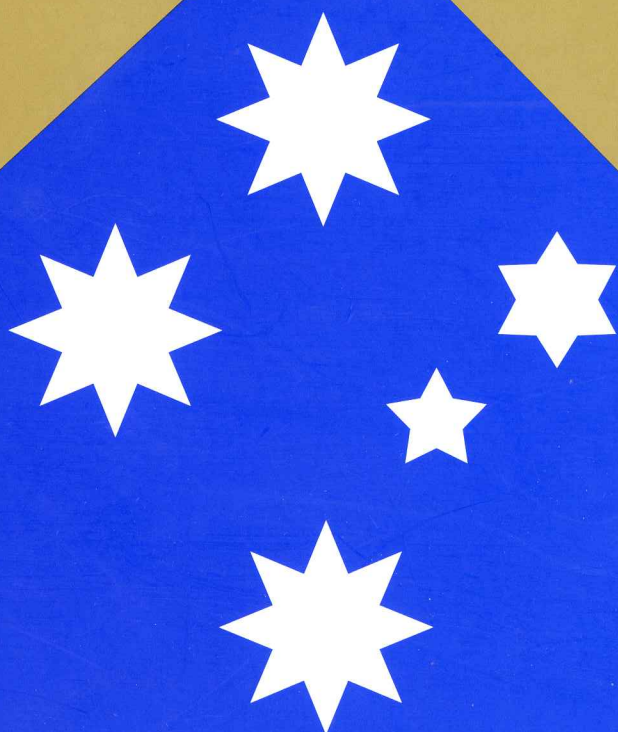
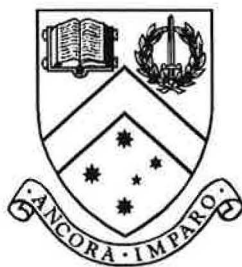


M O N A S H

U N I V E R S I T Y

Annual Report 1997





Annual Report 1997

For and on behalf of the Council

A handwritten signature in black ink, appearing to read 'D W Rogers', with a horizontal line underneath it.

D W Rogers
Chancellor

Monash University
Annual Report 1997
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Vice-Chancellor's statement

Having taken up my position on 1 January 1997, and with Professor John Maloney (Deputy Vice-Chancellor, International and Public Affairs) and Professor Alan Lindsay (Deputy Vice-Chancellor, Academic and Planning) joining Professor Peter Darvall (Deputy Vice-Chancellor, Research and Development) and Mr Peter Wade (General Manager), Monash has a new senior management team which is not only experienced and dedicated to the service of the university but which has a well-developed set of close working relations with key people in a wide range of institutions across the nation and within the broader international community.

Preparation of *Leading the Way: The Monash Plan 1998-2002* occupied a large portion of the early part of 1997. The Plan was approved unanimously by Council in July and the university is already moving with a sense of purpose toward the targets and goals that have been set. Monash is now engaged in five year rolling institutional planning and the next document, covering 1999-2003, together with a management report on progress will be presented at the June 1998 Council meeting.

In any institution it is vital to be open to new developments, ideas and ways of operating. During 1997 the university's strategic planning continued to be informed by the three themes of innovation, engagement and internationalisation. Monash's staff and students have continued to enhance the university's widely regarded reputation for excellence.

The distinctiveness of each campus continued to be highlighted and nurtured during 1997. The preparation and adoption of a report on the Peninsula campus, drawn up by a team headed by Mr David Phillips, was evidence of campus staff being able to draw successfully on strengths and energy and to plan a sound future. This was a difficult but productive task. A small panel, including Mr Phillips and Professor Max Brennan, was appointed late in the year to work with the Dean of Science and colleagues to clarify strategic directions for Science at Monash.

Monash's responsibility is to educate scholars and professionals, to advance and apply knowledge, and to serve not merely its various local and national communities but also its international communities. As 'Australia's international university', a great deal of work was done in 1997 on plans for further development of offshore activities. Monash has moved also to further internationalise its curriculum and to ensure more programs are made sufficiently flexible to be taken by students anywhere in the world.

The university continued to collaborate with business and other industry partners and to forge strong links with other key institutions. The Group of Eight universities gradually began to work

together across a range of issues of common concern, and the warmly welcomed Melbourne-Monash Protocol was a specific example of that development.

Monash joined forces with the ABC to pursue ways of delivering educational services in and beyond the Asia-Pacific region.

As a result of reviews of its Council and Academic Board, Monash will benefit from the resulting revised committee structure and operating procedures of those key bodies.

Among the wide range of high points and successes in 1997 have been:

- ◆ the creation of a new faculty of Art & Design and the start on the faculty's new building at Caulfield;
- ◆ the launch of two world-first, interactive on-line language courses in Korean and Vietnamese;
- ◆ the completion of the University Union development on the Clayton campus;
- ◆ the completion of the Sports and Recreation redevelopment on the Clayton campus;
- ◆ the creation of Australia's first Centre for Research in International Education;
- ◆ the \$1.5 million allocation of funding for hi-tech teaching facilities;
- ◆ the launch of Green Inc, Gippsland region's new technology and business centre at Gippsland campus;
- ◆ the discovery by scientists from Monash and the Museum of Victoria of a tiny fossilised jaw bone which is challenging the theory of mammalian evolution; and
- ◆ the excellent outcomes from the ARC and NHMRC research rounds.

The Monash Mission is "to be one of the finest and most innovative modern universities in the world and to lead the way in higher education in Australia." The smooth transition to the new senior management team, the sound financial base, the ambitious targets, and the robust planning processes that have been put in place in 1997, combined with the university's record of innovation and steadfast commitment to excellence, will ensure that Monash is 'leading the way' well into the next millennium.

*Professor David Robinson
Vice-Chancellor and President*

January 1998

Guideline 9.1.3 (l) (a)

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 has perpetual succession, a common seal and is capable in law of suing and being sued.

Guideline 9.1.3 (l) (b)

Objectives, functions, powers and duties

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

- to provide facilities for study and education and to give instruction and training to 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 its practical application to primary industry and commerce;
- to confer after examination the several degrees of bachelor, master and doctor 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 educational 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 Council deems appropriate.

The governing authority of the university is the Council, the constitution of which is set out in division 2 of the Act. The Council is advised by its subordinate standing committees, other boards and committees, the Vice-Chancellor and senior officers of the university.

Services

The university provides post-secondary education and study facilities primarily to the Victorian community on campuses at Clayton, Caulfield, Frankston, Gippsland, Berwick and Parkville. Faculties of the university, Arts, Art and Design, Business and Economics, Information Technology, Education, Engineering, Law, Medicine, Science and the Victorian College of Pharmacy, each provide undergraduate and postgraduate degrees and diplomas.

In addition to these faculties there are centres which express the research interests of staff members and provide specialised nuclei for postgraduate and some undergraduate study. Many of these act as a focus for interdisciplinary research. The work of the university is expanded and supported by affiliated institutions which cooperate in various ways with teaching and research programs at Monash.

Administrative structure

Membership of Council 1997

From 1 January 1997 to 31 December 1997 the following members constituted the University Council.

Appointed by the Governor in Council

■ *Members of Parliament of Victoria*

Andrew Ronald Brideson MLC

Peter Ronald Hall BA DipEd MLC

Hong Lim BA(Hons) Tas. JP MP (from 4 June 1996)

■ *Representing industrial, commercial, educational and community interests*

Hugh Alexander Grayson CChem FRACI FAICD FAIM FMTC

Maria Gwendolene Keys BA Syd. MACS

Geoffrey Alistair Knights MA PhD Cantab.

William Austin Kricker AM BSc(Hons) BE(Hons) Syd. MBA NSW
FAIM FAICD FIEAust

Sally McManamny RN BEd LaT. FRCNA

Joan Melville McPhee MCom Melb. ACTT

Paul Henry Ramler AM DipBus HonMBA C.I.T. ACIT AFAIM

Elected by the graduates of the university

Anthony Henry May BEc LLB

Kay Christine Lesley Patterson BA(Hons) Syd. PhD DipEd MAPsS

Elected by the professors

Brian Wilson Cherry MA PhD Cantab. FTS FPRI FIEAust FICorrT (to
31 March 1997)

Phyllis Tharenou CertEd BA(Hons) MPsych PhD Qld.

Terry Rosyln Threadgold MA Syd.

Francis Anthony Trindade MA Oxon. LLB Karachi of Grays Inn
Barrister-at-law, Barrister and Solicitor (Vic.) (from 1 July 1997)

Elected by teaching staff other than professors

John Robert Arkinstall BSc PhD Adel.

Frank Robert Burden BSc PhD Lond.

Jennifer Strauss BA(Hons) Melb. PhD

Richard Lewis Whyte BA DipEd MEd Melb. TPTC

Ex officio

■ *Chancellor*

David William Rogers AO LLB Melb.

■ *Vice-Chancellor and President*

David Antony Robinson BA PhD Wales FRSA(U.K.) FAIM

Appointed by the Minister for Education

Francis Charles Peck BComm Melb. BEd LaT. ACAE FACE

Co-opted members

G Douglas W Curlewis BA Syd. MBA Melb.

June Margaret Hearn MA PhD Melb.

John Charles Hutchinson ED DipMechEng FIEAust FAIMM

Mary Lou Jelbart

Jan Eric Kolm AO EngChem Prague Tech.Uni. HonDSc Melb. FRACI
FAIM FTS

Dorothy Ruth Pizzey AM BA BEd Melb. FACE

Kenneth James Russell FCA FCIS FCIM FAICD FCPA

Deans of faculties

Michael Louis Brisk BE PhD Syd. FIEAust FICHEM CPENG

Richard Thomas White BSc BEd Melb. PhD FASSA

Elected by non-academic staff

John Charles Blyth BAppSc Melb. MIREE TVOCP

Margaret Ellen James MA DipEd Melb. PhD LaT. (to 30 June 1997)

Paul Kenneth Rodan BA(Hons) W. Aust. MA Qld PhD

Michael Douglas Watson MA Prin. BSc(Hons) (from 1 July 1997)

Elected by the students in the university

Joshua Beggs GradDipBusMan (to 28 February 1997)

Adrian John Fox BCom (InfoSys)(Hons) (to 30 June 1997)

Sean Wayne Straton (to 30 June 1997)

Jacqueline Cameron (from 1 July 1997)

Beng Ti Tan (from 1 July 1997)

Membership of the Audit Committee

Mr D.W. Rogers - Chair

Mr H. A. Grayson

Mr K. Russell

Professor D A Robinson

Mr P. B. Wade

Professor C. G Peirson

Mr R. G. Connell - Secretary

Senior officers

Visitor

His Excellency The Honourable Sir James Augustine Gobbo AC
BA(Hons) Melb. MA Oxon. HonLLD Monash, Governor of Victoria

Chancellor

David William Rogers AO LLB Melb.

Deputy chancellors

Geoffrey Alistair Knights MA PhD Cantab.

Paul Henry Ramler AM DipBus HonMBA C.I.T. ACIT AFAIM

Vice-Chancellor and President

David Antony Robinson BA PhD Wales FRSA(U.K.) FAIM

Deputy Vice-Chancellor

Peter LePoer Darvall BCE(Hons) Melb. MS Ohio State MSE MA PhD
Prin. DipEd FIEAust FTS

Deputy Vice-Chancellor

John Edgar Maloney BSc PhD Syd. MSc N.S.W. FAIP FACPSM
FAICD

Deputy Vice-Chancellor

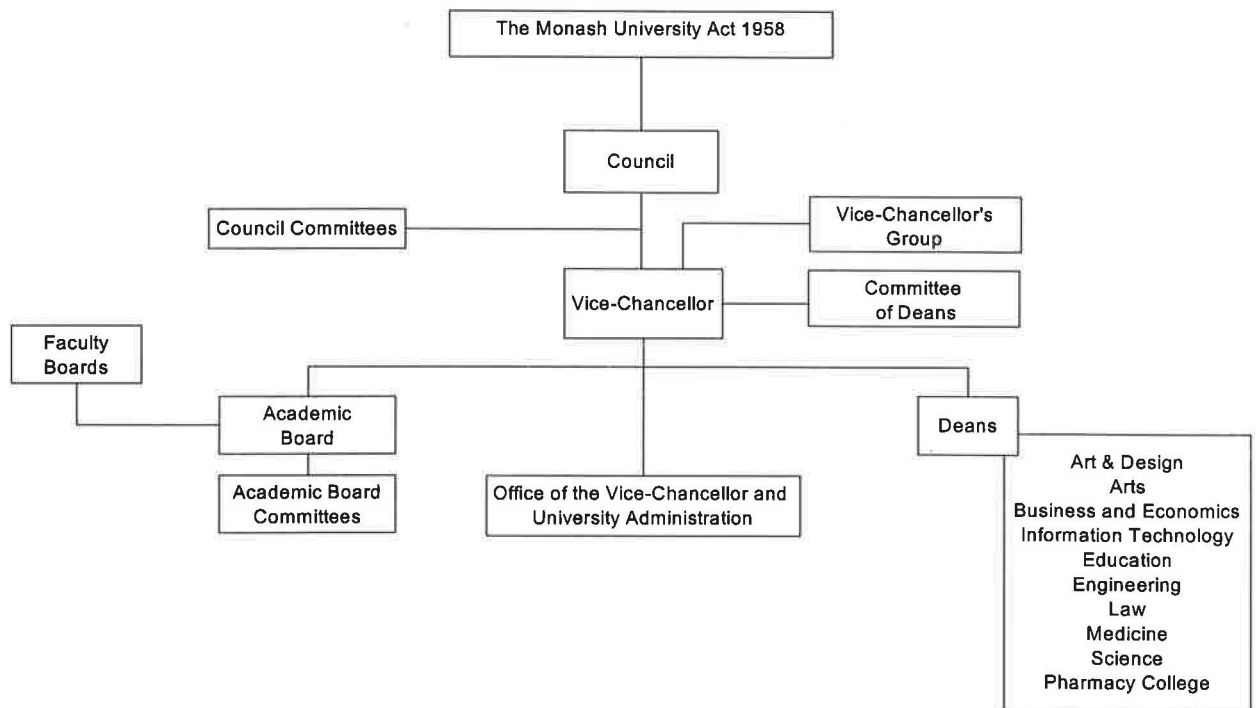
Alan William Lindsay BSc DipEd MEd(Hons) Syd. PhD Macq.

