was sent to recycling from Clayton campus. Cardboard recycling data from the other campuses was unavailable.

Paper recycling continued at all campuses in office areas. The amount of paper recycled was approximately half of that in 2004 (352.7 tonnes), although final figures were not available at year end. The decrease may be due to data collection methods or a reduction in paper used and will be further investigated in 2006.

Facilities for printer cartridge recycling continue to be provided free of charge by Corporate Express and Boomerang TRC in office areas and by the Post Shop at Clayton campus.

Table 7: Availability of recycling and waste facilities by campus

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

The electronic-waste (e-waste) collection service continued at Clayton campus and was extended to all other campuses. Funding for this service was provided by Monash's four main IT suppliers (Acer/Volante, Leading Solutions/HP, Paragon Systems and Southern Cross Computer Systems/Toshiba). E-waste recycling and re-use will also be improved in 2006 with the provision of a permanent space for storage and access to e-waste, at Clayton campus, to enable better use of equipment by groups such as Monash Engineers Without Borders and the MSA Welfare department.

At least 18 tonnes of electronic equipment was recycled in 2005 from all campuses (see table 8 for details). Approximately 0.2 tonnes was redistributed before disposal to the MSA Welfare department and Monash Engineers Without Borders.

Table 8: Monash e-waste collection statistics

Campus	Tonnes
Berwick	2
Caulfield	3
Clayton	12
Gippsland	1
Parkville	Not available
Peninsula	Not available
Total	18

Polystyrene recycling was introduced on a more permanent basis, although it remained available to the departments initially identified as large users in the 2004 trial. It continued to be necessary to send the waste to an offshore recycling company, as a local company was not available. There was a total of 92 cubic metres of polystyrene collected for recycling. At present, there are no plans to expand the service to other campuses, although they may access the Clayton campus collection point.

Furniture recycling was available through the MSA Welfare department, although this was limited due to the need for storage space and safe access to furniture and transport. External office furniture recycling companies were utilised to minimise waste for large-scale refurbishments. A 'take-back' scheme to improve the furniture recycling process with Monash preferred furniture suppliers will be investigated in 2006.

Local environmental initiatives

Various projects at Monash were concerned with environmental sustainability from both operational and academic departments. Some examples of these initiatives were as follows:

Faculty of Education staff co-led a collaborative team with the Shire of Yarra Ranges, the Literacy Training Group and RMIT University on the Creative Junction project, an art and environment, health and wellbeing initiative. It aimed to connect art and environment to personal, meaningful experience, to develop and express a sense of place through art, promote a sense of social connectedness, economic participation, diversity and freedom from discrimination. This led to a program of events designed to reflect these priorities and engage community in situated art activities exploring local culture with nature, in nature and about nature.

An initiative to train and nurture future environmental leaders has been launched by a Monash University student in conjunction with the Monash Environment Institute (MEI). The Future Environment Leaders program aims to help Victorian students contribute to a sustainable and healthy environment by having current environment leaders mentor and work with future leaders.

The Financial Resources Management (FiRM) division responded to a request from Monash Animal Services to supply shredded paper for use in animal containers and habitats, thereby reducing the need for Animal Services to purchase a similar paper product. By diverting the majority of its waste paper to this initiative, FiRM has reduced its need for a recycle paper collection to once every three weeks and has helped Animal Services to reduce their costs.

The Faculty of Information Technology contributed to several research initiatives in environmental information. Researchers were active in modelling environmental problems, which has resulted in the first book that deals explicitly with the problem of complexity in landscape ecology, as well as working on an online virtual laboratory that includes live demonstrations of crucial processes in landscapes and ecosystems. Projects funded by the Australian Research Council included a project to examine the implications of genetic variation within landscapes (including release of genetically modified organisms).

Compliance statements

Statement on 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 Monash Property Management managed all new building construction.

Set out below are the responses relevant to '*Building and maintenance provisions*':

(a) 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*.

(b) Works such as building maintenance, replacement of equipment, civil works, landscaping and such were the types of projects which are 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

Berwick campus

Major works at Berwick campus included the following:

- Construction of a residential development to provide student accommodation (approximately 120 beds) and communal facilities commenced. The development has a projected cost of \$1.5 million.
- Construction on an innovative 'open learning space' commenced. The space will enhance the student experience by co-locating extensive information technology facilities with the existing library and has a projected cost of \$750,000.

Caulfield campus

Major works at Caulfield campus included the following:

- Construction of stage one of the Caulfield Plaza redevelopment continued. Construction of the academic building, comprising 10 floors and a basement level, and also a multi-deck car park building for 762 vehicles, was completed. The project has a projected cost of \$82.5 million.
- The installation of water tanks that utilise water harvested from Buildings K and N was completed at a cost of \$150,000. This project reflects the University's commitment to conservation and sustainability initiatives.
- In order to improve accessibility for students and staff, a lift system was installed to levels 6 and 7 of Building B at a cost of \$480,000.

Clayton campus

Major works at Clayton campus included the following:

- The second stage of a significant refurbishment of Building 23 for the School of Chemistry commenced. It involved extensive alterations to laboratories and offices at a total cost of \$5 million.
- Commencement of site testing and extensive design works for the construction of a new facility to house state-of-the-art microscopes, including a Field Emission Gun Transmission Microscope, at a total cost of approximately \$14 million.
- Stage 1 of the scientific research facility for the Monash Health Research Precinct, comprising Monash University and Prince Henry's Institute of Medical Research and Southern Health, was completed at Monash Medical Centre, at a cost of \$17.5 million.
- Completion of new teaching spaces, staff and academic offices for the Monash University Law Chambers, Bourke Street, Melbourne, at a cost of approximately \$1 million.
- Redevelopment of the Robert Menzies Building continued, with the completion of a major refurbishment of the third floor of the West Wing. The project included improvements to academic accommodation and service upgrades, at a cost of \$750,000.
- Stage 1 of the refurbishment of the Rotunda was completed, with lecture theatres R1–R4 being completed at a cost of \$1.3 million. Work on stage 2, incorporating the upgrade of theatres R5–R7, commenced in late 2005.
- Refurbishment of the postgraduate student area, administration and academic offices for the School of Psychology, Psychiatry and Psychological Medicine was completed in Building 17 at a cost of \$850,000.
- The upgrade and refurbishment of the Hargrave Andrew Library was completed at a cost of \$4.2 million. This project included works to all levels of the building, including a new south-east entry, student and staff areas, toilets and improved service points. It forms part of a larger library master planning process.
- A range of specific projects to support the consolidation of the Faculty of Engineering onto the Clayton campus were completed throughout the year at a cost of \$2.1 million. This included construction of undergraduate laboratories, study areas for postgraduate and doctoral students and workshop spaces.

- As part of the University's ongoing program of rejuvenation of teaching spaces, the refurbishment of lecture theatres S9–S12 and associated tutorial rooms in Building 25 was completed. This project incorporated significant building works, new seating and audio-visual systems at a total cost of \$1.2 million.

Gippsland campus

Major works at Gippsland campus included the following:

- The construction of a national animal research facility was completed. The facility was funded by the NHMRC at a cost of \$5.5 million.
- Construction of the \$12.5 million Gippsland Education Precinct was completed and hand-over occurred late in 2005. The key strategies of this project were to address the low educational and employment outcomes of young people in the Gippsland region and the high level of youth disengagement and low levels of transition from school to tertiary education, training and employment, as well as to redress the drift of secondary students to institutions outside the local area.
- Student accommodation on campus was refurbished at a cost of \$450,000.
- Stage 1 of a significant upgrade to the existing fire prevention services at the campus was completed in 2005 at a cost of \$400,000.

Parkville campus

Construction of a new teaching and research building at Parkville campus commenced.

Peninsula campus

Major works at Peninsula campus included the following:

- The second stage of works for the renovation of the Plaza to Building A and landscaping of the library forecourt was completed, at a cost of approximately \$500,000. This project was part of a structured program to improve pedestrian access and the physical amenity and attractiveness of the campus.
- Stage one of a major refurbishment project incorporating improved teaching and laboratory facilities within Building B commenced at an initial cost of \$470,000. Stage one will accommodate the health sciences program recently introduced at the campus.

Malaysia campus

Major works at Malaysia campus included commencement of the design, documentation and preliminary piling and basement works at the site of the new campus.

Financial performance

Report on financial operations

The Consolidated Result for Monash University and its controlled entities is \$51.9 million for 2005 compared to \$36.0 million in 2004. The result provides a safety margin of 5%, at the high end of the DEST benchmark of 3% to 5%. The surplus supplements other internal funds & borrowings that enable the university to fund new buildings and refurbishments, which is reflected in the increased value of Property, Plant & Equipment. In 2005, Revenue of \$1,040.7 million and expenses of \$983.1 million show an increase of \$102.6 million and \$85.0 million respectively on 2004 values.

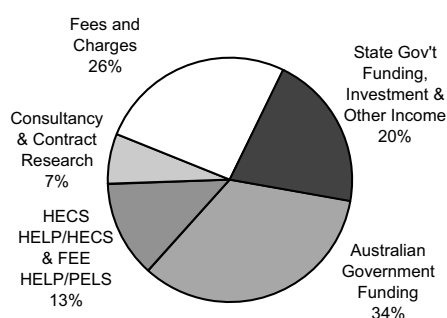
This excellent result has been achieved with increased student fee revenue, largely from international students, good growth in research income and another year of strong investment returns. Investment income includes a \$7.0 million increase in the value of investment properties. These investment properties have been separated from other property assets for the first time in 2005 under the Australian equivalent to International Financial Reporting Standards.

The main significant movement in expenses is an increase in Employee Benefits of \$47.2 million, which mainly relates to salary rises from enterprise bargaining, annual salary increases, and additional academic and general staff.

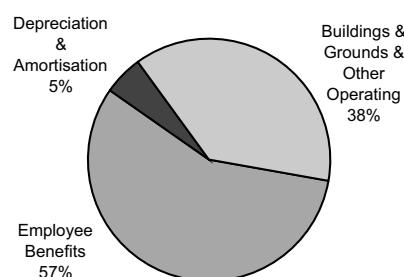
Income statement for the year ended 31 December

	2005 \$million	2004 \$million	2003 \$million	2002 \$million	2001 \$million
Revenue from continuing operations:					
Australian Government Funding	346.5	304.6	267.7	252.7	244.9
HECS HELP/HECS & FEE HELP/PELS	132.7	125.4	117.0	108.9	98.1
Victorian Government Funding	15.2	16.5	14.6	17.7	11.5
Consultancy & Contract Research	68.2	59.1	83.9	62.2	51.4
Fees and Charges	268.0	245.3	225.5	192.6	165.6
Investment Income	47.8	28.5	30.1	19.2	14.8
Other Revenue	162.3	158.7	122.8	136.8	124.4
	1,040.7	938.1	861.6	790.1	710.7
Expenses from continuing operations:					
Employee Benefits	560.5	513.3	450.3	421.1	386.3
Depreciation & Amortisation	52.3	46.7	44.6	41.0	37.9
Buildings & Grounds	25.5	21.4	22.4	22.3	18.0
Other Operating	344.8	316.7	309.7	306.4	259.0
	983.1	898.1	827.0	790.8	701.2
Income Tax	2.5	1.9	1.0	(0.4)	0.3
Outside Equity Interest	3.2	2.1	1.4	(1.9)	(1.2)
Net Operating Result attributable to Monash	51.9	36.0	32.2	1.6	10.4

Revenue 2005



Expenses 2005



Balance sheet as at 31 December

	2005 \$million	2004 \$million	2003 \$million	2002 \$million	2001 \$million
What the Monash Group owns					
Property, Plant and Equipment	1309.9	1,247.6	1,231.6	962.4	898.7
Available-for-sale financial assets	274.0	218.2	263.4	250.6	283.0
Deferred Government Superannuation Contributions	156.5	139.4	118.9	124.5	122.9
Other	276.8	218.5	118.2	81.4	68.6
	2,017.2	1,823.8	1,732.1	1,418.9	1,373.2
What the Monash Group owes					
Interest Bearing Liabilities	262.2	191.3	116.6	83.5	76.3
Provisions	105.7	107.3	99.5	94.3	85.2
Deferred Employee Benefits for Superannuation	156.5	139.4	118.9	124.5	122.9
Other	124.6	106.6	117.7	65.6	58.9
	649.0	544.7	452.7	367.9	343.3
Net Assets	1,368.2	1,279.1	1,279.4	1,051.0	1,029.9

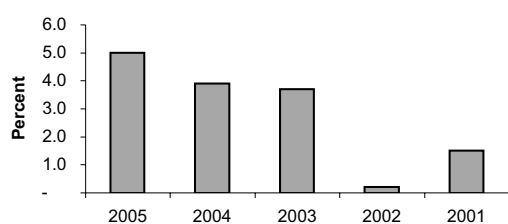
Cashflow statement for the year ended 31 December

	2005 \$million	2004 \$million	2003 \$million	2002 \$million	2001 \$million
Net cash inflows from operating activities	48.6	58.2	92.1	52.2	32.3
Net cash inflows (outflows) from investing activities	(107.1)	(157.4)	(122.5)	(53.3)	(67.3)
Net cash inflows (outflows) from financing activities	79.6	87.4	44.6	5.9	41.4
Net increase/decrease in cash assets held	21.1	(11.8)	14.2	4.8	6.4

Safety Margin

2005	2004	2003	2002	2001
5.0	3.8	3.7	0.2	1.5

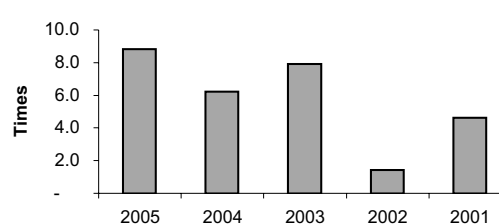
The Safety Margin is defined as the institution's total operating surplus attributable to the parent entity over total revenue. (Benchmarks 3% to 5%).



Interest Coverage

2005	2004	2003	2002	2001
8.8	6.2	7.9	1.4	4.6

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



Statement on risk management

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

Since that time, the University has made steady progress towards incorporating risk management into its operations and activities including:

- A Risk Management Framework was developed and approved by Monash University 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 risk profile, which was reviewed by senior management and submitted to the Monash University 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 Monash University 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.
- In late 2005, the University commenced a scenario planning project, facilitated by an external expert, to test the assumptions underpinning the University's strategic direction and to identify strategic risks.
- Crisis Management Planning was implemented on all campuses, including the University's overseas campuses in South Africa and Malaysia, using a risk management approach.
- A Legal Compliance Framework, approved by the Monash University Council, was implemented across all areas of the University to better manage legal compliance risks. A Compliance Office was established and is implementing the framework, using a risk management approach.
- The University's Audit and Risk Management Unit had well-established processes and systems 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 Group 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	10,424,500
Monash South Africa Limited/Monash Education Enterprises/Monash Property South Africa Pty Ltd	Operation of Monash University's South African campus in Roodeport, Johannesburg	2,000,000
Monash IVF Pty Ltd	Provision of assisted reproductive services	1,204,478
Montech Pty Ltd		235,000

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

Table 12: Major financial results

Year	Net result* \$'000	Revenue \$'000	Expenses \$'000	Assets \$'000	Liabilities \$'000	Equity \$'000
2005	51,872	1,040,709	983,103	2,017,220	648,990	1,368,230
2004	36,008	938,102	898,113	1,823,799	544,749	1,279,050
2003	31,829	861,234	827,002	1,732,047	427,826	1,304,221
2002	1,603	790,096	790,716	1,418,925	367,953	1,050,972
2001	10,296	711,686	702,344	1,373,226	343,271	1,029,955

* 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 is the listing of the consultants used by the University and the fees paid for their services during the year ended 31 December 2005.

