



THE UNIVERSITY OF  
MELBOURNE

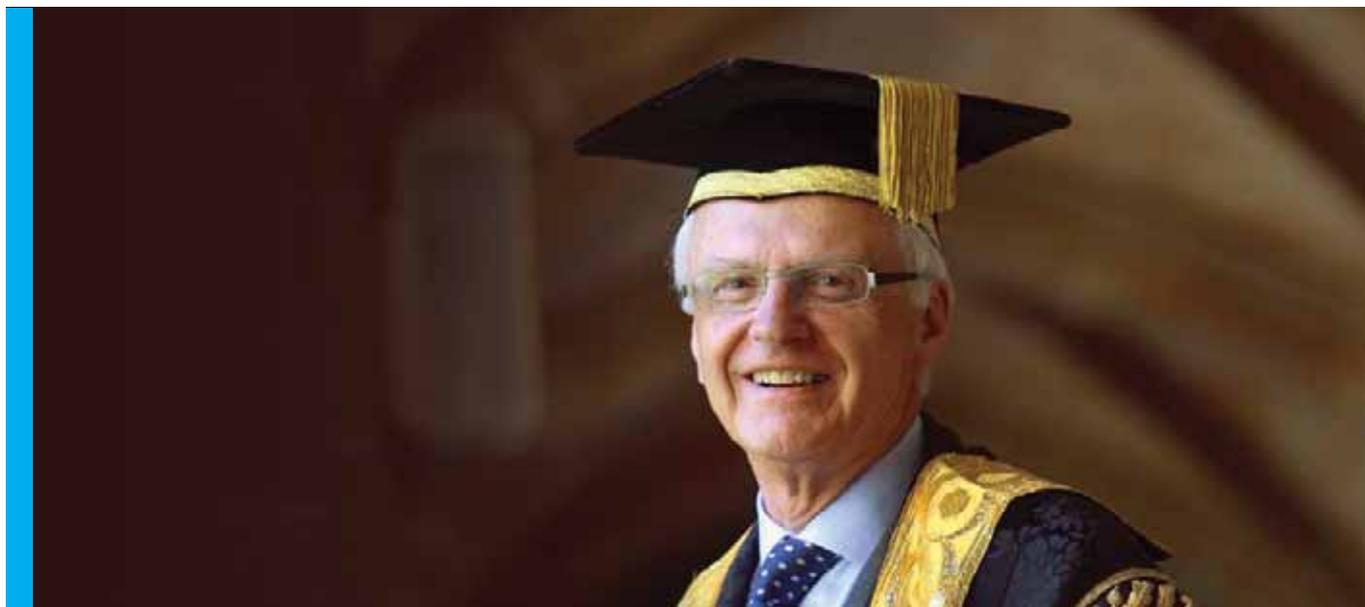


**Annual  
Report  
2010**  
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# Contents

Chancellor's Letter .....	1	<b>Statutory Reporting .....</b>	<b>80</b>
The Melbourne Vision .....	2	1 Statement on Occupational Health and Safety (OHS) Matters....	80
Council Membership 2010 .....	4	2 Statement on the University's Risk Management Strategy.....	84
Senior Officers .....	6	3 Conformity with the Building Act 1993 .....	90
Highlights.....	8	4 National Competition Policy and Competitive Neutrality Requirements .....	90
Introduction and Overview .....	10	5 Compliance with the Educational Services for Overseas Students Act (ESOS Act) 2000 .....	90
Quality People.....	16	6 Statutes and Regulations .....	91
Research and Research Training.....	24	7 Whistleblowers Protection Act 2001 .....	93
Learning and Teaching.....	34	8 Grievance Procedures.....	93
Engagement.....	44	9 Freedom of Information .....	93
Environmental Sustainability.....	56	10 Statement Concerning Compulsory Non-academic Fees, Subscriptions and Charges.....	94
Enablers.....	62	11 Further Information.....	94
University Governance .....	72	<b>Financials .....</b>	<b>95</b>
		Five-year Financial Summary .....	96
		<b>Financial Statements .....</b>	<b>101</b>
		Statement by University Officers .....	163
		Victorian Auditor-General's report.....	164
		<b>Compliance index to Disclosure Requirements 2010.....</b>	<b>166</b>
		<b>Useful Websites .....</b>	<b>168</b>

# Chancellor's Letter



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The Hon Peter Hall, MLC  
Minister for Higher Education and Skills  
Level 36, 121 Exhibition Street  
MELBOURNE Vic 3000

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22 MARCH 2011

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Dear Minister,

In accordance with the requirements of regulations under the *Financial Management Act 1994*, it gives me great pleasure to submit for your information and presentation to Parliament the Annual Report of the University of Melbourne for the year ending 31 December 2010. The report was approved by the University of Melbourne Council at its meeting on 21 March 2011.

2010 marked a milestone for the University of Melbourne with the graduation of the first cohort of undergraduate students under the University's new Melbourne Model. Many of these students are now proceeding to graduate professional degrees at the University.

The University of Melbourne maintained its excellent research performance during the year, retaining national leadership on most major research indices. Performance under Australian Research Council and National Health and Medical Research Commission competitive grant schemes was particularly notable. Underpinning these results has been a remarkable performance from researchers across all faculties, schools, campuses and close partners in affiliated institutes.

In the context of the extremely challenging economic environment of the past few years, the University's 2010 results represent a sound financial performance. I believe Melbourne is as well placed as any university in Australia to face the challenges of the coming years.

Council continued to work hard and effectively in 2010 and, I have no doubt, will continue to do so in 2011.

The membership of Council reflects a balanced representation of expertise and interests such that it is in a sound position to deal with the many educational, business and other matters which regularly come before it.

Yours sincerely,

The Hon Alex Chernov AO QC  
Chancellor

# The Melbourne Vision





***Left: New, conveniently located student learning spaces offer students the latest technology for collaborative or individual study.***

***Right: Arts graduates congratulate the achievements of their fellow students on graduation day.***



The University of Melbourne is committed to being one of the finest universities in the world.

- » As a fine academic institution, Melbourne honours its traditional promise to uphold the scholarly values of intellectual freedom, honesty, openness and rigour.
  - » As a fine research institution, Melbourne seeks to harness the strength, breadth and depth of its research to help meet global challenges.
  - » As a fine teaching institution, Melbourne aims to attract the brightest student cohorts from the widest range of backgrounds, offering an outstanding educational experience.
  - » As a public-spirited institution, Melbourne declares its intention to make research, student learning, and engagement serve public ends. This includes taking up pressing societal problems in research, producing graduates prepared for responsibility, and promoting enquiry and open debate based on evidence and reason.
  - » As an internationally engaged institution, Melbourne undertakes to work with overseas colleagues and students to meet global challenges with intelligence, ingenuity, and respect for humanity.
  - » As a university with a strong sense of place, Melbourne reaffirms the unique virtues of its campus locale, where face-to-face teaching remains the norm, where scholars gather from across the globe, and where learning communities embrace evolving technologies.
- » Melbourne is a place where great teachers lead talented students to open their minds, share wisdom and face the great unknowns: a place where each new generation can define a future that it values.

# Council Membership 2010

## The Council

The Council is the governing body of the University of Melbourne and has oversight of the entire direction and superintendence of the University. Council was appointed pursuant to the *Melbourne University Act 1958* and continued from 1 July 2010 under the terms of the new *University of Melbourne Act 2009*.

Under the 2009 Act, Council consists of between 14 and 21 members comprising: the official members – the Chancellor, the Vice-Chancellor and the President of Academic Board; at least four appointed members: three by the Governor-in-Council and one by the Minister; at least four members appointed by Council itself; at least two elected staff members; and at least one elected student member.

Under the transition provisions of the 2009 Act Council members who were in office under the previous Act continue to hold office on the terms on which they were originally appointed. The transition provisions also provide for the extension of some Council members' terms, reflected in the following details.

## The Chancellor

**THE HON ALEX CHERNOV**  
AO QC  
BCom LLB (Hons) *Melb.*



Positions held: Chair of the Victorian Bar. President of the Law Council of Australia. Vice-President of Law Asia. Member of Council of Presbyterian Ladies College. Chair of Australian Motor Sport Court of Appeal. Judge of the Court of Appeal of the Victorian Supreme Court. Conducts Mediations and Arbitrations. No significant financial interest declared.

## The Vice-Chancellor

**PROFESSOR**  
**GLYN DAVIS AC**  
BA NSW PhD ANU  
FASSA FIPAA



Chair of Universitas 21. Director of the Australia and New Zealand School of Government and the Grattan Institute. Member of the Supervisory Board of the Menzies Centre for Australian Studies (London) and member of the University Grants Committee Hong Kong. Ex-officio member of the University's companies and controlled entities. No significant financial interests declared.

## Deputy Chancellors

**JUSTICE**  
**SUSAN CRENNAN, AC**  
BA *Melb.* LLB *Syd.* PGDipArts  
*Melb.*



Field of experience: Law. Appointed to the High Court of Australia in November 2005. Served as a Commissioner of the Human Rights and Equal Opportunity Commission. First female president of the Australian Bar Association. No significant financial interests declared.

**MS ROSA STORELLI**  
BEd GradDipStudWelf  
MEdStuds FACEL  
AFAIM MACE



Field of experience: Education. Principal and Member of the Board of Methodist Ladies' College. No significant financial interests declared.

**MS ELIZABETH**  
**ALEXANDER AM**  
BCom *Melb.* FAICD  
FCA FCPA



Field of experience: Business and accounting. Chairman of CSL Ltd, and Nossal Institute. Director of Dexus Property Group and Medibank Private. In relation to financial interests, refer to p139.

**PROFESSOR**  
**GLENN BOWES**  
MBBS PhD *Melb.*  
GradCertMgt FRACP



Field of experience: Development of child and adolescent health policy at state and national levels. Director of the Board of Management, Mentone Grammar School. President of the Board of Directors, Lord Somers Camp and Power House. No directorships or significant financial interests declared.

**MR MICHAEL COYLE**  
BA *Melb.*



Field of experience: University administration. Director UniSuper Limited and UniSuper Management Pty Ltd. No significant financial interests declared.

**PROFESSOR**  
**PETER DAWKINS**  
BSc (Hons) *Lough.*  
MScEcon *Lond.*  
PhD *Lough.* FASSA



Secretary of the Department of Education and Early Childhood Development (Victoria). Former Director of the Melbourne Institute of Applied Economic and Social Research, University of Melbourne. No significant financial interests declared.

**MS ZOE EDWARDS**  
BA (Deans Schl Prg) *Monash*



Member of the Graduate Student Association (GSA) Student Council. No directorships or significant financial interests declared.

**MR MICHAEL GRIFFITH**



Member of the University of Melbourne Student Union Council. No directorships or significant financial interests declared.

**DR VIRGINIA MANSOUR**  
MBBS *Melb.* PhD *Monash*



Field of experience: Medical research and research ethics. No directorships or significant financial interests declared.

**PROFESSOR GEOFF STEVENS**  
BE(Chem) *RMIT* PhD *Melb.*  
FTSE FIChemE FAusIMM



President of the University Academic Board. Board member of the Microsurgery Foundation and Bernard O'Brien Institute of Microsurgery. No directorships or significant financial interests declared.

**MR ROBERT JOHANSON**  
BA LLM *Melb.* MBA *Harv.*



Field of experience: Banking and finance. Chairman of Bendigo and Adelaide Bank Limited. Director of Rural Bank Ltd, Grant Samuel Group Pty Ltd, and The Robert Salzer Foundation Ltd. No significant financial interests declared.

**MR MARTYN MYER AO**  
BEng *Swinburne*  
MEngSc *Monash* MScM *MIT*



Field of Experience: Business and government. President Myer Foundation. Non-Executive Director of Cogstate Ltd, SP Ausnet Group and Diversified United Investments Ltd. Member of the Board of Florey Neuroscience Institutes. Chairman of the National Business Leaders Forum for Sustainable Development and a founding Council member of the Royal Institution of Australia. No significant financial interests declared.

**DR FREDERIK VERVAET**  
PhD *Ghent*



Field of experience: Education, Humanities: Ancient History. Member of the Classical Association of Victoria. No significant financial interests declared.

**JUDGE IRENE LAWSON**  
LLB *Melb.*



Field of experience: Law and government. No directorships or significant financial interests declared.

**MR TONY PEAKE**  
BBus *RMIT* FCA



Field of Experience: Business and governance. Managing Partner PricewaterhouseCoopers. Director of Melbourne Festival. Director of Methodist Ladies' College. Member of Melbourne Advisory Council at the Centre for Social Impact and Advisor to Trustees of the Marian and EH Flack Trust. In relation to financial interests, refer to p139.

**THE HON DAVID WHITE**  
BCom BA MBA *Melb.* FCPA



Field of experience: Accounting and government. Previously a member of Victorian State Parliament holding a Ministerial Portfolio. No directorships or significant financial interests declared.

**MR ROSS MCPHERSON**  
LLB (Hons) *Melb.* LLM *Lond.*  
FAIM FAICD



Fields of experience: Law, Business and Media. Executive Chairman, McPherson Media Group. Member of the Board of McPherson Newspapers Pty Ltd and subsidiary companies, including Waterwheel Press Pty Ltd. Convenor of FoodBowl Unlimited Inc. Chair of Goulburn Valley Health Foundation. Member of the Global Foundation Inc Advisory Council. Director of the Pacific Area Newspaper Publishers' Association. No significant financial interests declared.

**MS EDA RITCHIE AM**  
GDipBus *Monash* AMusA



Field of experience: Business and Community. Trustee of RE Ross Trust, Director of Melbourne University Publishing Ltd, Hillview Quarries Ltd, Mayne Health Services and Port Fairy Spring Music Festival. No significant financial interests declared.

**MR JOHN WILSON**  
BCom (Hons) *Melb.* CA CPA  
MR FFin



Field of experience: Business and accounting. Non-Executive Director of the Royal Victorian Eye & Ear Hospital and Chairman of the Hospital's Audit Committee. No significant financial interests declared.

# Senior Officers

## VICE-CHANCELLOR AND PRESIDENT

The Vice-Chancellor and President is the Chief Executive Officer of the University. Appointed by the Council, the Vice-Chancellor is responsible for the effective management and administration of the University and may exercise any of the powers of the Council that are necessary for, or incidental to, the proper administration of the University.

## PROVOST

The Provost is the senior academic officer of the University and a Deputy Vice-Chancellor and has responsibility for achieving the University's objectives within the context of the University's *Growing Esteem* strategy. The Provost is responsible for the coordination and superintendence of all academic programs and student services and provides leadership to Deans so as to foster collaboration and promote congruence with the goals of the University.

## DEPUTY VICE-CHANCELLORS, PRO VICE-CHANCELLORS

Deputy Vice-Chancellors and Pro Vice-Chancellors exercise leadership and general superintendence over the particular areas of the University indicated by their titles. The elected President and Vice-President of the Academic Board are appointed by Council as Pro Vice-

Chancellors with specific responsibilities in relation to academic governance and quality assurance of academic programs.

## SENIOR VICE-PRINCIPAL

The Senior Vice-Principal is the senior administrative officer of the University and is accountable to the Vice-Chancellor and Council for the overall management and administration of the University, including financial and physical resources, human resources, business affairs, legal matters and strategic planning.

## CHIEF FINANCIAL OFFICER

The Chief Financial Officer superintends and manages the finances and financial reporting obligations of the University in accordance with the policies of Council, the law and applicable accounting standards and practices.

## HEAD OF UNIVERSITY SERVICES

The Head of University Services is accountable to the Senior Vice-Principal and has responsibility for delivery of administrative services internal to the University and for management of the University's Major Projects portfolio.

## UNIVERSITY SECRETARY

The University Secretary is secretary to Council and Senior Executive and has responsibility for the official records and other duties as defined in the Statutes.

## DEANS

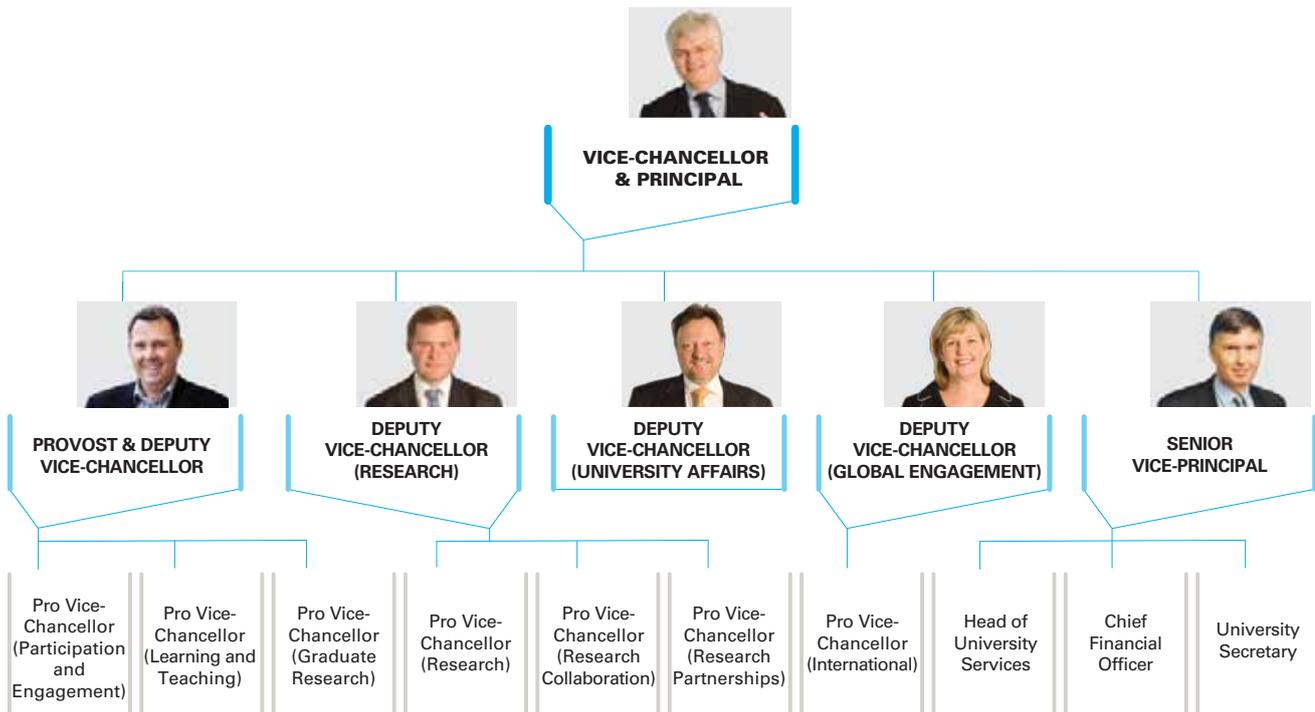
The Deans are appointed by Council and are the most senior officers in faculties and graduate schools. They are responsible for the execution of University and local policies in relation to education, research and administration of their faculty or graduate school and are accountable for their financial affairs.

## SENIOR EXECUTIVE

Senior Executive is the University's principal management committee.

The Committee exercises authorities in relation to matters delegated to it by the Vice-Chancellor. Its membership comprises the Vice-Chancellor, President of the Academic Board and other senior officers with significant program or budget division accountability, and associated authorities, including Deans.