General Manager

Peter Brian Wade BCom(Hons) MA Melb. FCPA

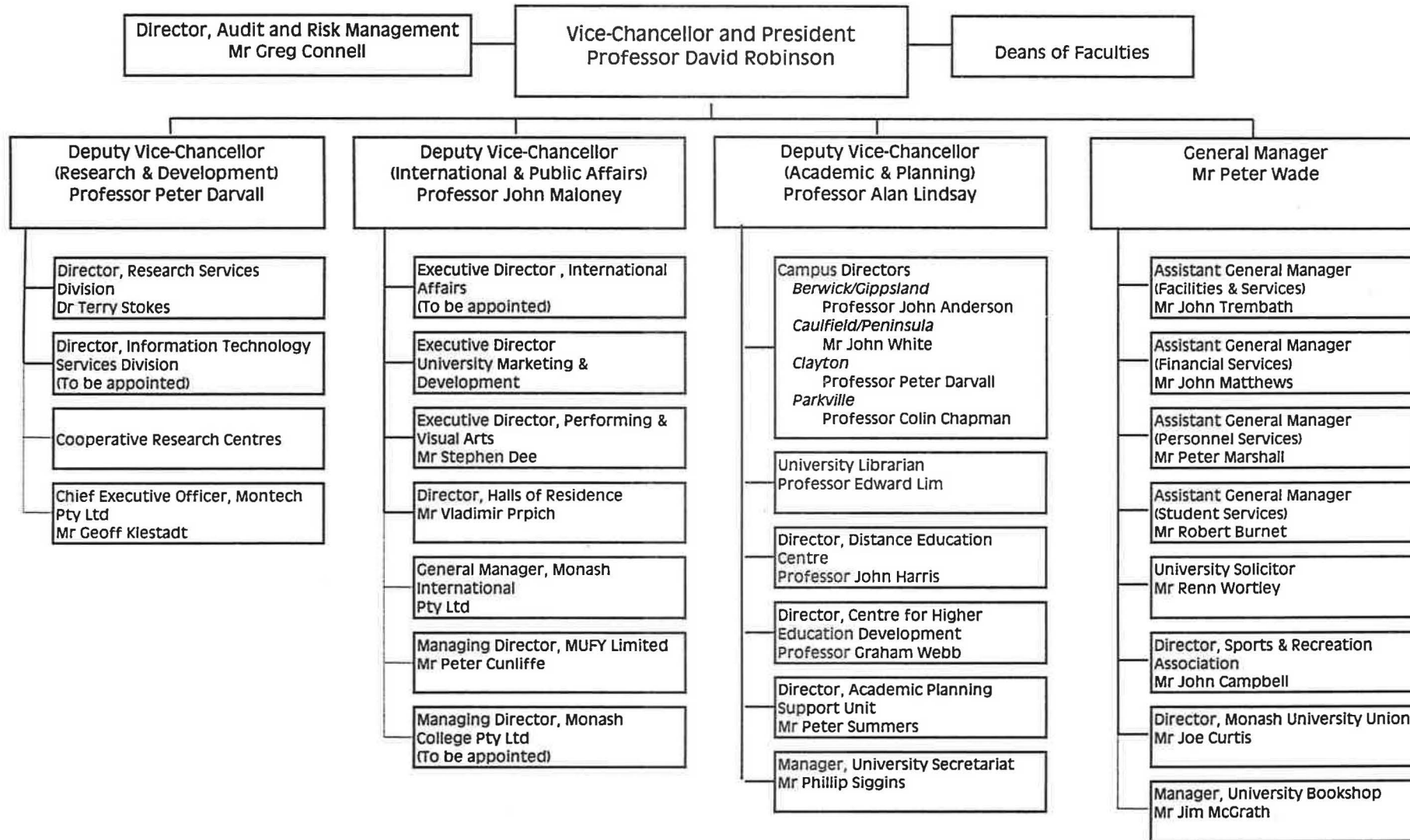
Organisational charts

Overall governance and management



Monash University Senior Management Structure

As at 31.12.97



Guideline 9.1.3 (I) (a)

Major financial and performance statistics

The financial statements comprise a separate section of the report. The table below sets out a summary of the financial results for 1997 with comparative results for the preceding four financial years.

Year	Surplus (Deficit) \$000	Revenue \$000	Expenses \$000	Assets \$000	Liabilities \$000	Equity \$000
1997	42,561	576,402	533,841	976,056	231,238	744,818
1996	27,273	576,493	549,220	925,227	227,952	697,275
1995	51,750	552,788	501,038	892,733	223,193	669,540
1994	25,770	509,835	484,065	953,566	220,163	733,403
1993	22,613	452,734	430,121	918,298	215,952	702,346

Guideline 9.1.3 (I)(c)

Operational Objectives and Initiatives

Monash is multi-campus university comprising of six individually focussed campuses networked together with state of the art video conferencing and tele-teaching facilities. Monash University operates on the belief that university education should be open to all appropriately qualified persons and is recognised as a leading provider of local and distance education throughout Australia and South East Asia.

Schools Drama Festival 1997

A joint initiative between the Performing Arts Precinct and the Centre for Drama and Theatre Studies

Continuing the aim of furthering Monash's involvement with schools and community, The Monash Schools Drama Festival was again a great success in 1997.

Sixteen schools participated in the 1997 Festival, drawn from areas such as Warragul, Essendon, Monash and Kew. Students in Years 9 and 10 presented self devised dramatic pieces in a week long festival

held in the Drama Theatre in the Performing Arts Centre, Clayton campus.

Students were required to take responsibility for all facets of the presentation, including scripting, directing, set building and lighting design. Students explored a variety of styles and topics in the presentations, and met the challenges of performing in the round with style and innovation. Three adjudicators considered each of the pieces under the criteria of creative conception, effectiveness of presentation and quality of performance. The winner from each round presented their production at the final on Saturday night. Bytecraft generously sponsored the first prize with theatrical lighting equipment, while second place received a cash prize. Each student and school involved in the festival received a certificate of participation.

As interest in the Festival is increasing, the extension of the Festival to other campuses is being investigated. In addition, negotiations are taking place with the Playbox Centre of Monash University for the 1998 finals to be presented at the Malthouse.

Performing arts precinct

The Performing Arts Precinct was active with over two hundred community and school groups making use of its facilities during the year. In addition, the university sponsored 145 performances of professional drama and music in its Alexander Theatre and Robert Blackwood Hall. These included concerts from the Melbourne Symphony Orchestra and plays from major Victorian and interstate theatre companies. In deference to community-driven arts centre programs, the Monash Theatre Season at the Peninsula campus was withdrawn. University policy has been to make its performance spaces available for use by the public and to provide quality professional performing arts programs for its constituent community. More than 250,000 people attended performing arts activities at Monash, of which 50,000 were for university generated programs.

Berwick campus

In 1997, student numbers at the Berwick Campus continued to grow, with approximately 750 students (or 460 effective full-time student units (EFTSU)) enrolled in a range of double degree and double award (university and TAFE) programs.

In addition to the double award courses introduced in 1995 (Communication/Information Technology, Communication/Marketing and Communication/Professional Writing and Editing) and the double programs which commenced in 1996 (Business/Communication, Business/Tourism, Communication/Tourism, Tourism/Hospitality Management and Tourism/Marketing) the following new double award programs were introduced at Berwick in 1997:

- Bachelor of Business/Associate Diploma of Business (Marketing)

- Bachelor of Business/Diploma in Hospitality (Management)
- Bachelor of Business/Diploma of Information Technology (Technical & User Support)
- Bachelor of Science/Diploma in Environmental Management

A new three year single degree program, Bachelor of Multimedia, will be offered by the Faculty of Information Technology for the first time at Berwick Campus in 1998, with an initial intake of 45 EFTSU. A double program involving the Bachelor of Electronic Commerce is planned for introduction at Berwick in 1999.

During 1997, much planning has taken place for the expansion of facilities and student numbers at Berwick Campus over the coming years. Seven million dollars has been made available by the university for the construction of a Stage 2 building on the campus, with work due to commence in February 1998 and the building due for completion in February 1999. Stage 2 will include a major extension to the existing library, two new lecture theatres, a large student lounge, an image capture laboratory, science laboratory and a number of new computer laboratories, tutorial rooms and staff offices. Student numbers at Berwick have been projected to increase from the current 460 EFTSU (1997) to 1263 EFTSU in 2002.

Distance Education Centre

The role of the Distance Education Centre is to contribute to the further development of Monash University as a major national and international provider of distance education, open learning and flexible learning programs and as a major research and development centre in these fields.

During 1997 the Distance Education Centre's role was fulfilled through its support for an increased range of Monash award courses offered in distance education mode. These totalled eighty-five courses in 1997, including both undergraduate and postgraduate, offered by seven faculties.

Monash also continued as the major provider university in the Open Learning Initiative, offering over 90 units of study and two complete degree programs in this mode. The number of students enrolled in offshore distance education and open learning courses also increased to nearly 2000.

In accordance with its objective of consistently providing high quality services for the development and delivery of distance education and open learning courses, the Distance Education Centre undertook preparation for certification under the ISO9001 standard on Quality Management Systems. This certification is expected to be achieved early in 1998.

Enterprise Bargaining

For much of the year the university has been engaged in negotiating its second round of enterprise bargaining. Negotiations have been

carried out with the NTEU for the academic and general staff and a number of trades and services unions for trades staff. In November the university finalised the enterprise agreement for trades and services staff, and this agreement has now been certified.

The agreement provides a significant salary increase for trades and services staff as well as additional benefits such as salary packaging. The agreement also provides for a series of workplace productivity improvements, particularly related to increased flexibility of staff. The enterprise agreement for academic and general staff with the NTEU has not yet been finalised and negotiations will continue on this agreement in 1998. At the time of writing a number of clauses have already been agreed on.

Guideline 9.1.3 (II)(c), (II)(d) and (II)(e)

Operational reports—faculties

Faculty of Arts

The Faculty of Arts is one of the most internationally recognised and innovative Australian centres of research in the humanities and social sciences, ranking second only to the Faculty of Medicine at Monash University in scholarly publications and has the largest higher degree enrolments in the university. The faculty achieved its postgraduate and higher degree load targets and agreed to marginally increase these for 1998. To strengthen its research activity, particularly at the Caulfield campus, a new School of Humanities and Public Policy was established. The faculty was also successful in obtaining three Large ARC grants.

1997 saw the faculty strengthen its commitment to the university's objective of internationalisation. A standing committee of faculty board, the International Committee was established and an Associate Dean (International) was appointed to work with departments within the faculty and Monash International to develop strategies for increasing opportunities for expanding international relationships and student enrolments. A minor in International Studies was approved within the Bachelor of Arts program and towards the end of 1997 the faculty had discussions with other faculties within the university with a view to developing an intercultural studies program for offering in 1998.

The faculty continued its move into flexible and mixed mode delivery of its programs establishing a standing committee of faculty board, the Flexible Learning Committee to monitor developments within the faculty in relation to flexible delivery, to approve process for the approval of subjects and courses for flexible delivery and to develop a faculty strategic plan in this area in the early part of 1998. The

faculty also approved the introduction of a Bachelor of Arts degree through Open Learning Australia.

In the student service area, the faculty moved with the university in introducing pre-enrolment for both undergraduate and postgraduate students and developed material for the faculty's home page to enable students to access information via the Web. With devolution to the faculties of distance education enrolment, the faculty had to move quickly to put procedures into place for distance education programs.

Faculty of Business and Economics

Alongside the implementation of the faculty restructure which had been approved by Council in December 1996, the faculty's operational objectives for 1997 included global cooperation with the Vice-Chancellor's planning developments, and some ongoing objectives concerning course reviews, research and development, equal opportunity and affirmative action, and other process improvements. Recognising the changing funding bases of universities and faculties, the faculty's budgetary objectives included becoming a lower cost provider, and setting in place a cushion of reserves against which future faculty developments could be planned.

The implementation of the new faculty structure (an across-campus discipline-based structure of schools, departments and centres) involved appointments of new heads of units, internal staff movements, the reallocation of course and subject management, subject recoding, faculty board and committee restructuring and unit budget restructuring. At the same time, a centralised model of student service organisation was implemented on each campus, leaving only two additional areas of such administration at the Caulfield campus yet to be reviewed. The faculty moved to develop a public relations profile once the new structure was in place.

The faculty actively participated in the preparation of the five-year plan for the university, particularly responding to the Vice-Chancellor's vision for growth in student numbers, on and off-shore. The faculty subsequently developed its own Plan for the years 1998 to 2000, based on the parameters set in *Leading the Way*, and the Dean has actively participated in the development of off-shore markets and prospective campuses. The faculty cooperated extensively with Monash International in streamlining its admission processes for international students and began to restructure its own international office arrangements to support its increasing activity in this area. The Dean acted as the Associate Dean (International) throughout the year, underlining the significance of this function in the faculty.

In preparation for the implementation of the Plans, and in line with its own review objectives, the faculty undertook the first stage of its undergraduate course review and began to review graduate courses. The first phase of the comprehensive review of the undergraduate

so as to comply with the current Building and Occupational Health, Safety and Environment codes.

As from 1 August 1997 all building work costing more than \$5,000 require a building permit as directed by the 1997 Amendment to the 1993 Building Act.

- iii All buildings are continually inspected by in-house staff on all campuses. Their reports on the conditions of the buildings form the basis of a list of maintenance works. The works are listed in order of priority and attended to as funding becomes available.
- iv (a) The majority of the university buildings conform with current Building Standards. The remainder conform to varying degrees.
- iv (b) Six buildings are currently being upgraded to conform with current standards, and the remainder scheduled for review and will be upgraded as funding becomes available.
- iv (c) There are no buildings on the university campuses that do not conform to building standards to the degree that they would be subject to an order or notice to cease to occupy.
- v The university requires all building practitioners engaged on projects on all campuses to show evidence of registration and that they maintain the registered status for the course of their contract.
- vi There were no cases where registered building practitioners became deregistered while engaged by the university in 1997.

Guideline 9.1.3 (ix) (f)

Major research and development activities

During 1997 Monash researchers submitted 1,621 applications to 234 separate granting bodies and schemes. Of these applications for support 569 were successful, which is a considerably higher success rate than in 1996, with funds totalling \$35,566,720 over the initial and subsequent years of the grant being awarded. Total research higher degree enrolment at Monash was 2,686 in 1997, of whom 1,756 were doctoral candidates. Approximately 1,120 postgraduate research students received stipend awards in 1997. In relation to new awards, the university continued its commitment to using its own resources to support postgraduate research training by providing 105 Monash Graduate Scholarships, compared with 129 Government-funded Australian Postgraduate Awards (with stipend).