Name/description of service	\$	Future commitments
Greythorn Pty Ltd Information database project	551,154	NA
Alfred Hospital Multiple projects	458,812	NA
University of Melbourne Multiple research projects	285,708	NA
United Arab Emirates University Car crash investigation system	283,355	193,175
Howard Florey Institute Post-doctoral research fellowship	272,598	NA
Marlow Hampshire Pty Ltd Management leadership program	272,330	122,000
Deakin University Facilities and services accessibility audit	265,989	NA
Oxford Organisation Consulting Management leadership program	258,000	95,000
Arrus Knoble Management Consultants Business case for Pharmaceutical Sciences project	216,059	NA
Cognos Pty Ltd KPI reporting and unit evaluation projects	201,404	NA
Kanbay Pty Ltd Software to assess subject credits eligibility for prospective students	195,545	60,000
Prospect Marketing Research in overseas hiring trends	195,480	NA
Callista Software Services Student information system update to comply with HESA reforms	180,875	NA
CMA Training Training services for students and staff	170,000	NA
Southern Health Medical consulting services	166,645	NA
Indigo Blue Consulting Pty Ltd	164,460	NA

Name/description of service	\$	Future commitments
Strategic business review		
Slade Group	157,679	NA
Strategic business review		
Solutions at Work Pty Ltd	141,580	150,000
Human Resources and industrial relations services		
S1 Consulting and Software	136,904	NA
Student systems development project		
Donald Cant Watts Corke Pty Ltd	134,160	NA
Quantity surveying services at the new Monash Malaysia Campus		
Macfarlane Burnet Centre	127,599	80,000
Teaching services		
Umow Lai Associates Pty Ltd	124,242	NA
Electrical consulting engineering services		
Neil Pope & Associates Pty Ltd	123,990	151,173
Industrial relations		
Netstar Australia Pty Ltd	122,250	NA
Data network monitor		
IPS Worldwide	121,750	70,000
Emergency counselling for staff under the employee assistance program		
Jo Fisher Executive	117,997	NA
Academic search services		
Rush Wright & Associates	115,113	NA
Landscaping services		
Insightrix	109,552	NA
Market research and student surveys		
Birkin & Associates	101,818	NA
Policy development and review project		
Chant Link & Associates	101,373	NA
Market research and student surveys		
Medical College of Wisconsin	101,080	220,000
Accident research project		
De Luxe & Associates Pty Ltd	100,666	48,000
Creative direction, design, artwork and delivery of Monash Business Review journal		
Stayton Pty Ltd	100,053	140,000
Project management services at the new Monash Malaysia Campus		
Subtotal (> \$100,000)	6,176,231	
727 Consultancies < \$100K	9,606,290	
Total Consultancies	15,782,522	

Statement on compulsory non-academic fees

The Tertiary Education Act 1993 at Section 12I requires the university to publish, as part of its annual report, details of compulsory non-academic fees collected, the purposes to which these funds have been applied, moneys provided to student organisations and the manner in which those student organisations spent the funds. The amount of compulsory non-academic fees – referred to as Compulsory Amenities Fees (CAF) – collected by Monash University from students and prospective students during the year ended 31 December 2005 is shown in the CAF Statement below. This statement also shows the purposes for which the university distributed those fees and the moneys made available to student organisations and university-related operations.

CAF statement for the year ended 31 December 2005

Item	Amount \$	Amount \$
Fees		
Fees Collected in 2005	\$13,593,199	
Brought Forward from 2004	\$1,389,134	\$14,982,333
Disbursements:		
Student Organisations		\$8,549,595
Monash Student Association (Clayton) Inc. (MSA)	\$2,390,034	
Monash University Student Union Inc. (MONSU)	\$4,159,901	
Monash University Gippsland Student Union Inc. (MUGSU)	\$994,148	
Monash Postgraduate Association (MPA)	\$478,721	
Monash Union of Berwick Students Inc. (MUBS)	\$330,208	
Monash Pharmacy Student Association (MPSA)	\$170,667	
Victorian College of Pharmacy Postgraduate Association (VCPA)	\$25,915	
University Operations:		\$5,761,423
Monash Sport	\$1,625,474	
Student Employment Services	\$468,066	
Campus and Off Campus Liaison Services	\$749,222	
Building Services & Maintenance (Campus Center)	\$1,382,128	
Insurance & Risk Management	\$270,613	
Capital Development Payments and Provisions	\$1,265,921	
Total Disbursements		\$14,311,017
Balance Carried Forward		\$671,316

	Caulfield & Peninsula MONSU*	Clayton MSA	Clayton MPA	Gippsland MUGSU	Berwick MUBS	Parkville MPSA	Parkville VPPSA	Total
Income								
CAF	4,159,901	2,390,034	478,721	994,148	330,208	170,667	25,915	8,549,594
Other - CAF Related	49,650	187,732	–	28,518	–	–	–	265,900
Total Income	4,209,551	2,577,766	478,721	1,022,666	330,208	170,667	25,915	8,815,495
Expenditure								
Academic Support	1,592,954	48,243	23,162	222,190	7,845	–	35	1,894,429
Administration	–	1,695,241	332,629	135,480	132,442	7,392	–	2,303,184

	Caulfield & Peninsula MONSU*	Clayton MSA	Clayton MPA	Gippsland MUGSU	Berwick MUBS	Parkville MPSA	Parkville VPPSA	Total
Building Services	493,555	-	-	-	9,713	19,896	1,938	525,102
Capital Provisions & Expenditure	123,708	-	2,090	79,988	61,681	-	-	267,467
Child Care Subsidies	12,528	115,197	-	-	-	-	-	127,725
Clubs & Societies	107,351	120,889	-	8,656	9,950	13,717	-	260,563
Distance Education	-	-	-	104,438	-	-	-	104,438
Environmental Services	-	8,217	-	-	-	-	-	8,217
Food Outlet Subsidies	-	(21,128)	-	-	11,002	-	-	(10,126)
Health Services	-	-	-	-	-	4,336	-	4,336
Orientation Activities	-	-	-	54,446	16,910	6,245	1,098	78,699
Publications (inc Diaries/ Planners)	81,018	12,453	60,293	105,227	38,208	-	-	297,199
Radio Station	-	4,938	-	-	-	-	-	4,938
Recreation Activities	-	(23,807)	-	-	-	-	131	(23,676)
Social Activities & Functions	280,745	14,391	12,850	102,748	22,430	14,393	12,714	460,271
Sport & Physical Recreation	1,385,149	-	-	144,307	-	-	1,512	1,530,968
Student Accident Insurance	48,225	-	-	10,550	12,451	10,104	1,375	82,705
Student Employment	49,832	-	-	54,636	-	-	1,470	105,938
Student Theatre	-	8,163	-	-	-	-	-	8,163
Welfare Services	34,487	66,647	-	-	19,707	-	-	120,841
Membership / Affiliation Fees	-	-	37,209	-	-	-	-	37,209
Student Service	-	-	-	-	-	12,716	-	12,716
Total Expenditure	4,209,551	2,049,444	468,233	1,022,666	342,339	88,799	20,272	8,201,305

In accordance with unaudited financial statements received from the student organisations, the table above lists the purposes for which these organisations spent the money made available to them. The student organisations made no CAF money available to other bodies during the year ended 31 December 2005.

* For 2005, MONSU (Caulfield and Peninsula) has adopted a full costing approach to programs.

The impact can be summarised as follows. Other bodies have not adopted the same approach.

- The costs of developing, implementing and managing programs are now included with the direct costs of providing programs rather than being listed as "Administration".
- For comparison purposes the total amount that would have been included under Administration in 2005, but for this change in accounting policy is \$1,606,866. Areas such as Academic Support, that involve people costs, incur a large part of the former "Administration" costs.
- Academic support includes all of the costs of staffing and operating Information Desks at Caulfield and Peninsula Campuses and the costs of staff that provide advice and support services to students in areas such as study planning and assessment outcomes.

Compliance index

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

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

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

Clause	Disclosure	Page
Report of operations		
FRD 22A SD 4.2 (g), (h)	General and financial information	3
SD 4.2 (j)	Signature of chancellor and date of Monash University Council meeting that approved annual report	1
General information		
FRD 22A	Manner of establishment and relevant minister	4
FRD 22A	Objectives, functions, powers and duties	4
FRD 22A	Nature and range of service provision	4
FRD 22A	Governance and administrative structure	4
FRD 22A	Names of members of Monash University Council, audit committee and chief executive	4–5
FRD 22A	Names of senior office holders and brief description of each office	5
FRD 22A	Chart setting out organisational structure	6
FRD 22A	Workforce data for current and previous year and statement on application of merit and equity principles	16
FRD 22A	Statement on occupational health and safety matters, and performance measures	18
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FRD 22A	Summary of financial results with previous four year comparatives	36
FRD 22A	Summary of significant changes in financial position	NA
FRD 22A DEST	Operational objectives and performance including significant activities and achievements	9–14
FRD 22A	Major changes or factors affecting the achievement of operational objectives	NA
FRD 22A	Events subsequent to balance date which may have a significant effect on operations in subsequent years	66
FRD 22A	Full details of each consultancy > \$100,000	36–37
FRD 22A	Number and total cost of consulting engagements, each costing < \$100,000	37
Other relevant information		
FRD 22A	Application and operation of the <i>Freedom of Information Act 1982</i>	23

Clause	Disclosure	Page
FRD 22A	Compliance with the <i>Building Act 1993</i>	31
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Other relevant information available from the Monash University website

Additional information is available from the Monash University website about the following topics:

- FRD 22A – Publications at www.monash.edu.au/pubs/
- FRD 22A – Promotional, public relations and marketing activities at www.adm.monash.edu.au/mapa/
- FRD 22A – Major committees at www.adm.monash.edu.au/execserv/committees/

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 22A – Statement regarding declaration of pecuniary interest
- FRD 22A – Shares held by senior officers
- FRD 22A – Changes in prices, fees, charges, rates and levies
- FRD 22A – Overseas visits

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Financial statements

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
Revenue from continuing operations:					
Australian Government financial assistance					
Australian Government grants	2	346,496	304,587	346,496	304,587
HECS-HELP - Australian Government payments	2	87,853	84,226	87,853	84,226
FEE-HELP	2	22,462	21,525	22,103	21,525
State and Local Government financial assistance	3	15,217	16,497	15,137	16,331
HECS-HELP - Student payments		22,432	19,631	22,432	19,631
Fees and charges	4	267,975	245,300	232,566	212,067
Investment income	5	47,783	28,663	36,861	16,020
Royalties, trademarks and licences	6	3,423	2,898	4,149	4,129
Consultancy and contract research	7	68,200	59,081	67,719	58,954
Other revenue	8	140,023	133,864	83,160	80,258
Shares of net results of associates accounted for using the equity method	44	1,752	1,294	-	-
Subtotal		1,023,616	917,566	918,476	817,728
Deferred Government Superannuation Contributions		17,093	20,536	17,093	20,536
Total revenue from continuing operations		1,040,709	938,102	935,569	838,264
Expenses from continuing operations:					
Employee benefits and on costs	9	560,489	513,273	518,122	475,562
Depreciation and amortisation	10	52,263	46,720	48,686	43,366
Repairs and maintenance	11	25,499	21,442	24,001	20,025
Borrowing costs	12	6,644	6,881	6,363	6,556
Bad and doubtful debts	13	459	1,675	208	635
Auditing & other services	14	1,280	1,314	933	1,082
Other expenses	15	336,469	306,808	294,722	253,101
Total expenses from continuing operations		983,103	898,113	893,035	800,327
Operating result before income tax		57,606	39,989	42,534	37,937
Income tax expense	16	2,457	1,871	-	-
Net operating result for the year		55,149	38,118	42,534	37,937
Net operating result attributable to minority interest		3,277	2,110	-	-
Net operating result attributable to Monash University	33	51,872	36,008	42,534	37,937

The above income statement should be read in conjunction with the accompanying notes.

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	Notes	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
ASSETS					
Current Assets					
Cash and cash equivalents	17	69,633	49,056	29,136	7,012
Receivables	18	61,641	50,873	58,050	45,083
Inventories	19	6,229	6,193	774	990
Other financial assets	21	5,190	4,387	-	-
Other non-financial assets	26	13,844	13,781	12,347	11,787
Total Current Assets		156,537	124,290	100,307	64,872
Non-Current Assets					
Investments using the equity method	23	5,738	3,584	1,672	503
Available-for-sale financial assets	20	273,978	-	157,955	-
Other financial assets	21	8,977	226,759	23,180	151,818
Property, plant and equipment	22	1,309,920	1,247,647	1,271,010	1,209,664
Investment properties	24	59,117	51,112	35,517	28,512
Intangible assets	25	31,487	29,680	29,693	27,782
Other non-financial assets	26	14,968	1,322	35,842	63,128
Deferred Government superannuation contributions		156,498	139,405	156,498	139,405
Total Non-Current Assets		1,860,683	1,699,509	1,711,367	1,620,812
Total Assets		2,017,220	1,823,799	1,811,674	1,685,684
LIABILITIES					
Current Liabilities					
Payables	27	101,231	87,237	91,803	78,734
Interest bearing liabilities	28	28,217	11,545	27,600	11,000
Provisions	29	30,616	30,735	26,949	26,466
Other liabilities	30	23,052	18,383	14,694	10,415
Total Current Liabilities		183,116	147,900	161,046	126,615
Non-Current Liabilities					
Interest bearing liabilities	28	233,957	179,787	230,167	176,030
Provisions	29	75,062	76,584	73,002	74,687
Other liabilities	30	357	1,073	-	-
Deferred employee benefits for superannuation		156,498	139,405	156,498	139,405
Total Non-Current Liabilities		465,874	396,849	459,667	390,122
Total Liabilities		648,990	544,749	620,713	516,737
Net Assets		1,368,230	1,279,050	1,190,961	1,168,947
EQUITY					
Parent entity interest					
Capital	31	114,939	114,547	83,102	83,102
Reserves	32	776,747	745,528	731,597	731,301
Retained surplus	33	472,481	415,396	376,262	354,544
Parent entity interest		1,364,167	1,275,471	1,190,961	1,168,947
Minority Interest	34	4,063	3,579	-	-
Total Equity		1,368,230	1,279,050	1,190,961	1,168,947

The above balance sheet should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Notes	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
Total equity at the beginning of the financial year		1,279,050	1,230,358	1,168,947	1,128,769
Adjustment on adoption of AASB 132 and AASB 139, net of tax, to:					
Retained Surplus	33	(11,629)	-	(38,048)	-
Reserves	32	57,835	-	14,407	-
Gain on revaluation of land and buildings, net of tax	32	2,416	7,323	(420)	2,049
Available-for-sale financial assets, net of tax	32	(9,838)	-	3,541	-
Exchange differences on translation of foreign operations	32	(1,871)	5,179	-	-
Correction of prior period error		-	-	-	192
Net income recognised directly in equity		36,913	12,502	(20,520)	2,241
Operating result for the year		55,149	38,118	42,534	37,937
Total recognised income and expense for the year		92,062	50,620	22,014	40,178
Transactions with equity holders in their capacity as equity holders:					
Dividends paid to Minority Interests		(3,253)	(167)	-	-
Minority Interest increase in Capital		201	-	-	-
Deconsolidation of Controlled Entities		-	(1,989)	-	-
Initial consolidation of Controlled and Associate entities		170	228	-	-
Total equity at the end of the financial year		1,368,230	1,279,050	1,190,961	1,168,947
Total recognised income and expense for the year is attributable to:					
Members of Monash University		88,785	48,510	22,014	40,178
Minority interest		3,277	2,110	-	-

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 2005**

	Notes	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
Cash flows from operating activities					
Australian Government					
CGS and Other DEST Grants	47.1	176,862	150,637	176,862	150,637
Higher Education Loan Programs	47.2	110,315	98,822	109,956	98,822
Scholarships	47.3	9,242	8,288	9,242	8,288
DEST Research	47.4	75,675	65,167	75,675	65,167
ARC grants - Discovery	47.5(a)	15,824	11,990	15,824	11,990
ARC grants - Linkages	47.5(b)	8,756	6,125	8,756	6,125
ARC grants - Networks and Centres	47.5(c)	5,636	3,118	5,636	3,118
Other Australian Government Grants		54,501	41,936	54,501	41,936
State & Local Government Grants		15,217	16,497	15,137	16,331
HECS-HELP - Student payments		22,432	19,631	22,432	19,631
OS-HELP (net)		-	-	-	-
Receipts from student fees and other customers		527,552	526,416	384,214	398,885
Dividends received		1,637	343	3,747	4,000
Interest received		9,098	4,759	6,122	2,296
Payments to suppliers and employees (inclusive of goods and services tax)		(972,765)	(887,749)	(829,939)	(757,123)
Borrowing Costs		(13,793)	(10,679)	(12,988)	(9,857)
Income taxes paid		(1,299)	(1,096)	-	-
Net cash inflow (outflow) from operating activities	45	44,890	54,205	45,177	60,246
Cash flows from investing activities					
Proceeds from sale of controlled entities		2,322	-	-	-
Proceeds from sale of property, plant and equipment		18,401	13,947	18,224	3,714
Proceeds from sale of investments		10,000	667,964	401,000	667,244
Proceeds from sale of available-for-sale financial assets		-	71	-	-
Loans to related parties		260	(571)	-	-
Proceeds from other		-	331	-	-
Payment for purchase of subsidiary, net of cash acquired		(2,348)	(1,967)	-	-
Payments for property, plant and equipment		(117,270)	(143,389)	(114,475)	(138,352)
Repayments of loans by related parties		-	-	-	-
Payments for investments		(3,115)	(672,881)	(392,946)	(672,881)
Other building related payments		(12,615)	-	(12,615)	-
Disposal of subsidiary		-	(9,525)	-	-
Payments to other		(2,789)	(11,424)	(2,543)	(10,137)
Net cash inflow (outflow) from investing activities		(107,154)	(157,444)	(103,355)	(150,412)
Cash flows from financing activities					
Repayment of parent entity payable		575	1,325	-	-
Proceeds from borrowings		99,220	140,495	84,400	125,200
Distribution from related parties		-	-	7,002	4,713
Proceeds from other		1,867	1,807	-	-
Repayment of associated entity loan		-	1,271	-	-
Repayment of borrowings		(14,861)	(52,938)	(11,100)	(50,000)
Payments to other		(3,423)	(508)	-	-
Net cash inflow (outflow) from financing activities		83,378	91,452	80,302	79,913
Net increase (decrease) in cash and cash equivalents		21,114	(11,787)	22,124	(10,253)
Cash and cash equivalents at the beginning of the financial year		49,056	60,391	7,012	17,265
Effects of exchange rate changes on cash and cash equivalents		(537)	452	-	-
Cash and cash equivalents at the end of year	17	69,633	49,056	29,136	7,012

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Preparation

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

- Australian equivalents to International Financial Reporting Standards (AIFRS), except where stated otherwise;
- other authoritative pronouncements of the Australian Accounting Standards Board;
- Urgent Issues Group Consensus Views;
- the requirements of the Department of Education Science and Training,
- the disclosure requirements of the Financial Management Act 1994; and
- directions from the Minister of Finance of the Parliament of Victoria.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. The parent entity financial statements and notes comply with AIFRSs except that it has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 Financial Instruments: Presentation and Disclosure and AASB 124 Related Party Disclosures.