The Committee is responsible for overseeing the development of University planning and budgeting and for monitoring performance and plans against budgets. Its activities and decisions are reported, where appropriate, to Council through the Vice-Chancellor and to the Academic Board through the President of the Academic Board.



## Senior Leadership

### Vice-Chancellor and President

Professor Glyn Davis AC  
BA NSW PhD ANU FASSA FIPAA

### Provost and Deputy Vice-Chancellor

Professor John Dewar  
BCL MA Oxon PhD Griff.

### Deputy Vice-Chancellor (Global Engagement)

Professor Susan Elliott  
MBBS MD Melb. FRACP

### Deputy Vice-Chancellor (Research)

Professor Peter Rathjen  
BSc (Hons) Adel. DPhil Oxon.

### Deputy Vice-Chancellor (University Affairs)

Professor Warren Bebbington  
MA Queens MMus MPhil PhD CUNY

### Senior Vice-Principal

Mr Ian Marshman  
BA (Hons) Melb. LLM ANU

### Pro Vice-Chancellor and President of the Academic Board

Professor Geoff Stevens  
BE(Chem) RMIT PhD Melb. FTSE FICHEM FAUSIMM

### Pro Vice-Chancellor and Deputy President of the Academic Board

Professor Ron Slocombe  
BVSc (Hons) Melb. MS PhD Michigan State U DipACVP  
MACVS MAICD

### Pro Vice-Chancellor (Graduate Research)

Professor Richard Strugnell  
BSc PhD Monash FASM

### Pro Vice-Chancellor (Research)

Professor Lyn Yates  
BA Melb. MEd La Trobe DipEd Melb.

### Pro Vice-Chancellor (Research Collaborations)

Professor Elizabeth Sonenberg  
BSc PhD Monash GDipCompSci Melb.

### Pro Vice-Chancellor (Research Partnerships)

Professor James McCluskey  
BMedSc MB BS MD WAust. FRACP FRCPA

### Pro Vice-Chancellor (Learning and Teaching)

Professor Philippa Pattison  
BSc PhD Melb. FASSA

### Pro Vice-Chancellor (Participation and Engagement)

Professor Richard James  
BSc Melb. MEd Melb. DEd Melb. DipEd Melb.SC.

### Pro Vice-Chancellor (International)

Professor Simon Evans  
BSc Syd. LLB Syd. PhD Camb.

### DEANS

#### Faculty of Architecture, Building and Planning

Professor Tom Kvan  
MA Camb. MArch Calif. PhD Open(UK)  
AHKIA AAlA

#### Faculty of Arts

Professor Mark Considine  
BA PhD Melb.

#### Faculty of Economics and Commerce

Professor Margaret Abernethy  
BEc PhD La Trobe

#### Melbourne School of Graduate Education

Professor Field Rickards  
BSc MEd Manc. PhD Melb.

#### Melbourne School of Engineering

Professor Iven Mareels  
ir(electro-mechanical engineering) Ghent  
PhD ANU FIEAust CPEng SMIEEE

#### Melbourne School of Land and Environment

Professor Rick Roush  
BSc UC Davis PhD UC Berkeley

#### Melbourne Law School

Professor Michael Crommelin AO  
BA LLB (Hons) UQ LLM PhD Br. Col.

#### Faculty of Medicine, Dentistry and Health Sciences

Professor James Angus  
BSc PhD Syd. FAA

#### Faculty of Science

Professor Robert Saint  
BSc (Hons) PhD Adel.

#### Faculty of Veterinary Science

Professor Kenneth Hinchcliff  
BVSc Melb. PhD Ohio DACVIM

#### Victorian College of the Arts and Music

Professor Sharman Pretty  
(Until 23 July 2010)  
BMus (Hons) Adel. Reifeprüfung Freiburg  
im Breisgau

Professor Warren Bebbington  
(Acting Dean from 30 July 2010)  
MA Queens MMus MPhil PhD CUNY

### OTHER SENIOR OFFICERS

#### Head of University Services

Ms Linley Martin  
BSc Adel. MSc Adel. DipCompSc Adel.

#### Chief Financial Officer

Mr Allan Tait  
BSocSci (Hons) Birm. ACA ACE&W

#### Chief Marketing Officer

Mr Patrick Freeland-Small  
BA GDipAppPsych Monash MAPsS GAICD FAMI

#### Executive Director (Admissions)

Ms Carmel Murphy  
BBus(Acct) RMIT

#### Executive Director (Finance and Planning)

Mr Michael Beaton-Wells  
BA LLB Melb. MMktg MBS

#### Executive Director (Human Resources)

Mr Nigel Waugh  
BA (Hons) Syd. GDipR/HRM Canberra

#### Executive Director (Information Technology) and Chief Information Officer

Mr Sendur Kathirgamanathan  
BSc BEng RMIT MBA Monash

#### Executive Director (Property and Campus Services)

Mr Chris White  
BArch RMIT

#### Executive Director (Research)

Dr David Cookson  
BSc (Hons) PhD Monash

#### Executive Director (Student Services) and Academic Registrar

Mr Neil Robinson  
BA (Hons) Sussex, MBA RMIT

#### Executive Director (Knowledge Partnerships)

Mr Jerry de la Harpe  
BComm LLB AFAIM AIAMA

#### General Counsel

Mr Christopher Penman  
LLB Syd.LLM Lond. GDipNatRes Melb.

#### University Librarian

Mr Philip Kent  
BA MBA UQ GDipLibSc QIT AALIA

#### University Secretary

Ms Janet White (Until 26 April 2010)  
BSc Lond.

Dr Christopher Stewardson

(From 27 April 2010)  
BA PhD Melb

# Highlights



## Quality People

» The quality of the student intake remained very high with a median ENTER of 93.90. [page 20](#)

» The quality of University staff was recognised through prestigious awards and the election of staff as fellows of learned societies. [page 19](#)

» University staff received recognition for excellence in teaching with eight Australian Learning and Teaching Council citations for Outstanding Contribution to Student Learning. [page 19](#)

## Research and Research Training

» Melbourne jumped 13 places in the Shanghai Jiao Tong academic rankings for 2010, to be ranked at 62, one of only three Australian universities in the top 100 and the most rapidly rising of all institutions in the top 100. The University retained its ranking at No 36 in the world by the Times Higher Education survey. [page 25](#)

» The University's research breadth has been recognized internationally. [page 25](#)

» Melbourne was ranked first or second on all national indicators of total research income, research publications, research higher degree student load, and completions. These indicators are used by the Government to allocate research block grant funding, with the University receiving the highest allocation nationally. [page 25](#)

» Melbourne was ranked first nationally for Australian Competitive Grants. [page 25](#)

» 2010 has seen the development of major research collaborations with national and international partners and the launch of an IBM research and development centre at the University. [page 27](#)

» Melbourne recorded the largest number of PhD completions. Rolling average completion times for PhD candidates continue to improve. [page 30](#)

» The University has established five major cross-disciplinary institutes focused on key societal issues. [page 28](#)

## Learning and Teaching

» Strong demand for places confirmed that Victorian and international students are embracing the Melbourne Model. Five of Melbourne's six New Generation degrees featured among the top 10 most popular first preferences in the Victorian Tertiary Admissions Centre system. [page 20, page 36](#)

» Student surveys showed strong satisfaction with the Melbourne Model. [page 36](#)

» The University is succeeding in its aim to deliver a quality all-round student experience [page 38](#)

» Development of innovative learning spaces to encourage individual and collaborative learning continued, tailored to meet differing graduate and undergraduate needs. [page 39](#)

» The numbers of students participating in outward mobility programs increased by 27 per cent over 2009. Melbourne now has the largest inbound and outbound student exchange program in Australia. [page 39](#)

» Undergraduate enrolments through the Access Melbourne program increased to 35 per cent of total enrolments. [page 40](#)

» The Kwong Lee Dow Young Scholars Program broadened engagement with the University, attracting students from schools underrepresented at tertiary level. [page 40](#)



## Engagement

- » Whole-of-University partnerships progressed. [page 45](#)
- » A second cultural Treasures Day opened the University's cultural collections to the public. [page 46](#)
- » The Vice-Chancellor's Engagement Awards and Symposium publicly recognised outstanding achievements in knowledge transfer across the University, highlighting interaction with external partners. [page 46](#)
- » Commercialisation results from licence fees and royalties and consultancies improved by 34 per cent in net returns. [page 46](#)
- » Despite a sectoral downturn, international student numbers remained stable at 28 per cent of student load. [page 47](#)
- » The University continued to be an active member of the Association of Pacific Rim Universities and U21, organisations whose membership is based on academic excellence, research intensity, global outlook, and innovation. [page 48, page 49](#)
- » The University's Australia India Institute had a busy establishment year. [page 51](#)
- » Donations and gifts to the University increased by 73 per cent on 2009. [page 52](#)



## Environmental Sustainability

- » Two of Melbourne's cross-disciplinary research institutes coordinate research efforts on sustainability challenges. [page 57](#)
- » A new Environmental Sustainability Strategic Plan 2011–2015 sets revised targets to ensure the University is on track to achieve carbon neutrality by 2030. [page 58](#)
- » A Campus Sustainability Centre has been developed to showcase how the University is improving the sustainability of its operations and how research is being directed and applied to reduce the University's environmental impact. [page 58](#)
- » The Bachelor of Environments was one of top 10 most popular courses in Victoria according to VTAC first preferences. [page 20](#)
- » More than 300 students enrolled in the cross-disciplinary Graduate Environmental Program. [page 58](#)
- » Significant progress was made in reducing energy use, water saving and managing waste. [page 59](#)



## Enablers

- » The *Growing Esteem* strategy was refined following a detailed consultation process. [page 63](#)
- » The University achieved a positive AUQA report. [page 63](#)
- » The Responsible Division Management project continued to coordinate efforts to make the University's administration more effective and efficient. [page 63](#)
- » The long-term viability of the Faculty of the VCA and Music was secured. [page 63](#)
- » A new Integrated Student Information System was implemented. [page 64](#)
- » Over \$1.6 billion in capital works under way in and around the Parkville campus, places the University at the heart of a world centre of research and clinical training. [page 67](#)
- » Implementation of the *Library Strategic Plan 2010–2015* continued, with redevelopment of major libraries under way. [page 67](#)
- » A program of 13 major IT projects provides a strategic roadmap for enterprise systems over the next 3–5 years. [page 68](#)

# Introduction and Overview





**“Life is unpredictable – that’s what’s exciting about it. Students need the time to explore, to discover what they’re passionate about, to try new things, to determine what they really want to do. Our curriculum provides that opportunity.”**

PROFESSOR GLYN DAVIS AC  
VICE-CHANCELLOR

*The academic procession leads Arts graduates, friends and family out of Wilson Hall after one the University’s moving graduation ceremonies.*

In 2005 the University of Melbourne embarked on the most ambitious educational reforms in its history. It named the strategy to achieve these changes *Growing Esteem*. A new metaphor, the triple helix, described the character of the University, articulating the importance and interplay between its research, learning and teaching, and external engagement programs.

The University chose to be more selective about supporting research, promoting cross-disciplinary activity offering the potential for significant global contribution. It elected, through the ‘Melbourne Model’, to separate undergraduate degrees from intensive graduate-level professional education so that students could benefit from both breadth and focus. A commitment to exchanging knowledge with the broader society was elevated to a core priority.

In 2009 the University initiated a process to review all aspects of its strategy, to sharpen institutional priorities in the context of internal and external changes since the strategy was formulated. Extensive consultations continuing into 2010 confirmed widespread support for *Growing Esteem*, but suggested improvements to some aspects. A refined strategy was adopted by Council during the year.

#### LEARNING AND TEACHING

2010 saw completion of the first phase of the Melbourne Model with the graduation of the first cohort of New Generation degree students. Many will return to the University in 2011 for graduate study. When that first cohort completes graduate programs, two to four years hence, the first full cycle of the Melbourne Model will be complete.

Now, halfway through the cycle, a range of measures offers encouraging evidence that the University’s new model of education is succeeding.

Demand for places by quality students remains strong – in 2010 five of Melbourne’s six New Generation degrees featured among the top 10 most popular first preferences in the Victorian Tertiary Admissions Centre system. At the same time, the University has succeeded in its efforts to increase the diversity of the student population. In 2010, 27 per cent of new Commonwealth Supported Places were allocated to students who qualified on the basis of equity and access considerations. It was heartening to see the popularity of a new guaranteed-access program for rural and disadvantaged students.

Student retention rates, traditionally among the highest in Australia, have been maintained, and in 2010 measures of student satisfaction

yielded by a variety of surveys all showed outcomes higher than those in a 2007 baseline survey taken just prior to introduction of the Melbourne Model.

While the first stage of the Melbourne Model focussed attention on undergraduate education, in 2010 the emphasis shifted to prepare for the major graduate intake. Over the next few years, the University will undergo a historically-significant transformation from being a predominantly undergraduate university, to becoming a university more evenly balanced between undergraduate and graduate education.

To ensure the University is ready for the graduate phase of the Melbourne Model, a team led by the Provost worked throughout the year to implement the recommendations of the *Towards 2011 Report*. A comprehensive set of arrangements ranging from new selection processes to performance standards has been put in place.

Meanwhile, rollout continued of key graduate professional programs and an expanded program of coursework masters programs. New graduate programs for Medicine, Dental Surgery, Veterinary Science, Optometry, and Physiotherapy were finalised, ready to be taught for the first time in 2011, along with new Masters degrees in Engineering and Science. These graduate programs differ significantly from undergraduate programs – pedagogy is finely tuned to the advanced learning skills of older, more mature students.

During the year the AUQA audit process examined many aspects of Melbourne’s teaching. The outcome was particularly pleasing, endorsing the Melbourne Model as a whole.

Throughout the extended period of planning and implementation of the Melbourne Model the University has been grateful for the strong level of engagement and support it has received from successive Commonwealth Governments in facilitating policy changes that will promote a more diverse higher education system for all Australians.

#### RESEARCH AND RESEARCH TRAINING

2010 was an outstanding year for research at the University.

Nationally the University maintained its position as the leading research university, achieving a number one ranking for research income, research publications, and research higher degree completions.

Internationally, a series of important rankings places the University at the forefront of research and education and reflects its



Professor Robyn Guymer and her team, as part of the Bionic Vision Australia consortium, offer the prospect of restoring vision to thousands.

particularly high standing in the Asia-Pacific region. In the research-based Shanghai Jiao Tong academic rankings for 2010, Melbourne jumped 13 places to be ranked at 62, one of only three Australian universities in the top 100 and the most rapidly rising of all institutions in the Shanghai Jiao Tong top 100. The rankings placed Melbourne at four in the Asia-Pacific region.

These results reflect a superb performance from researchers across all faculties, schools and campuses. The University's breadth of activity and strength across disciplines manifested in the various international rankings were echoed in the award of many prestigious Fellowships to outstanding academics. The University received 79 ARC and NHMRC Fellowships (representing nine categories) along with two of the 15 ARC Laureate Fellowships awarded nationally, and two of the 10 NHMRC Australia Fellowships.

In 2009 the University established a series of new cross-disciplinary research institutes to promote a greater degree of discussion across the campus and to harness disciplinary strengths to work on problems of substantial societal impact. The efforts of these outward-looking institutes have already started to bear fruit. In 2010 the Melbourne Materials Institute helped drive successful partnerships with innovative organisations such as Bionic Vision Australia and the Defence Science and Technology Organisation, while the Melbourne Neuroscience Institute played a pivotal role in the award of \$21 million from the ARC to establish Stem Cells Australia. Planning is under way for a number of further research institutes to leverage expertise in the humanities, social sciences, and creative arts.

To ensure the University maintains such research momentum, a Research Commission has been established to formulate a clear 10-year strategic vision for research at Melbourne.

#### ENGAGEMENT

Engagement captures the external activities of the University including knowledge partnerships, international programs, interactions with alumni, and all advancement activities.

The University is committed to sharing and extending its knowledge with external partners. Two important developments flowed from Melbourne's strengthening relationship with IBM in 2010. The first will see the establishment of an IBM Life Sciences Collaboratory in a partnership which will dramatically increase the research and supercomputing capabilities of the University-led Victorian Life Sciences Computational Initiative. In the other, IBM has committed to establishing a world-first Global Research and Development Laboratory at the University, bringing together 150 IBM researchers with researchers from the University, National ICT Australia, and industry to focus on projects aligned with IBM's *Smarter Planet* initiative. The Laboratory is set to begin operations in 2011.

Further afield, the University has participated in global opportunities and the sharing of knowledge in many ways – through international networks, international partnerships, and some 216 bilateral agreements with universities around the world. Melbourne is an active participant of both the Association of Pacific Rim

Universities and the Universitas 21 networks. A core partnership with Vanderbilt University in the US was consolidated throughout 2010.

Regionally, the University's links were strengthened through its active Asia-facing organisations. During the year initiatives by the new Australia India Institute, AsiaLink, and the Confucius Institute reached across the arts, education, business, health, and the community both within Australia and Asia. High-level delegations to India and Indonesia assisted in building new relationships and strengthening the University's profile within government, institutional, and alumni networks.

Despite fears of a contracting international student market, the University was successful in avoiding the significant downturn experienced by much of the sector. The international student population of approximately 11,500 enrolments represented over 27.7 per cent of teaching load. China, Malaysia, Singapore, Indonesia, and India continued to be the leading source countries.

#### ORGANISATIONAL CHANGE

Decisions taken during the year have set the future direction of the Faculty of the VCA and Music. Following a curriculum review process involving significant input from staff, students, and the Arts community, the University's Academic Board approved a Bachelor of Fine Arts covering all the VCA disciplines for introduction from 2012. Funding commitments from the Federal and State Governments coupled with a new business plan promise to secure the long-term viability of the Faculty.

#### FUNDING

The University continues to operate in a challenging and uncertain economic climate, and cannot rely on significant improvements in or assistance from external factors in the short term. Given this climate, the retention of a Standard and Poor's credit rating of AA+ and the 2010 accounting surplus of \$53.6 million represents a further step toward a robust longer term financial position for the University. While many challenges remain, importantly, through optimisation of revenue and continued careful management of costs, the University can expect its operating business to live within its means in coming years thereby facilitating greater investment in strategic initiatives.

Meanwhile the University continues to enjoy support from its generous external community – a record \$46 million dollars was raised through Advancement in 2010. Major bequests greatly boosted the total, as contributions reflected the affection and

respect the University commands from alumni and beyond.

#### OUTLOOK

The year ahead will be dominated by significant changes to the higher education policy environment. A review of base funding for teaching is under way and proposals for changes concerning accreditation, quality assurance, student numbers, student prices, monitoring of research performance, and research funding are all under discussion. While it is still unclear at this stage how various components of the system will interact, it is clear the new regulatory system will shape the sector for years to come.

The University will need to be informed and engaged in response to proposals. It will need to draw attention to the requirement for a cohesive, well-structured, stable system. Only with the autonomy to decide our own future, backed by fully-funded teaching and research, will the University of Melbourne have the capacity to deliver education equal to the best in the world.