Research Grants Outcomes

The major sources of research income continued to be the programs of the Australian Research Council (ARC) and the National Health and Medical Research Council (NHMRC). In summary,

- 43 new National Health and Medical Research Council project grants were awarded to Monash in the 1997 selection round for funding in 1998, from 123 applications. Nationally Monash ranked second behind the University of Melbourne in the number of new NHMRC project grants awarded. There were no equipment grants made by the NHMRC in 1997. The Monash share of the total amount awarded by NH&MRC for new and continuing project grants remained steady at 9.5%.
- 43 new ARC Large Grants were awarded to Monash in the 1997 round worth a total of \$6,984,500 (\$2,285,500 in 1998), from 214 applications. The university continues to rank fifth in ARC Large Grant funding.
- another Monash researcher was granted a prestigious ARC Special Investigator Award
- the university had its most successful year in the ARC Fellowships scheme, gaining nine of those awards, placing Monash fourth in the number awarded
- under the expanded Strategic Partnerships with Industry – Research and Training program Monash maintained its relative position in success in obtaining funding for collaborative projects with industry and for Australian Postgraduate Awards (Industry).

Australian Research Council (ARC)

Large Grants

Monash University was awarded 43 new ARC Large Grants out of 214 applications. The success rate of Monash applications was 20.6% compared with the national average of 19.9%. However this represents a decrease on the success rate in 1996 (22.4%) and there was no increase in the number of Large Grant applications.

Small Grants

Monash was allocated \$1,994,000 by the ARC for distribution under the Small Grants Scheme in 1997, for projects to commence in 1998. This sum represents an increase of 5.9% on the amount allocated in 1996. This sum reflects in part the university's success in obtaining ARC Large Grants in the preceding two years. Monash ranked fifth nationally in terms of the size of its Small Grants allocation for 1998. The allocation enabled support to be provided for 149 research projects.

Fellowships

Monash was awarded 9 ARC Fellowships (5 Postdoctoral, 2 Queen Elizabeth II, 2 Senior) out of 49 applications (29 Postdoctoral, 11 Australian/QEII, 9 Senior). This represents a considerable increase in both the number and the rate of success of applications and led to Monash being ranked fourth in the number of new fellowships awarded. The two Senior Research Fellowships are renewals for two existing Senior Research Fellows (Professor Colin Raston and Professor Ralph MacNally).

Special Investigator Awards

Professor Colin Raston (Faculty of Science) was awarded a Special Investigator Award which is valued at \$200,000 each year for the five year period of his Fellowship (1998-2002). These Awards are at the initiative of the ARC Panels and enable a limited number of highly-rated researchers to undertake an expanded program of research activities.

Infrastructure Block Grants

Monash University was allocated \$6,242,624 in 1997 for Research Infrastructure Block Grant, compared with \$5,126,701 in 1996, reflecting the increased level of Commonwealth funding available in 1997 for this funding scheme. Of this sum the university library was allocated \$936,394 (15%) to be distributed amongst the library's branches, a sum of \$20,000 was reserved to supplement equipment funding supported through the Collier Trust, and the Committee of Associate Deans (Research) reserved \$300,000 of the funds to support a competitive targeted infrastructure needs program for faculties. The remaining \$4,986,230 was distributed to faculties based on the proportion of National Competitive Grant funds obtained.

Research Infrastructure Equipment and Facilities Program

As a result of the 1997 selection for projects to be supported in 1998, Monash University was awarded \$1,365,000 for four projects in which it is the lead institution (compared with 8 projects and \$1,026,000 in 1996). There are a further eight funded projects, in which Monash is also participating. Monash ranked equal fifth nationally on the number of RIEF grants and equal fourth in terms of value of grants as lead institution.

Strategic Partnerships with Industry – Research and Training (SPIRT)

In 1997 the ARC merged the former Collaborative Grants and Australian Postgraduate Awards (Industry) (APAI) schemes into a single more flexible scheme under which researchers with industry partner involvement could seek funding for one or more of a project grant, an APAI or a postdoctoral fellow. Monash submitted 36 SPIRT applications, and was awarded funding for twenty. Within these 20 successful SPIRT grants were 12 project grants (compared with 11

Collaborative Grants awarded in 1996), 14 APAI (10 in 1996) and 3 Postdoctoral (Industry) Fellowships (a new component in 1997).

Monash ranked sixth in the number of new project grants and in the number of APAIs awarded, the same ranking as in 1996). It also ranked sixth in the number of Postdoctoral (Industry) Fellowships awarded.

National Health and Medical Research Council (NH&MRC)

Project and Equipment Grants

Monash was awarded 43 new project grants from 123 applications; there were no equipment grants awarded in 1997. Two of these are HIV/AIDS research projects, and three are projects associated with research fellowships. Monash ranked second in the number of new project grants awarded, up from third place in 1996.

Monash attracted \$3.4m for new projects, and \$6m for continuing projects, and thus its share of the total amount awarded by NH&MRC for new and continuing projects remained steady at 9.5%.

Fellowships and Awards

Monash was awarded one R Douglas Wright Award (out of 4 applications), one C J Martin Fellowship (from 2 applications submitted), one Howard Florey Centenary Research Fellowship (from 3 submitted) and one Peter Doherty Fellowship (from 3 submitted). In addition the single applications for a Neil Hamilton Fairley Fellowship, an Australian Applied Health Fellowship and a Public Health Postdoctoral Fellowship were all successful.

Monash Research Fund

In 1997, the university provided from its own resources \$2.2 million through the Monash Research Fund. Some \$1 million was provided in direct support of research projects of interest to the university, and to position its researchers to obtain funds from external sources. Funds were also applied to promote collaborative use of major equipment and facilities, to assist academics to travel to present the results at international conferences, and to support postgraduate research students to travel and publish their research results.

Research Publications

In 1997 Monash University collected data on 6255 research publications which were produced by Monash staff and students in 1996. These publications were collected under 33 defined categories and included output measures as diverse as books, edited volumes of conferences, creative works, expert commentary and theses accepted for higher degrees. Monash reported 2196 research publications under 4 publication categories and across twelve broad fields of research to the Federal Department of Employment Education,

Training and Youth Affairs as part of the collection in 1997 of 1996 financial and publications research data collection.

Logan Research Fellowships

In 1996 Monash University established the Logan Research Fellowships to build on its research reputation, and to mark the retirement in December of the Vice-Chancellor, Professor Mal Logan. The purpose of the Fellowships was to expand Monash's research efforts and ensure that the university continued to lead the way in research development and scholarship. The university has committed more than \$2 million to the fellowships, to attract up to 30 world-class postdoctoral researchers to Monash over a six year period.

Following the award of five inaugural Fellowships in 1996, a further five Logan Research Fellowships were awarded in 1997. The awardees, and their departments, were:

Dr Andrew Perkins – Department of Physiology

Dr Bruno David – Department of Geography & Environmental Science

Dr Peter Miller – Department of Mathematics

Dr Jian-Feng Nie – Department of Materials Engineering

Dr Maria Garcia de la Banda – Department of Computer Science

Postgraduate Research Scholarships & Awards

A total of 846 applications were received for the 1996-7 selection round for Monash Graduate Scholarships (MGS), Australian Postgraduate Awards (APA), Silver Jubilee, James McNeill and Overseas Postgraduate Research Scholarships (OPRS). This represented a 7% increase over the previous round. Once again approximately 30% of applicants applied from outside Victoria and 22% of all applications were submitted from overseas addresses. Of the *Australian* applicants 12.8% were from interstate.

Some 234 centrally allocated research stipend awards were available for offer (105 MGS and 129 APA), 32 of the MGS being offered in June 1997. The PhD & Scholarships Committee prefers to retain a portion of awards for mid year offer on the grounds that fresh applicants of excellent calibre are then seeking scholarship support. Only three other universities received a larger APA allocation than Monash. Of all the stipend scholarship offers made, 54% were made to applicants who held non-Monash qualifications.

The university received a quota of 19 OPRS awards for 1997, fifth place in the national allocation.

Objective assessment and ranking of applicants is achieved through the university's now well established H1 Equivalence procedures for non-standard applications. Of the 225 applicants reviewed, only 43% were accorded H1 equivalence by the panels, compared with 50% in 1996.

Ten academic staff received Australian Postgraduate Awards (Industry) for 1997, two more than in 1996. However, Monash's national rank fell from equal 5th to seventh place during the same period.

Expenditure in 1997 on the MGS, APA and OPRS schemes was in the order of \$11.8m, an increase of approximately \$3m over 1996. The stipend gap between the university's institutional MGS and the government's APA has continued to contract with a view to the stipends being at the same level by 1998. It is anticipated that this target may be achieved without a serious decrease in the number of awards Monash is able to offer.

Non-APA/MGS postgraduate research stipend funding was maintained at \$4.8m. Approximately 300 of these awards are supported by departmental funding, especially in the faculties of Science, Medicine, Computing and Engineering.

In summary, nearly 1,120 postgraduate research students are in receipt of a stipend scholarship, funded either through the government, other external sources such as NH&MRC, university or departmental sources.

Additionally, the university continued to support individual academic departments through an annual grant program of \$130,000 which is allocated on the relative size of each academic unit's research EFTSU.

Towards the end of 1997, the Conference and Overseas Travel grant schemes were consolidated into a single higher profile Postgraduate Travel Grants program which will see its budget almost doubled in 1998 to \$175,000. Of the 247 postgraduate researchers who applied in 1997, 169 or 68% were successful, compared with 176 or 71% in 1996.

The Postgraduate Publications Award scheme which assists approximately 25 examinees annually to write up papers based on their research, continued in 1997 with a budget of \$100,000. A total of 26 papers have been prepared by the 12 awardees offered grants in the first two selection rounds in 1997.

Both the travel/conference and publication schemes, which are funded through the Monash Research Fund, are an efficient and cost effective way of raising the profile of Monash's postgraduate research efforts both nationally and internationally.

In 1997 Monash University was allocated 1742 EFTSU of HECS exemptions (APAs without stipend). This allocation represents an increase of nearly 11% over the 1996 allocation of 1581 and follows an 11% increase in the previous year. Generally all doctoral students, full-time research masters and part-time re-enrolling research masters students are able to be accommodated within this allocation.

In all, total postgraduate research scholarship and award expenditure in 1997 was \$20.6m, \$1m more than in 1996. A further \$1m was spent on undergraduate stipend scholarships and through the Vice-Chancellor's Undergraduate Research Scholarship program.

Candidature & examinations

Total research higher degree enrolment at Monash was 2,686 in 1997, of whom 1,756 were doctoral candidates. During 1997, 382 new doctoral candidates commenced their candidature. A second professional doctorate, the D Psych was established in 1997 with an initial intake of 16 to commence their course of study in 1998. Coursework components within the PhD program have been approved for Economics, Law and the Centre for Comparative Literature and Cultural Studies. Guidelines for external doctoral candidature were endorsed by Academic Board in 1997 and the first students have now been admitted by this mode. Development of greater flexibility in the structure of the university's doctoral programs has thus been a feature of the PhD & Scholarships Committee's deliberations in 1997.

The committee ratified over 2,200 individual student matters during the course of 1997. Of these nearly 600 related to examinations, 400 to doctoral admission and the remaining 1,200 to scholarship and candidature variations.

Approximately 274 candidates submitted their thesis in 1997, a 25 % increase on 1996 submissions and a 60 % increase since 1994. While between mid 1993 and mid 1995 only 33% of all thesis submissions were from female candidates, in 1997 the figure was 40%. The overall average length of candidature remains at a rather high 51 months, while for part-time candidates the figure is 35.3 full-time equivalent months. Four out of five examinees continue to fulfil the requirements of the degree without further examination.

Postgraduate Centre

Approximately 660 postgraduate and honours students were registered to use the Postgraduate Centre's computers and other facilities on a 24 hour access basis.

The Arts Graduate School ran a fortnightly seminar series during semester while the 19 exPERT workshops, a program of general employment and research training, was well received by participants from all disciplines. Topics ranged through research supervision, thesis and report writing, oral presentation, editing skills, ethics, and job search strategies, through to software applications for research students, team building for conference planners and preparing successful grant and scholarship applications. The *UK Experience* symposium was combined with the annual Postgraduate Centre luncheon.

Freedom of information

In 1997 the university received seven requests under the Freedom of Information Act 1982. Of these:

- four were granted access in full;
- one proceeded to the Administrative Appeals Tribunal after the university denied access; AAT upheld the university's decision;
- one request has proceeded to the Administrative Appeals Tribunal for resolution in 1998.

One other request for access to documents were handled outside the bounds of the Freedom of Information Act 1982.

The university is largely funded by Government, and maintains a high level of administrative contact with a number of Commonwealth and State Government agencies that have considerable influence on policy for which the university may be adjudged accountable. These include the Commonwealth Department of Employment, Education, Training & Youth Affairs, the Australian Research Council and the National Health and Medical Research Council.

Most vital records relating to institutional policy and administration are maintained by departments within central administration. The principal records series (listed below) are rich sources of information about all aspects of university affairs. University Council and Academic Board agendas and minutes, which are the most accessible records series reflecting policy and procedures, have long been available in near complete form in the Sir Louis Matheson Library and may be consulted without notice during normal library hours (generally 9.00 am to 6.00 pm Monday to Friday during term). The principal records series available are as follows:

- University Council minutes 1958 -
- Academic Board minutes 1960 -
- Student files 1961 -
- Student record cards 1961-1990
- Committee of Deans minutes 1962 -
- Administrative correspondence 1962 -
- Staff files 1962 -
- Monash accounting and reporting system (MARS) 1978 -
- Integrated staff information system (ISIS) 1981 -
- Monash University student information system (MUSIS) 1982 -

▪ Accounts receivable input and enquiry system (ARIES) 1983 –

The university has provided statements as required under Part II of the Freedom of Information Act 1982. These statements may be inspected at the libraries of each campus and at Records Administration, Room G31, Administration Building 3a, Monash University, Clayton campus. The university archives section (located in Building 3d) also has a reading room available for inspection of archived records. The university administration office hours are normally from 9 am to 1 pm and 2 pm to 5 pm Monday to Friday.