Application of AASB 1 First-time Adoption of Australian Equivalents to International Reporting Standards

These are the first financial statements to be prepared in accordance with AIFRSs, AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied in preparing these financials.

Financial statements of the University Group until 31 December 2004 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing the University Group 2005 financial statements, management has amended certain accounting, valuation and consolidation methods applied in the AGAAP financial statements to comply with AIFRS. With the exception of financial instruments, the comparative figures in respect of 2004 were restated to reflect these adjustments. The University has taken the exemption available under AASB 1 to only apply AASB 132 and AASB 139 from 1 January 2005. Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRSs on the University's equity and its net income are given in note 48.

Early adoption of standard

The University has elected to apply AASB 119 Employee Benefits (issued in December 2004) to the annual reporting period beginning 1 January 2005. This includes applying AASB 119 to the comparatives in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Historical cost convention

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

Principles of consolidation

Controlled entities:

The accounts have been consolidated on the basis of the University's controlling and beneficial interest in controlled entities as per AASB 127 'Consolidated and Separate Financial Statements'. Minority interests in equity and results of the controlled entities are shown separately in the consolidated financial statements.

The financial statements of controlled entities are included from the date control commences until the date control ceases. Note 43 shows required disclosure of the controlled entities' financial data.

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

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 44). Under the equity method, the consolidated entity's share of the post-acquisition profits or losses of the associate is recognised in the consolidated Income Statement, and its share of post-acquisition movements in reserves is recognised in Consolidated Reserves. The post-acquisition movements are adjusted against the cost of the investment.

(b) Rounding

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

(c) Revenue Recognition

Australian Government Operating Financial Assistance

Financial Effects of changes to Australian Governments payment arrangements for the 2005 year:

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

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

The University adopted DEST's advice to recast the 'Income Statement', by accounting for the 2004 grant paid in advance in December 2003 of \$24.8 million as revenue in 2004.

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

Other Revenues

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

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

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

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

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

(d) Taxation

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

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national 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.

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 decided to implement the tax consolidation legislations as of 1 January 2003.

Monash IVF Pty Ltd and its wholly-owned Australian controlled entities have decided to implement the tax consolidation legislations as of 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, recognises 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 its own, in addition to the current and deferred tax amounts arising in relation to their own transactions, events and balances.

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.

(e) Goods & Services Tax

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

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

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

(f) Classification of Assets and Liabilities

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

(g) 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; and
- all resulting exchange differences are recognised as a separate component of equity.

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

(h) 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 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(i) Cash and cash equivalents

Cash and cash equivalents includes 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.

(j) Receivables

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

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

(k) 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 31 December 2005.

(l) Investments and other financial assets

From 1 January 2004 to 31 December 2004

The Group has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 January 2005. The Group has applied previous AGAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139.

Under previous GAAP, interests in listed and unlisted securities, other than subsidiaries and associates, are brought to account at cost and dividend income is recognised in the income statement when receivable. Transaction costs are excluded from the carrying amounts.

Adjustments on transition date: 1 January 2005

The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 are that, with the exception of loans and receivables which are measured at amortised cost (refer below), fair value is the measurement basis. Fair value is inclusive of transaction costs. Changes in fair value are taken to an equity reserve (refer below). At the date of transition (1 January 2005) changes to carrying amounts are taken to reserves.

For further information concerning the adjustments on transition date reference should be made to the following notes:

- Available-for-sale financial assets - note 20
- Other financial assets - note 21
- Reserves and retained surplus - note 32 & 33
- Explanation of transition to AIFRSs - note 48

Monash University Foundation, as an investment entity and controlled entity, has always used market values except for managed cash assets which are valued at cost. Under AGAAP, fair value changes are taken to the income statement. At the date of transition (1 January 2005) fair value changes are transferred from retained earnings to reserves.

From 1 January 2005

The Group classifies its investments in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables

Loans and receivables are non derivative financial 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 in receivables in the balance sheet.

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 business in South Africa, which operates through Monash South Africa Limited for the higher education activities and Monash Educational Enterprises for other educational activities. The loans to the South African entities are interest free, long term in nature and are recognised at fair value.

As required by *AASB 139 Financial Instruments: Recognition and Measurement*, the fair value of these loans is the present value of the estimated future cashflows 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 (1 January 2005 12%, 31 December 2005 11.5%), 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 \$38.0 million on transition to AASB 139 at 1 January 2005, which is reflected as an adjustment directly in Retained Surplus (refer note 33). The estimation of fair value for the funds loaned in 2005 has resulted in an adjustment of \$6.7 million reflected in the Income Statement (refer note 15).

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.

Available-for-sale financial assets

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 profit or loss. 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. Loans and receivables are carried at amortised cost using the effective interest method. 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.

(m) 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.

Software Development

Internal use software is capitalised and amortised where the expected useful life is 3 years or greater and the costs to be capitalised exceed \$0.5M. Where costs do not exceed \$0.5M, they will be expensed as incurred. Software capitalised to date has a useful life of 7 years (2004, 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 2005, software development did not include capitalised borrowing costs (2004, 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.

Change in accounting policy

The University, as part of its review of the deemed cost valuation of its Library collection on transition to AIFRSs, found that there has been an increasing trend, since 2002, towards the purchase of electronic based content as opposed to physical content. As a result, a 2002 sample of perpetual versus annual subscription based purchases of database licences was carried out, which revealed that 82% of the sample related to perpetual access purchases and 18% to annual subscription based purchases.

This is the basis of the policy for capitalisation and expensing of electronic publications. Previously, electronic publications were expensed as incurred. The 2004 comparative financials have been restated with a reduction in expenses of \$5.1 million.

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

Borrowing Costs

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

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

Borrowing costs have been recognised as part of the carrying value of property and software development assets. The capitalisation rate used to determine the amount of capitalised borrowing costs is 6.13% (2004, 6.05%).

Depreciation/Amortisation

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

Categories of Property, Plant and Equipment

Property

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

The fair value of the South African campus land and buildings as at 31 December 2005 has been assessed by Promax Valuations Services, a registered local valuer, and an incremental adjustment made to the Asset Revaluation Reserve.

Property is capitalised when expenditure exceeds \$250,000. To capitalise additions to existing buildings, expenditure must meet this threshold on a project basis and increase the area or useful life of the building. In 2005, property includes capitalised borrowing costs of \$6.625M (2004, \$3.301M).

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 (2004, 33 years) with the exception of South Africa which uses 20 years (2004, 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 (2004, useful lives ranged from 5 to 50 years).

The University, as part of its review of the deemed cost valuation of its Library collection on transition to AIFRSs, found that the estimated useful life of its library books has significantly diminished due to a review of the physical collection. There has also been an increasing trend towards electronic content as opposed to physical content. There have also been significant withdrawals of physical content from the University's libraries. As a result of the review, the University has impaired its library collection and revised the collections estimated useful lives. Refer note 48.

Cultural Assets

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

Leased Assets

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

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

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

Leasehold Improvements

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

(o) Investment Property

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

Investment properties exclude properties held to meet 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 in the fair value recognised as revenue or expenses in the period 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 2005.

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

(p) Interest in Cooperative Research Centres

The University has an interest in 21 Cooperative Research Centres. The University has provided funding to the Cooperative Research Centres through cash contributions of \$14.9M (2004, \$13.0M) and the provision of research resources (in-kind support). The value of

the in-kind support of \$107.9M (2004, \$94.1M) has been established using Australian Government guidelines. The budget commitment for cash contributions in 2006 is \$3.6M (2005, \$3.7M).

(q) 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.

(r) Financial Instruments Disclosure

Accounting policy and other disclosures under Australian Accounting Standard AASB 132 'Financial Instruments: Disclosure and Presentation' related to financial assets and liabilities are shown in Note 46.

(s) 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 on cost 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.

Other Employee Benefits

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

Superannuation

Employee contributory superannuation funds exist to provide benefits for the University's employees and their dependants on retirement, disability or death. The contributions made to these funds by the University are recorded in the Income Statement. Further details are provided in Note 37.

(t) Cash Flow

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

	Notes	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMS					
(a) Commonwealth Grants Scheme and Other Grants					
	47.1				
Commonwealth Grants Scheme [#]		162,037	147,401	162,037	147,401
Indigenous Support Fund		348	-	348	-
Equity Programs ⁺		724	278	724	278
Workplace Reform Program		2,380	4,612	2,380	4,612
Capital Development Pool		2,094	2,098	2,094	2,098
Superannuation Program		9,279	8,045	9,279	8,045
Total Commonwealth Grants Scheme and Other Grants		176,862	162,434	176,862	162,434
(b) Higher Education Loan Program					
	47.2				
HECS-HELP		87,853	84,226	87,853	84,226
FEE-HELP [*]		22,462	21,525	22,103	21,525
Total Higher Education Loan Program		110,315	105,751	109,956	105,751
(c) Scholarships					
	47.3				
Australian Postgraduate Awards		6,501	6,346	6,501	6,346
International Postgraduate Research Scholarships		958	1,164	958	1,164
Commonwealth Education Cost Scholarships		615	206	615	206
Commonwealth Accommodation Scholarships		1,168	572	1,168	572
Total Scholarships		9,242	8,288	9,242	8,288
(d) DEST - Research					
	47.4				
Institutional Grants Scheme		20,921	20,331	20,921	20,331
Research Training Scheme		39,162	37,797	39,162	37,797
Systemic Infrastructure Initiative		2,703	1,530	2,703	1,530
Research Infrastructure Block Grants		12,718	11,038	12,718	11,038
Regional Protection Scheme		171	-	171	-
Total DEST - Research Grants		75,675	70,696	75,675	70,696
(e) Australian Research Council					
	47.5				
(i) Discovery					
	47.5(a)				
Project		14,631	11,174	14,631	11,174
Fellowships		1,193	816	1,193	816
Total Discovery		15,824	11,990	15,824	11,990
(ii) Linkages					
	47.5(b)				
Special Research Initiatives		114	-	114	-
Infrastructure		2,786	1,874	2,786	1,874
International		103	97	103	97
Learned Academics		69	67	69	67
Projects		5,684	4,087	5,684	4,087
Total Linkages		8,756	6,125	8,756	6,125
(iii) Networks and Centres					
	47.5(c)				
Centres		5,636	3,118	5,636	3,118
Total Networks and Centres		5,636	3,118	5,636	3,118

[#] For 2004, the CGS would be an amount equivalent to the CGS base operating grant amount and will exclude Superannuation Program and Workplace Productivity Program.

^{*} For 2004, FEE-HELP would include PELS and BOTPLS

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

	Consolidated		University	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMS (continued)				
(f) Other Australian Government financial assistance				
NH&MRC	33,451	26,420	33,451	26,420
Other Australian Government financial assistance	21,050	15,516	21,050	15,516
Total other Australian Government financial assistance	54,501	41,936	54,501	41,936
Total Australian Government financial assistance	456,811	410,338	456,452	410,338
Reconciliation				
Australian Government grants (a+c+d+e+f)	346,496	304,587	346,496	304,587
HECS-HELP - Australian Government payments	87,853	84,226	87,853	84,226
Other Australian Government loan programs (FEE-HELP)	22,462	21,525	22,103	21,525
Total Australian Government financial assistance	456,811	410,338	456,452	410,338
3. STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE				
State Government financial assistance				
Operating	213	1,225	213	1,225
Research	10,285	10,118	10,205	9,952
Non-research	3,966	4,397	3,966	4,397
Total State Government financial assistance	14,464	15,740	14,384	15,574
Local Government financial assistance				
Research	515	582	515	582
Non-research	238	175	238	175
Total Local Government financial assistance	753	757	753	757
Total State and Local Government financial assistance	15,217	16,497	15,137	16,331
4. FEES AND CHARGES				
Course fees and charges				
Fee-paying overseas students	204,119	187,396	174,332	160,337
Fee-paying domestic postgraduate students	11,704	10,237	11,704	10,237
Fee-paying domestic undergraduate students	12,718	11,940	12,718	11,940
Fee-paying domestic non-award students	2,464	2,455	2,464	2,455
Other domestic course fees and charges	18,146	15,355	15,088	13,316
Total course fees and charges	249,151	227,383	216,306	198,285
Other fees and charges				
Amenities and service fees	1,769	1,670	1,516	1,401
Parking fees	1,998	1,832	1,995	1,828
Registration fees	941	993	-	-
Student accommodation	8,260	8,940	8,380	7,902
Other fees and charges	5,856	4,482	4,369	2,651
Total other fees and charges	18,824	17,917	16,260	13,782
Total fees and charges	267,975	245,300	232,566	212,067
5. INVESTMENT INCOME				
Dividends	25,745	10,653	22,325	9,790
Interest	9,894	7,251	7,514	5,725
Fair value gain on investment properties	8,005	590	7,005	-
Realised profit	4,139	1,014	17	505
Unrealised profit/(loss)	-	9,155	-	-
Total investment income	47,783	28,663	36,861	16,020

	Consolidated		University	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
6. ROYALTIES, TRADEMARKS AND LICENCES				
Student related				
Enrolment Royalties	3,423	2,898	4,149	4,129
Total royalties, trademarks and licences	3,423	2,898	4,149	4,129
7. CONSULTANCY AND CONTRACTS				
Research				
Consultancy	14,386	9,524	14,386	9,524
Contracts	23,479	20,271	23,479	20,271
Other research grants	29,854	27,512	29,854	29,159
Other				
Consultancy	24	157	-	-
Contracts	457	1,617	-	-
Total consultancy and contracts	68,200	59,081	67,719	58,954
8. OTHER REVENUE				
Donations and bequests	12,512	13,607	17,012	13,607
Scholarships and prizes	1,051	1,206	1,051	1,206
Non-government grants	5,686	5,099	5,743	5,699
Net gain on disposal of property, plant & equipment (refer note (a) below)	554	(1,337)	554	(1,427)
Net gain on sale of available-for-sale financial assets	127	167	-	-
Foreign exchange gains (net) (note (b))	263	-	263	-
Unrealised foreign exchange gain on translation of transactions balances with foreign controlled entities	-	-	-	4,676
Commercial operations	35,915	30,065	3,391	3,822
Rentals & hirings	16,337	13,762	14,140	13,407
Sales of goods & services	45,351	50,368	7,553	7,028
Monash University Foundation	-	-	7,002	4,713
Secondment Recoveries	-	-	8,952	10,930
Administration Recoveries	4,723	4,392	4,723	4,392
Other revenue	17,504	16,535	12,776	12,205
Total other revenue	140,023	133,864	83,160	80,258
(a) Net gain on disposal of property, plant and equipment				
The consolidated net gain on disposal of property, plant and equipment in 2005 includes a gain of \$873,000 on sale of buildings				
(b) Net foreign exchange gains				
Net foreign exchange gains included in other income for the year	263	-	263	-
Net foreign exchange losses included in other expenses for the year	(85)	(468)	(81)	(345)
Net foreign exchange gains/(losses) recognised in operating result before income tax for the year (as either other revenue or expense)	178	(468)	182	(345)
9. EMPLOYEE BENEFITS AND ON COSTS				
Academic				
Academic staff salaries	247,582	217,685	238,426	211,423
Contribution to superannuation and pension schemes:				
Funded	32,559	28,522	31,162	28,024
Payroll tax	14,485	12,788	14,097	12,673
Work cover	1,621	1,460	1,606	1,441
Recreation leave loading	2,325	2,053	2,164	1,967
	298,572	262,508	287,455	255,528
Non-academic				
Non-academic staff salaries	201,299	181,037	175,787	156,886
Contribution to superannuation and pension schemes:				
Funded	26,391	25,108	23,423	21,583
Payroll tax	11,543	11,416	10,221	9,939
Work cover	1,284	1,321	1,165	1,077
Recreation leave loading	1,811	1,733	1,665	1,578
	242,328	220,615	212,261	191,063
Fringe benefits tax	2,600	2,252	2,463	2,157
Long service leave provision	16	5,673	(206)	5,424
Recreation leave provision	(120)	1,689	(944)	854
Deferred employee benefits for superannuation	17,093	20,536	17,093	20,536
	19,589	30,150	18,406	28,971
Total employee benefits and on costs	560,489	513,273	518,122	475,562