Professor Glyn Davis AC  
Vice-Chancellor

## Five-year statistics

CATEGORY	2006	2007	2008	2009	2010
<b>Median ENTER</b>	94.3	94.7	93.9	94.1	93.9
<b>Student Enrolments (EFTSL)</b>					
Total Load (EFTSL)	33,934	34,677	35,474	35,927	36,626
Research Higher Degree	3,122	3,141	3,167	3,186	3,222
Postgraduate Coursework	5,558	5,947	6,742	7,404	8,289
Undergraduate	25,255	25,589	25,565	25,320	25,115
% Female Enrolment	56.0%	55.8%	55.3%	54.3%	55.2%
International Load (EFTSL)	8,804	9,385	9,895	10,133	10,144
% International	25.9%	27.1%	27.9%	28.2%	27.7%
<b>Award Completions</b>					
Research Higher Degree (excl Higher Doct)	736	729	720	775	715
PG Coursework	4,220	4,396	4,512	4,993	4,421
Undergraduate	8,186	7,953	8,038	8,231	8,217
Total	13,142	13,078	13,270	13,999	13,353
<b>Staff (FTE) (March, including casuals &amp; excluding TAFE)</b>					
Academic (All)	3,258	3,250	3,326	3,547	3,595
Professionals (All)	3,619	3,804	3,964	3,821	3,721
Total	6,876	7,054	7,289	7,368	7,316
<b>Student: Staff Ratio (August)</b>					
T&R Faculty Staff	16.5	17.7	17.9	17.8	18.3
All Academic Faculty Staff	10.5	10.8	10.8	10.9	10.9
<b>Research Expenditure (\$million)</b>					
	533	562(est)	708.8	738.0(est)	767.5(est)
<b>Research Performance Indicators</b>					
Research Income (\$million)	279.7(2)	309.0(2)	382.5(1)	337.0(1)	355.8(est)
Research Publications	3,809(2)	3,909(2)	4,317(1)	4,456(1)	4,200(est)
Research Load (EFTSL)	3,122(1)	3,141	3,168(1)	3,173(2)	3,222
Research Completions (eligible)*	736(1)	732(1)	720(1)	775(1)	715

NUMBERS IN BRACKETS ARE MELBOURNE'S NATIONAL RANK, BASED ON THE PROPORTION OF THE NATIONAL TOTAL FOR EACH CATEGORY.

\* ELIGIBLE COMPLETIONS MEANS THOSE INCLUDED IN RTS FORMULA, EXCLUDES HIGHER DOCTORATES BY PUBLICATION.

<b>Financial Data (\$million)</b>					
Consolidated Income	1,282.60	1,511.90	1,530.60	1,570.20	1,700.50
Consolidated Expenditure*	1,192.60	1,353.80	1,776.30	1,552.90	1,642.8
Net Result before Income Tax	90	158.1	-245.7	17.3	57.7
Net Result after Income Tax	90	157.7	-245.7	17.3	57.6
<b>Sources of Income (%)</b>					
Australian Government Recurrent Financial Assistance**	23.5	21	22.4	23.1	22.2
Other Australian Government Financial Assistance***	16.8	17.3	24	19.6	21.1
HECS-HELP (Govt and Student Payments)	7.9	7.1	7.6	7.9	7.7
State Government Financial Assistance	3.7	2	3.3	2.7	3.4
Fees and Charges and Other Income	33.5	31.6	32.8	32.1	32.7
Investment Income	8.8	16.7	5.5	9.6	6.4
Grants, Donations and Bequests	5.8	4.3	4.4	5	6.5
Total	100.0	100.0	100.0	100.0	100.0

\*Includes impairment of Available-for-Sale Financial Assets.

\*\* Australian Government Recurrent Financial Assistance includes Commonwealth Grants Scheme, Joint Research Engagement Program, Research Training Scheme, Research Infrastructure Block Grants and Sustainable Research Excellence in Universities.

\*\*\* Includes FEE-HELP.

Note: In the 2010 accounts, the University has made the following adjustments to balances previously reported in the 2009 financial report:

- a revaluation of the University's general library collection showed a significant decline in value, and also resulted in an adjustment

to the depreciation rates applied to the collection. This has resulted in a \$138.336 million reduction in Non-Current Assets and Retained Surplus at 31 December 2008. Additional depreciation and amortisation of \$2.677 million and disposals of \$1.689 million were also recognised in 2009.

- a change in the treatment of third party contributions towards construction of a University building which will create an obligation for the University to provide rent relief upon completion. Contributions previously reported as income in 2009 of \$17.956 million were transferred

to Construction in Progress.

- a change in the buildings depreciation policy was retrospectively applied which resulted in a \$3.464 million increase to depreciation

Further information is provided in Note 1.26 to the Financial Statements.



*Adrian Sun in the Simba Village Orphanage in Kenya.*

## Scholarship gives hope to others

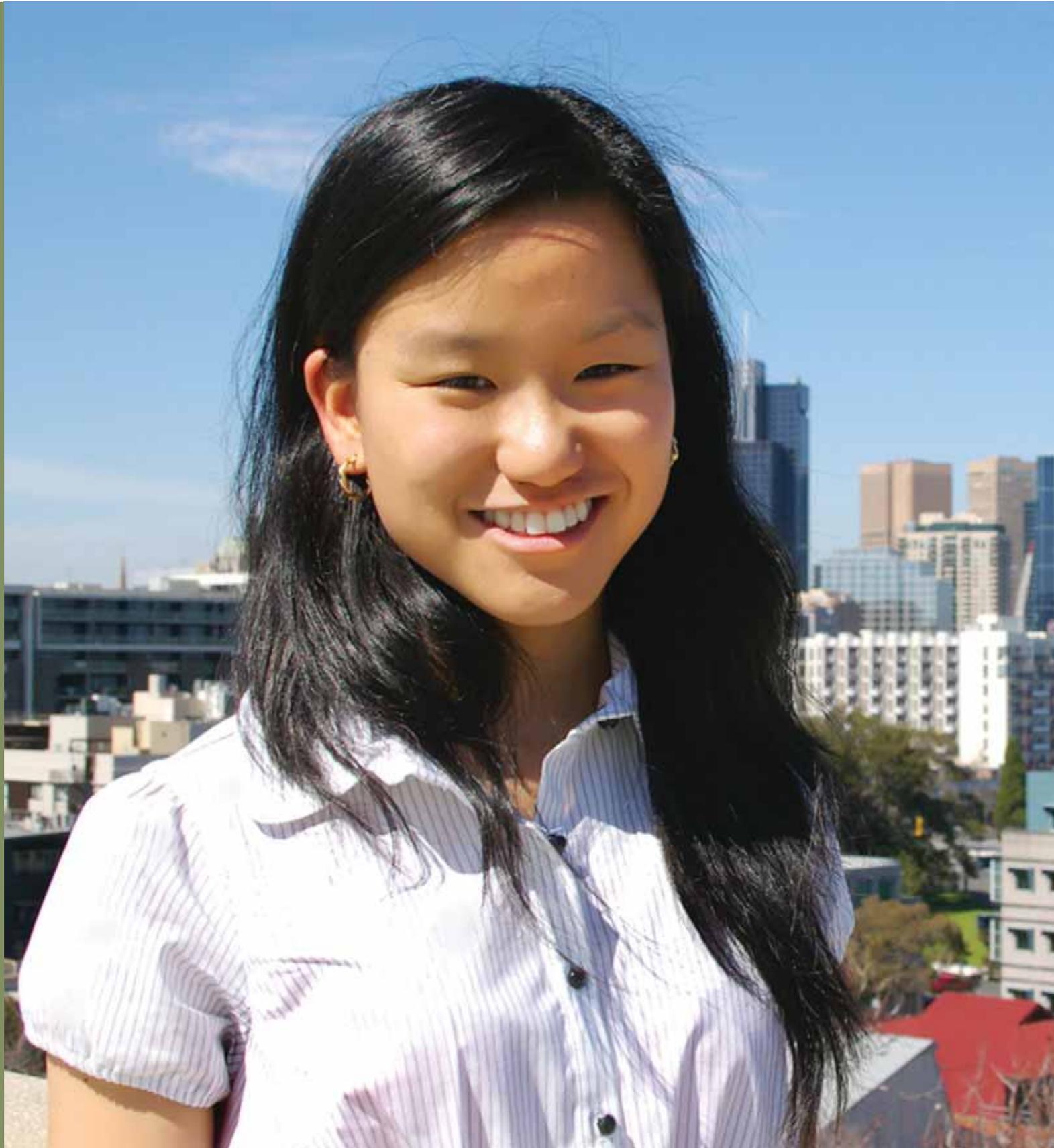
It may seem surprising to receive a gift, then give half of it away, but that is exactly what Adrian Sun has done. A fifth-year Commerce Law student resident at International House, Mr Sun is the recipient of the college's inaugural Global Citizenship Award.

Mr Sun, from Hong Kong, spent one-and-a-half months participating in the Kenyan Early Childhood Education Program teaching maths and English to Year 2 students in the Simba Village Orphanage in Ngong. It was his first time in Kenya and while he sometimes found teaching young children challenging, he was struck by their enthusiasm for education. "It was one of the best experiences I have ever had," he says. "You could see it in their eyes, they were ready to learn."

It was his experiences in Kenya that prompted Mr Sun to use half of the scholarship prize money to set up annual awards in the orphanage, one for the student with the best academic performance, the other for the student with the best all-round performance. "I hope that by doing this more lives can be changed positively by the scholarship."

The Global Citizenship Award is presented to one International House resident who spends at least one month contributing to a humanitarian aid project. This award, first bestowed in 2009, was made possible by a gift in 2007 from Professor Emeritus Frank Larkins and Mrs Valerie Larkins. Through Mr Sun's endeavours, the benefits of the Larkins' original gift will multiply in Kenya.

# Quality People





**Marita Cheng, University of Melbourne mechatronics engineering and computer science student and founder of Robogals Inc, a spectacularly successful international non-profit organisation which encourages more girls to study science, engineering and technology at tertiary level. Ms Cheng was awarded a Young Leader Pride of Australia Medal in 2010.**

## CHANGES IN ACADEMIC AND PROFESSIONAL LEADERS

After a number of years of valued service in senior positions at the University of Melbourne, Professor Peter Rathjen resigned from his position as Deputy Vice-Chancellor (Research) to take up the position of Vice-Chancellor of the University of Tasmania. Professor James McCluskey has been appointed Deputy Vice-Chancellor (Research), to commence in March 2011.

Two new Pro Vice-Chancellor positions were established following a review of senior executive portfolios. Professor Richard James was appointed Pro Vice-Chancellor (Participation and Engagement), and Professor Simon Evans Pro Vice-Chancellor (International).

Professor Bruce Singh was appointed to the new role of Assistant Vice-Chancellor (Medicine Dentistry and Health Sciences).

Two new Deans were appointed in 2010 to take up their positions in early 2011. Following the interim appointment of Professor Michael Crommelin pending the recruitment of a new Dean, Professor Carolyn Evans was appointed Dean of Melbourne Law School. Professor Barry Conyngham was appointed Dean of VCA and Music after an extensive national and international search following the resignation of the inaugural Dean, Professor Sharman Pretty.

In other senior appointments during the year, Dr Chris Stewardson was named University Secretary, and three executive directors were appointed: Mr Neil Robinson as Executive Director (Student Services), Mr Jerry de la Harpe as Executive Director (Knowledge Partnerships), and Ms Saveria Dimasi as Executive Director (Legal Services).

After many years of service to the University, Mr Nigel Waugh resigned from the position of Executive Director (Human Resources) in late 2010.

## RENOWNED SCHOLARS

Each year up to four Vice-Chancellor's Fellows are appointed. The positions provide outstanding individuals with an opportunity to engage in University life and to work on a project of value to the institution and the wider community. Professor Suzanne Cory, Professor Tony Coady, and Dr Paul Kelly commenced as Vice-Chancellor's Fellows in January 2010. There are currently six Vice-Chancellor's Fellows in residence at the University.

## High-achieving staff

### AUSTRALIAN OF THE YEAR

Professor Patrick McGorry, Professor of Youth Mental Health, was named Australian of the Year for 2010. The award acknowledges a lifetime of hard work improving the lives of young people suffering from mental illness. As executive director of the University-based Orygen Youth Health, and as director of the National Youth Mental Health Foundation (headspace), Professor McGorry has championed innovative approaches to the treatment and early intervention of young people diagnosed with mental health illnesses for over 27 years.

### FULBRIGHT SENIOR SCHOLARSHIP

Newly-appointed Dean of the Melbourne Law School, Professor Carolyn Evans, was awarded a Fulbright Senior Scholarship. Professor Evans travelled to Washington College of Law at American University and Emory University in Atlanta, Georgia, to examine questions of comparative religious freedom.

### AUSTRALIAN RESEARCH COUNCIL (ARC) AUSTRALIAN LAUREATE FELLOWSHIPS

Professor Ary Hoffmann from the Department of Genetics and Zoology and Bio21 Institute, and Professor Paul Mulvaney from the Department of Chemistry and Bio21 Institute, received prestigious ARC Australian Laureate Fellowships. Professor Hoffman will lead his project team in researching new approaches in pest control and maintaining environmental health under the combined stresses of climate change and human population pressures. Professor Mulvaney and his team will investigate the practical limits of plasmonics, leading to important applications in biosensing and environmental monitoring.

### AUSTRALIAN RESEARCH COUNCIL (ARC) SUPER SCIENCE FELLOWSHIPS

Two University of Melbourne research teams received ARC Super Science Fellowships. Professor Rachel Webster and Professor Stuart Wyithe from the School of Physics won funding for their project *Peering through the Dark Ages with the Murchison Widefield Array*. Professor Frank Caruso, Professor Geoff W Stevens, Professor Greg G Qiao and Associate Professor Sandra E Kentish from the School of Engineering received funding for their project *Nano-engineered Polymeric Materials for Environmental and Biological Applications*.

#### **NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL AUSTRALIA FELLOWSHIPS**

University of Melbourne researchers received two of nine Australia Fellowships awarded by the National Health and Medical Research Council in recognition of researchers who have the vision and application to tackle some of the biggest health issues in society. Professor Francis Carbone and his team from the Department of Microbiology and Immunology are investigating how chronic infectious diseases such as TB can be controlled. The team from the Department of Pathology and the Department of Microbiology and Immunology led by Professor Mark Smyth is exploring how the body's immune system responds to cancer, in the hope of developing new therapies for the disease.

#### **NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL EXCELLENCE AWARDS**

Four University of Melbourne researchers were awarded the highly-regarded National Health and Medical Research Council Excellence Awards in 2010 for their outstanding contribution to the success of medical research in Australia. Professor Sam Berkovic, Director of the Epilepsy Research Centre, received the Achievement Award for Highest Ranked Program Grant for his team's ground-breaking research into identifying epilepsy genes. Associate Professor Penelope Schofield, Dr Aaron Jex and Dr Mark Shackleton were each awarded an Achievement Award for Career Development.

#### **VICTORIA FELLOWSHIPS**

Dr Michelle Ma from the School of Chemistry at the Bio21 Molecular Science and Biotechnology Institute, and Dr Sant-Rayn Pasricha from the Nossal Institute for Global Health, were awarded prestigious Victoria Fellowships in 2010. Dr Ma will travel to London to further test a series of molecular compounds she has developed which offer the potential to detect early-stage cancer. Dr Pasricha will travel to the World Health Organisation in Geneva to participate in the process of translating his research on reducing health risks associated with iron deficiencies into health policy.

#### **INTERNATIONAL CRIMINAL COURT APPOINTMENT**

Professor Tim McCormack was appointed Special Advisor on International Humanitarian Law to Prosecutor Luis Moreno-Ocampo at the International Criminal Court in The Hague. A leading authority in his field, Professor McCormack will provide advice on the application and interpretation of international

humanitarian law in relation to crimes within the jurisdiction of the court, as well as on general principles of criminal law and legal issues related to military structures.

#### **CHAIR OF FAMILY LAW COUNCIL**

Associate Professor Helen Rhoades was appointed Chair of the Family Law Council, only the third woman to occupy the position since its inception in 1976.

#### **MERCK RESEARCH EXCELLENCE MEDAL**

Associate Professor Andrew Hill from the Faculty of Medicine, Dentistry and Health Sciences was awarded the Merck Research Excellence Medal. The Medal is given annually to an outstanding biochemist or molecular biologist with less than 15 years' postdoctoral experience. Associate Professor Hill's work focuses on molecular and cellular biology of neurodegenerative disorders such as Alzheimer's and Prion diseases.

#### **FRANKLIN AND ELEANOR ROOSEVELT INSTITUTE'S FREEDOM FROM FEAR MEDAL**

Professorial Fellow Professor Gareth Evans was awarded the Franklin and Eleanor Roosevelt Institute's Freedom from Fear Medal in recognition of his work in increasing understanding of the Responsibility to Protect Concept and nuclear non-proliferation and disarmament at an international level. The medal is one of the Four Freedom Medals awarded to those who have demonstrated a commitment to the democratic ideals espoused by President Franklin D Roosevelt.

#### **VICTORIAN EDUCATION EXCELLENCE AWARDS**

Professors Richard Teese and Stephen Lamb, Director and Deputy Director respectively of the Centre for Post-compulsory Education and Lifelong Learning at the Melbourne Graduate School of Education, received Minister's Awards for Significant Contributions to Victorian Education at the Victorian Education Excellence Awards. The awards acknowledge their extensive contributions to Victorian education over many years.

#### **VICTORIAN YOUNG TALL POPPY SCIENCE AWARD**

Dr Natalie Hannan from the Department of Zoology, and Dr Angus Johnston from the Department of Chemical and Biomolecular Engineering, were awarded Victorian Young Tall Poppy Science Awards. Dr Hannan was recognised for her research into establishing healthy pregnancies, and Dr Johnston for his research into increasing the efficiency of delivering drugs to the correct areas of the body.

#### **WOODWARD MEDALS**

Associate Professor Sarah Biddulph from the Melbourne Law School, and Professor Peter Stuckey from the Melbourne School of Engineering, were awarded Woodward Medals in 2010. The awards recognise staff whose research publications have made a significant contribution to knowledge in their field in the past three years. Associate Professor Biddulph received the Woodward Medal in Humanities and Social Sciences for her book *Legal Reform and Administrative Detention Powers in China*. Professor Stuckey received the Woodward Medal in Science and Technology for his article *Propagation via lazy clause generation*.

#### **INFLUENTIAL PEOPLE**

Professor Jane Gunn, Dr Rob Moodie and Professor Patrick McGorry were named in a list of the Top 50 most influential people in general practice. Dr Gunn, head of the Department of General Practice and Inaugural Chair of Primary Care Research, was recognised for her work in promoting the importance of general practice research. Dr Moodie, Professor of Global Health at the Nossal Institute for Global Health, was acknowledged for his role as Chair of the National Preventative Health Taskforce and his work which led the government to mandate plain packaging of cigarettes. Professor McGorry, Professor of Youth Mental Health, Executive Director of Orygen Youth Mental Health, Director of the National Youth Mental Health Foundation and 2010 Australian of the Year, was recognised for his pioneering work in youth mental health.