Monash produces a wide range of publications covering all aspects of the university's teaching and learning and research activities. The Monash University faculty handbooks, published in twelve volumes, provide a thorough guide to the university's academic programs with details on degree requirements, courses and subjects.

The handbooks are supported by a range of publications which provide information on specific aspects of the university's key functions. These include the annual Monash University Undergraduate Courses 1997, Monash University Postgraduate Courses 1997, a guide to the university for international students, and various publications on research and research outcomes. The university also produced 800 brochures, booklets and presentation kits describing the activities and expertise of faculties, departments and research centres.

The university's Public Affairs Unit produces a range of regular publications which are distributed throughout the university, to the media, secondary schools, the business sector and to opinion leaders throughout the community. These include *Montage*, a monthly journal of university life and research; *Etcetera*, a weekly news sheet chronicling each week's events across all campuses; *Mosaic*, the university's magazine for alumni; *Business Victoria*, a business journal of business and opinion from Monash academics; *Monash Update*, a quarterly magazine produced for senior secondary school careers teachers reporting on important university issues; *VoiCE*, a quarterly magazine for VCE students; and *Eureka*, a publication highlighting the university's major research achievements.

A wide range of the university's publications including the faculty handbooks are available on-line on the World Wide Web through the Monash Homepage (reached via the URL code <http://www.monash.edu.au/>).

General guides to the university's activities and services are also available in print and video formats. The university maintains various mailing and subscription lists for publications. Requests for inclusion on these lists should be directed to the Office of Marketing and Communication

Preliminary enquiries with regard to freedom of information access may be made by telephone to the FOI manager. All requests for access to university records under the Freedom of Information Act

1982 must be made in writing, addressed to the FOI manager and accompanied by the \$20 application fee prescribed by the Act.

Requests for access should contain sufficient detail to enable specific documents required to be identified. Applicants will be notified in writing of the decision on a request as soon as possible but at least within forty-five days of the application being received. If access is granted the applicant will be advised at this time of the arrangements for gaining access to the requested documents.

Charges for access will be in accordance with the Freedom of Information (Access Charges) Regulations 1983. The charges will cover time spent searching for documents and the cost of providing access.

The Freedom of Information manager is

Mr Phillip Siggins
Manager, University Secretariat
Monash University
Wellington Road
Clayton Vic. 3168
Telephone 9905 2010

Guideline 9.1.3 (ii) (k)

National Competition Policy

On 11 April 1995, the Commonwealth and all States and Territories signed an historic agreement to implement a National Competition Policy.

Based on the recommendations of an independent review chaired by Professor Fred Hilmer, National Competition Policy represents a commitment by all Australian governments to a consistent national approach to fostering greater competition in the Australian economy in the interests of higher economic growth and enhanced community wellbeing.

The six Hilmer recommendations related to:- (i) anti-competitive conduct, (ii) statutory restrictions on competition, (iii) structural monopolies, (iv) monopoly pricing, (v) government business advantages and (vi) natural monopolies. Of these, the applicable areas for Monash are anti-competitive conduct, statutory restrictions on competition, government business advantages and natural monopolies.

All the university's legislation has been reviewed to ensure it does not restrict competition and all staff have been made aware of both their individual obligations and those of being an employee of the university. A Trade Practices Compliance Manual has been prepared and distributed widely to all staff in written and electronic form – it is

available on the Internet at:

<http://www.monash.edu.au/admin/tpacompl.htm>.

Individual and group meetings and training sessions have been conducted and further awareness sessions will be conducted throughout 1998

The principle of competitive neutrality aims to ensure that government businesses do not enjoy any net competitive advantage simply by virtue of their public sector ownership. Competitive neutrality is one of a range of policy tools designed to help governments achieve a more efficient allocation of society's resources. The Victorian government issued a competitive neutrality statement 'the Guide' in June 1996, setting out two implementation models. The Guide states that significant business activities of post secondary education institutions should apply model 2. Model 2 involves an examination of the most appropriate ongoing structural arrangements for the delivery of a business activity and the adoption of pricing principles which take account of the reflect full cost attribution for the net competitive advantages conferred on the activity by the public sector ownership.

The university's pricing principles have been formulated and will continue to be refined during 1998. Monash has seriously embraced the need for a national approach to competition and we are pleased to report that during 1997 the university was not the subject of any National Competition Policy related actions.

Alumni Relations

1997 marked a re-structuring of the alumni operation, which linked the Monash alumni office and the Monash Alumni Association, to streamline operations and create a seamless provision of services to alumni. Two senior officers were appointed to drive the strengthening of alumni links internationally and domestically.

One of the major objectives of alumni relations is to develop relations with alumni such that they remain as part of the Monash community and increase their closeness and involvement with the university. Part of this relationship requires services and programs being offered to alumni that match their needs. With this in mind, focus groups were set up during 1997 to identify those needs and to understand the alumni's relationship with Monash. Major initiatives flowing from those focus groups was the creation of a strategic plan and a census which will be sent to all alumni in 1998; confirming information, discovering perceptions and identifying specific needs.

On the international front, senior university executives were present at alumni functions in Hong Kong, Jakarta, Kuala Lumpur, London, Taipei, Tokyo and Singapore. These included major events held under the auspices of local Monash alumni associations, timed to

coincide with the off-shore graduation ceremonies which took place in Hong Kong, Kuala Lumpur and Singapore. In addition, the Chancellor hosted small "round table" dinners at these centres.

The global connections of Monash alumni were reinforced through regular meetings of the Melbourne-based *Global Business Connections* group, at which visiting international alumni addressed the group. Preparatory planning of *Monash Alumni International Forum* and *Monash Alumni International Visitor Program* was undertaken in consultation with Business Victoria, Department of State Development. These two programs will be launched in 1998, funded on a 50:50 basis with Business Victoria. In addition, positive steps were taken in 1997 to link Melbourne-based alumni with international and VIP visitors to Monash.

Of major significance in 1997, was the investigative work undertaken to select a state-of-the-art database; this was followed by a period of intense negotiation with the preferred supplier. Procurement and delivery was finalised during the year under review, with a program of phased implementation in place for implementation in 1998. This new database offers greater flexibility, storage and extraction capacity than hitherto available, which will result in finely-tuned targeting of communications of benefit, both to the alumni and to Monash.

Guideline 9.1.3 (ii) (i)

Other relevant information

Further information on the following topics is available. Initial inquiries should be directed to:

Manager, University Secretariat
Monash University
Wellington Road
Clayton, Vic. 3168
Telephone 9905 9002

- Guideline 9.1.3 (iv) (a) - Pecuniary Interest Statement.
- Guideline 9.1.3 (iv) (b) - Shares held by senior officers as nominee.
- Guideline 9.1.3 (iv) (c) - Publications produced by the university.
- Guideline 9.1.3 (iv) (d) - Details of prices, fees, charges, rates and levies.
- Guideline 9.1.3 (iv) (e) - External reviews of the university.
- Guideline 9.1.3 (iv) (f) - Research details - additional faculty specific information is available.
- Guideline 9.1.3 (iv) (g) - Overseas visits undertaken.
- Guideline 9.1.3 (iv) (h) - Marketing and public relations matters.

- Guideline 9.1.3 (iv) (i) – Occupational health and safety matters.
- Guideline 9.1.3 (iv) (j) – Details of time lost through industrial accidents is available on request.
- Guideline 9.1.3 (iv) (k) – There are no major external committees sponsored by the university.

Guideline 9.1.3 (ii) (j)

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**VICTORIAN
AUDITOR-
GENERAL'S
OFFICE**

*Auditing in the
Public Interest*

AUDITOR-GENERAL'S REPORT

Audit Scope

The accompanying financial statements of Monash University for the year ended 31 December 1997, comprising balance sheet, operating statement, consolidated statement of changes in equity, statement of cash flows and notes to the financial statements have been audited. The financial statements include the consolidated accounts of the economic entity, comprising Monash University and its controlled entities as disclosed in note 2 to the financial statements. The members of the University's Council are responsible for the preparation and presentation of the financial statements and the information they contain. An independent audit of the financial statements has been carried out in order to express an opinion on them as required by the *Audit Act 1994*.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and comply with the requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the financial position and the results of operations and cash flows of Monash University and the economic entity.

The audit opinion expressed on the financial statements has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements present fairly the financial position of the Monash University and the economic entity as at 31 December 1997 and the results of their operations and their cash flows for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and comply with the requirements of the *Financial Management Act 1994*.

MELBOURNE
13/3/1998


C.A. BARAGWANATH
Auditor-General

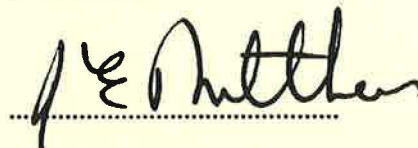
MONASH UNIVERSITY
ACCOUNTS FOR THE YEAR 1997

Statement by Principal Accounting Officer

In my opinion:

- (a) the financial statements of Monash University present fairly the financial transactions of the University during the financial year ended 31 December 1997 and the financial position of its operations for the year ended on that date, and
- (b) the financial statements of the body have been prepared in accordance with The Financial Management Act 1994.

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



J E MATTHEWS
Principal Accounting Officer

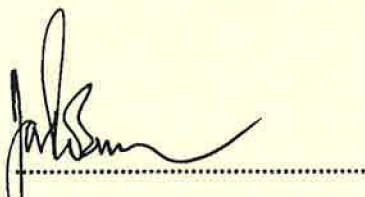
9 March 1998

Statement by the Vice-Chancellor and the General Manager

In our opinion:


- (a) the financial statements of Monash University present fairly the financial transactions of the University during the financial year ended 31 December 1997, and the financial position of its operations for the year ended on that date, and
- (b) the financial statements of the body have been prepared in accordance with The Financial Management Act 1994.

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



PROFESSOR D. A. ROBINSON
Vice-Chancellor

9 March 1998



P. B. WADE
General Manager

9 March 1998

BALANCE SHEET AS AT 31 DECEMBER 1997

<u>1996</u>			<u>1997</u>	
<u>Monash University</u> \$000	<u>Consolidated</u> \$000	<u>Notes</u>	<u>Monash University</u> \$000	<u>Consolidated</u> \$000
Current Assets				
12,353	14,233		1,328	3,030
13,469	13,470		13,792	13,650
400	406		120	140
31,043	61,448		46,169	70,865
2,468	2,723		2,368	2,765
11,227	11,722		12,524	13,285
<u>70,960</u>	<u>104,002</u>		<u>76,301</u>	<u>103,735</u>
Total Current Assets				
Non-Current Assets				
970	594		550	236
72,023	218,737		91,988	248,473
588,482	601,297		608,402	620,879
-	569		2,240	2,733
-	28		-	-
<u>661,475</u>	<u>821,225</u>		<u>703,180</u>	<u>872,321</u>
<u>732,435</u>	<u>925,227</u>		<u>779,481</u>	<u>976,056</u>
Total Assets				
Current Liabilities				
115	115		-	44
5,691	9,554		5,807	6,948
2,076	2,387		8,048	8,237
-	715		-	716
20,099	22,314		21,720	24,612
4,345	5,918		3,218	6,335
25,260	25,260		23,703	23,703
800	800		-	-
-	1,688		-	451
52,178	53,209		28,189	29,148
<u>110,564</u>	<u>121,960</u>		<u>90,685</u>	<u>100,194</u>
Total Current Liabilities				
Non-Current Liabilities				
27,042	31,070		25,891	28,600
-	6,799		-	6,084
-	55,488		-	59,779
12,320	12,635		36,117	36,581
<u>39,362</u>	<u>105,992</u>		<u>62,008</u>	<u>131,044</u>
<u>149,926</u>	<u>227,952</u>		<u>152,693</u>	<u>231,238</u>
Total Liabilities				
Net Assets				
<u>582,509</u>	<u>697,275</u>		<u>626,788</u>	<u>744,818</u>
Equity				
108,029	147,425		83,102	122,271
403,085	403,748		403,085	403,706
71,395	146,102		140,601	218,841
<u>582,509</u>	<u>697,275</u>		<u>626,788</u>	<u>744,818</u>
Total Equity				

The accompanying Notes form part of these financial statements.

OPERATING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 1997

1996			1997	
Monash University	Consolidated	Notes	Monash University	Consolidated
\$000	\$000		\$000	\$000
Operating Revenue				
254,735	258,535	Commonwealth Government Grants	243,952	243,952
55,993	55,993	Higher Education Contribution Scheme	69,407	69,407
5,254	5,254	State Government Grants	2,443	2,443
39,936	39,936	Other Research Grants and Contracts	43,681	43,681
151	151	Scholarships and Prizes	216	216
7,962	7,982	Donations and Bequests	6,825	6,827
9,966	19,413	Investment Income	8,425	22,460
87,914	121,944	Fees and Charges	95,981	124,326
58,030	67,285	Other Revenue	54,588	63,090
519,941	576,493		525,518	576,402
Less:				
Operating Expenses				
317,425	329,067	Academic Activities	320,473	331,768
20,310	20,455	Libraries	19,067	19,256
24,542	26,297	Other Academic Support Services	18,336	20,751
25,840	27,758	Student Services	26,427	28,644
3,486	3,486	Public Services	3,749	3,749
21,787	22,150	Buildings and Grounds	23,352	23,660
82,653	120,007	Administration and Other General Services	80,203	106,013
496,043	549,220		491,607	533,841
23,898	27,273	Surplus for the year ended 31 December 1997 before abnormal items	33,911	42,561
Less:				
Abnormal expense items:				
-	-	Loss of Subsidiary	-	5,033
23,898	27,273	Surplus for the year ended 31 December 1997 after abnormal items	33,911	37,528
50,284	122,792	Retained Surplus at 1 January 1997	71,395	146,102
Add:				
-	-	Prior period adjustment - Depreciation	10,368	10,422
74,182	150,065	Funds Available for Appropriation	115,674	194,052
Transfers (to)/from Reserves:				
(2,438)	(3,690)	Transfer from Funds held in Perpetuity	9,608	9,385
(349)	(349)	Transfer from Funds held for Restricted Purposes	15,319	15,319
-	76	Transfer to General Reserve	-	42
		Distribution of Trust Losses	-	43
71,395	146,102	Retained Surplus at 31 December 1997	140,601	218,841

The accompanying Notes form part of these financial statements.