	Consolidated		University	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
10. DEPRECIATION AND AMORTISATION				
Depreciation				
Property	22,447	21,820	22,148	21,528
Equipment	18,997	16,670	16,742	14,713
Library books	3,382	2,177	3,256	2,059
Total depreciation	44,826	40,667	42,146	38,300
Amortisation				
Leasehold improvements	2,651	1,924	2,258	1,498
Buildings under licence	356	356	-	-
Software development	3,804	3,433	3,656	3,292
Intellectual property	-	64	-	-
Electronic publications	626	276	626	276
Total amortisation	7,437	6,053	6,540	5,066
Total depreciation and amortisation	52,263	46,720	48,686	43,366
11. REPAIRS AND MAINTENANCE				
Repairs and maintenance				
Buildings	25,499	21,442	24,001	20,025
Total repairs & maintenance	25,499	21,442	24,001	20,025
12. BORROWING COSTS				
Loans from banks and other non-related sources	13,202	10,081	12,988	9,857
Finance charges from finance leases	67	101	-	-
Less:				
Amount capitalised	6,625	3,301	6,625	3,301
Total borrowing costs	6,644	6,881	6,363	6,556
13. BAD AND DOUBTFUL DEBTS				
Bad debts written off	358	993	286	1,626
Increase/(decrease) in provision for doubtful debts	101	682	(78)	(991)
Total bad and doubtful debts	459	1,675	208	635
14. AUDITING & OTHER SERVICES				
Audit services				
Auditor General Victoria	302	231	128	126
Other auditors	179	111	26	20
Other services	799	972	779	936
Total auditing & other services	1,280	1,314	933	1,082
15. OTHER EXPENSES				
Scholarships, grants and prizes	43,549	34,701	43,277	34,488
Advertising, marketing and promotional expenses	7,410	8,440	4,415	4,501
Other building related	34,219	29,166	29,417	26,139
Motor vehicles related	4,530	3,832	4,310	3,635
Student related	4,593	4,685	2,564	1,305
Laboratory & other operating	31,641	28,163	28,914	25,737
Non-capitalised equipment	7,414	8,115	7,062	7,950
Other equipment related	204	175	-	-
Communication related	12,691	13,255	11,326	11,503
Information technology related	28,537	24,051	27,233	23,108
Printing & stationery	13,614	13,525	12,939	12,805
Books & library related	15,201	19,006	3,777	3,350
Travel & related	30,089	25,591	27,736	23,462
Financial & administration	32,042	22,213	39,585	34,067
Fair value adjustment on loans to Monash Educational Enterprises	-	-	1,871	-
Fair value adjustment on loans to Monash South Africa Limited	-	-	4,854	-
Foreign exchange losses (net)	85	468	81	345
Unrealised foreign exchange losses on translation of transactions and balances with foreign controlled entities	-	-	406	-
Staff Related	21,367	23,226	21,367	23,226
Grant payments	13,222	9,372	13,016	8,370
Cost of sales and services	8,095	7,352	-	-
Other expenses	27,966	31,472	10,572	9,110
Total other expenses	336,469	306,808	294,722	253,101

	Consolidated		University	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
16. INCOME TAX				
Income tax expense				
Current tax	2,688	1,946	-	-
Deferred tax	(206)	(122)	-	-
Under (over) provided in prior years	(25)	47	-	-
	2,457	1,871	-	-
Income tax expense is attributable to:				
Surplus from continuing operations	2,457	1,871	-	-
Aggregate income tax expense	2,457	1,871	-	-
Deferred income tax (revenue) expense included in income tax expense comprises:				
Decrease (increase) in deferred tax assets (note 26)	(220)	(393)	-	-
(Decrease) increase in deferred tax liabilities (note 29)	3	130	-	-
	(217)	(263)	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Operating result from continuing operations before income tax expense	7,434	59	-	-
	7,434	59	-	-
Tax at the Australian tax rate of 30% (2004, 30%)	2,230	18	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Depreciation and amortisation	110	107	-	-
Sundry items	(377)	240	-	-
	1,963	365	-	-
Difference in overseas tax rates	-	-	-	-
Under (over) provision in prior years	(25)	47	-	-
Prior year tax losses not recognised now recouped	348	1,459	-	-
Tax Payable in South Africa	171	-	-	-
Income tax expense	2,457	1,871	-	-
(c) Tax losses				
Unused tax losses for which no deferred tax asset has been recognised	3,786	3,402	-	-
Potential tax benefit @ 30%	1,136	1,021	-	-
All unused tax losses were incurred by Australian entities.				
17. CASH AND CASH EQUIVALENTS				
Cash at bank and on hand	38,505	33,851	2,819	2,419
Managed funds, at cost	26,317	4,593	26,317	4,593
Short term investments	4,811	10,612	-	-
Total cash and cash equivalents	69,633	49,056	29,136	7,012
(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 statement of cash flows as follows:				
Balances as above	69,633	49,056	29,136	7,012
Less: Bank overdrafts	-	(81)	-	-
Balance per statement of cash flows	69,633	48,975	29,136	7,012
(b) Deposits at call				
The deposits are bearing floating interest rates between 5.63% and 5.71% (2004 - 5.45%).				

	Notes	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
18. RECEIVABLES					
External					
Sundry debtors		41,923	32,515	31,847	28,528
Less: Provision for doubtful debts		(1,879)	(2,035)	(1,620)	(1,698)
Student fees		246	-	-	-
Less: Provision for doubtful debts		(106)	-	-	-
Student loan debtors		132	62	-	-
Less: Provision for doubtful debts		(28)	(5)	-	-
Other amounts receivable		18,613	17,429	17,028	11,481
GST refundable		2,740	2,907	2,179	2,307
Total external receivables		61,641	50,873	49,434	40,618
Intercompany					
Montech Pty Ltd		-	-	-	62
Monash Property Management Pty Ltd		-	-	194	356
Monyx Pty Ltd		-	-	94	94
Monash South Africa Limited		-	-	149	423
Monash IVF Pty Ltd		-	-	-	9
Monash College Group Pty Ltd		-	-	8,179	3,521
Total intercompany receivables		-	-	8,616	4,465
Total Receivables		61,641	50,873	58,050	45,083
19. INVENTORIES					
Books & Retail		4,413	4,336	-	-
Central Building Maintenance Store		199	230	199	230
Stationery Store		118	195	118	195
Academic Services		23	33	23	33
Laboratory and departmental supplies		716	736	382	500
Other		760	663	52	32
Total current inventories		6,229	6,193	774	990
20. AVAILABLE-FOR-SALE FINANCIAL ASSETS					
Listed Securities					
Dia B Tech Ltd		625	-	-	-
AcruX Limited		368	-	-	-
Metabolic Pharmaceuticals Ltd		9,972	-	-	-
Norwood Immunology Pty Ltd		2,760	-	-	-
Premier Bionics Limited		264	-	-	-
Vernalis Plc		8	-	-	-
Total listed securities		13,997	-	-	-
Managed Funds					
MLC		122,008	-	122,008	-
Macquarie Funds Management (Common Fund)		35,947	-	35,947	-
Macquarie Funds Management (Monash University Foundation)		102,026	-	-	-
Total Managed Funds		259,981	-	157,955	-
Total Available-for-Sale Financial Assets		273,978	-	157,955	-
21. OTHER FINANCIAL ASSETS					
Current					
Macquarie Funds Management (Monash University Foundation)		5,190	4,387	-	-
Total current other financial assets		5,190	4,387	-	-
Non-current					
Shares in subsidiaries	43	-	-	14,374	12,859
Other listed securities					
Dia B Tech Ltd		-	101	-	-
Other unlisted securities					
Open Universities Australia Pty Ltd		100	200	100	200
Monash Research Health Precinct Pty Ltd		5,992	5,992	5,992	5,992
Vernet Pty Ltd		1,089	561	1,089	561
Nephrogenix Pty Ltd		-	27	-	-
Cortical Pty Ltd		125	-	-	-
Sarou Pty Ltd		1,600	1,600	-	-
Other financial assets		71	68	1,625	1,622
Managed funds					
MLC	48	-	103,145	-	103,145
Macquarie Funds Management (Common Fund)	48	-	27,439	-	27,439
Macquarie Funds Management (Monash University Foundation)	48	-	87,626	-	-
Total non-current other financial assets		8,977	226,759	23,180	151,818
Total other financial assets		14,167	231,146	23,180	151,818

22. PROPERTY, PLANT AND EQUIPMENT

Movements in Property, Plant and Equipment

	2004							
	Equipment	Library Books	Cultural Assets	Buildings	Buildings under Construction	Leasehold Improvements	Total	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Consolidated								
At 1 January 2004								
- Cost	530,988	404	846	5,293	34,023	26,739	598,593	
- Valuation	297	66,400	218,156	702,119	2,838	700	1,019,979	
Accumulated depreciation	(467,108)	(233)	-	(268)	-	(4,155)	(471,764)	
Net book amount	64,177	66,571	219,002	707,144	36,861	23,284	1,146,808	
Year ended 31 December 2004								
Opening net book amount	64,177	66,571	219,002	707,144	36,861	23,284	1,146,808	
Revaluation surplus	-	-	5,664	1,703	-	-	7,367	
Additions	27,658	8,760	21,386	23,957	54,625	4,287	143,534	
Disposals	(3,143)	(114)	(250)	(69)	(211)	-	(3,787)	
Depreciation/amortisation charge	(16,670)	(2,177)	-	(21,820)	-	(1,924)	(42,591)	
Deconsolidation	(354)	6	-	-	-	-	(348)	
Closing net book amount	71,668	73,046	245,802	710,915	91,275	25,647	1,250,983	
At 31 December 2004								
- Cost	541,248	75,502	22,232	25,184	91,275	31,053	787,256	
- Valuation	-	-	223,570	707,170	-	700	963,308	
Accumulated depreciation	(472,788)	(2,456)	-	(21,439)	-	(6,234)	(502,917)	
Net book amount	68,460	73,046	245,802	710,915	91,275	25,519	1,247,647	
Consolidated								
Year ended 31 December 2005								
Opening net book amount	68,460	73,046	245,802	710,915	91,275	25,519	1,247,647	
Revaluation surplus	-	(882)	1,378	1,586	-	-	2,082	
Additions	27,003	8,292	857	13,868	73,764	2,106	127,936	
Disposals	(5,061)	(379)	(10,330)	(2,268)	(111)	(8)	(18,167)	
Depreciation/amortisation charge	(18,997)	(3,382)	-	(22,447)	-	(2,651)	(47,477)	
Transfer to/from another class	(131)	14	(486)	20,681	(21,877)	192	(1,657)	
Foreign currency translation	(416)	(28)	-	-	-	-	(444)	
Closing net book amount	70,858	77,563	237,221	722,335	143,051	25,158	1,309,920	
At 31 December 2005								
- Cost	551,124	82,908	15,974	60,516	143,051	33,343	890,608	
- Valuation	-	-	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	237,221	722,335	143,051	25,158	1,309,920	

22. PROPERTY, PLANT AND EQUIPMENT (continued)

Movements in Property, Plant and Equipment

University	2004										Total \$000
	Equipment \$000	Library Books \$000	Cultural Assets \$000	Land \$000	Buildings \$000	Buildings under Construction \$000	Leasehold Improvements \$000				
At 1 January 2004	173,935	-	300	846	5,293	34,023	25,178				239,575
- Cost	-	66,400	29,469	210,192	690,730	-	700				997,491
- Valuation	(116,099)	-	-	-	(268)	-	(3,617)				(5,051)
Accumulated depreciation											(119,984)
Net book amount	57,836	66,400	29,769	211,038	695,755	34,023	22,261				1,117,082
Year ended 31 December 2004											
Opening net book amount	57,836	66,400	29,769	211,038	695,755	34,023	22,261				1,117,082
Revaluation surplus	-	-	-	-	-	-	-				-
Additions	23,738	8,604	2,861	21,386	20,247	57,463	3,260				137,559
Disposals	(4,407)	(114)	-	(250)	(69)	(211)	-				(5,051)
Depreciation/amortisation charge	(14,713)	(2,059)	-	-	(21,528)	-	(1,498)				(39,798)
Closing net book amount	62,454	72,831	32,630	232,174	694,405	91,275	24,023				1,209,792
At 31 December 2004											
- Cost	180,451	74,886	762	22,232	25,184	91,275	28,474				423,264
- Valuation	-	-	31,868	209,942	690,660	-	700				933,170
Accumulated depreciation	(117,997)	(2,055)	-	-	(21,439)	-	(5,279)				(146,770)
Net book amount	62,454	72,831	32,630	232,174	694,405	91,275	23,895				1,209,664
University											
Year ended 31 December 2005											
Opening net book amount	62,454	72,831	32,630	232,174	694,405	91,275	23,895				1,209,664
Revaluation surplus	-	-	(882)	-	-	-	-				(882)
Additions	24,013	8,124	2,046	857	13,868	73,764	1,969				124,641
Disposals	(4,911)	(379)	(10)	(10,330)	(2,268)	(111)	-				(18,009)
Depreciation/amortisation charge	(16,742)	(3,256)	-	-	(22,148)	-	(2,258)				(44,404)
Transfer to/from another class	50	-	(50)	205	21,534	(21,877)	138				-
Closing net book amount	64,864	77,320	33,734	222,906	705,391	143,051	23,744				1,271,010
At 31 December 2005											
- 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

	Notes	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
23. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD					
Shares in associates	44	5,738	3,584	1,672	503
Total investments accounted for using the equity method		5,738	3,584	1,672	503
24. INVESTMENT PROPERTIES					
Property					
Valuation as at 1 January		51,112	50,522	28,512	28,512
Net fair value gain/(loss)		8,005	590	7,005	-
Valuation as at 31 December		59,117	51,112	35,517	28,512
Total investment properties		59,117	51,112	35,517	28,512
25. INTANGIBLE ASSETS					
Software development					
Cost		28,475	27,047	27,976	26,592
Accumulated depreciation and impairment		(18,985)	(15,193)	(18,566)	(14,922)
Net book amount		9,490	11,854	9,410	11,670
Goodwill					
Cost		5,732	5,910	-	-
Accumulated depreciation and impairment		(4,018)	(4,196)	-	-
Net book amount		1,714	1,714	-	-
Intellectual property					
Cost		-	-	-	-
Accumulated depreciation and impairment		-	-	-	-
Net book amount		-	-	-	-
Electronic publications					
Cost		21,186	16,388	21,186	16,388
Accumulated depreciation and impairment		(903)	(276)	(903)	(276)
Net book amount		20,283	16,112	20,283	16,112
Total net book amount of intangible assets		31,487	29,680	29,693	27,782
Movements:					
Software development					
Opening net book amount		11,854	11,866	11,670	11,635
Additions		1,440	3,421	1,396	3,327
Amortisation charge		(3,804)	(3,433)	(3,656)	(3,292)
Closing net book amount		9,490	11,854	9,410	11,670
Goodwill					
Opening net book amount		1,714	-	-	-
Additions		4,018	5,910	-	-
Amortisation charge		(4,018)	(4,196)	-	-
Closing net book amount		1,714	1,714	-	-
Intellectual property					
Opening net book amount		-	429	-	-
Additions		-	(276)	-	-
Amortisation charge		-	(153)	-	-
Closing net book amount		-	-	-	-
Electronic publications					
Opening net book amount		16,112	11,241	16,112	11,241
Additions		4,798	5,147	4,798	5,147
Amortisation charge		(627)	(276)	(627)	(276)
Closing net book amount		20,283	16,112	20,283	16,112
Total closing net book amount of intangible assets		31,487	29,680	29,693	27,782