Professor Anthony Burkitt, Director of Bionic Vision Australia and Professor of Electronic and Electrical Engineering, was named in *The Age* magazine's top 100 list of the most influential Melbournians in 2010 for his work on the bionic eye.

#### **VICTORIAN HONOUR ROLL**

The lifelong achievements of Professor Rachel Webster from the School of Physics were recognised by her admission to the Victorian Honour Roll of Women in 2010.

#### **AUSTRALIAN MUSEUM'S GOOGLE AUSTRALIA EUREKA PRIZES**

Professor Peter Stuckey from the Department of Computer Science and Software Engineering was awarded the Australian Museum's Google Australia Eureka Prize for Innovation in Computer Science for his work on Lazy Clause Generation, a computational software platform that works out the most efficient use of resources, significantly faster than other existing methods. The new

platform will assist in real-life applications such as rostering in hospitals, scheduling trains, and allocating water.

Associate Professor Dr Ray Watson from the Faculty of Science and the Meat Standards Australia (MSA) Pathways Team won the Eureka Prize for Research by an Interdisciplinary Team for their project developing a meat grading system for Meat Standards Australia. The system is now used widely around the world. Associate Professor Watson's work on the statistical component for the system was central to its success.

#### STAFF APPOINTMENT TO GOVERNMENTAL PANEL ON EDUCATION FUNDING

Professor Beth Webster from the Faculty of Business and Economics has been appointed to the Federal Government's expert panel to review higher education base funding.

#### CHEMECA AWARDS

Associate Professor David Shallcross and Professor Greg Qiao from the Department of Chemical and Biomolecular Engineering were awarded 2010 Chemeca Awards. Associate Professor Shallcross received the Caltex Teaching Award for outstanding achievements in the teaching of chemical engineers. Professor Qiao received the Freehills Award for innovation in a product for his work in polymer chemistry.

#### AUSTRALIAN VETERINARY ASSOCIATION GILRUTH PRIZE

Professor Ian Beveridge from the Faculty of Veterinary Science was awarded the Gilruth Prize in 2010 (the Australian Veterinary Association's highest-ranking award) for his contributions to the field of veterinary parasitology.

#### YOUNG ENGINEER OF THE YEAR – SOCIETY OF AUTOMOTIVE ENGINEERS AUSTRALASIA

Research Fellow Dr Rahul Sharma from the Department of Mechanical Engineering was named Young Engineer of the Year by the Society of Automotive Engineers Australasia. Dr Sharma was acknowledged for his work on gaseous engine modelling and control systems development.

#### THE DUNLOP ASIALINK MEDAL

Vice-Chancellor's Fellow Professor Ross Garnaut AO received the Sir Edward 'Weary' Dunlop Asialink Medal for his influential work in Australia-Asia engagement and for his immense contribution to Australian policy over many years.

#### PEARSON/ANZMAC DISTINGUISHED MARKETING EDUCATOR OF THE YEAR AWARD

Associate Professor Angela Paladino from the Faculty of Business and Economics won the 2010 Pearson/ANZMAC Distinguished Marketing Educator of the Year Award in recognition of her contribution to the advancement of marketing education through direct teaching, service and research.

#### VANDERBILT MOBILITY RESEARCH GRANT SCHEME

Dr John Gehman and Dr Hadi Lioe from the School of Chemistry were named as inaugural recipients of the 2010 Vanderbilt Mobility Research Grant Scheme. The program is a joint initiative between the University of Melbourne and Vanderbilt University in the United States which encourages staff to work together on globally significant and innovative research.

#### THE FOLLOWING STAFF WERE RECOGNISED IN 2010 FOR EXCELLENCE IN TEACHING

*2010 Australian Learning and Teaching Council (ALTC) Citations*

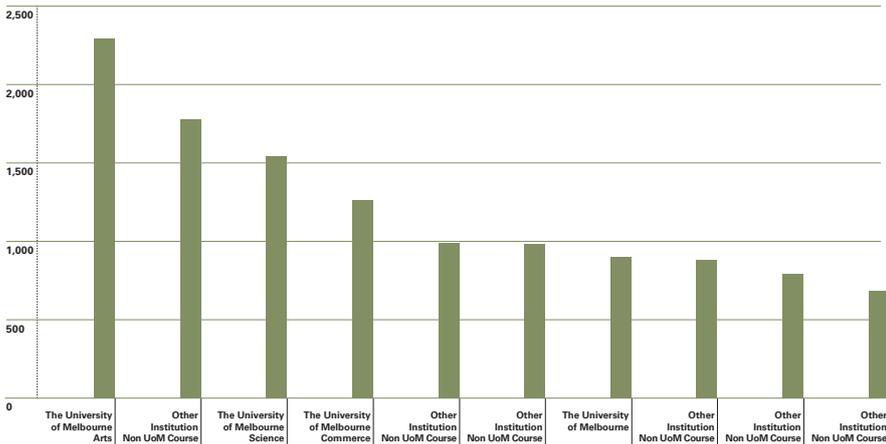
- » Professor Kate Darian-Smith (The Australian Centre, Faculty of Arts)
- » Professor Mark Elgar (Faculty of Science)
- » Mr Clinton Golding (Melbourne Graduate School of Education)
- » Ms Sunita Jogarajan (Melbourne Law School)
- » Mr Clifford Ogleby (Melbourne School of Engineering)
- » Ms Sara Pheasant (Melbourne Research Office)
- » Professor Marilyn Renfree (Faculty of Science)
- » Professor Rachel Webster (Faculty of Science)

*University of Melbourne Teaching Awards*

- » Professor Kate Darian-Smith (The Australian Centre, Faculty of Arts) for the Peter McPhee Award
- » Dr Clifford Ogleby (Melbourne School of Engineering) for the Edward Brown Award
- » Mr John Rayner (Melbourne School of Land & Environment) for the David White Award
- » Associate Professor John Tobin (Melbourne Law School) for the Barbara Falk Award

ACADEMY	2010 FELLOWS
<b>Australian Academy of Science</b>	Professor Francis Carbone FAA, Department of Microbiology and Immunology, Faculty of Medicine, Dentistry and Health Sciences
	Professor Steven Praver FAA, School of Physics Faculty of Science
	Professor Raymond Volkas FAA, School of Physics Faculty of Science
<b>Australian Academy of Humanities</b>	Associate Professor Anne McLaren, Asia Institute Faculty of Arts
	Professor Tim McNamara, School of Languages and Linguistics Faculty of Arts
	Professor Abdullah Saeed Sultan of Oman Professor of Arab and Islamic Studies and Director of the National Centre of Excellence for Islamic Studies Asia Institute
<b>Australian Academy of Social Sciences</b>	Professor Cynthia Hardy, Department of Management and Marketing, Faculty of Business and Economics
	Professor Mara Olekalns, Deputy Dean (Academic) Melbourne Business School
	Professor Mark Wooden Professional Research Fellow and Acting Director of the Melbourne Institute of Applied Economic and Social Research

## 2010 ENROLMENT YEAR MOST POPULAR CSP COURSES BY VTAC FIRST PREFERENCES



## Quality students

The University maintained its market share of outstanding students in 2010.

At the close of Victorian Tertiary Admissions Centre (VTAC) applications in December 2010<sup>1</sup>: Five of Melbourne's six New Generation degrees featured among the top seven most popular courses in Victoria based on the number of first preferences recorded by domestic VTAC applicants, namely: Arts (No 1), Science (No 2), Commerce (No 4), Biomedicine (No 5), and Environments (No 7).

International students studying in secondary schools throughout Australia and applying through VTAC also selected five University of Melbourne New Generation degrees as top preference, namely: Commerce (No 1), Environments (No 2), Science (No 3), Arts (No 4), and Biomedicine (No 5).

The quality of the student intake remained very high with a median ATAR of 93.90. 71 per cent of enrolled students achieved an ATAR greater than or equal to 90, a considerable achievement given the reduced number of courses and unavailability of direct entry to clinical science, engineering and veterinary science programs at undergraduate level.

## MEDIAN UNDERGRADUATE ENTERS

	MEDIAN ENTER
2006	94.30
2007	94.65
2008	93.85
2009	94.05
2010	93.90

In 2010, the University of Melbourne enrolled 65 National Scholarship recipients, 14 of whom were from interstate, with one third achieving an ATAR or equivalent of 99.95. The remaining students had an ATAR or equivalent of 99.9. Two National Scholarships were awarded to Indigenous students.

The University of Melbourne is succeeding in increasing the diversity of its student cohort. In 2010, 27 per cent of the University's new Commonwealth Supported places were allocated to students who qualified on the basis of equity and access considerations under the Access Melbourne scheme. Undergraduate enrolments for students from disadvantaged socio-economic backgrounds increased from four per cent of total commencing enrolments in 2009 to six per cent in 2010, while enrolments of undergraduate students from rural backgrounds increased from six per cent in 2009 to 11 per cent in 2010.

## High-achieving students

### 2010 YOUNG VICTORIAN OF THE YEAR

Faculty of Business and Economics graduate Wesa Chau was named 2010 Young Victorian of the Year for her work within Victoria's multicultural community and for her assistance to international students adjusting to life in Australia. Ms Chau is the founder of the Australian Federation of International Students, a not-for-profit organisation aimed at enriching the experiences of international students in Australia.

### SIR JOHN MONASH SCHOLARSHIPS

University of Melbourne graduates David Smerdon and Davis McCarthy were awarded prestigious John Monash scholarships in 2010. The postgraduate scholarships recognise excellence and leadership and offer graduates the opportunity to pursue postgraduate study at a non-Australian university. Mr Smerdon, a Commerce and Science graduate, will look at ways to model human behaviours in economics in his PhD. Mr McCarthy, a Science and Arts graduate, will undertake a Doctor of Philosophy at Oxford University where he will look at developing statistical theory, software and data analysis methods for high-throughput biological experiments.

### VICTORIA FELLOWSHIPS

Faculty of Medicine, Dentistry and Health Sciences PhD student Denise Miles was awarded a prestigious Victoria Fellowship. Ms Miles is investigating how sperm cells that do not develop properly can lead to testis cancer, in the hope it will lead to new diagnostic tests for the disease.

### VICTORIAN COLLEGE OF THE ARTS CANNES FILM FESTIVAL AWARDS

Two short films by Victorian College of the Arts students were the only Australian films to be selected for competition at the 2010 Cannes International Film Festival. Third-year Bachelor of Film and Television film productions *Deeper Than Yesterday* directed by Ariel Kleiman and produced by Anna Kojevnikov, and *Muscles* directed by Edward Housden and produced by Nicholas Sherry, were selected by the Cannes committee. *Deeper Than Yesterday* won the Kodak Award for best short film and the Rail d'Or. *Deeper than Yesterday* also won China's most prestigious foreign student short film award at the 9th Beijing Film Academy's International Student Film and Video Festival later in the year.

<sup>1</sup> VTAC data as at 23 December 2010 prior to International Baccalaureate, Western Australian Year 12, and Tasmanian Year 12 Change of Preference.



Over 700 University of Melbourne students completed their PhD candidature in 2010.

#### 2010 VENICE ARCHITECTURE BIENNALE

The University of Melbourne was the most-represented Australian university in the Australia Pavilion at the 2010 Venice Architecture Biennale, the world's most prestigious display of architectural work. Three projects from Faculty of Architecture Building and Planning staff and students were exhibited. They included 'Symbiotic City' by Steve Whitford with James Brearley from BAU Brearley Architects & Urbanists, 'Mould City' by Dr Peter Raisbeck with Nicola Dovey and Simon Wollan from Colony Collective, and 'The Fear Free City' by Associate Professor Justyna Karakiewicz, Dean of Architecture, Building and Planning Professor Tom Kvan, and Steve Hatzellis of Hatz Architects.

#### 4TH ANNUAL VICTORIAN CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES MOOTING COMPETITION

Melbourne Law School students Brendan Fitzgerald, David Foster and Timothy Lau won the 4th Annual Victorian Charter of Human Rights and Responsibilities Mooting Competition in 2010. Brendan Fitzgerald was awarded the prize for best speaker.

#### PRIDE OF AUSTRALIA MEDAL – 'YOUNG LEADER' CATEGORY

Melbourne School of Engineering student Marita Cheng was awarded a Young Leader Pride of Australia Medal. Ms Cheng is the founder of the highly successful Robogals, a not-for-profit organisation which encourages young girls into studies and careers in science, engineering and technology. Robogals now runs events and workshops in universities across Australia, the UK and Ireland.

#### NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL STUDENT RESEARCH COMPETITION

University of Melbourne medical students won first, second and third place in the National Health and Medical Research Council Student Research Competition. Sarah Lonie was successful in winning first prize with her project *Depression and Autonomic Nervous System Function in Heart Failure*. Ying-Yan Zhu won second prize for *The Effect of Lipid Exposure on Graft Patency and Clinical Outcomes after Coronary Artery Surgery: Arteries and Veins are Different*. William Shi took third place with his project *Training in mitral valve surgery need not affect early outcomes or late survival: a multicentre analysis of 2,216 procedures*.

#### BLUESCOPE STEEL GLENN MURCUTT STUDENT PRIZE

Faculty of Architecture, Building and Planning graduate Fiona Lew was awarded the BlueScope Steel Glenn Murcutt Student prize at the inaugural Australian Achievement in Architecture Awards.

#### THE MARSHALL INTERNATIONAL CASE COMPETITION

Maya Dagan, Michelle Hoggan, Robbie Tilleard, and Andrew Walla from the Faculty of Business and Economics defeated an international field of competitor universities to win the 13th annual Marshall International Case Competition. The competition is the world's largest international case competition for undergraduate students. Case competitions challenge students to develop recommendations for a real-life

business case study within 24 hours and present them to a judging panel.

#### CHANCELLOR'S PRIZE FOR EXCELLENCE IN THE PHD THESIS

The Chancellor's Prize for Excellence in PhD research was awarded to:

- » Dr Muhammad Ali (Melbourne Business School) for his thesis *Workforce gender diversity: is it a source of competitive advantage?*
- » Dr Radwa Aly Bakry Badawy (Faculty of Medicine, Dentistry and Health Sciences – Austin and Northern Health) for her thesis *Cortical excitability and epilepsy; insights into the pathophysiology*
- » Dr Alexander James Ling (School of Culture and Communication) for his thesis *Infinite revolutions: Alain Badiou, thinking cinema*
- » Dr Andrew Vincent Martin (School of Physics) for his thesis *Theoretical studies in phase imaging and atomic resolution electron microscopy*.

#### NATIONAL AND VICTORIAN 3MBS YOUNG PERFORMER OF THE YEAR AWARDS

Melbourne Conservatorium of Music student Miss Tessa Ho won both the National and Victorian 3MBS Young Performer of the Year awards.

#### INSTITUTE OF ENGINEERING & TECHNOLOGY (IET) GLOBAL 'PRESENT AROUND THE WORLD' COMPETITION

Melbourne School of Engineering PhD student Kyle Slater won the Institute of Engineering & Technology's global Present Around the World competition at the 2010 IET Ambition Awards for his electrical engineering project *SoundBeam*.

#### WRITING FOR RIGHTS COMPETITION

Master of Teaching students Jennifer Bashford, Skanda Coffield-Feith, and Krista Seddon won the Writing for Rights competition, sponsored by Amnesty International and the Social Educator's Association of Australia. The team developed a 10-week Indigenous Studies unit which covered past, present and future perspectives, and encompassed economic, political and social justice issues.

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#### **PRIME MINISTER'S AUSTRALIA ASIA POSTGRADUATE AWARD**

Office for Environmental Programs' Master of Environment student Saideepa Kumar received one of only 20 Prime Minister's Australia-Asia Postgraduate Awards for international students. Ms Kumar will conduct research into the modelling conjunctive use of surface water and groundwater in irrigation command areas in the Godavari/Krishna river basin in India.

#### **AUSTRALIAN GOVERNMENT ENDEAVOUR RESEARCH FELLOWSHIPS**

Four University of Melbourne students, Helen Aberton, Emily Hepburn, Sarah Midford, and Josephine Verducci were awarded Endeavour Research Fellowships by the Australian Government in 2010. Endeavour Research Fellowships provide high-achieving scholars with support to undertake short-term research in the Asia-Pacific, Americas, Europe and Middle East.

#### **THINKING GLOBAL: INTERNATIONAL RESEARCH SCHOLARSHIPS**

Melbourne School of Land and Environment PhD student Sara Ohadi was awarded one of 20 Thinking Global: International Research Scholarships. Ms Ohadi's thesis will explore plant invasions in Australia and New Zealand, enhancing scientific knowledge in relation to resource management and sustainability.

#### **LEADING ROLES IN THE FORTHCOMING INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC) FIFTH ASSESSMENT REPORT**

Melbourne School of Land and Environment's Associate Professor Jon Barnett and PhD student Paulina Aldunce will play leading roles in the forthcoming Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report, Working Group II. Associate Professor Barnett was appointed Lead Author for Chapter 12 and Ms Aldunce was appointed Review Editor for Chapter 12. The IPCC is the leading international body for the assessment of climate change.

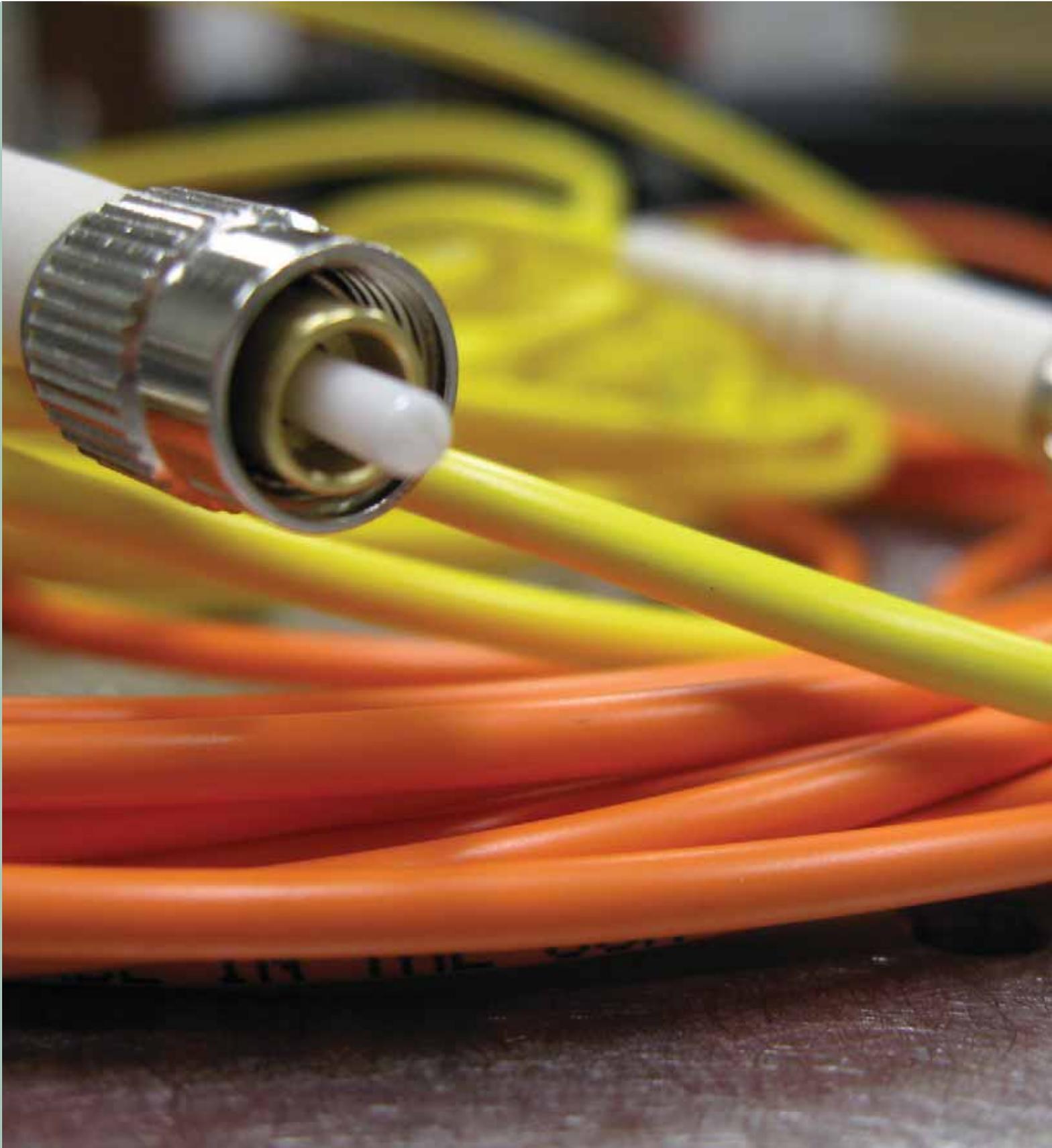
#### **ASIA-PACIFIC REGIONAL HUMAN DEVELOPMENT INITIATIVE FELLOWSHIP**

Melbourne School of Land and Environment PhD student Patrina Dumaru was awarded an Asia-Pacific Regional Human Development Initiative Fellowship. Ms Dumaru, from the Department of Resource Management and Geography, is studying community-based adaptation to climate change in six villages in Fiji. The fellowships are awarded to PhD students whose research has made a substantive contribution to human-development thinking relevant to the region.