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 1997

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
CASHFLOWS FROM OPERATING ACTIVITIES				
Inflows				
		Higher Education Contribution Scheme:		
		- Higher Education Trust Fund	58,518	58,518
47,138	47,138	- Student payments	16,955	16,955
8,855	8,855	Receipts from student fees and other customers	230,811	266,135
216,188	260,322	Investment income received	63	6,466
921	6,411			
Outflows				
(535,692)	(583,337)	Payments to creditors and employees	(498,854)	(530,264)
-	(380)	Grant to Monash Alumni Association Inc	-	-
(1,912)	(2,371)	Interest paid	(2,727)	(3,044)
<u>(264,502)</u>	<u>(263,362)</u>	Net cash used in operating activities	<u>(195,234)</u>	<u>(185,234)</u>
		25(b)		
CASHFLOWS FROM INVESTING ACTIVITIES				
Inflows				
800	935	Other receipts	700	930
3,196	3,842	Proceeds from sale of property, plant and equipment	3,010	3,509
305,754	496,481	Proceeds from investment sale and redemption	289,960	467,192
Outflows				
(54,971)	(56,415)	Payments for property, plant and equipment	(42,094)	(44,187)
(287,063)	(481,168)	Payments for investments	(317,536)	(486,858)
(400)	(400)	Other payments	-	(479)
<u>(32,674)</u>	<u>(36,725)</u>	Net cash used in investing activities	<u>(65,959)</u>	<u>(59,893)</u>
CASHFLOWS FROM FINANCING ACTIVITIES				
Inflows				
-	2,113	Financing deposits received	-	-
17,251	10,531	Proceeds from borrowings	12,771	7,226
-	1,200	Proceeds from issue of shares	-	-
-	619	Other	-	219
Outflows				
(2,182)	(2,835)	Repayment of borrowings	(2,179)	(4,481)
-	-	Payments for redemption of units in Monash Merchandising Trust	-	(33)
<u>15,069</u>	<u>11,628</u>	Net cash provided/(used) in financing activities	<u>10,592</u>	<u>2,931</u>
CASHFLOWS FROM GOVERNMENT				
293,103	293,103	Commonwealth Government grants	237,899	237,899
5,304	5,304	State Government grants	2,495	2,495
<u>298,407</u>	<u>298,407</u>	Net cash from government	<u>240,394</u>	<u>240,394</u>
16,300	9,948	Net increase/(decrease) in cash held	(10,207)	(1,802)
(3,344)	9,061	Cash at 1 January 1997	12,956	19,009
<u>12,956</u>	<u>19,009</u>	Cash at 31 December 1997	<u>2,749</u>	<u>17,207</u>
		25(a)		

The accompanying Notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 1997**

Notes	Capital and Crown Equity \$000	Funds Held for Restricted Purposes \$000	Funds Held in Perpetuity \$000	General Reserve \$000	Asset Revaluation Reserve \$000	Retained Surplus \$000	1997 Total \$000	1996 Total \$000
Balance at 1 January 1997	83,812	15,319	48,294	51,832	351,916	146,102	697,275	669,540
Adjustment for Outside Equity Interests:								
Open Learning Agency of Australia Pty Ltd (deconsolidated 1/1/97)	(400)						(400)	
Monash Merchandising Unit Trust (wound up 15/5/97)	(50)						(50)	
Surplus for the period						37,528	37,528	27,273
Prior period adjustment - Depreciation						10,422	10,422	
Transfers to Retained Surplus from:								
Funds held in Perpetuity			(9,385)			9,385		62
Funds held for Restricted Purposes		(15,319)				15,319		-
General Reserve				(42)		42		
Monash Merchandising Unit Trust Distribution of Losses						43	43	
Additional Share Capital Issued by Open Learning Agency of Australia Pty Ltd								400
Balance at 31 December 1997	83,362	0	38,909	51,790	351,916	218,841	744,818	697,275

The accompanying Notes form part of these financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

The accounts have been prepared using an accrual basis of accounting in accordance with Accounting Standards, except where stated otherwise, and with the disclosure requirements of the Financial Management Act 1994.

(a) Non-Current Assets

i) Depreciation on equipment, buildings and library books is included in the operating statement as an expense item. Depreciation is computed on the straight line method over the estimated useful life of the assets. The University has adopted the new Accounting Standard AAS 4 which stipulates that the useful life must be the useful life to the entity as opposed to the economic life used in prior years calculations. Consequently, the useful lives of significant classes of equipment were reviewed in 1997. This has resulted in a \$10.4M prior period adjustment against retained surplus in the operating statement.

Depreciation on buildings completed during the year is calculated from the date of completion of the building.

Leasehold improvements are amortised over the useful lives of the improvements.

ii) Equipment

Equipment in the Balance Sheet consists of:

1996	
Monash University	Consolidated
\$000	\$000
119,092	134,405
-	1,463
(83,051)	(95,150)
<u>36,041</u>	<u>40,718</u>

Equipment:
At Cost
Under Finance Lease
Provision for Depreciation/Amortisation
Net Value at 31 December 1997

1997	
Monash University	Consolidated
\$000	\$000
132,688	142,374
-	645
(86,023)	(92,284)
<u>46,665</u>	<u>50,735</u>

iii) Library Books

The valuation basis adopted is that recommended by the Department of Treasury and Finance of Victoria, that is capitalising and then depreciating the cost of the collection. The valuation is based on the following:

- (i) Text books having a useful life of 5 years;
- (ii) Reference/Research collection items having a useful life of 50 years.

Library Books in the Balance Sheet consists of:

1996	
Monash University	Consolidated
\$000	\$000
88,996	89,134
(19,629)	(19,629)
<u>69,367</u>	<u>69,505</u>

Library Books at Cost
Provision for Depreciation
Net Value at 31 December 1997

1997	
Monash University	Consolidated
\$000	\$000
96,504	96,642
(21,084)	(21,084)
<u>75,420</u>	<u>75,558</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(a) Non-Current Assets (continued)

iv) Property

The total value of land and buildings was established by formal valuation by the Valuer-General of Victoria as at 31 December 1995. Subsequent additions are valued at cost.

Property in the Balance Sheet consists of:

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
55,834	58,034	Land at valuation by the Valuer-General of Victoria as at 31 December 1995	55,834	58,034
408,920	414,720	Buildings at valuation by the Valuer-General of Victoria as at 31 December 1995	408,920	414,720
257	257	Land, at cost	257	257
30,183	30,668	Buildings, at cost	45,843	46,767
(12,120)	(12,605)	Provision for Depreciation	(24,537)	(25,192)
<u>483,074</u>	<u>491,074</u>	Net Value at 31 December 1997	<u>486,317</u>	<u>494,586</u>
<u>588,482</u>	<u>601,297</u>	v) Total Property, Equipment and Library Books	<u>608,402</u>	<u>620,879</u>

vi) Leasehold Improvements

Leasehold Improvements in the Balance Sheet consists of:

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
-	826	Leasehold Improvements at Cost	2,379	3,286
-	(257)	Provision for Depreciation	(139)	(553)
<u>-</u>	<u>569</u>	Net Value at 31 December 1997	<u>2,240</u>	<u>2,733</u>

(b) Provision for Long Service Leave and Recreation Leave

Long service leave and annual leave employee entitlements have been calculated on an individual liability basis in accordance with Accounting Standard AAS 30. The standard requires measurement of long service leave at estimated present value. Salary on-costs have been included in the calculation of leave provisions.

In 1997, the current liability for long service leave has been determined on the basis of past payment patterns. The prior period was based on entitlement to take long service leave.

The total provision shown in the Balance Sheet is made up as follows:

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
i) Current				
28,740	28,855	Provision for Long Service Leave	5,114	5,175
23,438	24,354	Provision for Recreation Leave	23,075	23,973
<u>52,178</u>	<u>53,209</u>		<u>28,189</u>	<u>29,148</u>
ii) Non-Current				
12,320	12,635	Provision for Long Service Leave	36,117	36,581
<u>12,320</u>	<u>12,635</u>		<u>36,117</u>	<u>36,581</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(c) Capital

The movements in Capital and Reserves are recorded in the Consolidated Statement of Changes in Equity.

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
		i) Funds Held for Restricted Purposes:		
		Unexpended Private and Indirect Government Research Grants restricted to expenditure on research only.	-	-
<u>15,319</u>	<u>15,319</u>			
		ii) Funds Held in Perpetuity:		
		Specified Bequests and Donations	-	206
9,608	9,802	Monash University Foundation	-	38,703
-	38,492		-	<u>38,909</u>
<u>9,608</u>	<u>48,294</u>			
		iii) Contributed Capital :		
		Commonwealth Government and State Grant contributions to Capital Works and Land	83,102	83,102
83,102	83,102	Other	-	-
-	450		<u>83,102</u>	<u>83,102</u>
<u>83,102</u>	<u>83,552</u>			
		iv) Other		
		Premium arising on consolidation of controlled entity Sir John Monash Business Centre Pty Ltd	-	260
-	260		-	<u>260</u>
<u>108,029</u>	<u>147,425</u>	v) Total Capital	<u>83,102</u>	<u>122,271</u>
		(d) Reserves:		
		i) General Reserve	51,708	51,790
51,708	51,832	ii) Asset Revaluation Reserve	351,377	351,916
351,377	351,916	iii) Total Reserves	<u>403,085</u>	<u>403,706</u>
<u>403,085</u>	<u>403,748</u>			

(e) Interest In Cooperative Research Centres

The University has an interest in eleven Cooperative Research Centres. The University has provided equity to the Cooperative Research Centres through cash contributions and the provision of research resources ("in-kind" support). The value of the "in-kind" support has been established using Commonwealth Government guidelines. The value of the University's investment has been adjusted to reflect the University's interest in the estimated net tangible assets of the Cooperative Research Centres. Details of the valuation of the investment are shown at Note 6 (c).

(f) Financial Instrument Disclosures

Accounting policy and other disclosures under Accounting Standard AAS 33 related to financial assets and liabilities are shown in note 26 (b).

2. PRINCIPLES OF CONSOLIDATION

The accounts have been consolidated on the basis of the University's controlling and beneficial interest in the following associated entities:

Montech Pty Ltd, and controlled entity Montech Medical Developments Pty Ltd;
Monash I.V.F. Pty Ltd;
Monash Ultrasound Trust;
Monash I.V.F. Pathology Services Trust;
Monash University Foundation;
Open Learning Agency of Australia Pty Ltd (deconsolidated effective 1 January 1997);
Monash Merchandising Unit Trust (wound up 15 May 1997);
Monash Unicomm Pty Ltd (Formerly Monash Merchandising Co. Pty Ltd as trustee for
Monash Merchandising Unit Trust);
Monash International Pty Ltd, and controlled entity Monash Language Centre Pty Ltd;
Monash Mt Eliza Graduate School of Business and Government Limited;
Sir John Monash Business Centre Pty Ltd

Further Details:

(a) Montech Pty Ltd, and controlled entity Montech Medical Developments Pty Ltd

The principal activities of the company were the marketing and promotion of commercially viable projects predominantly developed at Monash University.

At 31 December 1997, the University owned 100% of the shares in the company.

The consolidated operating loss of the company for the year was \$82,292 (1996 \$77,918 loss).

The total consolidated assets of the company at 31 December 1997 amounted to \$60,118,233 (1996 \$56,800,074).

The total consolidated liabilities of the company at 31 December 1997 amounted to \$60,007,663 (1996 \$56,607,212).

(b) Monash I.V.F. Pty Ltd

The principal activity of the company remained unchanged during the year and was the provision of infertility medical services.

At 31 December 1997, the University owned 100% of the shares in the company.

The operating profit of the company for the year was \$76,650 (1996 \$325,590). No income tax expense was charged, or benefit recognised.

The total assets of the company at 31 December 1997 amounted to \$2,814,310 (1996 \$2,285,323).

The total liabilities of the company at 31 December 1997 amounted to \$1,924,523 (1996 \$1,472,186).

(c) Monash Ultrasound Trust

Monash Ultrasound Trust is a trust settled on the University by Monash I.V.F. Pty Ltd in 1988. The University is the sole beneficiary of the trust and received no contributions from the trust in 1997 (1996 \$Nil).

(d) Monash I.V.F. Pathology Services Trust

Monash I.V.F. Pathology Services Trust is a trust settled on the University by Monash I.V.F. Pty Ltd in 1988. The University is the sole beneficiary of the trust and received no contributions from the trust in 1997 (1996 \$Nil).

2. **PRINCIPLES OF CONSOLIDATION** *(continued)*

(e) Monash University Foundation

Monash University Foundation is a trust created by the University in 1983. The University is the sole beneficiary of the trust and received contributions of \$5,990,000 from the Foundation in 1997 (1996 \$7,871,000).

The surplus of the trust for the year before abnormal items was \$8,060,419 (1996 \$1,116,052).

The total assets of the trust at 31 December 1997 amounted to \$117,507,484 (1996 \$110,312,446).

The total liabilities of the trust at 31 December 1997 amounted to \$6,948,385 (1996 \$7,813,766).

(f) Open Learning Agency of Australia Pty Ltd

As a result of the reconstruction of the company, Monash University holds 12.5% equity in this company and is no longer in a position of control of the entity.

The entity has been deconsolidated, effective 1 January 1997, by recognising as an abnormal expense the retained surplus recognised during those previous periods when it was a controlled entity.

(g) Monash Merchandising Unit Trust

The Trust was revoked on 15 May 1997. It ceased trading as from this date and all assets were distributed to unitholders. Monash University held 66.7% of the units in the Trust.

The consolidated accounts include the operating result at this date.

(h) Monash Unicomm Pty Ltd

This company is the result of a reconstruction of Monash Merchandising Co Pty Ltd. Monash Merchandising Co Pty Ltd was trustee of the Monash Merchandising Unit Trust which ceased trading in 1996.

The principal activity of the new company is to provide and promote the provision of facilities and services (including catering, retail and career services) and amenities for students, graduates and staff of Monash University, and members of the general community. The new company will commence trading in 1998.

At 31 December 1997 the University owned 66.7% of the shares in the new company.

The operating loss for the company for the year was \$1,456.

The total assets of the company at 31 December 1997 amounted to \$72,715.

The total liabilities of the company at 31 December 1997 amounted to \$74,168.