	Notes	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
26. OTHER NON-FINANCIAL ASSETS					
Current					
Prepayments		13,386	13,295	12,343	11,782
Short term loans		458	486	4	5
Total current other non-financial assets		13,844	13,781	12,347	11,787
Non-current					
Deferred tax asset (refer (a) below)		922	702	-	-
Loans to controlled entities					
Monash Commercial Pty Ltd		-	-	1,538	1,875
Monash IT Pty Ltd		-	-	-	1,305
Monash Educational Enterprises	1 (I)	-	-	-	38,048
Monash Property South Africa Pty Ltd		-	-	16,611	17,583
Monyx Pty Ltd		-	-	3,697	3,697
Other					
Other Prepaid Rental		12,615	-	12,615	-
Monash University Club		272	20	222	20
Other non-financial assets		1,159	600	1,159	600
Total non-current other non-financial assets		14,968	1,322	35,842	63,128
Total other non-financial assets		28,812	15,103	48,189	74,915
(a) Deferred tax assets					
The balance comprises temporary differences attributable to:					
Amounts recognised in operating result					
Doubtful debts		56	65	-	-
Employee benefits		507	283	-	-
Legal Fees		-	2	-	-
Accrued Expenses		95	129	-	-
Leasehold Improvements		57	45	-	-
Other		45	58	-	-
Depreciation		162	120	-	-
		922	702	-	-
Movements:					
Opening balance at 1 January		702	309	-	-
Credited/(charged) to the income statement (note 16)		220	393	-	-
Closing balance at 31 December		922	702	-	-
27. PAYABLES					
External					
OS-HELP liability to Australian Government (a)		1,123	-	1,123	-
Creditors		31,973	35,853	23,955	29,775
Accrued Charges		19,773	10,551	14,911	3,933
Other		47,340	40,163	43,578	37,279
GST Collected		1,022	670	58	-
Total external payables		101,231	87,237	83,625	70,987
Intercompany					
Montech Pty Ltd		-	-	6	-
Monash Commercial Pty Ltd		-	-	126	160
Monash Investment Trust		-	-	3,565	4,258
Monash Property Management Pty Ltd		-	-	759	-
Monyx Pty Ltd		-	-	3,293	3,203
Monash South Africa Limited		-	-	17	-
Monash College Group Pty Ltd		-	-	75	-
Monash University Foundation Trust		-	-	337	126
Total intercompany payables		-	-	8,178	7,747
Total Payables		101,231	87,237	91,803	78,734
(a) OS-HELP Balance					
Monash University effectively acts as a transfer agency with regard to the OS-HELP moneys received from the Australian Government.					
OS-HELP receipts from the Australian Government are not included in the Cash Flow Statement in accordance with section 22(a) of AASB 107.					
OS-HELP balance brought forward		-	-	-	-
Add: OS-HELP receipts for the reporting period		1,300	-	1,300	-
Less: OS-HELP disbursements to students		(177)	-	(177)	-
OS-HELP balance at end of reporting period		1,123	-	1,123	-

	Consolidated		University	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
28. INTEREST BEARING LIABILITIES				
Current				
Secured				
Finance leases	717	464	-	-
Bank overdraft	-	81	-	-
Total current secured interest bearing liabilities	717	545	-	-
Unsecured				
Loan from Bank - Commercial Bills	27,500	11,000	27,600	11,000
Total current unsecured interest bearing liabilities	27,500	11,000	27,600	11,000
Total Current Interest Bearing Liabilities	28,217	11,545	27,600	11,000
Non - Current				
Secured				
Finance leases	490	407	-	-
Total non-current secured interest bearing liabilities	490	407	-	-
Unsecured				
Loan from Bank - Commercial Bills:				
Repayable 1-5 years	60,980	75,730	57,580	72,080
Repayable over 5 years	172,487	103,650	172,487	103,650
Other Loans, unsecured:				
Repayable 1-5 years	-	-	100	300
Total non-current unsecured interest bearing liabilities	233,467	179,380	230,167	176,030
Total Non-Current Interest Bearing Liabilities	233,957	179,787	230,167	176,030
Total Interest Bearing Liabilities	262,174	191,332	257,767	187,030
Loan facilities				
Total facilities	263,840	179,551	262,130	177,730
Used at balance date	259,268	175,887	260,130	176,730
	4,572	3,664	2,000	1,000

29. PROVISIONS

Current

Provision for Long Service Leave	6,954	6,837	6,724	6,719
Provision for Recreation Leave	21,604	21,229	20,225	19,747
Provision for Bonus Payments	642	575	-	-
Provision for Investment Write Off	17	-	-	-
Provision for Debt Waiver	554	318	-	-
Provision for Tax Expense	845	1,776	-	-
Total Current Provisions	30,616	30,735	26,949	26,466

Non-Current

Deferred tax liabilities (refer (a) below)	133	130	-	-
Provision for Long Service Leave	61,834	61,926	60,245	60,455
Provision for Recreation Leave	11,743	13,124	11,405	12,828
Provision for Remuneration Withheld	1,218	1,171	1,218	1,171
Provision for Bonus Payments	134	233	134	233
Total Non-Current Provisions	75,062	76,584	73,002	74,687

Total Provisions

	105,678	107,319	99,951	101,153
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(a) Deferred tax liabilities

The balance comprises temporary differences attributable to:

Amounts recognised in operating result:

Prepayments	-	-	-	-
Other	3	130	-	-
	3	130	-	-

Movements:

Opening balance at 1 January	130	-	-	-
Credited/(charged) to the income statement (note 16)	3	130	-	-
Closing balance at 31 December	133	130	-	-

	Consolidated		University	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
30. OTHER LIABILITIES				
Current				
Financial Assistance	159	-	-	-
Prepaid rental	716	825	-	-
Student fees paid in advance	19,679	15,526	13,964	10,415
Income received in advance	2,374	1,935	730	-
Other	124	97	-	-
Total current other liabilities	23,052	18,383	14,694	10,415
Non-current				
Prepaid rental	357	1,073	-	-
Total non-current other liabilities	357	1,073	-	-
Total other liabilities	23,409	19,456	14,694	10,415
31. CAPITAL				
Funds Held in Perpetuity:				
Monash University Foundation				
Funds Held in Perpetuity at 1 January	31,445	31,090	-	-
Transfer from Retained Earnings	392	355	-	-
Funds Held in Perpetuity at 31 December	31,837	31,445	-	-
Contributed Capital				
Commonwealth and State Government financial assistance				
Contributions to capital works and land	83,102	83,102	83,102	83,102
Share Capital	-	-	-	-
Contributed Capital at 31 December	83,102	83,102	83,102	83,102
Total Capital	114,939	114,547	83,102	83,102
32. RESERVES				
General reserves				
General Reserve at 1 January	-	51,108	-	51,108
Transfers to General Reserves	-	(51,108)	-	(51,108)
General Reserve at 31 December	-	-	-	-
Asset revaluation reserve				
Asset revaluation reserve at 1 January	742,849	735,720	731,301	729,252
Transfers to Asset revaluation reserve	(14,907)	7,129	(17,652)	2,049
Asset revaluation reserve at 31 December	727,942	742,849	713,649	731,301
Available-for-sale investments revaluation reserve				
Available-for-sale investments revaluation reserve at 1 January	-	-	-	-
Transfers to Available-for-sale investments revaluation reserve	47,997	-	17,948	-
Available-for-sale investments revaluation reserve at 31 December	47,997	-	17,948	-
Foreign currency translation reserve				
Foreign currency translation reserve at 1 January	2,679	(2,500)	-	-
Transfers to Foreign currency translation	(1,871)	5,179	-	-
Foreign currency translation reserve at 31 December	808	2,679	-	-
Total reserves	776,747	745,528	731,597	731,301

	Notes	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
32. RESERVES (continued)					
Movements:					
Asset revaluation reserve					
		742,849	735,720	731,301	729,252
		2,416	7,323	(420)	2,049
		(17,323)	(194)	(17,232)	-
		727,942	742,849	713,649	731,301
Available-for-sale investments revaluation reserve					
		-	-	-	-
	48	57,835	-	14,407	-
		(9,717)	-	3,541	-
		(121)	-	-	-
		47,997	-	17,948	-
Foreign currency translation reserve					
		2,679	(2,500)	-	-
		(1,871)	5,179	-	-
		808	2,679	-	-
33. RETAINED SURPLUS					
Movements in retained surplus were as follows:					
		415,396	328,442	354,544	265,307
	48	(11,629)	-	(38,048)	-
		51,872	36,008	42,534	37,937
		-	51,107	-	51,108
		17,323	194	17,232	192
		(392)	(355)	-	-
		(89)	-	-	-
		472,481	415,396	376,262	354,544
34. MINORITY INTEREST					
Interest in:					
		2,221	2,020	-	-
		1,842	1,559	-	-
		4,063	3,579	-	-

35. RESPONSIBLE PERSONS AND EXECUTIVE OFFICERS

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

L Adler	P F E Hutchinson
W Anderson AM	I Pyman (from 8 August 2005)
G Barnes (to 21 March 2005)	R Larkins AO
L J Boston	L Ostrobrski
C Bourke MBE	P H Ramler AM
C Browne	L Rowe (from 15 June 2005)
C Curwen CVO OBE (from 12 April 2005)	J Samms
J K Ellis	S Smith
D Halstead	C Williams
J M Hearn	T Wilson
J C Hutchinson	J W Zillman AO

Monash University - Remuneration of Directors

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

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

Income Band	Total Remuneration		Base Remuneration	
	2005	2004	2005	2004
\$10,000-19,999	-	1	-	1
\$40,000-49,999	-	1	-	1
\$50,000-59,999	-	1	-	1
\$60,000-69,999	2	-	2	-
\$100,000-109,999	-	1	-	1
\$130,000-139,999	1	1	2	1
\$170,000-179,999	1	-	-	-
\$180,000-189,999	-	-	-	1
\$200,000-209,999	-	-	1	-
\$240,000-249,999	1	-	-	-
\$270,000-279,999	-	1	-	-
\$440,000-449,999	-	-	1	1
\$610,000-619,999	1	-	-	-
\$620,000-629,999	-	1	-	-
Total Numbers:	6	7	6	7
Total Amount (\$):	1,295,884	1,255,009	1,055,798	991,402

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.

The increase in total base remuneration can be principally explained through the increase in numbers of executives reported in 2005 over 2004 (38 reported in 2004, 42 reported in 2005). This was due to a higher number of executive positions being filled during 2005, compared with 2004.

The increase in total reported remuneration is principally due to the following:

- A number of executives have an entitlement to an end of contract payment comprising a proportion of remuneration accrued in previous years plus bonus, but is not payable until completion of their fixed term contract, or cessation of their employment with the University.
- In 2004 no executive received a payment of this nature, whilst in 2005 five executives received such payments, as a result of completing their contracts.
- In 2004 two executives received retirement, resignation or retrenchment payments. However in 2005, four executives received retirement, resignation and/or retrenchment payments.

This had a significant impact on the total reported remuneration figures, particularly through payments in lieu of annual and long service leave, as a number of these executives had significant service with the University.

Income Band	Total Remuneration		Base Remuneration	
	2005	2004	2005	2004
\$100,000-109,999	1	3	2	2
\$110,000-119,999	2	-	3	3
\$120,000-129,999	3	4	3	2
\$130,000-139,999	1	-	1	4
\$140,000-149,999	3	1	1	1
\$150,000-159,999	2	1	3	2
\$160,000-169,999	-	1	2	4
\$170,000-179,999	1	1	7	5
\$180,000-189,999	1	3	4	5
\$190,000-199,999	1	2	6	1
\$200,000-209,999	4	4	-	2
\$210,000-219,999	1	-	1	-
\$220,000-229,999	1	4	4	-
\$230,000-239,999	4	4	-	3
\$240,000-249,999	1	2	-	1
\$250,000-259,999	3	-	-	2
\$260,000-269,999	1	-	4	1
\$270,000-279,999	-	-	1	-
\$280,000-289,999	2	1	-	-
\$290,000-299,999	-	3	-	-
\$310,000-319,999	1	-	-	-
\$320,000-329,999	1	1	-	-
\$330,000-339,999	2	1	-	-
\$350,000-359,999	1	1	-	-
\$360,000-369,999	1	1	-	-
\$370,000-379,999	1	1	-	-
\$380,000-389,999	1	-	-	-
\$450,000-459,999	1	-	-	-

	Total Remuneration		Base Remuneration	
\$460,000-469,999	1	-	-	-
\$560,000-569,999	1	-	-	-
\$570,000-579,999	1	-	-	-
TotalNumbers:	44	39	42	38
TotalAmount (\$):	11,051,553	8,469,214	7,567,752	6,553,227

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.

Income Band	Total Remuneration		Base Remuneration	
	2005	2004	2005	2004
\$0-9,999	2	1	2	1
\$10,000-19,999	-	5	-	5
\$20,000-29,999	5	1	5	1
Total Numbers:	7	7	7	7
Total Amount (\$):	119,006	123,980	119,006	123,980

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 senior officers (either Chief Executive Officers or those reporting to Chief Executive Officers) of University controlled or associated entities, who occupy a senior management role within the entity.

Income Band	Total Remuneration		Base Remuneration	
	2005	2004	2005	2004
\$100,000-109,999	4	2	4	1
\$110,000-119,999	1	1	2	1
\$120,000-129,999	3	2	2	3
\$130,000-139,999	1	1	2	5
\$140,000-149,999	1	-	2	1
\$150,000-159,999	4	3	3	2
\$160,000-169,999	2	3	3	1
\$170,000-179,999	1	1	-	-
\$180,000-189,999	2	1	1	3
\$190,000-199,999	-	2	3	-
\$200,000-209,999	1	-	-	1
\$210,000-219,999	1	-	-	-
\$220,000-229,999	-	1	-	-
\$230,000-239,999	-	-	-	1
\$240,000-249,999	1	2	2	1
\$250,000-259,999	-	-	-	1
\$260,000-269,999	1	2	-	-
\$270,000-279,999	1	-	1	-
\$280,000-289,999	1	1	1	1
\$300,000-309,999	-	2	-	1
\$310,000-319,999	1	-	1	-
\$320,000-329,999	-	1	-	-
\$360,000-369,999	-	1	-	-

	Total Remuneration		Base Remuneration	
\$410,000-419,999	1	-	-	-
Total Numbers:	27	26	27	23
Total Amount:	4,916,246	5,243,938	4,559,983	3,977,528

36. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets as at 31 December 2005.

Monash University has provided Letters of Comfort to Monash Commercial Pty Ltd, Monash IT 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 Africa financial institution. The value of the facility is approximately \$1.7 million of which approximately \$0.9 million has been utilised as at 31 December 2005. This facility is secured by a bank guarantee provided by Westpac Bank, which is supported by a letter of indemnity from Monash University Australia.

The voluntary student unionism legislation is being reviewed for any future impact on Monash's financial position

37. SUPERANNUATION FUNDS

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

UniSuper Ltd (formerly Superannuation Scheme for Australian Universities, and Tertiary Education Superannuation Scheme)

Defined Benefit Division: (formerly Superannuation Scheme for Australian Universities)

This section of the scheme is a defined benefit plan and the University makes contributions at the rate of 14% (2004, 14%) of gross salary.

Employees contribute at the rate of 7% (2004, 7%) of gross salary.

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan.

Sufficient information is not available to account for the defined benefits provided by the DBD as a defined benefit plan. As set out under Paragraph 32 (b) of AASB 119, the DBD exposes the participating employers to actuarial risks associated with the current and former employees of other participating employers, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to participating employers.

As at 30 June 2005 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the DBP.

As at 30 June 2005 the assets of the DBD in aggregate were estimated to be \$230 million in excess of vested benefits. The vested benefits are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of CPI indexed pensions being provided by the DBD.

As at 30 June 2005 the assets of the DBD in aggregate were estimated to be \$1,543 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary Russell Employee Benefits using the actuarial demographic assumptions outlined in their report dated 16 May 2003 on the actuarial investigation of the DBP as at 31 December 2002. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return	7.0% p.a.	9.1% p.a.
Net of tax investment return	6.5% p.a.	8.6% p.a.
Consumer Price Index	2.5% p.a.	2.5% p.a.
Inflationary salary increases	3.5% p.a.	3.5% p.a.

(additional promotional salary increases are assumed to apply based on past experience)

Clause 34 of the UniSuper Trust Deed outlines the process UniSuper must undertake (including employer notifications and notice periods) in order to request additional contributions from employers if the UniSuper assets are considered by the Trustee to be insufficient to provide benefits payable under the Deed. At least four years notice that such a request may be made is required. Employers must jointly determine the amount (if any) they are willing to contribute as additional contributions to UniSuper. If such a request was agreed to by all the employers then members must also contribute additional contributions equal to one-half of the rate at which the employers are jointly prepared to contribute. If all the employers do not agree to increase contributions the Trustee must reduce benefits payable to defined benefit members on a fair and equitable basis. The Trustee notified employers during 2003 that such a request may be made in the future but it considered this was unlikely at that time.

Accumulation 1 (Formerly Tertiary Education Superannuation Scheme)

This section of the scheme is a cash accumulation productivity scheme and the University makes contributions at a rate of 3% to 9% (2004, 3% to 9%) of gross salary. Employees have no requirement to contribute, and the scheme has no unfunded liability. Total contributions by the University for the year ended 31 December 2005 were \$18,068,784 (2004, \$16,691,197).