*Professor James Angus, Dean of the Faculty of Medicine, Dentistry and Health Sciences, was appointed an Officer (AO) of the Order of Australia in the 2010 Queen's Birthday Honours.*

# Research and Research Training





**“Underpinning the University’s outstanding research results in 2010 has been a superb performance from researchers across all faculties, schools, campuses and close partners in affiliated institutes.”**

PROFESSOR PETER RATHJEN  
DEPUTY VICE-CHANCELLOR  
(RESEARCH)

*In 2010, Dr Brant Gibson in the School of Physics continued research into a new class of optical fibre called a Fractal fibre. The design draws inspiration from the Fractal patterns found in nature, the intricate structure of a fern being a great example.*

2010 has been an outstanding year for research at the University of Melbourne.

Nationally the University has maintained its position as the leading research university, achieving number one rankings for research income, research publications, and research higher degree completions. Internationally, it has seen a significant improvement in its position in the Shanghai Jiao Tong academic rankings for 2010.

Underpinning these results has been a superb performance from researchers across all faculties, schools, campuses and close partners in affiliated institutes. Melbourne’s research breadth has contributed to its remarkable success in building targeted research partnerships. 2010 has seen the development of major collaborations with national and international partners, supported by State and Federal Government funding. Significant progress and consolidation of collaborative activities has been achieved, in particular through the University’s five major interdisciplinary research institutes established in 2009.

A focus on strategies for investment in research infrastructure and an emphasis on refining research information systems are positioning the University to advance more rapidly with major priorities.

To ensure momentum is maintained, a Research Commission was established during the year to consult widely on the University’s research and research training strategy. The Commission will consider every aspect of the University’s research work to inform development of a 10-year strategic vision.

## Research performance

### INTERNATIONAL PERSPECTIVE

International rankings highlight the University of Melbourne’s strong research performance:

- » The Academic Ranking of World Universities by the Shanghai Jiao Tong University records Melbourne as one of three Australian universities in the top 100. With an improved ranking of 62 (compared with 75 for 2009), the University of Melbourne was also ranked in the top 100 in three of five broad discipline areas.
- » In the World University Rankings provided by The Times Higher Education, the University of Melbourne was placed first in Australia with a ranking of 36 (equal 36 in 2009).
- » Quacquarelli Symonds ranked the University of Melbourne 38 in the world and third in Australia in its new Top

Universities listing. For both evaluation systems, Melbourne was the only Australian university to be ranked in the top 32 for all the broad discipline areas assessed (six and five respectively), confirming strong overall performance.

- » The *2010 Performance Ranking of Scientific Papers for World Universities* by the Higher Education Evaluation and Accreditation Council of Taiwan again ranked Melbourne as the highest Australian university at 43 in the world, and four in the Asia-Pacific (compared with 51 and four respectively for 2009).

### NATIONAL PERSPECTIVE

Since 1996, the University of Melbourne has ranked consistently first or second on all major national research indicators of income, publications, research higher degree (RHD) load, and RHD completions. These indicators are used by the Federal Government Department of Innovation, Industry, Science and Research (DIISR) to allocate government funding for research and research training. As summarised in the table on the following page, in 2009 (the latest available comparative data) the University was ranked first for three of the four parameters. The University also maintained its number one ranking for Australian Competitive Grants (ACGs).

### FUNDING

In 2010, the University of Melbourne again received the highest allocation of Federal Government funds awarded on the basis of research performance through the Research Block Grant. This was a noteworthy achievement as some of the constituent schemes for 2010 had changed to emphasise key government objectives, including best practice in research-related management.

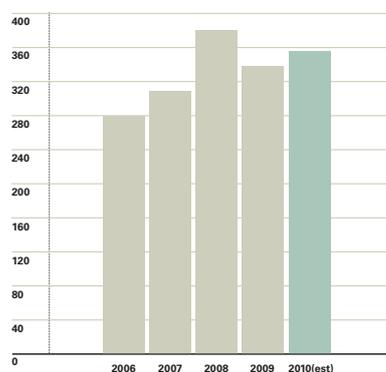
The University gained \$168.9 million from the new Research Block Grant which comprised the following seven schemes. Each allocation was the highest nationally:

- » Joint Research Engagement (new) (\$37.2 million)
- » Sustainable Research Excellence (SRE) (new) (\$10.6 million)
- » Research Training (\$69.7 million)
- » Research Infrastructure Block Grants (\$30.3 million)
- » Australian Postgraduate Awards (\$18.2 million)
- » Commercialisation Training (\$0.6 million)
- » International Postgraduate Research Scholarships (\$2.3 million).

In 2009 (the latest data available), the University achieved research income of

\$337.0 million. While less than the previous year (the total for 2008 had been boosted by an extraordinary \$50 million grant in public sector funding from the State Government), the result is nevertheless outstanding and represents the highest income of any university nationally.

### RESEARCH INCOME (\$Million)



Research income derives from a range of sources. \$166.2 million was contributed by ACGs (the highest award nationally and an increase of 2.9 per cent), public sector funding of \$80.3 million (a decrease of \$38.1 million due largely to the impact of the previously mentioned special grant in 2008), and Cooperative Research Centres income of \$11.6 million. Although industry, donations, and international support made a substantial contribution of \$78.9 million, the figure represents a decrease of 10.7 per cent. Steps are being taken to improve performance in these areas beginning with the mid-year appointment of an international research coordinator to support the development of strategies for increasing the international research funding base.

Research funding highlights included performance in:

- (i) Australian Research Council (ARC) Discovery Project Grants – the University received \$37.6 million (the highest nationally) in multi-year grants for commencement in 2011, recording the highest success rate (31 per cent) and highest number of successful applications (107)
- (ii) National Health and Medical Research Council (NHMRC Project Grants) – the University received \$52.6 million (the second-highest nationally, and an increase of 29.3 per cent) for 95 projects, with two program grants awarded a remarkable \$30.5 million.

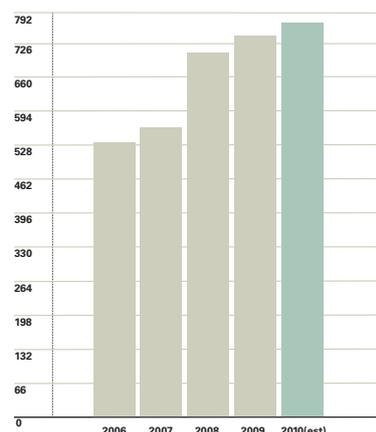
Discipline-specific peer review and grant mentorship have played an important role in the strong success rates.

### OTHER PERFORMANCE MEASURES

Contributing to the strong research results is an improved publication performance. Weighted publications improved by 3.2 per cent to 4,456, with average citations per publication (as measured by the ISI Web of Knowledge<sup>(SM)</sup> Essential Science Indicators<sup>(SM)</sup>) increasing to 7.89, up by 8 per cent over the preceding five-year period.

Expenditure on research and research training from all sources was an estimated \$767.5 million representing almost 48 per cent of total University expenditure. In a 10-year period, the University of Melbourne's research expenditure has more than doubled.

### RESEARCH EXPENDITURE (\$Million)



Note: As formal analysis is undertaken biennially for the Australian Bureau of Statistics data collection, results for odd years are estimates.

The quality and diversity of the University's academic staff is reflected in the many fellowships awarded during the year. For commencement in 2011, the University received 79 ARC and NHMRC Fellowships (representing nine categories) which comprised the highest award nationally of NHMRC Fellowships. University researchers received two of the 15 ARC Laureate Fellowships awarded nationally and two of the ten 2010 NHMRC Australia Fellowships.

The Federal Government Excellence in Research for Australia Initiative (ERA) is designed to assure the quality of research in Australia's publicly-funded universities. The initiative reflects research performance through research data on staff, income, outputs, citations and esteem measures. The University of Melbourne submission to the inaugural ERA assessment included

### MELBOURNE'S PERFORMANCE AGAINST KEY NATIONAL RESEARCH INDICATORS

	RESEARCH INCOME			RESEARCH PUBLICATIONS			RESEARCH HD LOAD		RESEARCH COMPLETIONS (ELIGIBLE)*	
	\$'000	NATIONAL RANK	% OF TOTAL	DEST WEIGHTED SCORE	NATIONAL RANK	% OF TOTAL	EFTSL	NATIONAL RANK	NUMBER	NATIONAL RANK
2006	279.7	2	12.7%	3,809	2	8.2%	3,122	1	736	1
2007	309.0	2	12.4%	3,909	2	8.2%	3,141	1	732	1
2008	382.5	1	13.6%	4,317	1	8.6%	3,168	1	720	1
2009	337.0	1	12.1%	4,456	1	8.5%	3,173	2	775	1
2010	355.8(est)	n/a	n/a	4,200(est)	n/a	n/a	3,222	n/a	715(est)	n/a

\* Eligible completions means those included in RTS formula, excludes Higher Doctorates by publication

\*\* Includes all income deemed eligible under the 2010 Higher Education Research Data Collection regulations

data on more than 2,900 full-time equivalent researchers and over 30,000 research outputs for the scheme's eight broad disciplinary areas. The outcomes of the exercise will be released in 2011.

### IMPROVING RESEARCH PERFORMANCE

In order to understand more precisely the areas of current research and those with potential for improvement, a strategic framework was put in place in 2010 for analysis of research performance. Data will be collected against a range of discipline-specific quantitative and qualitative indicators (including those related to research activity per academic staff member). Performance against the indicators will form a component of the annual mid-year strategy and performance reviews of faculties.

The strategic framework is dependent on a robust set of underlying research data and analyses. Substantial progress was made during 2010 in upgrading University-wide and research-specific data systems. The upgrade will make a greater amount of accurate data available for more effective analysis at individual researcher and discipline levels. With much of the data already captured on University systems and other external bibliometric databases, one focus has been to amalgamate the information and allow it to be displayed in new ways.

## Collaborative research

### COLLABORATIVE PARTNERSHIPS

The development of strong collaborative partnerships is a key platform of the University of Melbourne's research strategy. A commitment to facilitating closer relationships with affiliated institutes is maximising mutual benefits and strengthening the University's research profile. Important new collaborative ventures with external partners have been a highlight of 2010.

Two of the new collaborations build on the University's partnership with IBM.

In February, a partnership was launched between IBM and the University of Melbourne for the establishment of a collaboratory – the first IBM Collaboratory in life sciences in the world. The supercomputer built from this initiative between IBM, the Victorian Government and the University will provide Victorian researchers and computational specialists with one of the world's finest life sciences facilities. The outcome will be a significant strengthening of the research capabilities of Victoria's life sciences researchers and a dramatic expansion of their capacity to carry out world-class research in Melbourne.

In October, the announcement that the first IBM Global Research and Development Laboratory would be located at the University of Melbourne was greeted with funding commitments from both the Federal and State Governments. The Laboratory is the first to be aligned with a university and will ultimately bring together approximately 150 IBM researchers with researchers from the University, National ICT Australia and industry to focus on projects aligned with IBM's Smarter Planet initiative. Smarter Natural Resource Management and Smarter Natural Disaster Management have been identified as initial areas of focus.

New collaborations reach across government, industry, and the higher education sectors alike.

During the year:

- » The University of Melbourne joined with the Australian National University, Australian Nuclear Science and Technology Organisation, and Australian Synchrotron to establish the Australian Collaboration for Accelerator Science (ACAS) with the aim of maintaining and developing state-of-the-art accelerator-based facilities in Australia. The collaboration will develop training programs and an annual specialised accelerator school for graduate students which will nurture the next generation of scientists. Work is already under way, with the first school held in December 2010.
- » The Melbourne Materials Institute launched the Defence Science Institute (DSI), a new strategic partnership established between the University of Melbourne and the Defence Science and Technology Organisation (DSTO) to tackle the complex challenges faced by the Australian Defence Force. The DSI is supported by both State and Federal Governments to undertake multidisciplinary research to help create smarter defence solutions for a safer Australia.
- » The Centre for Energy-Efficient Telecommunications saw the University partnering with the Victorian Government and Bell Labs, the research arm of Alcatel-Lucent.
- » The University was nominated as the administering institution for the ARC Special Research Initiative in Stem Cell Science. Through this initiative, seven national and several international organisations will collaborate to develop new methods for stem cell propagation and manipulation and new translational technologies for therapeutic applications.

Supported by funding of \$21 million, Stem Cells Australia will train the future stem cell scientific leaders of Australia.

- » Scientists within the University's Bio21 Molecular Science and Biotechnology Institute (Bio21 Institute) will collaborate with University High School and Debney Park Secondary College to create a Science Sub-School to inspire the next generation of scientists. Supported by \$7 million in State Government funding, the purpose-built facility linking the Institute with University High will transform teaching, research and science education through the interaction between secondary school students and scientists at the Institute.

### COLLABORATIVE BIDS

The University of Melbourne was a member of successful bids involving extensive collaborations with other universities, government and industry.

Federal Government Education Investment Fund bids will see:

- (i) The Australian Geophysical Observing System developed by Auscope Limited incorporating 23 universities, government bodies, and research organisations
- (ii) The Centre for Advanced Imaging and Enhancement of the Current National Imaging Facility to be established in four states and operated by a consortium of seven universities and research institutions.

At the state level, the University was involved in seven successful bids for Victorian Science Agenda Investment and Strategic Funds in collaboration with a number of other Australian universities, research organisations, and industry partners.

An outstanding feature of many of these multi-faceted collaborations is the resultant access they provide to world-class research infrastructure, adding a new dimension to the University's ability to undertake internationally-competitive research.

### ONGOING INITIATIVES

In 2009 the University of Melbourne established five interdisciplinary research institutes as a means of harnessing its research breadth to meet contemporary global challenges. Each of these institutes focuses on key societal issues and aims to provide leadership in areas of research expertise. The institutes experienced a successful year of consolidation and progress in 2010. Growth, business plans, and funding models have been agreed until 2013. Seed funding

has been provided to foster interdisciplinary collaborative research projects.

2010 highlights include:

- » The Institute for a Broadband-Enabled Society established 40 funded research projects involving more than 160 researchers from University departments and overseas institutions. The Institute gained support from 20 industry partners and the State Government, and published its first annual report.
- » The Melbourne Energy Institute launched its Australian Sustainable Energy Series in 2010, producing two publications: *Australian Sustainable Energy by the Numbers* and the *Zero Carbon Australian Energy Plan*. The latter report, produced by the University and its partner Beyond Zero Emissions, won a prestigious Banksia Environmental Foundation award.
- » The Melbourne Materials Institute was instrumental in driving successful partnerships with innovative organisations such as Bionic Vision Australia and the DSTO.
- » The Melbourne Neuroscience Institute was the leading proponent on behalf of the University in bidding successfully for the ARC Special Research Initiative in Stem Cell Science. A major emphasis of this research relates to the neurosciences and its ultimate application to neurology.
- » The Melbourne Sustainable Society Institute identified a total of six themes for research activity (Climate Change, Food and Water, Health Equity, People and Values, Planned Infrastructure and Transport, and Risk, Resilience and Transformation) and appointed leaders for each theme. It hosted numerous visiting international academics, government leaders, and forums.

The Victorian Life Sciences Computation Initiative (VLSCI) was established in 2009 to provide computational biology expertise and state-of-the-art computing infrastructure to institutions throughout Victoria. It is expected to become one of the top five life science computation facilities in the world by 2013.

An important milestone was achieved during the year with installation of the Peak Computing Facility (which includes the largest IBM Blue Gene supercomputer devoted to the life sciences in the southern hemisphere). Demand for the facility is keen – requests by local and international collaborations to see and use the facility in 2011 were over subscribed. The new IBM Collaboratory for

Life Sciences, to be located with the VLSCI, will add to the impact of the initiative.

Interdisciplinary collaboration is also fostered through the University of Melbourne Interdisciplinary Seed Funding Scheme which allocated \$1.09 million for the support of 28 projects involving over 130 researchers. Each year the McKenzie Postdoctoral Fellowship Scheme awards fellowships for a maximum of three years to researchers who have the potential to build and lead interdisciplinary collaborative research activities within and across faculties. The nine inaugural recipients commenced in 2010.

At the end of 2010, the University was involved in over 95 centres and institutes for research and research training, including 12 Cooperative Research Centres (CRCs) serving four broad industry sectors, 12 ARC Centres, and two NHMRC Centres. More than half of these centres and institutes for research and research training involve collaborators from other research institutions or industry.

The University will also be a participant in seven ARC Centres of Excellence, and three CRCs to receive new funding in 2011.

## e-Research

Significant partnerships developed during the year see the University of Melbourne poised to take a national leadership role in e-Research.

The University has been awarded \$47 million funding over four years to lead an Australian e-Research Collaboration Infrastructure Project. The intention is to support a 'connected researcher' who, at the desktop or the benchtop, has access to a full suite of digitally-enabled data and analytic and modelling resources specifically relevant to their research. This project, which will offer data management and modelling facilities to enhance the understanding of urban resource use and management, is closely associated with the new Australian Urban Research Infrastructure Network (AURIN) initiative hosted by the University.

With major initiatives in the ICT domain in and around the University, the Parkville precinct is now a major international centre for the development of a broad range of information and communication technologies.