(i) Monash International Pty Ltd, and controlled entity Monash Language Centre Pty Ltd

The company was incorporated on 2 May 1994.

The principal activity of the company was the provision of services to Monash University in relation to international students.

At 31 December 1997, the University owned 100% of the shares in the company.

The operating profit of the company for the year was \$138,000 (1996 \$313,000).

The total assets of the company at 31 December 1997 amounted to \$6,706,000 (1996 \$5,424,000).

The total liabilities of the company at 31 December 1997 amounted to \$5,323,000 (1996 \$4,179,000).

2. PRINCIPLES OF CONSOLIDATION *(continued)*

(j) Monash Mt Eliza Graduate School of Business and Government Limited

With effect from 1 August 1994 the Monash Mt Eliza Business School was established.

The principal activities of the company were those of providing management development and training programs and postgraduate courses in management.

At 31 December 1997, the University owned 100% of the shares in the company.

The operating profit of the company for the year was \$419,422 (1996 \$12,012).

The total assets of the company at 31 December 1997 amounted to \$14,824,411. (1996 \$13,740,566)

The total liabilities of the company at 31 December 1997 amounted to \$7,617,816. (1996 \$7,633,373)

(k) Sir John Monash Business Centre Pty Ltd

The Sir John Monash Business Centre Pty Ltd was incorporated on 16 July 1990.

In the 1994 year the University owned 50% of the shares in the company, and the balance was owned by the Council of Adult Education. Monash University purchased the shares held by the Council of Adult Education in 1995. The premium amounting to \$260,000 arising on consolidation of this controlled entity is recorded under Capital in the balance sheet (see Note 1(c)iv).

The principal activities of the company during the year were the provision of training, conference facilities, adult education and other related services.

The operating profit of the company for the year was \$22,216 (1996 \$249,377 loss).

The total assets of the company at 31 December 1997 amounted to \$637,147. (1996 \$547,879)

The total liabilities of the company at 31 December 1997 amounted to \$495,774. (1996 \$453,040)

3. INVENTORIES

Only materials which are purchased and controlled centrally have been reported in the Balance Sheet. Materials purchased by the University for departmental use and held under the control of individual departments are treated as expended at the time of purchase.

Perpetual stock records were maintained for centrally controlled stock.

Stocktakes of centrally controlled stock were completed at 31 December 1997 and valuations at cost were as follows:

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
1,247	1,247	Trading Bookshop	1,395	1,395
420	420	Union and Sports & Recreation	424	424
367	367	Central Building Maintenance Store	198	198
6	6	Halls of Residence	5	5
315	442	Central Stationery Store	227	467
113	241	Other Academic Services	119	276
<u>2,468</u>	<u>2,723</u>		<u>2,368</u>	<u>2,765</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

4. ACCOUNTS RECEIVABLE

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
6,115	8,180	Trade Debtors (see below)	6,397	9,383
624	624	Student Loan Debtors (see below)	536	536
1,731	-	Monash International Pty Ltd	3,213	88
201	-	Monash I.V.F. Pty Ltd	8	-
-	-	Monash Unicomm Pty Ltd	74	-
201	-	Monash Mt Eliza Graduate School of Business & Government Ltd	341	-
250	-	Monash University Foundation	7	-
18	-	Montech Pty Ltd	-	-
1,219	-	Opening Learning Agency of Australia Pty Ltd	-	-
3,110	4,666	Other Amounts Receivable	3,216	3,643
<u>13,469</u>	<u>13,470</u>		<u>13,792</u>	<u>13,650</u>
6,433	8,585	Trade Debtors	6,659	9,744
(318)	(405)	Provision for Doubtful Debts	(262)	(361)
<u>6,115</u>	<u>8,180</u>	Net at 31 December 1997	<u>6,397</u>	<u>9,383</u>
678	678	Student Loan Debtors	599	599
(54)	(54)	Provision for Doubtful Debts	(63)	(63)
<u>624</u>	<u>624</u>	Net at 31 December 1997	<u>536</u>	<u>536</u>

5. LOANS RECEIVABLE

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
		a) Current		
		Loans Unsecured:		
300	300	Monash Student Association	-	-
100	100	Student Guild, Caulfield Campus	-	-
-	6	Other Loans	120	140
<u>400</u>	<u>406</u>		<u>120</u>	<u>140</u>
		b) Non-Current		
		Loans Unsecured:		
430	-	Loan to Sir John Monash Business Centre Pty Ltd	430	-
540	594	Other Loans	120	236
<u>970</u>	<u>594</u>		<u>550</u>	<u>236</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

6. INVESTMENTS

1996		1997				
Monash University \$000	Consolidated \$000			Notes	Monash University \$000	Consolidated \$000
a) Current						
<i>Managed Funds:</i>						
28,165	28,165	Westpac Investment Management Pty Ltd, at cost			44,748	44,748
<i>Monash University Foundation:</i>						
-	-	Managed Investments at market value			-	14,550
-	17,262	Discount Securities, at cost			-	4,972
-	3	Other Deposits on Term and Call			-	-
-	17,265				-	19,522
<i>Other:</i>						
2,878	16,018	Other Deposits on Term and Call			1,421	6,595
31,043	61,448	Total Current Investments			46,169	70,865
b) Non-Current						
<i>Managed Funds:</i>						
60,427	60,427	National Australia Asset Management Ltd, at cost		22(b)	67,727	67,727
		(Market value 31 December 1997 - \$72,707,536)				
		(Market value 31 December 1996 - \$63,366,662)				
-	-	Integrated Equity Pty Ltd, at cost			10,338	10,338
		(Market value 31 December 1997 - \$9,830,621)				
60,427	60,427				78,065	78,065
<i>Monash University Foundation:</i>						
-	70,697	Managed Investments at market value			-	75,497
-	22,000	Property at valuation by independent valuer as at 31 December 1997			-	22,420
-	92,697				-	97,917
<i>Common Fund:</i>						
9,118	9,118	Westpac Investment Management Pty Ltd, at cost			11,668	11,668
		(Market value 31 December 1997 - \$13,239,135)				
		(Market value 31 December 1996 - \$9,883,979)				
9,118	9,118				11,668	11,668
<i>Other:</i>						
500	-	500,000 Ordinary Shares in Monash International Pty Ltd, at cost			500	-
250	-	250,100 Ordinary Shares in Monash IVF Pty Ltd, at cost			250	-
100	-	100,000 Units in Monash Merchandising Unit Trust, at cost			-	-
-	-	650,220 Ordinary Shares in Monash Mt Eliza School of Business and Government Pty Ltd, at cost			650	-
235	-	235,000 Ordinary Shares in Montech Pty Ltd, at cost			235	-
1,000	-	200,000 Ordinary Shares in Open Learning Agency of Australia Pty Ltd, at cost			200	200
340	-	600,000 Ordinary Shares in Sir John Monash Business Centre Pty Ltd, at cost		2(j)	340	-
-	55,488	Fixed Interest Securities, at cost			-	-
-	173	R & D Syndicated Investment Bank Deposits		9(b)	-	59,583
-	-	Semi-government Securities, at cost			-	183
-	-	Other Securities, at cost			-	-
53	834	Other Investments			80	857
2,478	56,495				2,255	60,823
72,023	218,737	Total Non-Current Investments			91,988	248,473

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

6. INVESTMENTS (continued)

<u>1996</u>			<u>1997</u>	
Monash University \$000	Consolidated \$000	Notes	Monash University \$000	Consolidated \$000
		c) The Investment in Cooperative Research Centres (CRC's) has been calculated as follows:		
2,967	2,967	Cash Contributions made	3,822	3,822
20,724	20,724	"In Kind" Contributions	27,480	27,480
<u>23,691</u>	<u>23,691</u>		<u>31,302</u>	<u>31,302</u>
		Less:		
(17,531)	(17,531)	Losses of the CRC's, incurred to 30 June 1997	(14,976)	(14,976)
(6,160)	(6,160)	Less: Diminution in Value of Investment in CRC's.	(16,326)	(16,326)
<u>-</u>	<u>-</u>	Investment in CRC's at cost less diminution in value	<u>-</u>	<u>-</u>
		d) Investment Income		
573	573	Dividends	828	828
5,504	6,822	Interest	4,513	4,956
3,889	9,279	Realised Profit/(Loss)	3,084	10,466
-	2,739	Unrealised Profit/(Loss)	-	6,210
<u>9,966</u>	<u>19,413</u>	Total Investment Income	<u>8,425</u>	<u>22,460</u>

7. ACCRUED LIABILITIES

<u>1996</u>			<u>1997</u>	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
10,643	12,476	Accrued Charges	12,226	14,914
4,177	4,380	Group Tax	3,623	3,870
-	-	Montech Pty Ltd	7	-
12	-	Sir John Monash Business Centre Pty Ltd.	56	-
5,267	5,458	Other	5,808	5,828
<u>20,099</u>	<u>22,314</u>	Total Accrued Liabilities	<u>21,720</u>	<u>24,612</u>

8. BORROWINGS

<u>1996</u>			<u>1997</u>	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
		a) Current		
-	311	Finance Lease Liability	-	189
69	69	Loans from Banks secured by mortgage against the revenues of the University - Repayable 0 - 1 year	76	76
-	-	Loan from Bank - Commercial Bills Repayable 0-1 years	7,850	7,850
2,007	2,007	Loan from Treasury Corporation of Victoria, Repayable 15 September 1997	-	-
-	-	Other Loans, unsecured: Repayable 0-1 years	122	122
<u>2,076</u>	<u>2,387</u>	Total Current Loans	<u>8,048</u>	<u>8,237</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

8. BORROWINGS

1996			1997	
Monash University \$000	Consolidated \$000	Notes	Monash University \$000	Consolidated \$000
		b) Non - Current		
-	528	Finance Lease Liability	-	209
		Loan from Bank - Commercial Bills		
7,850	7,850	Repayable 1-2 years	8,000	8,000
13,300	13,300	Repayable 2-5 years	17,300	19,800
5,000	5,000	Repayable over 5 years	-	-
		Loans from Banks secured by mortgage against the revenues of the University:		
76	76	Repayable 1-2 years	69	69
97	97	Repayable 2-5 years	44	44
53	53	Repayable over 5 years	37	37
		Other Loans, secured against land and buildings:		
-	3,500	Repayable 2-5 years	-	-
		Other Loans, unsecured:		
-	-	Repayable 1-2 years	113	113
666	666	Repayable 2-5 years	328	328
27,042	31,070	Total Non-Current Loans	25,891	28,600
		c) Interest Expense		
		Attributable to:		
381	381	Treasury Corporation of Victoria Loans	251	251
1,531	1,918	Loans from Banks and Other Sources	2,476	2,772
-	99	Finance Charges from Finance Leases	-	59
1,912	2,398	Total Interest Expense	2,727	3,082

9. OTHER AMOUNTS PAYABLE

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
		a) Current		
-	1,688	Other	-	451
-	1,688		-	451
		b) Non - Current		
-	55,488	Montech Pty Ltd - R & D Syndicated Deposits	-	59,583
-	-	Other	-	196
-	55,488		-	59,779

10. OTHER AMOUNTS RECEIVED IN ADVANCE

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
		Amounts received for sale of shares in Open Learning Agency of Australia Pty Ltd transferred from Monash University to other Universities in 1997.		
800	800		-	-
800	800		-	-

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

11. COMMONWEALTH GOVERNMENT GRANTS

1996		Notes	1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
227,456	231,256		216,400	216,400
7,104	7,104		7,018	7,018
1,796	1,796		1,895	1,895
676	676		1,297	1,297
6,667	6,667		8,161	8,161
406	406		138	138
1,185	1,185		1,048	1,048
33	33		1	1
5,404	5,404		5,826	5,826
535	535		671	671
845	845		988	988
500	500		509	509
2,128	2,128		-	-
<u>254,735</u>	<u>258,535</u>		<u>243,952</u>	<u>243,952</u>

12. HIGHER EDUCATION CONTRIBUTION SCHEME

Higher Education Contribution Scheme revenue was collected by the University as follows during the reporting period:

1996		Notes	1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
47,138	47,138		58,278	58,278
8,855	8,855		11,129	11,129
<u>55,993</u>	<u>55,993</u>		<u>69,407</u>	<u>69,407</u>

13. STATE GOVERNMENT GRANTS

State Government grants for the following purposes were received by the University during the reporting period:

1996		Notes	1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
4,807	4,807		1,894	1,894
60	60		-	-
387	387		549	549
<u>5,254</u>	<u>5,254</u>		<u>2,443</u>	<u>2,443</u>

14. FEES AND CHARGES

1996		Notes	1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
48,054	52,389		53,897	56,540
7,857	14,027		7,996	17,370
5,998	5,998		6,095	6,095
6,778	6,778		7,216	7,216
4,481	4,939		4,034	4,733
5,914	5,914		5,257	5,257
1,976	1,976		1,662	1,662
6,856	29,923		9,824	25,453
<u>87,914</u>	<u>121,944</u>		<u>95,981</u>	<u>124,326</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

15. OTHER REVENUE

1996			1997	
Monash University \$000	Consolidated \$000	Notes	Monash University \$000	Consolidated \$000
7,871	-		5,990	-
18,442	18,442		13,938	13,938
25,390	25,390		28,675	28,675
3,175	3,794		2,915	3,411
3,152	19,659		3,070	17,066
<u>58,030</u>	<u>67,285</u>		<u>54,588</u>	<u>63,090</u>

16. EXPENSES BY FUNCTION

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
a) Academic Activities				
141,214	142,944		136,660	138,693
30,053	30,358	17	28,914	29,196
41,301	42,663		42,878	44,071
8,823	9,054	17	9,070	9,254
<u>221,391</u>	<u>225,019</u>		<u>217,522</u>	<u>221,214</u>
7,325	7,325		7,525	7,553
6,848	6,848		7,170	7,170
81,861	89,875		88,256	95,831
<u>317,425</u>	<u>329,067</u>		<u>320,473</u>	<u>331,768</u>
b) Libraries				
-	-		33	33
-	-	17	7	7
10,386	10,451		10,685	10,752
2,400	2,405	17	2,213	2,222
<u>12,786</u>	<u>12,856</u>		<u>12,938</u>	<u>13,014</u>
319	319		245	245
695	695		710	710
2,284	2,284		1,649	1,649
4,226	4,301		3,525	3,638
<u>20,310</u>	<u>20,455</u>		<u>19,067</u>	<u>19,256</u>
c) Other Academic Support Services				
2,081	2,081		1,566	1,566
456	456	17	305	305
7,917	8,689		6,762	7,801
1,751	1,851	17	1,330	1,443
<u>12,205</u>	<u>13,077</u>		<u>9,963</u>	<u>11,115</u>
3,688	3,688		3,798	3,798
315	315		321	321
8,334	9,217		4,254	5,517
<u>24,542</u>	<u>26,297</u>		<u>18,336</u>	<u>20,751</u>
d) Student Services				
10,717	10,995		10,181	10,539
2,049	2,085	17	1,890	1,926
<u>12,766</u>	<u>13,080</u>		<u>12,071</u>	<u>12,465</u>
246	246		226	226
698	698		712	712
12,130	13,734		13,418	15,241
<u>25,840</u>	<u>27,758</u>		<u>26,427</u>	<u>28,644</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