Accumulation 2

This section of the scheme is a cash accumulation scheme and the University makes contributions at a rate of 14% (2004, 14%) of gross salary. Employees contribute at a rate of 7% (2004, 7%) of gross salary, and this section of the scheme has no unfunded liability. The total contributions by the University to the Defined Benefit Division and Accumulation 2 for the year ended 31 December 2005 were \$36,266,147 (2004, \$32,851,298).

"M" Superannuation Scheme

This scheme is a defined benefit scheme and the University makes contributions at the rate of 12.6% (2004, 12.6%) of gross salary. Employees contribute at the rate of 6.3% (2004, 6.3%) of gross salary. The last actuarial review of the scheme was in December 2004 and indicated the fund was in a very strong financial position, i.e. the scheme has no unfunded liability. The total contributions by the University for the year ended 31 December 2005 were \$54,520 (2004, \$50,471).

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

This scheme was introduced under Statute 3.6 of the Monash University Act and benefits are provided by external insurers in the form of endowment assurance policies. This is a closed scheme. The insurers provide an accumulation fund to which the University and employee contribute. The University makes contributions at the rate of 10% (2004, 10%) of gross salary. Employees contribute at the rate of 5% (2004, 5%) of gross salary. Total contributions by the University for the year ended 31 December 2005 were \$23,934 (2004, \$22,933).

Government Superannuation Office (previously State Superannuation Board of Victoria)

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

AASB 119 Employee Benefits requires that the estimated present value of superannuation obligations recognised in the financial statements should be determined as at balance date. These financial statements recognise estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 30 June 2005. As there is no net impact on the balance sheet or income statement from these superannuation obligations (due to recognition of a corresponding receivable), the costs of providing an actuarial assessment at 31 December 2005 outweigh the benefits.

The University has therefore elected not to obtain an estimate of its superannuation obligations as at 31 December 2005. Consequently superannuation obligations (and corresponding receivable) are stated in the financial statements based on estimates prepared 6 months in arrears.

As at 30 June 2005, 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 2005, amounted to \$156,498,000 (2004, \$139,405,000).

The movement in the notional liability is recorded as an increase of \$17,083,000 (2004, increase of \$20,536,000) – refer note 48. The corresponding recovery from the Commonwealth through the commitment to fund the emerging scheme is recorded as an asset.

During 2005, Monash University's contributions to the scheme totalled \$8,987,739 (2004, \$9,137,149).

The policy adopted for calculating employer contributions is based on the advice of the scheme's trustees, but generally the contribution rate represents 84.6% (2004, 84.6%) of pensions payable.

MLC Members Choice Pharmaceutical Organisations Fund

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

Employees contribute at the rate of 5% (2004, 5%) of gross salary. The University makes contributions at 10% (2004, 10%) of gross salary. Total contributions by the University for the year ended 31 December 2005 totalled \$8,297 (2004, \$15,125).

Other Superannuation Funds

Contributions are made by the University to approved superannuation funds. These funds are accumulation funds and a defined benefits fund and have no unfunded liabilities. Total contributions of \$33,187 were made in 2005 (2004, \$42,255).

38. 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 27% (2004, 24%) ownership of Monash University Sunway Campus Malaysia Sdn Bhd.

39. EVENTS SUBSEQUENT TO BALANCE DATE

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

	Consolidated		University	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
40. COMMITMENTS FOR EXPENDITURE				
(a) Capital commitments				
Commitments in relation to Property, Plant and Equipment contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	34,548	64,560	34,548	64,560
Later than one year but not later than five years	254	57	254	57
Later than five years	-	-	-	-
	34,802	64,617	34,802	64,617
(b) Lease commitments				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	13,192	9,346	10,239	8,629
Later than one year but not later than five years	24,767	9,087	16,841	8,950
Later than five years	92,367	2,814	92,357	2,814
	130,326	21,247	119,437	20,393
Representing:				
Cancellable operating leases	17,271	17,285	16,552	16,975
Non-cancellable operating leases	113,055	3,962	102,885	3,418
Future finance charges on finance leases	-	-	-	-
	130,326	21,247	119,437	20,393
(i) Operating leases				
Operating leases include leases for property and equipment.				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	4,039	662	1,653	118
Later than one year but not later than five years	17,070	486	9,296	486
Later than five years	91,946	2,814	91,936	2,814
	113,055	3,962	102,885	3,418
(ii) Finance leases				
Commitments in relation to finance leases are payable as follows:				
Within one year	456	528	-	-
Later than one year but not later than five years	560	439	-	-
	1,016	967	-	-
Minimum lease payments				
Future finance charges	(140)	(96)	-	-
	876	871	-	-
Recognised as a liability				

An equitable mortgage exists between Monash University as mortgagor and National Australia Financial Management Ltd (NAFM) as mortgagee securing future rental payments amounting to \$3.035M (2004, \$5.342M) due to National Australia Financial Management Ltd, under the deed of sub-lease entered into between mortgagor and mortgagee dated 30 June, 1993. In 2004, the security was reduced to \$7.5M in line with the present value of the University's outstanding commitments at that time. This security amount will be maintained through Australian fixed interest and liquidity investments within the MLC portfolio. Refer to note 20.

41. RELATED PARTIES

(a) Parent entities

The ultimate parent entity within the Group is Monash University.

(b) Subsidiaries

Interests in subsidiaries are set out in note 45.

(c) Directors and specified executives

Disclosures relating to directors and specified executives are set out in note 35.

(d) Transactions with related parties

The following transactions occurred with related parties:

	University	
	2005 \$000	2004 \$000
Amounts received from:		
Montech Pty Ltd	34	76
Monash IVF Pty Ltd	637	471
Monash University Foundation Trust	970	147
Monash Commercial Pty Ltd	885	1,635
Monash Property Management Pty Ltd	823	622
Monash Ed Pty Ltd	-	11
Monash Property South Africa	303	1,285
Monash Educational Enterprises	1,096	5,574
Monash South Africa Limited	200	-
Monyx Pty Ltd	10,401	13,108
Monash College Group Pty Ltd	16,314	11,224
	31,663	34,153
Amounts paid to:		
Montech Pty Ltd	36	2
Monash IVF Pty Ltd	664	24
Monash University Foundation Trust	960	6,265
Monash Commercial Pty Ltd	3,934	4,266
Monash Property Management Pty Ltd	591	459
Monash Educational Enterprises	134	-
Monash South Africa Limited	214	-
Monyx Pty Ltd	11,881	9,970
Monash College Group Pty Ltd	13,625	13,993
	32,039	34,979

The above amounts relate to exchanges of goods and services. Internal borrowings are disclosed in note 43.

(e) Guarantees

Monash South Africa Ltd has a finance leasing facility from a South Africa financial institution. The value of the facility is approximately \$1.7 million of which approximately \$0.9 million has been utilised as at 31 December 2005. This facility is secured by a bank guarantee provided by Westpac Bank to Monash University Australia.

42. BUSINESS COMBINATIONS

	Notes	Consolidated		University	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
Summary of acquisition					
Wesley Monash IVF Pty Ltd	25	-	1,714	-	-

Effective 1 November 2004, Monash IVF Pty Ltd holds a 60% interest in Wesley Monash IVF (Managed by Wesley Monash IVF Pty Ltd).

43. CONTROLLED ENTITIES

Entity (1)	Place of Incorporation	Countries where business carried on	Principal Activities	Details of Group Beneficial Interest	Details of Investment
				2005 %	2004 \$000
Monash Commercial Pty Ltd (2)	Victoria	Australia	Commercialisation of research and the provision of other services.	100%	10,425
Monash Digital Media Pty Ltd	Victoria	Australia	De-registered in 2005	100%	2004 \$000
Monash Learningfast Pty Ltd	Victoria	Australia	Creation and distribution of on-line learning and related products and services. Administrator appointed. Process expected to be completed in 2005.	51%	8,887
LearningFast, Inc	USA	USA	The company has been dormant for the period.	51%	
Monash Property Management Pty Ltd	Victoria	Australia	Development and management of property owned by Monash University.	100%	
Monash Reproductive Health Enterprises Pty Ltd	Victoria	Australia	The company has been dormant for the period since its incorporation.	100%	
Monyx Pty Ltd (2)	Victoria	Australia	Oversee the administration and provision of services for students of the University.	50%	
Monyx Education Services Pty Ltd	Victoria	Australia	Management of services to students of the University and commercial activities.	50%	
Monyx Services Pty Ltd	Victoria	Australia	Management of services to students of the University and commercial activities.	50%	
Monyx Services Retail Pty Ltd (3)	Victoria	Australia	De-registered in 2005	50%	
Peter Dibble Memorial Trust. (3)	Victoria	Australia	Wound up from 1 January 2005	50%	
Monyx Services Food & Beverage Pty Ltd (3)	Victoria	Australia	De-registered in 2005	50%	
Monxu Catering Trust (3)	Victoria	Australia	Wound up from 1 January 2005	50%	
Ingenko Pty Ltd	Victoria	Australia	De-registered in 2005	44%	
Utemis Pty Ltd	Victoria	Australia	Provision of mouse gene targeting services.	100%	
Monash Investment Holdings Pty Ltd	Victoria	Australia	Trustee of Monash Investment Trust.	100%	10
Monash Investment Trust	Victoria	Australia	Manage investments on behalf of Monash University.	100%	
Monash IT Pty Ltd (2)	Victoria	Australia	Provision of general IT short courses and IT industry certificate courses.	100%	235
Montech Pty Ltd	Victoria	Australia	Consulting services.	80%	235
Monash Ed Pty Ltd	Victoria	Australia	Did not trade in 2005. To be de-registered in 2006	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. Commenced operations 1 July 2005.	0%	
Monash Property South Africa Pty Ltd (2)	Victoria	Australia / South Africa	Ownership and development of the campus property in Roodeport, Johannesburg.	100%	2,000
[Formerly Monash Southern Africa Ptv Ltd]	South Africa	South Africa	Operation of non-core educational activities at Monash University's South African campus in Roodeport, Johannesburg. Included core educational activities up to 1 July	100%	
Monash Educational Enterprises (2)	Victoria	Australia	Provision of assisted reproductive services.	54%	1,227
[Formerly Monash University South Africa]	Victoria	Australia	Provision of obstetric and gynaecological ultrasound services for patients.	100%	
Monash IVF Pty Ltd	Victoria	Australia	Provision of diagnostic testing for patients.	100%	1,204
Monash Ultrasound Pty Ltd	Queensland	Australia	Provision of assisted reproductive services.	60%	
Monash Reproductive Pathology and Genetics Pty Ltd	Victoria	Australia	Education activities on behalf of Monash University.	100%	500
Wesley Monash IVF Pty Ltd	Victoria	Australia		100%	
Monash College Group Pty Ltd	Victoria	Australia		100%	
[Formerly Monash International Pty Ltd]	Italy	Italy	To provide English language courses.	100%	
Monash International SRL	Italy	Italy		100%	
Monash University Foundation Pty Ltd	Victoria	Australia	Trustee of Monash University Foundation Trust.	100%	
Monash University Foundation Trust	Victoria	Australia	Generation of investment income for the future benefit of Monash University.	100%	
Total					14,374
					12,859

Notes:

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

43. 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	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Monash Commercial Pty Ltd	43,929	50,440	46,775	56,758	-	-	(73)	(155)	(2,846)	(6,318)	(2,360)	(6,247)
Montech Pty Ltd	249	290	167	242	-	-	-	-	82	48	82	48
Monash Ed Pty Ltd	-	2,234	-	207	-	-	-	-	-	2,027	-	2,027
Monash Educational Enterprises	4,278	4,919	8,275	13,257	-	-	-	-	(3,997)	(8,338)	(3,997)	(8,338)
Monash Property South Africa Pty Ltd	1,616	1,209	1,328	1,533	-	-	171	-	288	(324)	117	(324)
Monash South Africa Limited	3,275	-	6,888	-	-	-	-	-	(3,613)	-	(3,613)	-
Monash IVF Pty Ltd	31,062	25,160	22,155	18,459	-	-	2,359	2,026	8,907	6,701	6,378	4,675
Monash College Group Pty Ltd	45,559	46,984	43,061	41,563	-	-	-	-	2,498	5,421	2,498	5,421
Monash University Foundation Trust	14,364	17,617	7,396	5,134	-	-	-	-	6,968	12,483	6,968	12,483
Total	144,332	148,853	136,045	137,153	-	-	2,457	1,871	8,287	11,700	6,073	9,745

Balance Sheet

Entity	Working Capital		Physical Assets		Total Assets		Internal Borrowings		External Borrowings		Total Liabilities		Equity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Monash Commercial Pty Ltd	8,780	11,634	1,507	1,368	52,839	42,137	6,898	6,876	3,400	3,760	23,097	24,968	29,742	17,169
Montech Pty Ltd	318	236	-	-	764	785	-	-	-	-	446	549	318	236
Monash Ed Pty Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Monash Educational Enterprises	86	42	60	2,747	305	4,672	37,590	38,049	-	843	37,749	40,320	(37,444)	(35,648)
Monash Property South Africa Pty Ltd	474	856	31,259	30,138	32,169	32,279	16,611	17,583	-	-	17,047	18,868	15,122	13,411
Monash South Africa Limited	(743)	-	2,461	-	3,738	-	4,851	-	862	-	7,352	-	(3,614)	-
Monash IVF Pty Ltd	4,338	5,216	2,417	2,268	18,583	19,183	-	-	327	-	7,908	7,931	10,675	11,252
Monash College Group Pty Ltd	7,893	5,478	1,206	1,462	26,189	19,350	-	-	-	-	17,767	13,426	8,422	5,924
Monash University Foundation Trust	10,278	14,772	-	-	138,470	127,611	1,554	1,554	-	-	2,777	3,440	135,693	124,171
Total	31,424	38,234	38,910	37,983	273,057	246,017	67,504	64,062	4,589	4,603	114,143	109,502	158,914	136,515

44. INVESTMENTS IN ASSOCIATES

(a) Carrying amounts

Information relating to associates is set out below.	Ownership Interest		Consolidated		University	
	2005	2004	Carrying amount		Carrying amount	
	%	%	2005	2004	2005	2004
			\$000	\$000	\$000	\$000
Monash University Sunway Campus Malaysia Sdn Bhd	27	24	3,293	1,376	1,672	503
Nephrogenix Pty Ltd	20	20	-	4	-	-
Fertility Associates Pty Ltd	40	40	2,308	1,949	-	-
Hunter IVF Pty Ltd	40	40	136	97	-	-
MIA	-	50	-	158	-	-

(b) Movements in carrying amounts

Carrying amount at the beginning of the financial year	3,710	2,431	503	503
Increase/(decrease) in shares in associates at cost	1,169	139	1,169	-
Share of profits after income tax	1,752	1,294	-	-
Dividends received/receivable	(768)	(264)	-	-
Share of increment on revaluation of freehold land	-	-	-	-
Share of foreign currency gain/(loss) on translation	(125)	(16)	-	-
Carrying amount at the end of the financial year	5,738	3,584	1,672	503

(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	2,380	1,472	-	-
Income tax expense	(628)	(178)	-	-
Net operating result after income tax	1,752	1,294	-	-

(e) Summarised financial information of associates

Group's share of:	Assets \$000	Liabilities \$000	Revenues \$000	Profit \$000
2005				
Monash University Sunway Campus Malaysia Sdn Bhd	3,874	1,693	5,022	655
Nephrogenix Pty Ltd	20	16	149	-
Fertility Associates Pty Ltd	2,131	993	139	999
Hunter IVF Pty Ltd	303	79	126	98
	6,328	2,781	5,436	1,752
2004				
Monash University Sunway Campus Malaysia Sdn Bhd	2,234	1,019	4,500	670
Nephrogenix Pty Ltd	13	7	81	4
Fertility Associates Pty Ltd	2,446	890	1,171	385
Hunter IVF Pty Ltd	288	130	61	97
MIA	-	-	-	138
	4,981	2,046	5,813	1,294

(f) Share of associates' expenditure commitments, other than for the supply of inventories

There are no material expenditure commitments in associated entities.

(g) Contingent liabilities of associates

There are no material contingent liabilities in associated entities.