Complementing these initiatives, an e-Research strategy was developed in 2010 and the groundwork laid to establish a University-wide research infrastructure strategy (through the Research Infrastructure and e-Research Advisory Groups). A new research position will be funded to assist in

analysis and policy development and an audit of research infrastructure at the University completed in the first half of 2011.

## Research training

Quality research training is integral to the University of Melbourne's research reputation.

The latest comparative data indicate that the University has retained its position as a leading environment for graduate research with the largest number of RHD completions (775), and second highest RHD student load (3,173). For 2010, the number of Australian Postgraduate Awards (APAs) (337), International Postgraduate Research Scholarships (36), and funding for the Commercialisation Training Scheme (\$0.6 million) were also the highest nationally.

The Melbourne School of Graduate Research (MSGR) undertakes strategic leadership, policy development, and quality assurance for research training. It administers RHD admissions and examinations and provides online and face-to-face workshops and enrichment courses in areas such as orientation, skills and leadership.

Primary responsibility for candidature management, including progress reporting, rests with the faculties and graduate schools. From June 2010, with the introduction of the University's new student system, ISIS, graduate research students have been able to apply for candidature variations – such as leave of absence and change of supervisor – online through the student portal.

In 2010, the University's first Melbourne Research Training Strategic Plan was developed. The Strategic Plan outlines a vision for research training over the next four years, setting goals, targets, and actions for achievement aligned with the University's strategic objectives. The Strategic Plan is particularly concerned with improving supervision, completion rates, research output and student support infrastructure. The University is conducting a Research Commission in 2011 which will include the review of research training policies and practices.

One of the University's priorities is to better align research training activity with areas of research strength. In 2010, the University elected to allocate 10 per cent (approximately 35) of the annual APA allocation to PhD students working on strategic research initiatives.

## THE RHD EXPERIENCE

In consultation with key groups such as the Research Training Advisory Committee and the Research Higher Degrees Committee, MSGR led a number of initiatives to improve research training performance in 2010. Preferred selection and commencement dates were trialled in the Faculty of Arts as a means of improving allocation of supervisory load and the RHD cohort experience.

The Graduate Research ePortfolio (GReP) (previously the Graduate Research Portal) became increasingly popular with students during 2010. The GReP offers students online

tools to assist with all aspects of candidature. Students are able to establish links and networks with supervisors and academics at the University and across the world, access courseware such as PhD master classes and templates for research profiling and skills analysis tools, participate in enrichment programs, and link to RHD resources and MSGR announcements.

Three major components of the GReP include:

- » The Doctoral Attributes Workshop – enabling students to self-assess in relation to the attributes

- » The Postgraduate Essentials Courseware Suite – equipping students with the academic, management, and writing skills needed during the candidature process
- » The Global Research Ethics and Integrity Module – offering an interactive approach to ethics and integrity issues in research higher degrees.

The Graduate Certificate in Advanced Learning and Leadership (GCALL) is another MSGR initiative that has attracted enthusiastic support from graduate research students. The GCALL is an interdisciplinary coursework program designed to build a PhD cohort

## RESEARCH HIGHLIGHTS

- » University-led international research collaboration has produced the most up-to-date figure, in the order of several millions, for the number of species on the planet – a significant finding creating a more accurate starting point for the estimation of extinction rates, and thereby overcoming a profound hurdle in conservation biology, with associated implications for conservation efforts.
- » A printable, light-sensitive ink that converts sunlight into energy has been developed, potentially leading to inexpensive and mass-produced solar panel manufacturing. Funding for further investigation has been received from the Victorian Science Agenda Project Fund.
- » University research identifying the behaviour of the mutant protein, huntingtin, which leads to Huntington's disease, has provided potential targets to treat the disease.
- » A unique computer program, Phoenix RapidFire, able to predict the direction, speed and intensity of bushfires while taking into account changing environmental factors has been developed. The program will help determine which communities need to be warned and where to send resources to minimise impact. The program was created in partnership with the Bushfire CRC. State Government funding of \$21.5 million will extend its use across Victoria.
- » University scientists, along with Anglo-Australian Observatory astronomers, have observed matter falling into massive black holes for the first time, heralding a new era in black hole exploration.
- » A vaccine has been developed to prevent the transmission of larval stages of tapeworm parasites by pigs, the greatest cause of acquired epilepsy worldwide. This breakthrough will lead indirectly to reduce incidences of human infection. Further development of the vaccine is being supported by the Bill and Melinda Gates Foundation through the Global Alliance for Livestock Veterinary Medicines.
- » The discovery that butterflies are emerging in spring over 10 days earlier than they did 65 years ago has been linked to regional human-induced climate change. For the first time, a causal link between increasing greenhouse gases, regional warming and a change in timing of a natural event has been revealed.
- » University collaboration with the ARC Centre of Excellence for Kangaroo Genomics has led to the world's first full-length sequence and mapping of the entire genome of the tammar wallaby. This has implications for the understanding of mammalian evolution and several human genetic diseases.
- » In a first for Australia, a software tool has been developed allowing companies to maximise investment and minimise the cost of carbon emissions compliance.
- » A study has established that teasing about body image has the potential to cause children long-term damage. The development of guidelines and policies on bullying in schools and the introduction of school-wide interventions involving the education of teachers, parents and students has been recommended as a result.
- » New insights into lower-limb function during human locomotion have been gained through research into gait improvements. The discoveries have been used to develop a new framework for non-invasive assessment of dynamic muscle function over the full spectrum of locomotion speeds.
- » The University was involved in the largest survey on business leader and employee attitudes to sustainability reporting in Australia, with over 10,000 participants. Findings indicated an increasing awareness of the environment's impact on human health and of the necessity of sustainability reporting to remain competitive in the future.
- » An international team including University of Melbourne researchers has discovered that the alteration of a single gene can cause male embryos to develop as females. The breakthrough will improve diagnosis and clinical management of patients with sex development disorders.
- » University researchers, along with other scientists in an Australian-led team, have developed key building blocks required to make a quantum computer using silicon – thereby paving the way for a revolution in the next generation of computation and communication technology.
- » University staff have played a key role in the dating of a new species of human fossil found in South Africa. The findings represent some of the most significant scientific discoveries of recent years and increase understanding of the beginnings of the human species two million years ago.
- » Interdisciplinary and multi-institutional research on the impact of urban planning innovations on household greenhouse gas emissions has led to the inclusion of conceptual framework and project methodology in the Beijing Municipal Government's planning agenda.



## Professor Anthony Burkitt

Professor Anthony Burkitt is Head of the neuroengineering group in the Department of Electrical and Electronic Engineering, where he also holds the Chair in Bio-Signals and Bio-Systems, and Director of Bionic Vision Australia (BVA), a national consortium of researchers working together to develop a bionic eye capable of restoring the sense of vision to people with degenerative retinal conditions.

In March 2010, the first prototype bionic eye was unveiled at the official launch of the BVA partnership at the University of Melbourne. This first prototype, called the 'wide-view' device, consists of a miniature camera mounted on glasses which transmits signals to a retinal implant. The implant then electrically stimulates the retina, allowing patients to perceive points of light in the visual field. The brain reconstructs this information into an image, enabling increased mobility and independence for patients.

For over a decade, Professor Burkitt has worked on cochlear implant speech processing and computational auditory neuroscience. He is now extending these techniques to the development of retinal implants.

From 2006 to 2008, Professor Burkitt was the Assistant Director of the Bionic Ear Institute. BVA is a national consortium of researchers from the Bionic Ear Institute, the Centre for Eye Research Australia, NICTA, the University of Melbourne and the University of New South Wales.

with the attributes, skills, and understanding required for future leadership roles. Input from community, corporate, and academic leaders in the design and delivery of the course ensures that it draws on experiences, insights, and knowledge from every sector. Twenty-five students enrolled in GCALL in 2010, an increase of 25 per cent from 2009.

The 2009 MSGR Exit Survey showed that 80 per cent of respondents were satisfied with the quality of their research supervision while the 2009 Melbourne Research Experience Survey returned a score of 3.95 for quality of supervision. A supervisor accreditation system is being considered as a measure to improve the quality of research supervision.

### TIMELY COMPLETION

A number of initiatives implemented in recent years have increased the rolling average of timely completion rates for full time PhD candidates from 39 per cent in 2003 to approximately 60 per cent in 2010. To improve completion rates further, new performance targets were introduced in 2008. Five faculties/graduate schools met or exceeded their target for the period 1 September 2009 to 31 August 2010. The new Research Training Strategic Plan contains strategies to increase timely completion rates, including the introduction of a completions target number for each faculty and graduate school based on an 80 per cent completion rate across all disciplines by 2014.

### RECRUITMENT

An active program to increase application rates from quality PhD candidates originating from other universities (both within Australia and internationally) has been implemented. International enrolments comprise 20 per cent of the RHD load. Enrolments in joint-badged degrees doubled from 23 in 2009 to 46 in 2010. Collaborative agreements for research training with international universities provide an important basis for increasing graduate research activities. Students enrolling under international agreements include 11 in the Malaysian Split PhD Collaboration, six through the Consejo Nacional de Ciencia y Tecnologia of Mexico, 10 through the Comision Nacional de Investigacion Cientifica y Technologica of Chile and two through the Universitatis 21 Joint-Badged degree.

## Planning and operations

During 2010, a Research Helix Plan for 2011–2014 was drafted with input from across the University. The plan articulates strategies, actions, measures, and accountabilities designed to guide over-arching goals enunciated in a new University Plan. The specific areas of research focus within the Helix Plan will be updated annually, informed by the findings of the Research Commission established in 2010 to examine the current University of Melbourne research and research training strategy and to facilitate the development of a 10-year strategic vision.

External reviews of two critical areas of research administration were undertaken in 2010 to improve and make more efficient operational processes. The review of research ethics, integrity and animal welfare, and grants and contracts identified that resource limitations were hindering the ability of both areas to comply adequately with increasing external and internal requirements.

In addition, a research marketing manager has been appointed to develop and implement a plan to improve the overall branding and communication of University research and research training. The redevelopment of the Melbourne Research website and enhancing the recruitment of diverse, quality RHD candidates will be significant responsibilities of the new role.

Other major developments in research operations have included:

- » The establishment of a University Research Ethics and Integrity Strategy Committee (a revised version of the former Research Integrity Committee) and the creation of research integrity adviser roles (the latter in compliance with the Australian Code for the Responsible Conduct of Research 2007)
- » The implementation of a suite of major programs (Research Administrators Network, Melbourne Research Open House and the Research Administrators' Development Program) targeted at showcasing and communicating the support services and areas of expertise of Melbourne Research staff to academic and professional staff, interacting with peers, and facilitating the understanding and delineation of the research administration roles between faculties and Melbourne Research.



*In a boost for the annual \$18 billion forest industry, University of Melbourne researchers have discovered a gene which will enable the growth of higher quality timber.*

## Outlook

In 2011, the Research Commission will deliver a strategic vision for the University of Melbourne for the next 10 years. Building strategic partnerships will continue to be an important focus for the University, a major aspect being enhanced relationships with additional affiliated institutions.

Research Higher Degree marketing and recruitment will be an area of focus for research training in 2011, with the University aspiring to increase international enrolments and the overall quality of the research students. Through the Research Commission and implementation of the Research Training Strategic Plan, the University will also continue to focus on higher completion rates, improvements to the quality of supervision and the RHD student experience.

Additional interdisciplinary research institutes are planned for development in 2011 in the social sciences, humanities and creative arts.

A research infrastructure strategy will be developed to maximise opportunities and further inform research planning, aided by the completion of the research infrastructure audit. A comprehensive approach to precincts planning will seek to provide the platform facilities and technology required to support major interdisciplinary and collaborative research initiatives over the medium to longer term.

Strategies related to increasing international research funding will be implemented and efforts will be directed to improving University of Melbourne research funding performance in the area of Australian grants and contracts.

## Performance Against 2010 Targets

### IMPROVE DISCIPLINARY, CROSS-DISCIPLINARY, INTER-INSTITUTIONAL AND INTERNATIONAL RESEARCH PERFORMANCE

National and international research performance confirmed the University as a leader across a broad range of fields.

Nationally,

- The University retained its top national ranking for research income, research publications and research higher degree (RHD) completion. It ranks second for RHD load.
- Excellence in Research for Australia (ERA) results confirmed the University's position as the nation's leading comprehensive research-intensive university. ERA found over 99 per cent of the University's research to be at or above world standard and that the University accounts for 18 per cent of all Australian research output classified at or above world standard. ERA quality assessments were based on researchers, research outputs, research income, applied measures and esteem measures for the period 2003–2008.
- Under the seven schemes of the new Research Block Grant, the University was awarded the highest monies nationally for both individual component and total allocations in 2010.

Internationally,

- The University was ranked 1st in Australia in the internationally regarded *2010 Performance Ranking of Scientific Papers for World Universities* by the Higher Education Evaluation & Accreditation Council of Taiwan, and the new *Times Higher Education World University Rankings* (THE). The University significantly improved its performance in the international university research ranking, the *Shanghai Jiao Tong Academic Ranking of World Universities* (SJTU), moving 13 places to rank 62nd overall. The *Quaquarelli Symonds World University Rankings* (QS) ranked the University 38th in the world, a marginal decrease from its rank of equal 36th in 2009.
- The reputation of the University's disciplines continued to strengthen with three out of five SJTU fields ranked in the top 50 in the world, four out of six THE subjects ranked 1st nationally, and all five subjects in the QS ranked in the top 32 in the world and 1st and 2nd nationally.

A Research Commission was established to identify strategies to build on current research strengths and identify new opportunities through the development of a 10 year strategic vision.

### INCREASE UNIVERSITY CROSS-DISCIPLINARY, INTER-INSTITUTIONAL AND INTERNATIONAL RESEARCH

The University agreed to a set of annual priorities for internal allocation of funding, including the development of an eResearch Strategy to facilitate cross-disciplinary and inter-institutional research activities and outcomes.

A comprehensive marketing and communications plan commenced implementation to raise awareness of the University's institutes and research strengths in support of research higher degree recruitment.

University Research Institutes are now subject to a funding model and required to implement sustainable business plans. The University commenced implementation of a shared approach to research infrastructure and continued to deliver on an ambitious profile of major projects.

### IMPROVE RESEARCH TRAINING OUTCOMES

The Postgraduate Research Experience Questionnaire results relating to doctoral students showed a mean rating of 4.21, relatively stable from 2005–2010. Strategies to improve the overall mean satisfaction rating of 3.83 by RHD respondents to the Melbourne Research Experience Survey (2008) were discussed with faculties in early 2010.

The University's five-year Timely Completion Rate for full-time PhD students remained steady at 62 per cent over the period from 2008–2010. Completion rate trends for faculties and graduate schools vary. The Research Training Strategic Plan strategies to increase timely completion rates include introduction of a completions target number for each faculty and graduate school based on an 80 per cent completion rate across all disciplines by 2014 and implementation of penalties for failure to meet these targets. Five faculties and graduate schools exceeded their targets for 2010.

Enrolments in the Graduate Certificate in Advanced Learning and Leadership (GCALL) increased by 25 per cent from 2009 and 96 per cent of GCALL students were satisfied overall and felt that they were well taught.

RHD candidature management was devolved from the Melbourne School of Graduate Research to faculties and graduate schools with the implementation of the new student system, ISIS.

### INCREASE THE INTEGRATION OF RESEARCH AND RESEARCH TRAINING

A Research Training Strategic Plan was developed to articulate the goals, targets and actions required over the next four years to realise the University's vision. The Plan addresses the alignment of research and research training, the relationship between RHD load and quality, sources of applicants, supervision and completions.

The grants and contracts management structure was reconfigured to faculty lines and the Research Administrators Development Program was implemented to support research administration in faculties and graduate schools. An externally chaired review recommended a study to provide further understanding of roles and responsibilities regarding research administration.



*The Vam Deo Dhar Memorial Scholarship was established from a bequest made by Vic Dhar who passed away in 2007. His widow, Angela Dhar, was delighted to be able to present the agricultural science prize in person to the first recipient, Nicolas Seow.*

## Completing the cycle of life and learning

The late Vam Deo (Vic) Dhar (BAgrSc 1954, MAgrSc 1955) was determined that other overseas students have the opportunity to study Agricultural Science at the University of Melbourne just as he did, so he established the Vam Deo Dhar Memorial Scholarship for international students.

Mr Dhar's widow, Angela Dhar (GDipMus 1954), presented the inaugural scholarship to Nicolas Seow in May 2010. Mr Seow, from Singapore, is thrilled to be the recipient of the scholarship and is encouraged that his academic efforts have been recognised by the University.

"It's not just the money that's important," Mr Seow says, "but perhaps through this, more doors will open in terms of research opportunities and future partnerships."

Mr Seow chose to study at the University of Melbourne because of the holistic nature of the program which allowed him to get first-hand practical experience of agriculture. This is something that echoes Mr Dhar's experience. His son Tony Dhar (BCom LLB 1983) explains that his father particularly appreciated the practical aspects of the agricultural science course the University of Melbourne offered him.

"Dad felt very strongly about the University as a whole, and in particular Dookie College," he recalls. "He felt that the Scholarship was one way to give back in recognition of what he had received."

# Learning and Teaching





**“December 2010 marked an important milestone for the Melbourne Model with the graduation of the first cohort of New Generation bachelor degree students.”**

**PROFESSOR JOHN DEWAR  
PROVOST**

**Dean of Arts, Professor Mark Considine, chats with students after their graduation ceremony. “It’s always an inspiring experience to be part of someone’s graduation,” he said, “knowing how hard students have worked and what an impact they are about to have on the world.”**

In 2008 the University of Melbourne introduced the Melbourne Model, a ground-breaking curriculum reform which elected to separate first degrees from graduate-level professional education to enable students to benefit from both breadth and focus. ‘New Generation’ undergraduate degrees are characterised by a combination of deep enquiry in a chosen field, and breadth of knowledge acquired through the study of one or more disciplines outside that field. The degrees prepare students for a range of work and further study pathways. They equip graduates to become academically excellent and knowledgeable across disciplines, prepared to take on roles as leaders in communities – active global citizens attuned to cultural diversity.

December 2010 marked an important milestone for the Melbourne Model with the graduation of the first cohort of New Generation degree students. Many of these graduates will return to the University of Melbourne in 2011 for graduate study. Others will proceed to further study at other institutions around the world, or to employment in a wide range of fields.

## Quality courses

### UNDERGRADUATE PROGRAMS

The Melbourne Model remains the cornerstone of the University’s learning and teaching strategy. It continued to evolve in 2010.

Since the inception of New Generation degrees, the breadth component has excited lively debate. It has been embraced by thousands of students, with many in the sciences choosing to study in Arts and Music, and Languages which has enjoyed a surge in enrolments. At the same time, some students have found breadth requirements complicated. A breadth review commissioned in 2010 to investigate all aspects of its operation within the Melbourne Model found the rationale for breadth studies compelling. However, acknowledging scope for improvement, the review recommended a number of changes for introduction in 2011. A more flexible approach will provide greater scope for students to take subjects in disciplines related to their major field of study as well as areas that offer different perspectives. It will also be easier for students to navigate, as they progress through their degrees, the many breadth options available by developing ‘breadth tracks’ – coherent groups of three or more subjects that develop knowledge and skills relevant to a particular domain, theme, topic, or issue.