16. EXPENSES BY FUNCTION

1996			1997	
Monash University \$000	Consolidated \$000	Notes	Monash University \$000	Consolidated \$000
e) Public Services				
514	514		573	573
69	69		89	89
<u>583</u>	<u>583</u>	17	<u>662</u>	<u>662</u>
58	58		33	33
64	64		65	65
<u>2,781</u>	<u>2,781</u>		<u>2,989</u>	<u>2,989</u>
<u>3,486</u>	<u>3,486</u>		<u>3,749</u>	<u>3,749</u>
f) Buildings and Grounds				
6,459	6,519		5,801	5,801
1,362	1,376		1,313	1,313
<u>7,821</u>	<u>7,895</u>	17	<u>7,114</u>	<u>7,114</u>
225	225		222	222
119	119		123	123
<u>13,622</u>	<u>13,911</u>		<u>15,893</u>	<u>16,201</u>
<u>21,787</u>	<u>22,150</u>		<u>23,352</u>	<u>23,660</u>
g) Administration and Other General Services				
1,176	1,176		1,428	1,428
382	382		409	409
29,877	37,870	17	29,974	37,439
<u>8,969</u>	<u>10,287</u>	17	<u>8,236</u>	<u>9,366</u>
40,404	49,715		40,047	48,642
2,002	4,449		1,375	3,193
3,381	3,547		3,455	3,636
126	252		127	249
1,912	2,398	8(c)	2,727	3,082
195	216		215	271
3,025	3,434		2,842	3,448
-	1,149		-	670
2,044	2,128	1(b)	171	330
(769)	(673)	1(b)	(362)	(192)
56	55		(47)	(35)
<u>30,277</u>	<u>53,337</u>		<u>29,653</u>	<u>42,719</u>
<u>82,653</u>	<u>120,007</u>		<u>80,203</u>	<u>106,013</u>

17. SALARY RELATED EXPENSES

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
34,527	35,716		33,996	35,023
16,612	17,300		16,350	16,964
2,111	2,230		946	1,023
<u>3,063</u>	<u>3,076</u>		<u>2,484</u>	<u>2,520</u>
<u>56,313</u>	<u>58,322</u>		<u>53,776</u>	<u>55,530</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

18. ACQUITTAL OF COMMONWEALTH GRANTS

(a) Amounts received pursuant to the Higher Education Funding Act 1988 and amounts expended:

1996 Monash University \$000		1997 Monash University \$000
	Operating Purposes	
	Amount received in previous period:	
17,628	Advance payment received in previous period	16,872
-	Carry-over from previous period	-
<u>17,628</u>	Sub-total received in previous period	<u>16,872</u>
226,700	Grant received in the reporting period	215,452
	Less amount attributable to future period:	
(16,872)	Advance payment received in respect of next period	(15,924)
-	Under-expenditure in the reporting period	-
<u>(16,872)</u>	Sub-total amount attributable to future period	<u>(15,924)</u>
<u>227,456</u>	Amount expended in the reporting period	<u>216,400</u>
	Large Research Grants	
	Amount received in previous period:	
541	Advance payment received in previous period	343
<u>1,061</u>	Carry-over from previous period	<u>1,262</u>
1,602	Sub-total received in previous period	1,605
6,906	Grant received in the reporting period	7,033
	Less amount attributable to future period:	
(343)	Advance payment received in respect of next period	(358)
<u>(1,262)</u>	Under-expenditure in the reporting period	<u>(1,490)</u>
<u>(1,605)</u>	Sub-total amount attributable to future period	<u>(1,848)</u>
<u>6,903</u>	Amount expended in the reporting period	<u>6,790</u>
	Small Research Grants	
	Amount received in previous period:	
-	Advance payment received in previous period	-
<u>382</u>	Carry-over from previous period	<u>381</u>
382	Sub-total received in previous period	381
1,796	Grant received in the reporting period	1,895
	Less amount attributable to future period:	
-	Advance payment received in respect of next period	-
<u>(381)</u>	Under-expenditure in the reporting period	<u>(556)</u>
<u>(381)</u>	Sub-total amount attributable to future period	<u>(556)</u>
<u>1,797</u>	Amount expended in the reporting period	<u>1,720</u>
	Collaborative Research Grants	
	Amount received in previous period:	
-	Advance payment received in previous period	574
<u>131</u>	Carry-over from previous period	<u>308</u>
131	Sub-total received in previous period	882
1,250	Grant received in the reporting period	1,593
	Less amount attributable to future period:	
(574)	Advance payment received in respect of next period	(870)
<u>(308)</u>	Under-expenditure in the reporting period	<u>(345)</u>
<u>(882)</u>	Sub-total amount attributable to future period	<u>(1,215)</u>
<u>499</u>	Amount expended in the reporting period	<u>1,260</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

18. ACQUITTAL OF COMMONWEALTH GRANTS *(continued)*

(a) Amounts received pursuant to the Higher Education Funding Act 1988 and amounts expended:

(continued)

1996 Monash University \$000		1997 Monash University \$000
	Research Infrastructure Grants	
	Amount received in previous period:	
140	Advance payment received in previous period	859
1,608	Carry-over from previous period	3,085
<u>1,748</u>	Sub-total received in previous period	<u>3,944</u>
7,386	Grant received in the reporting period	7,402
	Less amount attributable to future period:	
(859)	Advance payment received in respect of next period	(100)
<u>(3,085)</u>	Under-expenditure in the reporting period	<u>(4,155)</u>
<u>(3,944)</u>	Sub-total amount attributable to future period	<u>(4,255)</u>
<u>5,190</u>	Amount expended in the reporting period	<u>7,091</u>
	Special Research and Key Centres	
	Amount received in previous period:	
32	Advance payment received in previous period	11
72	Carry-over from previous period	59
<u>104</u>	Sub-total received in previous period	<u>70</u>
385	Grant received in the reporting period	127
	Less amount attributable to future period:	
(11)	Advance payment received in respect of next period	-
<u>(59)</u>	Under-expenditure in the reporting period	<u>(89)</u>
<u>(70)</u>	Sub-total amount attributable to future period	<u>(89)</u>
<u>419</u>	Amount expended in the reporting period	<u>108</u>
	Research Fellowships	
	Amount received in previous period:	
91	Advance payment received in previous period	76
53	Carry-over from previous period	36
<u>144</u>	Sub-total received in previous period	<u>112</u>
1,170	Grant received in the reporting period	1,016
	Less amount attributable to future period:	
(76)	Advance payment received in respect of next period	(44)
<u>(36)</u>	Under-expenditure in the reporting period	<u>(14)</u>
<u>(112)</u>	Sub-total amount attributable to future period	<u>(58)</u>
<u>1,202</u>	Amount expended in the reporting period	<u>1,070</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

18. ACQUITTAL OF COMMONWEALTH GRANTS (continued)

(a) Amounts received pursuant to the Higher Education Funding Act 1988 and amounts expended:

(continued)

1996 Monash University \$000		1997 Monash University \$000
	International Research Fellowships	
	Amount received in previous period:	
34	Advance payment received in previous period	-
7	Carry-over from previous period	5
41	Sub-total received in previous period	5
(1)	Grant received in the reporting period	1
	Less amount attributable to future period:	
	Advance payment received in respect of next period	-
(5)	Under-expenditure in the reporting period	-
(5)	Sub-total amount attributable to future period	-
35	Amount expended in the reporting period	6
	Australian Postgraduate Awards	
	Amount received in previous period:	
434	Advance payment received in previous period	465
(69)	Carry-over from previous period	131
365	Sub-total received in previous period	596
5,435	Grant received in the reporting period	5,361
	Less amount attributable to future period:	
(465)	Advance payment received in respect of next period	-
(131)	Under-expenditure in the reporting period	(159)
(596)	Sub-total amount attributable to future period	(159)
5,204	Amount expended in the reporting period	5,798
	Australian Postgraduate Awards (Industry)	
	Amount received in previous period:	
38	Advance payment received in previous period	32
95	Carry-over from previous period	17
133	Sub-total received in previous period	49
529	Grant received in the reporting period	672
	Less amount attributable to future period:	
(32)	Advance payment received in respect of next period	(33)
(17)	Under-expenditure in the reporting period	(98)
(49)	Sub-total amount attributable to future period	(131)
613	Amount expended in the reporting period	590
	Overseas Postgraduate Research Scholarships	
	Amount received in previous period:	
-	Advance payment received in previous period	77
-	Carry-over from previous period	2
-	Sub-total received in previous period	79
922	Grant received in the reporting period	911
	Less amount attributable to future period:	
(77)	Advance payment received in respect of next period	-
(2)	Under-expenditure in the reporting period	(222)
(79)	Sub-total amount attributable to future period	(222)
843	Amount expended in the reporting period	768

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

18. ACQUITTAL OF COMMONWEALTH GRANTS (continued)

(a) Amounts received pursuant to the Higher Education Funding Act 1988 and amounts expended:

(continued)

1996 Monash University \$000		1997 Monash University \$000
	Teaching Hospitals	
	Amount received in previous period:	
40	Advance payment received in previous period	41
-	Carry-over from previous period	-
40	Sub-total received in previous period	41
501	Grant received in the reporting period	509
	Less amount attributable to future period:	
(41)	Advance payment received in respect of next period	(41)
-	Under-expenditure in the reporting period	1
(41)	Sub-total amount attributable to future period	(40)
500	Amount expended in the reporting period	510
	Capital - Berwick Project	
	Amount received in previous period:	
-	Advance payment received in previous period	-
2,230	Carry-over from previous period	-
2,230	Sub-total received in previous period	-
2,128	Grant received in the reporting period	-
	Less amount attributable to future period:	
-	Advance payment received in respect of next period	-
-	Under-expenditure in the reporting period	-
-	Sub-total amount attributable to future period	-
4,358	Amount expended in the reporting period	-

(b) The following Commonwealth Grants to the University were under-expended in the reporting period:

	1997 Monash University		Balance Carried Forward
	Grant Available \$000	Amount Expended \$000	\$000
Operating Purposes	216,400	216,400	-
HECS Trust Fund	58,278	58,278	-
Large Research Grants	8,280	6,790	1,490
Small Research Grants	2,276	1,720	556
Collaborative Research Grants	1,605	1,260	345
Research Infrastructure Grants	11,246	7,091	4,155
Special Research and Key Centres	197	108	89
Research Fellowships	1,084	1,070	14
International Research Fellowships	6	6	-
Australian Postgraduate Awards	5,957	5,798	159
Australian Postgraduate Awards (Industry)	688	590	98
Overseas Postgraduate Research Scholarships	990	768	222
Teaching Hospitals	509	510	(1)
Capital - Berwick Project	-	-	-

Balances carried forward represent funds to be expended in 1998.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

18. ACQUITTAL OF COMMONWEALTH GRANTS (continued)

(c) Higher Education Contribution Scheme

1996 Monash University \$000		1997 Monash University \$000
	(i) Amounts received pursuant to the Higher Education Funding Act 1988 from HECS Trust Fund and amounts expended:	
3,839	Amount received in previous period:	
-	Advance payment received in previous period	4,677
3,839	Carry-over from previous period	-
	Sub-total received in previous period	<u>4,677</u>
47,976	Grant received in the reporting period	59,185
	Less amount attributable to future period:	
(4,677)	Advance payment received in respect of next period	(5,584)
-	Under-expenditure in the reporting period	-
(4,677)	Sub-total amount attributable to future period	<u>(5,584)</u>
<u>47,138</u>	Amount expended in the reporting period	<u>58,278</u>
8,855	(ii) HECS contributions actually received from students	11,129
<u>55,993</u>	(iii) Total HECS Revenue	<u>69,407</u>

19. DIRECTORS' AND EXECUTIVES' REMUNERATION

(a) Directors' Remuneration

1996		1997	
Monash University \$000	Consolidated \$000	Monash University \$000	Consolidated \$000
1,625	2,689	1,050	1,971
-	85	187	281
<u>1,625</u>	<u>2,774</u>	<u>1,237</u>	<u>2,252</u>

The names of members of Council of Monash University who held office during the financial year are shown here under. None of these persons received remuneration directly related to their duties as Council members.