**45. RECONCILIATION OF OPERATING RESULT AFTER INCOME TAX TO
NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Consolidated		University	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Operating result for the year	55,149	38,118	46,930	37,937
Depreciation and amortisation	52,263	46,720	48,686	43,366
Net (gain) loss on sale of non-current assets	(459)	1,267	(554)	1,428
Net exchange differences	167	(4,475)	-	(4,477)
Provisions	(332)	6,930	(1,202)	6,692
Bad & doubtful debt expense	418	720	208	635
Net income from Monash University Foundation	-	-	(7,000)	(4,713)
Other non - cash items	(9,815)	(706)	-	-
Net (gain) loss on investment properties	(8,525)	(801)	(7,005)	-
Loss (gain) on investments	(19,471)	(11,223)	(20,640)	(11,210)
Capitalised borrowing cost	(6,625)	573	(6,625)	(3,301)
Donated assets	(551)	(3,311)	(478)	(3,156)
Other charges	(1,394)	(941)	9,491	1,243
AIFRS adjustments	(17,900)	18	(17,900)	18
Changes in assets and liabilities:				
(Increase)/Decrease in receivables	(10,668)	(2,175)	(13,175)	6,184
(Increase)/Decrease in prepayments	(2,626)	(7,221)	(3,123)	(4,702)
(Increase)/Decrease in inventories	(36)	(233)	216	(478)
(Increase)/Decrease in other current assets	(803)	-	-	-
(Increase)/Decrease in deferred tax asset	-	-	-	-
Increase/(Decrease) in payables	13,786	19,867	13,069	23,770
Increase/(Decrease) in government grants received in advance	-	(24,820)	-	(24,820)
Increase/(Decrease) in student fees received in advance	4,153	(4,325)	4,279	(4,170)
Increase/(Decrease) in other income received in advance	(277)	(716)	-	-
Increase/(Decrease) in other current liabilities	77	-	-	-
Increase (Decrease) in provision for income taxes payable	-	939	-	-
(Increase)/Decrease in provision for deferred tax liabilities	(675)	-	-	-
Increase/(Decrease) in other provisions	(966)	-	-	-
Net cash inflow/(outflow) from operating activities	44,890	54,205	45,177	60,246

46. FINANCIAL INSTRUMENTS DISCLOSURE

2005		Fixed Interest Rate Maturities								
Consolidated	Floating Interest Rate \$000	1 Year or less \$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	Over 5 Years \$000	Non Interest Bearing \$000	Total \$000	
Assets										
Cash at bank - AUD	16,859	21,071	-	-	-	-	-	-	37,930	
Managed cash	5,190	2,414	-	-	-	-	-	-	7,604	
Bank call deposits	1,030	4,356	-	-	-	-	-	-	5,386	
Discount securities	-	23,903	-	-	-	-	-	-	23,903	
Shares	-	-	-	-	-	-	-	14,715	14,715	
Managed trusts	-	-	-	-	-	-	-	274,078	274,078	
Other investments	-	50	-	-	-	-	-	4,315	4,365	
Receivables	-	3,193	-	-	-	-	-	58,348	61,541	
Loans	-	-	-	-	-	-	-	1,159	1,159	
Total financial assets	23,079	54,987						352,615	430,681	
Liabilities										
Loans - Bank	862	-	-	-	-	-	3,400	327	4,589	
Loans - Other	-	3,909	12,980	25,000	12,600	7,000	177,764	21,662	260,915	
Managed futures and options	-	-	-	-	-	-	-	-	-	
Payables	-	10,871	-	-	-	-	-	90,360	101,231	
Total financial liabilities	862	14,780	12,980	25,000	12,600	7,000	181,164	112,349	366,735	
Net financial assets	22,217	40,207	(12,980)	(25,000)	(12,600)	(7,000)	(181,164)	240,266	63,946	
2004										
Consolidated										
Assets										
Cash at bank - AUD	18,145	14,748	-	-	-	-	-	-	32,893	
Managed cash	4,387	1,632	-	-	-	-	-	-	6,019	
Bank call deposits	4,642	6,928	-	-	-	-	-	-	11,570	
Discount securities	-	2,961	-	-	-	-	-	-	2,961	
Shares	-	-	-	-	-	-	-	230,343	230,343	
Managed trusts	-	-	-	-	-	-	-	-	-	
Other investments	-	-	-	-	-	-	-	-	-	
Receivables	-	1,963	-	-	-	-	-	48,910	50,873	
Loans	-	-	-	-	-	-	-	620	620	
Total financial assets	27,174	28,232						279,873	335,279	
Liabilities										
Loans - Bank	-	545	-	-	-	388	3,670	-	4,603	
Loans - Other	-	12,000	27,500	12,980	25,000	12,600	78,267	17,583	185,930	
Managed futures and options	-	-	-	-	-	-	-	-	-	
Payables	-	6,590	-	-	-	-	-	80,647	87,237	
Total financial liabilities	-	19,135	27,500	12,980	25,000	12,988	81,937	98,230	277,770	
Net financial assets	27,174	9,097	(27,500)	(12,980)	(25,000)	(12,988)	(81,937)	181,643	57,509	
Net financial assets as above								63,946	57,509	
Add non financial assets										
Inventories								6,229	6,193	
Payments in Advance								26,001	13,419	
Property, Plant and Equipment								1,309,920	1,247,647	
Investment Properties								59,117	51,112	
Deferred Government Superannuation Contributions								156,498	139,405	
Intangibles								31,487	29,680	
Other								458	156	
								1,589,710	1,487,612	
Less non financial liabilities										
Prepaid Rental								1,073	1,789	
Student Fees Paid in Advance								22,177	17,558	
Provisions								105,678	107,319	
Deferred Employee Benefits for Superannuation								156,498	139,405	
								285,426	266,071	
Net assets per Balance Sheet								1,368,230	1,279,050	

46. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Significant accounting policies, terms and conditions

Financial Assets

Available for Sale Financial Assets [Note 20]

Available for sale financial assets on hand comprise investments in managed funds. These financial instruments are traded in an organised financial market and following the implementation of AIFRS, 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 recycled out of equity and reflected in the Income Statement.

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

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

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

Receivables [Note 18]

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

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

Financial Liabilities

Interest Bearing Liabilities - Bank [Note 28]

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.

Payables [Note 27]

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

Fair Values

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

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 investments also includes direct property holdings which are shown at valuations advised annually by qualified independent valuers.

Credit Risk

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

Foreign Exchange Risk

Monash University has invested in the development of a campus in South Africa, including the provision of loan funding. Managed funds include international investments and the foreign currency risk is managed by the fund managers.

47. Acquittal of Australian Government Financial Assistance

47.1 DEST - CGS and Other DEST Grants

	Commonwealth Grants Scheme		Indigenous Support Fund		Equity Programmes		Workplace Reform Programme		Total
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	
Financial assistance received in cash during the reporting period	161,996	135,604	348	-	724	278	2,380	4,612	
Net accrual adjustments	-	11,797	-	-	-	-	-	-	
Revenue for the period	161,996	147,401	348	-	724	278	2,380	4,612	
Surplus / (deficit) from the previous period	-	-	-	-	-	-	-	-	
Total revenue including accrued revenue	161,996	147,401	348	-	724	278	2,380	4,612	
Less expenses including accrued expenses	161,996	147,401	348	-	724	278	2,380	4,612	
Surplus / (deficit) for the reporting period	-	-	-	-	-	-	-	-	
Financial assistance received in cash during the reporting period	-	-	2,094	2,098	9,279	8,045	41	-	176,862
Net accrual adjustments	-	-	-	-	-	-	-	-	11,797
Revenue for the period	-	-	2,094	2,098	9,279	8,045	41	-	176,862
Surplus / (deficit) from the previous period	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	-	-	2,094	2,098	9,279	8,045	41	-	176,862
Less expenses including accrued expenses	-	-	2,094	2,098	9,279	8,045	41	-	176,862
Surplus / (deficit) for the reporting period	-	-	-	-	-	-	-	-	-

	HECS - HELP		FEE - HELP		OS - HELP		Total	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period	87,853	77,297	22,462	21,525	1,300	-	111,615	98,822
Net accrual adjustments	-	6,929	-	-	-	-	-	6,929
Revenue for the period	87,853	84,226	22,462	21,525	1,300	-	111,615	105,751
Surplus / (deficit) from the previous period	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	87,853	84,226	22,462	21,525	1,300	-	111,615	105,751
Less expenses including accrued expenses	87,853	84,226	22,462	21,525	177	-	110,492	105,751
Surplus / (deficit) for the reporting period	-	-	-	-	1,123	-	1,123	-

47.3 Scholarships

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Indigenous Staff Scholarships		Total	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period	6,501	6,346	958	1,164	615	206	1,168	572	-	-	9,242	8,288
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	6,501	6,346	958	1,164	615	206	1,168	572	-	-	9,242	8,288
Surplus / (deficit) from the previous period	937	1,501	423	265	-	-	-	-	-	-	1,360	1,766
Total revenue including accrued revenue	7,438	7,847	1,381	1,429	615	206	1,168	572	-	-	10,602	10,054
Less expenses including accrued expenses	7,110	6,910	1,231	1,006	609	206	1,144	572	-	-	10,094	8,694
Surplus / (deficit) for the reporting period	328	937	150	423	6	-	24	-	-	-	508	1,360

47.4 DEST Research

	Institutional Grants Scheme		Research Training Scheme		Systematic Infrastructure Initiative		Research Infrastructure Block Grants		Regional Protection Grants		Total	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period	20,921	18,705	39,162	34,777	2703	1,530	12,718	10,155	171	-	75,675	65,167
Net accrual adjustments	-	1,626	-	3,020	-	-	-	883	-	-	-	5,529
Revenue for the period	20,921	20,331	39,162	37,797	2,703	1,530	12,718	11,038	171	-	75,675	70,696
Surplus / (deficit) from the previous period	-	-	-	-	1,530	-	3,459	3,094	-	-	4,989	3,094
Total revenue including accrued revenue	20,921	20,331	39,162	37,797	4,233	1,530	16,177	14,132	171	-	80,664	73,790
Less expenses including accrued expenses	20,921	20,331	39,162	37,797	1,304	-	16,177	10,673	171	-	77,735	68,801
Surplus / (deficit) for the reporting period	-	-	-	-	2,929	1,530	-	3,459	-	-	2,929	4,989

47.5 Australian Research Council Grants
(a) Discovery

	Projects		Fellowships		Indigenous Research Development		Total	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period	14,631	11,174	1,193	816	-	-	15,824	11,990
Net accrual adjustments	-	-	-	-	-	-	-	-
Revenue for the period	14,631	11,174	1,193	816	-	-	15,824	11,990
Surplus / (deficit) from the previous period	3,541	2,798	445	525	-	-	3,986	3,323
Total revenue including accrued revenue	18,172	13,972	1,638	1,341	-	-	19,810	15,313
Less expenses including accrued expenses	12,782	10,431	865	896	-	-	13,647	11,327
Surplus / (deficit) for the reporting period	5,390	3,541	773	445	-	-	6,163	3,986

47.5 Australian Research Council Grants
(b) Linkages

	Special Research Initiatives		Infrastructure		International		Learned Academics		Projects		Total	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period	114	-	2,786	1,874	103	97	69	67	5,684	4,087	8,756	6,125
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	114	-	2,786	1,874	103	97	69	67	5,684	4,087	8,756	6,125
Surplus / (deficit) from the previous period	7	54	1,792	644	65	138	38	33	2,739	675	4,641	1,544
Total revenue including accrued revenue	121	54	4,578	2,518	168	235	107	100	8,423	4,762	13,397	7,669
Less expenses including accrued expenses	4	47	4,578	726	35	170	65	62	5,145	2,023	9,827	3,028
Surplus / (deficit) for the reporting period	117	7	-	1,792	133	65	42	38	3,278	2,739	3,570	4,641

47.5 Australian Research Council Grants

(c) Networks and Centres

	Research Networks		Centres		Total	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in cash during the reporting period	-	-	5,636	3,118	5,636	3,118
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	-	-	5,636	3,118	5,636	3,118
Surplus / (deficit) from the previous period	-	-	879	799	879	799
Total revenue including accrued revenue	-	-	6,515	3,917	6,515	3,917
Less expenses including accrued expenses	-	-	3,604	3,038	3,604	3,038
Surplus / (deficit) for the reporting period	-	-	2,911	879	2,911	879

48. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRSs

(1) Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRSs (AIFRSs)

(a) At the date of transition to AIFRS: 1 January 2004

Notes	Consolidated			University		
	Previous AGAAP \$000	Effect of transition to AIFRS \$000	AIFRS \$000	Previous AGAAP \$000	Effect of transition to AIFRS \$000	AIFRS \$000
ASSETS						
Current assets						
	40,260	-	40,260	2,284	-	2,284
Cash and cash equivalents						
Receivables (f)	45,493	1,483	46,976	51,902	-	51,902
Inventories	5,960	-	5,960	512	-	512
Other financial assets	39,365	-	39,365	14,981	-	14,981
Other non-financial assets (f)	10,685	(1,483)	9,202	7,085	-	7,085
	141,763	-	141,763	76,764	-	76,764
Non-current assets classified as held for sale	-	-	-	-	-	-
Total current assets	141,763	-	141,763	76,764	-	76,764
Non-current assets						
Investments using the equity method	503	-	503	503	-	503
Available-for-sale financial assets	-	-	-	-	-	-
Other financial assets (a)	223,994	(20,200)	203,794	136,540	-	136,540
Property, plant and equipment (a), (b), (c)	1,231,607	(86,255)	1,145,352	1,203,107	(86,024)	1,117,083
Investment properties (a)	-	48,712	48,712	-	28,512	28,512
Intangible assets (b)	15,197	8,325	23,522	-	22,876	22,876
Other non-financial assets	114	-	114	46,946	-	46,946
Deferred Government superannuation contributions	118,869	-	118,869	118,869	-	118,869
Total non-current assets	1,590,284	(49,418)	1,540,866	1,505,965	(34,636)	1,471,329
Total Assets	1,732,047	(49,418)	1,682,629	1,582,729	(34,636)	1,548,093
LIABILITIES						
Current liabilities						
Payables (f)	70,553	181	70,734	54,964	(155)	54,809
Interest bearing liabilities	8,637	-	8,637	7,600	-	7,600
Provisions (d)	41,632	(13,520)	28,112	38,295	(13,802)	24,493
Government grants received in advance	24,820	-	24,820	24,820	-	24,820
Other liabilities	20,566	-	20,566	14,585	-	14,585
Total current liabilities	166,208	(13,339)	152,869	140,264	(13,957)	126,307
Non-current Liabilities						
Payables	-	(181)	(181)	-	-	-
Interest bearing liabilities	107,944	-	107,944	104,230	-	104,230
Provisions (d)	57,836	13,145	70,981	56,514	13,404	69,918
Other liabilities	1,789	-	1,789	-	-	-
Deferred employee benefits for superannuation	118,869	-	118,869	118,869	-	118,869
Total non-current liabilities	286,438	12,964	299,402	279,613	13,404	293,017
Total liabilities	452,646	(375)	452,271	419,877	(553)	419,324
Net assets	1,279,401	(49,043)	1,230,358	1,162,852	(34,083)	1,128,769
EQUITY						
Parent entity interest						
Capital	114,452	-	114,452	83,102	-	83,102
Reserves (a)	801,972	(15,130)	786,842	795,490	(15,130)	780,360
Retained surplus (g)	350,884	(22,442)	328,442	284,260	(18,953)	265,307
Parent entity interest	1,267,308	(37,572)	1,229,736	1,162,852	(34,083)	1,128,769
Minority interest	12,093	(11,471)	622	-	-	-
Total equity	1,279,401	(49,043)	1,230,358	1,162,852	(34,083)	1,128,769

48. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRSs (continued)

(b) At the end of the last reporting period under previous AGAAP: 31 December 2004