Meanwhile, the range of interdisciplinary, collaborative University breadth subjects available to students has continued to grow, with 29 to be offered in 2011. Student feedback on University breadth subjects through the Quality of Teaching survey has continued to improve since their introduction in 2008. In semester one 2010, 71 per cent of students agreed they were satisfied overall with their University breadth subject, up from 66 per cent in semester 2 in 2009. Seventy-seven per cent agreed that their subject was intellectually stimulating.

The capstone experience is a key feature in each New Generation degree major. Delivered for the first time in 2010, capstones are taken in the final year of enrolment, and aim to consolidate students’ learning experience.

### GRADUATE PROGRAMS

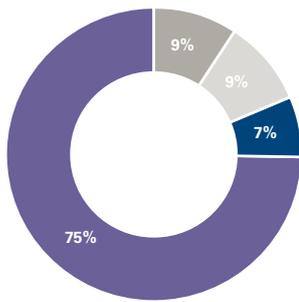
As the first cohort of New Generation undergraduate degree students approached the end of their undergraduate studies in 2010, a strong focus was placed on developing the University’s suite of graduate programs in readiness for the second phase of the Melbourne Model as these students flow into graduate studies in 2011.

Newly-developed graduate programs included the Executive Master of Arts, Masters programs in Science and Engineering, and the suite of doctor-titled programs in Medicine, Dental Surgery, Physiotherapy, Optometry, and Veterinary Science.

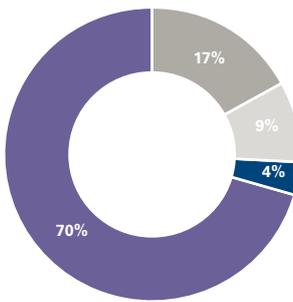
In 2009 the *Towards 2011* project was established to develop a comprehensive set of arrangements in readiness for the greatly expanded graduate program. Many of these were implemented in the course of 2010, with work to continue in 2011. Performance standards and objectives for graduate programs are currently being developed, and an audit of graduate program delivery mechanisms will be undertaken in early 2011. The international relevance of programs is being strengthened through international benchmarking activities. From the end of 2010, completing undergraduate students will be issued with an Australian Higher Education Graduation Statement (AHEGS) in addition to their academic transcript. The AHEGS will place students’ studies and academic achievements in context, providing information about their course, the University, and the higher education sector in Australia.

Considerable emphasis has been placed on creating more streamlined graduate admission processes. The introduction of an online application interface for graduate courses, greater synchronisation of application processes and timelines for different courses,

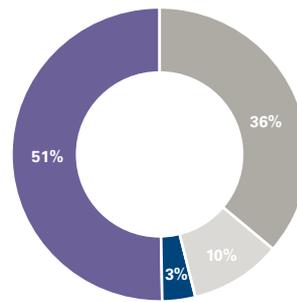
## 2005 TEACHING LOAD (PAST)



## 2010 TEACHING LOAD (PRESENT)



## 2015 TEACHING LOAD (PREDICTED)



**Notes:**  
2005 data is based on final data submitted to Department of Education, Employment and Workplace Relations (DEEWR)  
2010 data is based on DEEWR extracts from ISIS at 7 January 2011  
2015 data is based on University projections

■ HDCW - Higher Degree Coursework  
■ HDR - Higher Degree Research  
■ OPG - Other Postgraduate  
■ UG - Undergraduate

and development of a standard method of calculating grade point averages for selection purposes will all play a role.

In 2010, the University worked with Universities Australia and the Group of Eight to respond to proposed revisions to the Australian Qualifications Framework (AQF). This was undertaken to ensure that the AQF is sufficiently flexible to accommodate nomenclature for the University's professional entry graduate degrees devised in line with prevalent international practices. The process will be completed in April 2011. Encouragingly, decisions by the Ministerial Council on Tertiary Education and Employment in late 2010 indicate satisfactory resolution of outstanding issues is likely.

### DEMAND FOR COURSES

Victorian Tertiary Admissions Centre (VTAC) applications in December 2009<sup>1</sup> showed continued strong demand for Melbourne Model courses.

The University of Melbourne accounted for five of the 10 most popular courses in Victoria based on the number of first preferences recorded by domestic VTAC applicants – Arts in first place, Commerce second, Science fourth, Biomedicine fifth, and Environments seventh.

This demand translated into an increased number of undergraduate offers. Pleasingly, high ATAR clearly-in-rank (cut-off) scores were also maintained. The highest increases were for the Bachelor of Arts and Bachelor of Science degrees, each of which offered more than 1800 places, compared with a total of 3075 in 2010. These are record numbers for Melbourne and far in excess of those offered by any other Australian university.

International students studying in secondary schools throughout Australia selected five University of Melbourne degrees as their top preference, namely: Commerce (1), Environments (2), Science (3), Arts (4), and Biomedicine (5).

The multiple pathways offered under the Melbourne Model have created more scope for diverse groups of students to be selected into the University's courses. Over 60 per cent of domestic applicants for graduate coursework programs at the University of Melbourne in 2011 are new to the University.

### STUDENT SATISFACTION

The 2010 student satisfaction scores provided by Melbourne Model students are particularly encouraging. The University achieved significant improvement in results for the Melbourne Experience survey, the Course Experience Questionnaire, and the Quality of Teaching survey. All outcomes were higher than the baseline survey taken prior to introduction of the Melbourne Model.

The Melbourne Experience Survey (MES) was developed in 2007 to gauge student perceptions of all aspects of University life. In 2010, the MES showed that student satisfaction with the quality of Melbourne Model courses is high and rising. Around 80 per cent of all students agreed that they were satisfied, and satisfaction ratings across all undergraduate and graduate cohorts increased substantially from 2009, and at a higher level than the 2007 MES ratings prior to the introduction of the Melbourne Model.

The results of the 2010 Course Experience Questionnaire (graduates who completed in 2009) show that 92 per cent of bachelor graduates and 93 per cent of postgraduate coursework graduates were broadly satisfied with the quality of their course (up from 88 per cent and 89 per cent respectively in 2009). Results on the good teaching scale increased by seven percentage points to 61 per cent for bachelor graduates.

The 2010 Quality of Teaching survey results continued to reflect the positive feedback received from students in 2009, with 79 per cent of undergraduates and 82 per cent of graduate students agreeing that their subject was well taught. The mean Quality of Teaching results for overall satisfaction with the subject learning experience (3.95 for undergraduates, and 4.06 for graduates) were at or close to the targets of 3.95 and 4.10 respectively.

<sup>1</sup> VTAC data as at 23 December 2009 prior to International Baccalaureate, Western Australian Year 12 and Tasmanian Year 12 Change of Preference.

## QUALITY OF TEACHING SURVEY

% Undergraduate subjects with a mean >3.0 on Question 2 'This subject was well taught'



Notes: Includes Semester 1 and Semester 2 subjects

Disappointingly, the proportion of low-rated undergraduate subjects increased from 2.4 per cent of subjects in semester two 2009 to 3.6 per cent in 2010, although the proportion of low-rating graduate subjects decreased from 3.8 per cent to 3.7 per cent. The University will continue to pursue strategies to improve student satisfaction with learning and teaching, including targeting low-rating subjects for improvement, and providing a range of learning and teaching grants and support mechanisms for staff.

### STUDENT RETENTION AND SUCCESS

High student retention rates (the proportion of students who return to study the following year) are a key indicator of levels of student engagement and satisfaction. The University of Melbourne's retention rates are among the highest in Australia. For 2008–9 (the most recent data available) the retention rate for bachelor degree students was 92.8 per cent, considerably higher than the sector-wide average of 83.7 per cent.

Student success rates (units passed by students as a percentage of all units attempted) have also remained high. The most recent data indicate that the success rate for the University's undergraduate students in 2009 was 93.6 per cent, considerably higher than the sector-wide average of 87.7 per cent.

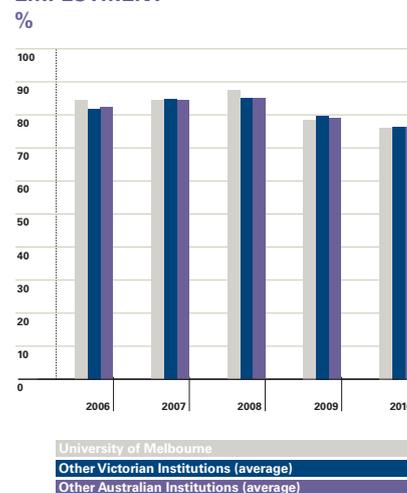
Employment rates for bachelor degree graduates have fallen slightly across the country for the past two years. The 2010 Graduate Destination Survey recorded 76.2 per cent of the University's bachelor degree graduates in full-time employment (down from 78.5 per cent in 2009, but in line with the national rate). Melbourne graduates maintained an edge in starting salaries, with the median salary steady at \$50,000 (compared to \$49,000 nationally). The proportion of University of Melbourne bachelor graduates in full-time further study remained high at 28.9 per cent, well above the sector-wide average of 19 per cent.

### TEACHING EXCELLENCE

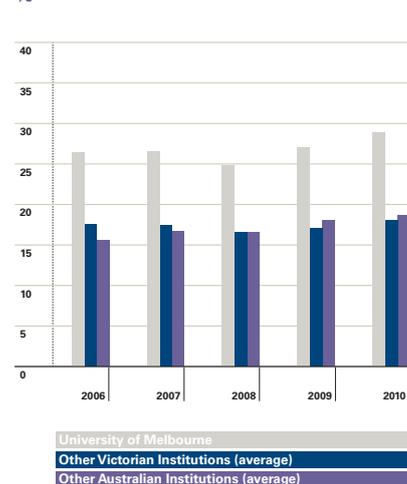
Standing behind the University of Melbourne's student achievements are its committed teachers. Academic and professional staff from Melbourne received eight Citations for Outstanding Contributions to Student Learning from the Australian Learning and Teaching Council (ALTC) in 2010. Associate Professor Roger Hadgraft was appointed as a prestigious ALTC Discipline Scholar in the Engineering and Technology discipline. For further details of staff teaching excellence awards, see page 19.

In 2010, the University's Centre for the Study of Higher Education continued to offer a range of professional development activities for academic staff, including the Graduate Certificate in University Teaching, a public policy seminar series on higher education, and the new Melbourne Teaching Certificate.

## GRADUATES IN FULL-TIME EMPLOYMENT



## GRADUATES IN FULL-TIME STUDY



## The Melbourne Experience

The University of Melbourne aspires to provide a quality all-round experience for students that will strengthen their connection to the University, complement their academic studies, and enhance their development as individuals. Responsive, student-focused services, innovative teaching and recreational spaces, and opportunities outside the classroom all make an important contribution.

The outcomes of the 2010 MES suggest that the University is succeeding in its aims, with the percentage of students citing a good to excellent experience, increasing to 79.5 per cent (from 70.8 per cent in 2009) for first year undergraduates, 72.1 per cent (from 65.4 per cent) for later year undergraduates, 74.5 per cent (from 68.9 per cent) for first year graduate students, and 73.3 per cent (from 64.9 per cent) for later-year graduate students.

### TRANSITION TO UNIVERSITY

The University of Melbourne considers that creating a sense of connection is crucial. *Destination Melbourne*, a residential program developed in cooperation with the Colleges, helps students who come from under-represented schools or who face a lengthy commute to the University make a smooth transition to university life. The program is hosted by later-year students and ran successfully for the second time in 2010.

International Student Services also provides a comprehensive range of transition and support programs to strengthen the connection of international students with the University and Melbourne. A newly-developed self-reflection tool will enable students to assess their language requirements, providing a suite of follow-up options to develop skills through short courses and e-learning.

### STUDENT-FOCUSED SERVICES

Student Centres play a pivotal role in providing the integrated student services envisaged by the Melbourne Model. The centres provide advice regarding administrative and transactional services such as enrolments, course planning, and graduate study advice. Students may be referred on from the centres to specialist careers advice, counselling, financial aid, housing, academic skills or language support. There are signs that new initiatives in student support services are beginning to bear fruit, with increases of 16–19 per cent on 2009 in the number of students reporting in the 2010 MES that their needs were “well-supported by a range of resources and services”.

January 2010 saw the trial of the Student Precinct Model for Student Centres, with the pilot Eastern Precinct Student Centre (EPSC) launched to provide integrated services for two of the six New Generation degrees (the Bachelor of Science and Bachelor of Biomedicine). The objectives of the model are for well-integrated, seamless, and consistent service delivery focused on individual students’ needs, convenient, timely and equitable access to services, and well-trained staff appropriately resourced and supported by technology, and able to perform a wide variety of tasks.

After five months of operation, an evaluation of the EPSC showed innovative service improvements achieving high levels of student satisfaction: 82 per cent of students surveyed rated the accuracy of the EPSC’s in-person service as good or excellent, 76 per cent believed the service was delivered in a timely fashion, and 86 per cent described it as “friendly”. Over the course of the year, participating faculties achieved cost savings of \$618,000 through the creation of scale and sharing of administrative processes. The success of the pilot has led to establishment of the EPSC on an ongoing basis and expansion of the Student Precinct Model to cover all New Generation degrees.

To this end, common service standards and targets were developed in late 2010 and work begun on the further unification of academic policies and procedures across the University.

A major review of student advisory services undertaken in mid-2010 produced a series of important recommendations which will see further improvements in 2011. Attention will focus on developing a more structured, coordinated, and formalised framework for academics to engage with advising, on building the professionalism of advisers, and on providing advisers with a development and support program.

Following a positive response to a pilot contact centre in the EPSC, a new University-wide Contact Centre was developed to service student enquiries from the start of 2011. A new 13MELB number replaces the University switchboard as a central point for initial phone and email contact.

### STUDENT SUPPORT SERVICES

During the year, Wellbeing Services continued to provide innovative and cost-effective health and wellbeing services to students and staff. Increasing demand for all programs saw the Health Service conduct over 60,000 individual consultations. Vaccination and health promotion programs included delivery of the

Gardasil cervical cancer vaccination program to over 9,000 young women.

The Counselling Service provided approximately 6,500 individual appointments and expanded its seminar and workshop program to over 15 different topics. Mental Health was a particular focus through mental health first aid training and delivery of the University Mental Health Strategy. ‘Ask Counselling’, an online forum addressing common mental health issues, attracted over 20,000 page views in its first six months of operation and is expanding its range of frequently asked questions.

In other services, chaplaincy expanded its network of spiritual care by welcoming residential college chaplains as honorary University appointments, and Financial Aid continued its successful housing grants program with rental assistance totalling grants of over \$570,000 and more than \$1.3 million in short and long-term loans to students.

### STUDENT ENRICHMENT PROGRAMS

The University of Melbourne offers a wide range of enrichment opportunities for students.

The University’s Student Ambassador Leadership Program (SALP) and Leadership, Involvement and Volunteering Experience (LIVE) Unit provides opportunities for students outside the classroom. A highlight during the year was the inaugural three-day Global Perspectives Summit organised by a group of students and supported by the LIVE unit and a Vice-Chancellor’s Dreamlarge Student Grant. Inspired by the International Youth Leadership Conference held annually in the Czech Republic, the summit brought together 100 undergraduate students from 15 different disciplines and representing 17 nationalities to debate global issues. Peace, the environment, population and resources, the economy, gender equality, extreme poverty, and future ethical problems were all on the agenda. Many students named it as their best university experience to date.

Student representative bodies, amenities and services enhance students’ links to the University community and the quality of life on campus. Since the introduction of voluntary student union legislation in 2006, the University has provided transition funding to protect core services and enable provision of new campus services and programs while organisations adapt to the legislative changes. In 2010, a total of \$5.45 million transition funding was allocated to the Graduate Student Association and University of Melbourne Student Union Limited, as well as to related

services – Children’s Services, and Melbourne University Sport (MUS).

Sport continues to be an essential element of the Melbourne Experience. Thirty-nine sport and recreational clubs offer a range of competitive, recreational, and instructional activities with over 6,000 active members. MUS recorded over a million separate visits to its sporting and recreational facilities and programs during 2010. The fitness centre membership remained steady with over 5,000 members recording over 500,000 visits, including participation in group fitness and aquatic programs.

MUS also supported an active community events program through the 20 competitions which make up the Intercollegiate Sports Program, and more than 650 student athletes and officials participated in regional, national, and international student sporting events. The University provided financial and in-kind support to 140 high-performance student athletes, 28 of whom represented Australia at international level in 14 different sports, including three 2010 Commonwealth Games representatives.

The \$2.9 million University of Melbourne Boathouse extension began in March 2010 with completion scheduled for late February 2011. Planning progressed during 2010 to provide two new pavilions, one to service AFL and cricket adjacent to the Oval, and an additional facility for tennis, athletics, and hockey.

#### INTERNATIONAL ENGAGEMENT

The University of Melbourne is committed to providing opportunities for students to participate in credit-based international exchange programs, and now has the largest inbound and outbound student exchange program in Australia. The program grew substantially in 2010, with the Melbourne Global Mobility Office reporting a 27 per cent increase in participating students. In all, over 700 Melbourne students undertook a semester or year’s exchange at a partner institution overseas. In addition, the number of high-quality exchange partners increased, with a five per cent growth in the number of institutions where Melbourne students studied during the year.

An audit of international study experiences in 2010 will provide detailed information on the range of international study programs. The intensive overseas programs run by the University, participation in Universitas 21 international summer schools and research programs, and international internship programs conducted through a number of

faculties and graduate schools are covered in the review.

A new University-wide Student Mobility Policy was endorsed in 2010, along with complementary risk management procedures for Melbourne students studying abroad.

#### LEARNING PRECINCTS

Innovative learning spaces which encourage individual and collaborative learning are essential to realising the full potential of the Melbourne Model. During the year the Eastern Learning Precinct, the Learning Environments Spatial Lab, and graduate spaces in Arts and the Melbourne Graduate School of Education added to the University’s impressive stable of new learning spaces across the Parkville campus. Redevelopment of libraries and adjacent precincts continued, a highlight being the opening of the Brownless Biomedical Library. Planning for several other projects advanced, such as a combined Library for Education and Business and Economics, and a major refurbishment of the ground floor of the Baillieu Library. Concept planning is also under way for the development of a major Research and Cultural Library. A 137-seat refurbishment project offering quiet study facilities to students within the Law Library will serve as a pilot project for library spaces accessible solely to students from specific faculties.

#### SYSTEMS ENHANCEMENTS

In June 2010, the University of Melbourne’s new student management system, ISIS, went live. Replacing a 17-year-old in-house system, ISIS is highly complex, functionally-rich, and based on a philosophy of providing students with more accessible and streamlined ways to interact with the University. Such a major change inevitably presented operational challenges as staff and students became familiar with new ways of entering and retrieving information. However, in the longer term ISIS promises increasing benefits to students, including a range of online self-service functions and enhanced reporting capabilities for staff.

In other technology-based developments, the University has replaced the existing student email system with Google Mail, allowing students significantly higher data quotas. Other system review projects under way include enhancements to the Student Portal, the development of a new advising portal, and renewal of the Learning Management System.