J R Arkinstall
J Beggs (until 28/2/97)
J C Blyth
A R Brideson MLC
M L Brisk
F R Burden
J Cameron
G D W Curlewis
A J Fox (until 30/6/97)
H A Grayson
P R Hall MLC
J M Hearn
J C Hutchinson

B W Cherry (until 31/3/97)
M E James (until 30/6/97)
M L Jelbart
M G Keys
G A Knights
J E Kolm AO
W A Krickler AM
H Lim MP
A H May
S McManamny
F C Peck
D R Pizzey AM
J M McPhee
K C L Patterson

P H Ramler
D A Robinson
P K Rodan
D W Rogers
K J Russell
S W Straton (until 30/6/97)
J Strauss
B T Tan
P Tharenou
T R Threadgold
F A Trindade
M D Watson
R T White
R L Whyte

19. DIRECTORS' AND EXECUTIVES' REMUNERATION (continued)

(a) Directors' Remuneration (continued)

1996		Remuneration (dollars)	1997	
Monash University	Consolidated		Monash University	Consolidated
-	17	0 - 10,000	-	4
-	18	10,001 - 20,000	-	12
-	3	20,001 - 30,000	-	2
-	2	30,001 - 40,000	-	2
1	2	40,001 - 50,000	1	3
2	2	60,001 - 70,000	-	-
2	2	70,001 - 80,000	2	2
2	2	80,001 - 90,000	2	2
2	2	90,001 - 100,000	4	4
1	1	100,001 - 110,000	-	-
2	2	110,001 - 120,000	-	-
1	1	130,001 - 140,000	1	1
1	1	140,001 - 150,000	-	-
-	3	160,001 - 170,000	1	1
-	1	170,001 - 180,000	-	-
-	-	270,001 - 280,000	-	1
-	-	290,001 - 300,000	-	1
-	-	340,001 - 350,000	1	1
1	1	500,001 - 510,000	-	-

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

(b) Executives' Remuneration

1996		Income received by employees whose remuneration, as defined below, exceeds \$100,000	1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
17,205	19,522		16,358	18,261

1996		Remuneration (dollars)	1997	
Monash University	Consolidated		Monash University	Consolidated
62	67	100,001 - 110,000	53	60
40	44	110,001 - 120,000	40	42
23	31	120,001 - 130,000	18	23
3	3	130,001 - 140,000	8	8
5	5	140,001 - 150,000	5	5
2	3	150,001 - 160,000	1	3
1	1	160,001 - 170,000	3	3
1	2	170,001 - 180,000	2	2
1	1	180,001 - 190,000	-	-
1	1	190,001 - 200,000	1	1
1	1	200,001 - 210,000	-	-
2	2	210,001 - 220,000	1	1
-	-	220,001 - 230,000	2	2
1	1	230,001 - 240,000	-	-
-	-	240,001 - 250,000	1	1
1	1	300,001 - 310,000	-	-

- Notes:
- (i) Remuneration detailed in this table includes salary, superannuation, payments for leave entitlements on retirement/departure and leave loading, and the private use component of other non-salary benefits.
 - (ii) The figures above exclude fringe benefits tax payable on non-salary benefits by the University.
 - (iii) Remuneration does not include lump sum payouts made pursuant to University early retirement/redundancy programs.
 - (iv) In relevant cases the remuneration includes payment for work undertaken in previous years.

20. RELATED PARTY DISCLOSURES

- (a) Balances between Monash University and its Controlled Entities are shown under accounts receivable (note 4), loans receivable (note 5), and accrued liabilities (note 7).
- (b) Transactions between Monash University and its Controlled entities are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

<u>1996</u> Monash University \$000		<u>1997</u> Monash University \$000
	Income received from:	
731	Monash International Pty Ltd	5,906
138	Monash IVF Pty Ltd	55
16	Monash Merchandising Pty Ltd	-
651	Monash Mt Eliza Graduate School of Business and Government Limited	1,508
7,871	Monash University Foundation	5,990
2,196	Montech Pty Ltd	512
1,809	Open Learning Agency of Australia Pty Ltd	-
41	Sir John Monash Business Centre Pty Ltd	106
13,453		14,077
	Expenditure paid to:	
-	Monash International Pty Ltd	201
-	Monash IVF Pty Ltd	25
82	Monash Merchandising Pty Ltd	-
-	Monash Mt Eliza Graduate School of Business and Government Limited	224
842	Monash University Foundation	674
237	Montech Pty Ltd	631
126	Open Learning Agency of Australia Pty Ltd	-
53	Sir John Monash Business Centre Pty Ltd	150
1,340		1,905

21. EXPENDITURE COMMITMENTS

<u>1996</u>		<u>1997</u>	
Monash University \$000	Consolidated \$000	Monash University \$000	Consolidated \$000
			Capital Works Projects:
4,314	4,314		Not later than 1 year
-	-		Later than 1 year and not later than 2 years
3,597	3,597	21,736	21,736
-	135	4,975	4,975
7,911	8,046	3,273	3,273
		-	-
		29,984	29,984

22. LEASE COMMITMENTS

- (a) 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. Finance 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.

22. LEASE COMMITMENTS (continued)

Other leases under which the risks and benefits of ownership remain with the lessor are classified as operating leases. Payments are expensed over the period of expected benefit.

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
		(b) Operating Lease Commitments:		
2,335	1,716	Not later than 1 year	2,343	2,786
2,412	1,806	Later than 1 year and not later than 2 years	2,427	2,757
7,737	5,679	Later than 2 year and not later than 5 years	7,776	7,915
13,134	12,552	Later than 5 years	13,733	16,971
<u>25,618</u>	<u>21,753</u>		<u>26,279</u>	<u>30,429</u>

An equitable mortgage exists between Monash University as mortgagor and National Australia Financial Management Ltd (NAFM) as mortgagee securing future rental payments amounting to \$19,085,000 (1996 \$20,628,000) due to National Australia Financial Management Ltd, under the deed of sub-lease entered into between mortgagor and mortgagee dated 30 June, 1993. In 1997, the security has been reduced to \$14M in line with the present value of the University's outstanding commitments. This security amount will be maintained through Australian fixed interest and liquidity investments within the National Australia Asset Management Ltd portfolio (refer note 6(b)).

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
		(c) Finance Lease Commitments:		
-	375	Not later than 1 year	-	218
-	328	Later than 1 year and not later than 2 years	-	215
-	246	Later than 2 year and not later than 5 years	-	-
-	949	Total Minimum Lease Payments	-	433
-	(110)	Less: Future Finance Charges	-	(35)
<u>-</u>	<u>839</u>		<u>-</u>	<u>398</u>
		The finance lease liability is shown in the balance sheet as follows:		
-	311	Current Liability	-	189
-	528	Non-Current Liability	-	209
<u>-</u>	<u>839</u>	Total Finance Lease Liability	<u>-</u>	<u>398</u>

23. CONTINGENT LIABILITIES

Open Learning Agency of Australia Pty Ltd

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

The Commonwealth, under its agreement with OLAA, has provided funding of \$30.2M as at 31 December 1997 (1996 \$28.9M).

The University initially guarantees performance under a Deed of Performance Guarantee dated 20 January 1993. In 1996 OLAA issued further shares and as a result Monash University holds 12.5% of the issued capital as at 31 December 1997. In accordance with the share issue conditions, Monash University has a contingent liability of \$3,787,000 (1996 \$20,605,000) equivalent to 12.5% (1996 71.4%) of the funding provided.

24. SUPERANNUATION FUNDS

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

(a) Superannuation Scheme for Australian Universities

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

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

The last actuarial review of the scheme was in December 1994 and indicated the fund was in a sound financial position, ie. the scheme has no unfunded liability. The total contributions by the University for the year ended 31 December 1997 were \$19,910,271. (1996 \$20,733,839)

(b) "M" Superannuation Scheme

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

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

The last actuarial review of the scheme was in December 1996 and indicated the fund was in a strong financial position, ie. the scheme has no unfunded liability. The total contributions by the University for the year ended 31 December 1997 were \$53,742 (1996 \$52,960).

(c) Superannuation Scheme (Previously "A" Scheme)

This scheme was introduced under Statute 3.6 of the Monash University Act and benefits are provided by an external insurer. The University makes contributions at the rate of 10% of gross salary.

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

Total contributions by the University for the year ended 31 December 1997 were \$63,446 (1996 \$78,877).

(d) Monash University (Non - Academic) Superannuation Scheme (Previously "B" Scheme)

This scheme is an endowment assurance benefit scheme provided by an external insurer and the University makes contributions at the rate of 5% of gross salary.

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

Total contributions by the University for the year ended 31 December 1997 were \$2,217 (1996 \$4,043)

24. **SUPERANNUATION FUNDS** *(continued)*

(e) Tertiary Education Superannuation Scheme/Superannuation Guarantee Charge.

This scheme is a cash accumulation productivity scheme and the University makes contributions at a rate of 3% to 6% 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 1997 were \$8,101,599 (1996 \$8,102,048)

(f) State Superannuation Board of Victoria

Monash University has, in its staffing profile, a number of employees who are members of the State Superannuation Fund

The State Grants (General Purposes) Act 1994 section 14 provides for the Commonwealth and the State Governments to meet the costs of unfunded superannuation liabilities as they emerge. Amounts reported herein relate to unfunded superannuation liabilities as determined by the above mentioned fund.

As at 30 June 1997, 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 1997, amounted to \$119,552,000 (1996 \$110,954,000).

During the 1997 period Monash University's contributions to the scheme totalled \$5,643,154 (1996 \$5,383,831). There were no outstanding employer contributions as at 31 December 1997.

The policy adopted for calculating employer contributions is based on the advice of the scheme's trustees, but generally the contribution rate represents 79.2% of pensions payable.

(g) Pharmaceutical Organizations (1975) Superannuation 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 Pharmaceutical Organizations (1975) Superannuation Fund, which is an employee contributory scheme. The last actuarial review of the scheme was in December 1993, and the scheme has no unfunded liability.

During the period 1/1/1997 to 31/12/1997, the contributions by the University totalled \$5,845 (1996 \$6,252).

25. CASH FLOW INFORMATION

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdraft. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

1996			1997	
Monash University \$000	Consolidated \$000		Monash University \$000	Consolidated \$000
12,237	14,117	Cash at bank and on hand	1,328	3,213
719	4,892	Short term investments	1,421	13,994
<u>12,956</u>	<u>19,009</u>		<u>2,749</u>	<u>17,207</u>

(b) Reconciliation of net cash used in operating activities to surplus for the year

23,898	27,273	Surplus for the year ended 31 December 1997 before abnormal items	33,911	42,561
(298,406)	(298,406)	Cashflows from government as detailed in the statement of cashflows	(240,394)	(240,394)
54	63	Doubtful debts	(47)	(37)
28,213	30,830	Depreciation	27,628	29,672
1,274	1,567	Provision for employee benefits	(192)	149
194	211	Bad debts	215	254
(9,045)	(13,134)	Gains on investments	(7,687)	(15,292)
(7,871)	-	Net income from Monash University Foundation	(5,990)	(6,875)
-	(1,334)	Other non - cash items	(188)	5,770
		Changes in assets and liabilities:		
421	110	(Increase)/Decrease in receivables and accrued income	(324)	(1,694)
(6,652)	(6,714)	(Increase)/Decrease in prepayments	(1,287)	(1,446)
205	210	(Increase)/Decrease in inventories	101	(42)
25	25	Increase/(Decrease) in other current assets	33	33
(1,309)	(3,077)	Increase/(Decrease) in creditors and accruals	1,666	4,364
1,848	(345)	Increase/(Decrease) in Government grants received in advance	(1,525)	(2,219)
654	1,129	Increase/(Decrease) in student fees received in advance	(1,127)	(139)
(93)	(3,163)	Increase/(Decrease) in other income received in advance	(878)	(803)
2,088	1,393	Increase/(Decrease) in other current liabilities	851	904
<u>(264,502)</u>	<u>(263,362)</u>	Net cash used in operating activities	<u>(195,234)</u>	<u>(185,234)</u>

(c) Financing Facilities

Credit standby arrangements:

	Notes	
Bank Overdraft Facility		20
Amount Used		-
Amount Unused		20

Loan Facilities (external):

Total Facility		41,130	45,630
Amount of facilities used	8	33,150	35,650
Amount of facilities unused		7,980	9,980

26. FINANCIAL INSTRUMENTS DISCLOSURE

(a) Interest Rate Exposures

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

Consolidated	Interest Rates *	Floating Interest Rate \$000	1 Year or less \$000	1 to 5 Years \$000	Over 5 Years \$000	Non Interest Bearing \$000	Total \$000
1997							
Assets							
Cash at Bank	3.5%	2,890				140	3,030
Managed Cash	4.9%	15,516					15,516
Bank Call Deposits	4.7%	9,459					9,459
Discount Securities	6.2%		79,355	17,003	16,790		113,148
Shares						82,987	82,987
Managed Trusts						16,476	16,476
R&D Syndicated Deposits						59,583	59,583
Other Investments						43	43
Other Managed Assets (Net)						252	252
Accounts Receivable						13,650	13,650
Loans	7.2%		15	35		326	376
Total Financial Assets		27,865	79,370	17,038	16,790	173,457	314,520
Liabilities							
Bank Overdraft	8.75%	44					44
Loans - Bank	8.01%		7,926	27,913	37		35,876
Loans - Other	8.59%		122	441	-		563
Lease Liabilities	9.17%		189	200	-		389
R&D Syndicated Deposits						59,583	59,583
Accounts Payable						7,506	7,506
Accrued Liabilities						24,612	24,612
Other Amounts Payable						647	647
Total Financial Liabilities		44	8,237	28,554	37	92,348	129,220
Net Financial Assets		27,821	71,133	(11,516)	16,753	81,109	185,300

(b) Significant accounting policies, terms and conditions

(i) Financial Assets

Investments (Note 6)

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

With exception of Monash University Foundation, investments are brought to account at cost or directors' valuation. The carrying amount of investments is reviewed annually to ensure it is not in excess of the recoverable amount of these investments.

Monash University Foundation investment gains and losses realised from sale of investments and unrealised market value adjustments are reflected in the consolidated operating 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 or interest or currency swaps or arrangements. Under no circumstances can an external fund manager or internal treasury staff enter into such a financial arrangement unless there is sufficient assets (or liabilities) to support the transaction. There are no internal derivative transactions at balance date.

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

Management of Monash University and Monash University Foundation review the managed portfolios monthly and both report to Council and the Board, respectively at least quarterly as to the monitoring of treasury policies in place.

The R & D Syndicated deposits are held in trust by Montech Pty Ltd on behalf of investors and therefore a corresponding liability is shown in the balance sheet. Interest is capitalised and there is no impact on the profit and loss account. The interest rates are not shown in this table as they have no impact on Montech's financial position.

26. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

(b) Significant accounting policies, terms and conditions (continued)

(i) Financial Assets (continued)

Receivables [Note 4]

Trade debtors and student loans are carried at nominal amounts due. Collectibility of these debts is assessed and a provision for doubtful debts is raised. Trade debtors are generally required to be settled within 30 days. The interest rate charged on student loans is up to 6% for long term loans.

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

(ii) Financial Liabilities

Loans - Bank [Note 8]

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

R & D Syndicated Deposits [Note 9(b)]

The R & D Syndicated deposits are held in trust by Montech Pty Ltd on behalf of investors and this is the corresponding liability shown in the balance sheet.

Accounts Payable, and Accrued Liabilities [Note 7]

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

(c) Fair Values

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

In accordance with accounting standards, investments are shown at cost, with the exception of the funds of Monash University Foundation which are at net fair value. Market values of managed funds of the entity are disclosed in note 6.

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

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

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

(d) 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.



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