	Notes	Consolidated			University		
		Previous AGAAP \$000	Effect of transition to AIFRS \$000	AIFRS \$000	Previous AGAAP \$000	Effect of transition to AIFRS \$000	AIFRS \$000
ASSETS							
Current assets							
Cash and cash equivalents	(f)	44,374	4,682	49,056	2,419	4,593	7,012
Receivables	(f)	47,668	3,205	50,873	45,083	-	45,083
Inventories	(f)	6,193	-	6,193	990	-	990
Other financial assets	(f)	7,923	(3,536)	4,387	3,025	(3,025)	-
Other non-financial assets	(f)	17,906	(4,125)	13,781	11,787	-	11,787
		124,064	226	124,290	63,304	1,568	64,872
Non-current assets classified as held for sale		-	-	-	-	-	-
Total current assets		124,064	226	124,290	63,304	1,568	64,872
Non-current assets							
Investments using the equity method	(e)	2,765	819	3,584	1,156	(653)	503
Available-for-sale financial assets		-	-	-	-	-	-
Other financial assets	(a), (f)	252,426	(25,667)	226,759	153,387	(1,569)	151,818
Property, plant and equipment	(a), (b), (c)	1,336,147	(88,500)	1,247,647	1,298,165	(88,501)	1,209,664
Investment properties	(a)	-	51,112	51,112	-	28,512	28,512
Intangible assets	(b)	16,140	13,540	29,680	-	27,782	27,782
Other non-financial assets		928	394	1,322	63,128	-	63,128
Deferred Government superannuation contributions	(d)	117,714	21,691	139,405	117,714	21,691	139,405
		1,726,120	(26,611)	1,699,509	1,633,550	(12,738)	1,620,812
Total non-current assets		1,726,120	(26,611)	1,699,509	1,633,550	(12,738)	1,620,812
Total assets		1,850,184	(26,385)	1,823,799	1,696,854	(11,170)	1,685,684
LIABILITIES							
Current liabilities							
Payables		90,420	(3,183)	87,237	78,734	-	78,734
Interest bearing liabilities		11,455	90	11,545	11,000	-	11,000
Provisions	(d)	44,066	(13,331)	30,735	39,642	(13,176)	26,466
Other liabilities		16,241	2,142	18,383	10,415	-	10,415
		162,182	(14,282)	147,900	139,791	(13,176)	126,615
Total current liabilities		162,182	(14,282)	147,900	139,791	(13,176)	126,615
Non-current liabilities							
Payables		-	-	-	-	-	-
Interest bearing liabilities		180,961	(1,174)	179,787	176,030	-	176,030
Provisions	(d)	63,333	13,251	76,584	61,859	12,828	74,687
Other liabilities		1,073	-	1,073	-	-	-
Deferred employee benefits for superannuation	(d)	117,714	21,691	139,405	117,714	21,691	139,405
		363,081	33,768	396,849	355,603	34,519	390,122
Total non-current liabilities		363,081	33,768	396,849	355,603	34,519	390,122
Total liabilities		525,263	19,486	544,749	495,394	21,343	516,737
Net assets		1,324,921	(45,871)	1,279,050	1,201,460	(32,513)	1,168,947
EQUITY							
Parent entity interest							
Capital		114,547	-	114,547	83,102	-	83,102
Reserves	(a)	757,644	(12,116)	745,528	744,091	(12,790)	731,301
Retained surplus	(g)	438,674	(23,278)	415,396	374,267	(19,723)	354,544
		1,310,865	(35,394)	1,275,471	1,201,460	(32,513)	1,168,947
Minority interest		14,056	(10,477)	3,579	-	-	-
Total Equity		1,324,921	(45,871)	1,279,050	1,201,460	(32,513)	1,168,947

48. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRSs (continued)

(2) Reconciliation of profit for the year ended 31 December 2004

	Notes	Consolidated			University		
		Previous AGAAP \$000	Effect of transition to AIFRS \$000	AIFRS \$000	Previous AGAAP \$000	Effect of transition to AIFRS \$000	AIFRS \$000
Revenue from continuing operations							
Australian Government financial assistance							
Australian Government grants	(f)	277,739	26,848	304,587	277,739	26,848	304,587
HECS-HELP - Australian Government payments		84,226	-	84,226	84,226	-	84,226
FEE-HELP		21,525	-	21,525	21,525	-	21,525
State and local Government financial assistance	(f)	15,740	757	16,497	15,574	757	16,331
HECS-HELP - Student Payments		19,631	-	19,631	19,631	-	19,631
Fees and charges	(f)	248,942	(3,642)	245,300	212,062	5	212,067
Investment income	(f)	28,985	(322)	28,663	16,020	-	16,020
Royalties, trademarks and licences	(f)	2,980	(82)	2,898	4,129	-	4,129
Consultancy and contract research	(f)	84,170	(25,089)	59,081	85,660	(26,706)	58,954
Other revenue	(f)	138,355	(4,353)	134,002	81,627	(1,369)	80,258
Fair value gain on investment properties		-	-	-	-	-	-
Shares of net results of associates and joint venture partnership accounted for using the equity method	(e)	524	632	1,156	524	(524)	-
Unrealised foreign exchange gain on translation	(f)	4,477	(4,477)	-	4,477	(4,477)	-
Subtotal		927,294	(9,728)	917,566	823,194	(5,466)	817,728
Deferred Government Superannuation Contributions		(1,155)	21,691	20,536	(1,155)	21,691	20,536
Total revenue from continuing operations		926,139	11,963	938,102	822,039	16,225	838,264
Expenses from continuing operations							
Employee benefits and on costs	(d)	491,332	21,941	513,273	453,821	21,741	475,562
Depreciation and amortisation	(c)	47,985	(1,265)	46,720	44,609	(1,243)	43,366
Repairs and maintenance		21,442	-	21,442	20,025	-	20,025
Borrowing costs		6,880	1	6,881	6,556	-	6,556
Bad and doubtful debts		1,659	16	1,675	635	-	635
Auditing & other services		1,314	-	1,314	1,082	-	1,082
Other expenses	(f)	315,043	(8,235)	306,808	256,832	(3,731)	253,101
Fair value loss on investment properties		-	-	-	-	-	-
Unrealised foreign exchange loss on translation		-	-	-	-	-	-
Total expenses from continuing operations		885,655	12,458	898,113	783,560	16,767	800,327
Operating result before income tax		40,484	(495)	39,989	38,479	(542)	37,937
Income tax expense		1,923	(52)	1,871	-	-	-
Operating result from continuing operations		38,561	(443)	38,118	38,479	(542)	37,937
Operating result from discontinued operations		-	-	-	-	-	-
Net operating result for the year		38,561	(443)	38,118	38,479	(542)	37,937
Net operating result attributable to minority interest		1,944	166	2,110	-	-	-
Net operating result attributable to members of Monash University		36,617	(609)	36,008	38,479	(542)	37,937

(3) Reconciliation of cash flow statement for the year ended 31 December 2004

The adoption of AIFRSs has not resulted in any material adjustments to the cash flow statement

48. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRSs (continued)

(4) Notes to the reconciliations

Significant adjustments in the Income Statement and Balance Sheet relating to the adoption of AIFRS are explained below, which mainly relate to the University. A summary of the effect on retained earnings is shown in note 4 (g).

(a) Investment property

At the date of transition (1 January 2004) to AIFRS the Group has reclassified several properties to the value of \$48.7 million to Investment Property. The University had \$28.5 million in Investment Property previously classified under Property, Plant and Equipment. Monash University Foundation had \$20.2 million in Investment Property previously classified under Other Financial Assets. The value of Investment Property in Monash University Foundation reclassified at the end of 2004 is \$22.6 million.

The University has transferred the cumulative revaluation gains of \$15.1 million relating to its investment properties from the asset revaluation reserve to opening retained earnings at 1 January 2004. Monash University Foundation has previously recognised the fair value movements in its properties in the income statement which is consistent with the requirements under AIFRS.

(b) Intangible assets

Electronic publications and software development costs

The University has reclassified electronic publications (\$11.2 million) and software development costs (\$11.6 million) as intangible assets under AIFRS. These were previously recognised as part of Property, Plant and Equipment. In 2004, electronic publications of \$5.1 million was recognised in intangible assets.

Impairment of goodwill

In 2004, the University recorded goodwill on acquisition of the Monyx business. Under AIFRS goodwill is required to be assessed for impairment at the end of each reporting period. The adjustment against retained earnings of \$4.0 million represents the impairment of the carrying value.

(c) Library

The University as a result of its review of the deemed cost valuation of its library collection upon transition to AIFRS has impaired its library assets and revised its estimated useful lives of its library assets. The impairment of \$34.6 million is reflected in retained earnings at 1 January 2004. In 2004, the reduction in depreciation expense for the University of \$1.2 million is reflected in the income statement. Refer note 1 (n).

(d) Employee benefits

Annual leave provision

Under AGAAP the Group recognised its annual leave provisions as a current liability. Under AIFRS the Group has identified the component of annual leave that is accrued beyond 12 months and has recognised this as a non-current liability. The non-current component has also been discounted to reflect the fair value of the liability at reporting date. Movements in the provisions, based on the AIFRS valuation, of \$0.4 million has been reflected in retained earnings at 1 January 2004, consisting of a reduction in the current liability by \$13.8 million and an increase in the discounted non-current liability by \$13.4 million.

State Superannuation

The calculation of superannuation obligations under AIFRS is different to AGAAP. Under AIFRS market yields on government bonds (rather than an internal earning rate) are used to calculate the value of superannuation liabilities and this can result in a different value. As there is no net impact on the balance sheet or income statement from these superannuation obligations (due to recognition of a corresponding receivable), the costs of providing an actuarial assessment for transition date outweigh the benefits. The University has therefore elected not to obtain an estimate of its superannuation obligations for transition date. Consequently, no transitional adjustments are disclosed.

Due to no assessment of the superannuation obligations for transition date (i.e. 1 January 2004), the University has disclosed the increase in the value of the obligation of \$20.5 million in 2004 as being the difference between the AGAAP value at transition and the AIFRS value determined for 2004. This difference has been reflected in the non-current liability and corresponding receivable in the balance sheet and relevant income and expense items in the income statement. The AIFRS adjustment of \$21.7 million includes the reversal of the previously booked AGAAP movement in the asset and liability of \$1.2 million.

(e) Correction of error made under previous AGAAP

Cash and cash equivalents

The University has reclassified its short-term managed funds which are essentially cash portfolios from other financial assets to cash and cash equivalents in 2004. The amount reclassified is \$4.6 million. \$1.6 million of this was incorrectly recognised as non-current in 2004. The remaining \$3.0 million is reclassified from other financial assets under current assets.

Investments accounted for under the equity method

In 2004, the University had incorrectly reflected the share of associates post acquisition profits in the income statement and the balance sheet. This should only be reflected in the consolidated financials and not in the University's financials. The adjustment to the balance sheet is \$0.7 million and to the income statement is \$0.5 million. These adjustments correctly reflect the investment in associates at cost in the University.

Reduction in minority interest

In 2003, the University had not accounted for the minority interest portion of the dividend paid by Monash IVF. As a result, an adjustment at 1 January 2004 has been made to correct this error. The adjustment is an increase in the University's retained earnings and a reduction in minority interest of \$0.3 million.

(f) Reclassifications as a result of DEST and AIFRS

Several adjustments to the University's financials relate to reclassifications as a result of the financial statement guidelines provided by the Department of Education, Science and Training (DEST). All other reclassifications for the Group are as a result of the requirements under AIFRS.

(g) Retained earnings

The effect on retained earnings of the changes set out above are as follows:

	Notes	1 January 2004		31 December 2004	
		Consolidated \$000	University \$000	Consolidated \$000	University \$000
Transfer of investment property gains from asset revaluation reserv	(a)	15,130	15,130	15,130	15,130
Library impairment	(c)	(34,636)	(34,636)	(34,636)	(34,636)
Intangible assets - goodwill write-off	(b)	(3,844)	-	(3,666)	-
Employee benefits - annual leave provision	(d)	375	398	125	348
Correction of error	(e)	318	-	632	(524)
Reduction in depreciation expense - library assets	(c)	-	-	1,265	1,243
Reclassifications as a result of DEST and AIFRS	(f)	215	155	(2,128)	(1,284)
Total adjustments to retained profits		(22,442)	(18,953)	(23,278)	(19,723)
Attributable to:					
Equity holders of the parent		(18,362)	(18,953)	(19,731)	(19,723)
Minority interest		(4,080)	-	(3,547)	-
		(22,442)	(18,953)	(23,278)	(19,723)

48. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRSs (continued)

(5) Adjustments on transition to AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement*: 1 January 2005

	Consolidated			University		
	31 December 2004 \$000	Adjustment \$000	1 January 2005 \$000	31 December 2004 \$000	Adjustment \$000	1 January 2005 \$000
ASSETS						
Current assets						
Cash and cash equivalents	49,056	-	49,056	7,012	-	7,012
Receivables	50,873	-	50,873	45,083	-	45,083
Inventories	6,193	-	6,193	990	-	990
Other financial assets	4,387	-	4,387	-	-	-
Other non-financial assets	13,781	-	13,781	11,787	-	11,787
Total current assets	124,290	-	124,290	64,872	-	64,872
Non-current assets						
Investments using the equity method	3,584	-	3,584	503	-	503
Available-for-sale financial assets	-	264,516	264,516	-	144,991	144,991
Other financial assets	226,759	(218,310)	8,449	151,818	(130,584)	21,234
Property, plant and equipment	1,247,647	-	1,247,647	1,209,664	-	1,209,664
Investment properties	51,112	-	51,112	28,512	-	28,512
Intangible assets	29,680	-	29,680	27,782	-	27,782
Other non-financial assets	1,322	-	1,322	63,128	(38,048)	25,080
Deferred Government superannuation contributions	139,405	-	139,405	139,405	-	139,405
Total non-current assets	1,699,509	46,206	1,745,715	1,620,812	(23,641)	1,597,171
Total assets	1,823,799	46,206	1,870,005	1,685,684	(23,641)	1,662,043
Current liabilities						
Payables	87,237	-	87,237	78,734	-	78,734
Interest bearing liabilities	11,545	-	11,545	11,000	-	11,000
Provisions	30,735	-	30,735	26,466	-	26,466
Other liabilities	18,383	-	18,383	10,415	-	10,415
Total current liabilities	147,900	-	147,900	126,615	-	126,615
Non-current liabilities						
Payables	-	-	-	-	-	-
Interest bearing liabilities	179,787	-	179,787	176,030	-	176,030
Provisions	76,584	-	76,584	74,687	-	74,687
Other liabilities	1,073	-	1,073	-	-	-
Deferred employee benefits for superannuation	139,405	-	139,405	139,405	-	139,405
Total non-current liabilities	396,849	-	396,849	390,122	-	390,122
Total liabilities	544,749	-	544,749	516,737	-	516,737
Net assets	1,279,050	46,206	1,325,256	1,168,947	(23,641)	1,145,306
EQUITY						
Parent entity interest						
Capital	114,547	-	114,547	83,102	-	83,102
Reserves	745,528	57,835	803,363	731,301	14,407	745,708
Retained surplus	415,396	(11,629)	403,767	354,544	(38,048)	316,496
Parent entity interest	1,275,471	46,206	1,321,677	1,168,947	(23,641)	1,145,306
Minority interest	3,579	-	3,579	-	-	-
Total equity	1,279,050	46,206	1,325,256	1,168,947	(23,641)	1,145,306

Available-for-sale financial assets

On transition at 1 January 2005, managed funds and listed securities previously recognised under other financial assets under previous AGAAP have been reclassified and recognised as available-for-sale financial assets under AIFRS. The amounts reclassified at 1 January 2005 are \$130.6 million for the University and \$218.3 million for the Group. University investments were held at cost under AGAAP. Monash University Foundation has always held its investments at fair value with movements in fair value recognised in the income statement.

Under the available-for-sale designation, these financial assets are required to be held at fair value with movements in fair value recognised directly in equity. As a result, the University has recorded an amount of \$14.4 million against its available-for-sale investments revaluation reserve at 1 January 2005. This results in an increase in the value of available-for-sale financial assets to \$145.0 million under AIFRS from \$130.6 million under AGAAP. The increase in fair value for the Group of \$46.2 million is reflected in the reserve. Monash University Foundation has previously reflected an increase in fair value of its financial assets of \$11.6 million against the income statement. Under the available-for-sale designation, this amount is required to be recognised in equity. The adjustment to transfer \$11.6 million from retained surplus to the related reserve results in an increase in the reserve of \$57.8 million.

Other non-financial assets

At transition on 1 January 2005, the loans to Monash University's educational business in South Africa are required to be carried at fair value. These interest-free loans are required to be valued at their present value by discounting estimated future cashflows using the prevailing market rate of interest for a similar instrument. The present value of these loans were determined to be zero at 1 January 2005, resulting in an adjustment of \$38.0 million against retained surplus and a corresponding reduction in other non-financial assets. This adjustment does not occur at the Group level as the loans are eliminated on consolidation.

Refer to notes 1(l) and 1(r) for further information on the transition to AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* on 1 January 2005

Declaration

2005 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 2005 and the financial position of its operations for the year ended on that date,
- (b) the financial statements have been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements, the *Financial Management Act 1994* including financial reporting directions, and *Financial Statement Guidelines for Australian Higher Education Providers for 2005 Reporting Period* as issued by the Department of Education, Science and Training.
- (c) the Australian Government financial assistance received during the financial year ended 31 December 2005 was expended for the purposes for which it was intended and Monash University has complied with applicable legislation, contracts, agreements and programme 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.



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

12 April 2006



AUDITOR GENERAL
VICTORIA
INDEPENDENT AUDIT REPORT

Monash University

To the Members of the Parliament of Victoria and Members of the Council of the University

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the financial year ended 31 December 2005 relates to the financial report of Monash University included on its web site. The Members of the Council of Monash 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 audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

The Financial Report

The accompanying financial report for the year ended 31 December 2005 of Monash University consists of the income statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report, and the supporting declaration. 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 43 to the financial statements.

Members' Responsibility

The Members of the Council of Monash University are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act* 1994, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.



AUDITOR GENERAL
VICTORIA

Independent Audit Report (continued)

These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the University's and the economic entity's financial position, and their financial performance and cash flows.

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

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 are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of Monash University and the economic entity as at 31 December 2005 and their financial performance and cash flows for the year then ended.

MELBOURNE
28 April 2006



JW CAMERON
Auditor-General