#### UNIVERSITY LIBRARY

The University of Melbourne Library provides ongoing support for specific academic disciplines. During 2010 concerted efforts to recruit staff with subject-specific qualifications



### Dr Katrina McFerran

Dr Katrina McFerran is Senior Lecturer in Music Therapy at the Melbourne Conservatorium of Music, whose research team was awarded a major ARC Discovery Grant in 2010 for a project exploring how music therapy can assist in identification of young people at risk of chronic mental health problems.

The team will use the grant to develop an innovative and musically-derived ‘strengths and difficulties’ assessment tool to facilitate early intervention with young people at risk.

Previously Acting Director of the MA in Music Therapy at the Irish World Music Centre at the University of Limerick, Dr McFerran is a music therapist, researcher and lecturer whose research interests include music therapy and adolescents, and children with disabilities. For over 15 years, she has worked with young people in schools, hospitals and other community and institutional settings.

Dr McFerran is also an accomplished author. Her recently published book *Adolescents, Music and Music Therapy: Methods and Techniques for Students, Clinicians and Educators*, provides guidelines for music therapists working with teenage clients.



Faustina 'Fuzzy' Agolley, television host, model, and University of Melbourne alumna, spoke to the 2010 graduating class of the Kwong Lee Dow Young Scholars. The program broadens university participation by engaging high-achieving secondary school students throughout Victoria in an extensive program of events and activities at the University's Parkville campus.

and experience continued, with the Library Cadetship recruitment program a notable success. The Law Library established a new, award-winning research service.

A digitisation service commenced in 2010 offering high-quality digitisation of rare and special collections as well as routine daily scanning of thousands of business documents for the University's administration. Coupled with successful efforts to reduce cataloguing backlogs, the service is improving access to the University's collections. The Kenneth Myer papers were added to these collections during the year.

In other areas, the Library continues to develop its ability to support e-research, data management, and presentation of evidence for the Excellence in Research Australia audits. Its expertise has contributed to successful funding bids to build national capacity for research data management.

## Access and Equity

The University of Melbourne's equity strategies focus on access, participation, and outcomes at both undergraduate and graduate levels. The flagship Kwong Lee Dow Young Scholars (KLDYS) program has grown each year since its inception in 2007. Designed to support high-achieving secondary students, the program builds networks of students, and broadens and strengthens their engagement with the University through a series of on-campus activities and events throughout their Year 11 and 12 studies. Over 92 per cent of Victorian schools have participated since the program commenced, with 79 per cent participating in 2010 alone. In 2010, 70 per cent of participating schools were under-represented according to Access Melbourne criteria, a substantial increase on the 50 per cent in 2009.

In 2010 the new position of Pro Vice-Chancellor (Participation and Engagement) was created to bolster the University's capacity to pursue its access and equity agenda. A Social Inclusion Plan was developed to provide strategies for integrated outreach, recruitment and selection practices, and articulate a commitment to maintaining or improving the already-high success and retention ratios for students from equity groups. A range of strategies already in place are targeted at improving access, participation, retention and success rates of mature age, low socio-economic status (SES), non-metropolitan, disabled, and Indigenous students.

### ACCESS MELBOURNE

The University's Access Melbourne program seeks to increase the enrolment of students from educationally, financially or socially disadvantaged backgrounds. Encouragingly, changes introduced in 2010 resulted in the number of undergraduate Access Melbourne offers increasing by 35 per cent (1,636 offers). The University has set a target of achieving a 50 per cent increase in enrolments of students from a low SES background over the period 2009 to 2015. Melbourne is making encouraging progress towards this goal.

Under a new guaranteed access scheme, students who receive an ATAR of 78 or above and qualify for Access Melbourne are guaranteed a place in the Bachelor of Arts, Bachelor of Science, and Bachelor of Environments degrees, and those who receive an ATAR of 88 or above are guaranteed a place in the Bachelor of Biomedicine or Bachelor of Commerce. As a result, undergraduate enrolments from disadvantaged socio-economic backgrounds through Access Melbourne increased from 4 per cent of total commencing enrolments in 2009 to 6 per cent in 2010 and enrolments from rural backgrounds increased from 6 per cent in 2009 to 11 per cent in 2010.

### ACCESS MELBOURNE OFFERS AND ENROLMENTS AS A PERCENTAGE OF TOTAL UNIVERSITY OFFERS AND ENROLMENTS

	ACCESS MELBOURNE OFFERS	% OF TOTAL OFFERS	ACCESS MELBOURNE ENROLMENTS	% OF TOTAL ENROLMENTS
09/10	1,641	28.00%	1,408	34.94%
08/09	1,214	20.21%	1,049	25.37%
07/08	1,046	16.18%	911	21.08%
06/07	1,177	16.49%	1,077	23.02%
05/06	1,083	19.10%	964	22.32%

Total Access Melbourne enrolments increased by 34 per cent.

Tracking of Access Melbourne students shows disabled, low SES, and non-metropolitan students at the University have retention and success rates higher than their counterparts at other institutions (up to nine percentage points above the sector-wide averages). This suggests that the support mechanisms in place for these cohorts are working effectively to enhance academic success.

### INDIGENOUS DEVELOPMENT

In November 2010, the Murrup Barak Melbourne Institute for Indigenous Development celebrated its first anniversary. Established to provide a focal point for the extensive work occurring across the University in Indigenous studies and initiatives, the Institute coordinates a number of programs including an annual lecture series. The Dungala Kaiela Oration hosted in Shepparton on 30 June, and the Narrm Oration hosted in Melbourne on 11 November both attracted capacity crowds and initiated fruitful discussion and interaction.

Key achievements of the Institute in 2010 include:

- » Introduction of the Indigenous Development Framework 2010–2013
- » Negotiation of an anonymous donation of \$1.1 million to support the implementation of an Indigenous graduate pathways program
- » Development of a partnership agreement with Rio Tinto Australia as a foundation corporate partner for Murrup Barak to provide support for a range of initiatives, including sponsorship of the Narrm Oration, an annual teaching award, professional practice scholarships, and a scoping project to improve access by Rio Tinto managers to evidence and expert advice on Indigenous issues
- » Development of a University Reconciliation Action Plan to be implemented in 2011.

Although the number of Australian and Torres Strait Islander-identified students studying at Melbourne increased by 1.6 per

cent in 2010, Indigenous numbers remain below target. The Bachelor of Arts (Extended) program for Indigenous students has now been running for two years and continues to provide an access pathway and transition support for this important cohort.

Encouragingly, once enrolled, the University's Indigenous students have high retention and success rates. In 2010, retention rates of 87 per cent were well above the sector-wide average of 64 per cent, and success rates of 92 per cent are also substantially above the sector-wide figure of 70 per cent. The University's Centre for Indigenous Education plays a key role in supporting Indigenous students and strengthening the wider Indigenous network on campus.

## Integrating Learning and Teaching Plans and Operations

### LEARNING AND TEACHING HELIX PLAN

The Provost's Division continues to work closely with faculties, graduate schools and other portfolios to integrate strategies and plans for strengthening and monitoring Melbourne Model programs. Student engagement with the University and broader community and graduate outcomes are important elements of the Melbourne Student Experience. During 2010, a Learning and Teaching Helix Plan for 2011–2014 was drafted with input from across the University. The plan articulates strategies, actions, measures, and accountabilities designed to guide achievement of the following over-arching goals to offer:

- » Distinctive and excellent Melbourne Model curriculum
- » Outstanding student experience
- » Outstanding graduate programs
- » Support for students to maximise graduate outcomes.

The Learning and Teaching Helix Plan reflects a strong focus on performance measurement, including the development of 'scorecards' for New Generation degrees and graduate

programs. Changes to the Melbourne Experience survey in 2010 will assist with more direct measurement of learning and teaching goals. The Quality of Teaching survey instrument will also be redesigned in 2011.

The plan proposes an increase in formal professional development opportunities for staff, as well as increased mentoring and peer review activity. This revamped approach to staff development will encourage attention to curriculum design, e-learning strategies, assessment and feedback, and the development of effective learning environments. The plan also sets targets for improving the support and professional development offered to casual teaching staff, and the introduction of a teaching-focused career track.

## Outlook

Activities in the learning and teaching portfolio will benefit from enhanced strategic planning and a focus on continuous improvement in 2011. Particular attention will be paid to ensuring program design embeds the University's graduate attributes. The Provost Division will continue to work closely with other parts of the University to improve student satisfaction with all aspects of their Melbourne Experience. The next year will see a particular emphasis on performance measurement and enhanced staff development opportunities.

Student service delivery will be further streamlined, with the progressive unification of student-facing policies and processes, the consolidation of new service arrangements through the Eastern Precinct Student Centre and the University Contact Centre, and the strengthening of communications and networks across student service areas. Central student service units will be restructured in 2011 following the recent external review, and a comprehensive action plan for service improvements will be implemented. Student advising will be an area of key strategic importance.

### INDIGENOUS ENROLMENTS AND COMPLETIONS

	2006	2007	2008	2009	2010
Enrolments	236	192	194	189	210
Completions	57	59	45	35	44

Notes: 2006–2009 data is based on DEEWR Submissions.  
2010 enrolment data is based on ISIS as at 7th January 2011.  
2010 completion data is based on ISIS as at 11th February 2011.

## Performance against 2010 Targets

### IMPROVE THE QUALITY, COHERENCE AND RELEVANCE OF UNDERGRADUATE AND GRADUATE OFFERINGS AND PATHWAYS

The University commenced implementation of a review of the breadth component of New Generation degrees in 2010. Changes made in response to student feedback were aimed at making breadth more flexible and easier for students to navigate the many options available to them. The range of collaborative, interdisciplinary University breadth subjects continued to grow, and student feedback on these subjects improved.

The University had mixed results in the Quality of Teaching Survey (QoT). While the target means of 3.95 and 4.0 for overall satisfaction with teaching in undergraduate and postgraduate teaching respectively were exceeded, the University fell short of targets regarding low-rated subjects. The proportion of undergraduate and postgraduate subjects with low satisfaction ratings increased from 2009. Despite the increase from 2009, the proportions of low rated subjects across both cohorts remain significantly lower than 2008.

The results demonstrate that although student satisfaction remains stable post Melbourne Model implementation, work is required over the next three years to further improve satisfaction both holistically and at subject level.

A series of scorecards measuring the quality of outcomes of the University's undergraduate and graduate offerings were devised to inform future annual business planning and the performance review process. The scorecards move the University into a position where quantitative analysis of the quality of undergraduate and graduate outcomes will inform learning and teaching strategy.

The proportion of students from other institutions applying for postgraduate study demonstrates the attractiveness of the University's graduate offerings. More than 60 per cent of domestic applicants for postgraduate coursework programs are new to the University, well in excess of the target of 40 per cent or more.

### IMPROVE THE MELBOURNE EXPERIENCE FOR STUDENTS

The Melbourne Experience Survey (MES) results showed a dramatic improvement in students' overall satisfaction and satisfaction with Student Centres since 2009. Students citing a good to excellent experience met the target of an increase of over five percentage points for first year undergraduates (70.8 to 79.5 per cent, later year undergraduates (65.4 to 72.1 per cent), first year graduate students (68.9 to 74.5 per cent) and later year graduate students (64.9 to 73.3 per cent). More encouragingly, student satisfaction with Student Centres significantly increased since 2009 for first year undergraduates (63.7 to 73.2 per cent), later year undergraduates (52.7 to 64.9 per cent), first year graduate students (67.1 to 78.9 per cent) and later year graduate students (65 to 74.1 per cent).

The University more than exceeded the international student overall satisfaction target (undergraduate and graduate) of a 2 percentage point increase, with the proportion of students satisfied with their overall experience increasing from 61.5 to 69.8 per cent.

The Eastern Precinct Student Centre opened in early 2010. The Precinct completes the first stage of a project to establish discipline-clustered library and learning precincts. Phase two involving expansion of the precinct model to all New Generation degrees is under way.

### IMPROVE STUDENT ACCESS AND EQUITY

The University continues to improve student access from disadvantaged socio-economic backgrounds through Access Melbourne and the Graduate Access Bursary scheme. Undergraduate enrolments from low SES and rural students via Access Melbourne grew 34 per cent from 2009 to 2010.

The Kwong Lee Dow Young Scholars (KLDYS) program continues to increase the University's involvement with under-represented schools in Victoria, despite falling marginally short of target.

The Teach for Australia (TFA) Program provides opportunities for students from low SES backgrounds to engage with Associates of the Program. The University engaged in a number of initiatives to engage low SES schools and provided assistance to the TFA in the recruitment of high performance graduates. Further, the University continues to build the number of under-represented schools offering placements for the Master of Teaching candidates.

The University's Indigenous intake in 2010 fell below target despite a number of existing and new initiatives to boost participation rates including a Postgraduate Summer School designed to support Indigenous RHD students. Conversely, Indigenous student retention and completion rates exceeded the target of 85 per cent with retention rates at 87 per cent.

### OPTIMISE INTEGRATION BETWEEN LEARNING AND TEACHING PLANNING AND OPERATIONS

During 2010 the Provost drafted a comprehensive learning and teaching plan for 2011–2014 with input from across the University. The Plan articulates strategies, actions, measures and accountabilities designed to guide divisions and departments in the pursuit of a distinctive and excellent Melbourne Model curriculum, an outstanding student experience, outstanding graduate programs and student support that maximises graduate outcomes. A revised MES and redesigned QoT survey will assist in gauging whether the University is achieving the learning and teaching goals.



*Kelly Roberts,  
PhD candidate  
in the Graduate  
School of  
Education.*

## Making a difference in education research

The William and Kate Herschell Scholarship is helping Melbourne Graduate School of Education (MGSE) PhD students Victoria Millar and Kelly Roberts undertake their research in diverse education fields.

Victoria Millar (BSc (Hons) 2000) (GDipEd 2003) is halfway through her PhD, investigating interdisciplinary teaching in universities. Her research is particularly relevant as interdisciplinary teaching is growing in popularity, and is a feature of breadth subjects in the University of Melbourne's undergraduate degrees. These breadth subjects have provided her with the perfect case study.

Ms Millar started her PhD after the birth of her first son. "Receiving this scholarship has allowed me to come back to university, to undertake a PhD and also support my family in a manner that would not otherwise have been possible," she says.

The Herschell Scholarship is also supporting new PhD candidate Kelly Roberts (BTeach (Hons) 2009) who graduated last year from Flinders University.

Ms Roberts is researching contemporary policy and reform directions in education, and says that the support provided by the Herschell Scholarship has already enabled her to enjoy a rich learning experience.

"In the future, I hope I can contribute positively to our understanding of [how to devise] education policy that enables Australia to meet the challenges we face in the 21st century."

# Engagement





**“The University enjoys a reputation as a public-spirited organisation, dedicated to sharing, extending and developing knowledge with the wider society.”**

PROFESSOR SUSAN ELLIOTT  
VICE-CHANCELLOR (GLOBAL  
ENGAGEMENT)

*Performing as The Zellwood Quartet, elite student musicians from the Faculty of the VCA and Music's String Department in the School of Music represented Australia's cultural life to the world at the Shanghai World Expo during Victoria Week in May.*

Ever since its establishment nearly 160 years ago, the University of Melbourne has enjoyed a reputation as a public-spirited organisation, dedicated to sharing, extending and developing its knowledge with the wider society. The third strand of the University's *Growing Esteem* strategy, Engagement, recognises the importance of such interaction between the University and its wider community.

Encompassing interaction at local, national and international levels, the engagement strand of the University's mission includes knowledge partnerships, international programs, interactions with alumni and advancement activities.

Sharing knowledge with external organisations, providing a platform for debate of significant public issues, and enhancing opportunities for individual citizens to further their educational and career ambitions are just some of the ways in which the University seeks to realise its engagement agenda.

## Partnering with external organisations

With the recasting of the engagement strategy, the Knowledge Partnerships Office (KPO) focused its efforts on establishing University-wide partnerships of strategic importance, while also offering advice on the development of faculty-based partnerships.

- » In regional Victoria, a letter of intent was signed with Indigenous leaders in Shepparton to develop the Kaiela Institute. Together, the University and the Institute will partner with government, business and local community organisations to lift Indigenous school retention rates and address other social problems experienced by Victoria's largest Aboriginal community.
- » Nationally, discussions were commenced with CSIRO to scope a partnership agreement embracing the wide range of research projects on which the University and CSIRO collaborate, with the aim of building capacity in key areas of mutual strength.
- » Regionally, Timor Leste has emerged as a country with which more than half of the University's faculties are engaged through staff research projects, student fieldwork, professional educational development, and interaction with local universities. Extended discussions with the East Timorese government and community leaders have led to a formal proposal for a partnership with the National University of Timor Leste in Dili, to be finalised in 2011.

- » Internationally, plans for an IBM Research & Development Centre laboratory were conceived and developed. The Centre was launched in October by the Prime Minister, the Hon Julia Gillard MP and the Premier of Victoria, the Hon John Brumby MP. Operations will commence in 2011.

Many other partnerships are under way across the campus.

The announcement early in the year that IBM will establish a Life Sciences Collaboratory with leading life sciences and computational specialists at the University's Victorian Life Sciences Computation Initiative (VLSCI) represented an exciting culmination to the first three-year phase of the partnership between IBM and the University.

Meanwhile, the University's relationship with the Defence Science and Technology Organisation (DSTO) continues to develop. Funding from the Department of Defence and the Victorian Department of Innovation, Industry and Regional Development (now the Department of Business and Innovation) will see the creation of a Defence Science Institute (DSI) for research into defence science and the establishment of a platform that will enable small-to-medium enterprises to engage in such research.

A new partnership with the North and West Metropolitan Region of the Department of Human Services and Department of Health will deliver key child protection and mental health workforce improvements.

During the year the Bushfire Recovery Initiative continued its work, making significant progress with cross-campus projects. Notably, a \$2 million ARC Linkage Grant was awarded to the collaborative team working on *Bushfires, Social Connectedness and Mental Health*, while the Melbourne Sustainable Society Institute established the University-wide theme of *Risk, Resilience and Transformation*.

### BUILDING ENGAGEMENT CAPACITY

A suite of initiatives was offered in 2010 to support the development of successful engagement projects with external partners. *Developing and Managing Partnerships: a Guide for Getting Started* was published to assist staff in evaluating prospective partnerships and gauging their strategic value to the University. The Knowledge Partnership website was updated to improve content, accessibility and usability and, as part of the developing Engagement website, to provide a ready source of information to staff.

Each year the Vice-Chancellor's Engagement Awards not only seed new initiatives by staff

and students, but serve as a vehicle for educating the University community on how to establish collaborations with external partners and the wider community. Under an expanded program of awards in 2010, 21 Dreamlarge grants were made to students. 11 staff were awarded project grants, and three received excellence awards.

Establishing ways to measure and assess performance in engagement was a focus for discussion throughout the year, with a method for including engagement objectives and measures in individual academic staff performance resolved for implementation in 2011.

## Enriching Melbourne's Cultural Life

The University of Melbourne has an extensive array of short courses, community access programs, conferences, seminars and other educational programs available to the public. Work is underway to identify ways to strengthen existing programs and to ensure the public is made aware of all the opportunities on offer.

Each year the University acts as a catalyst for debate of important issues through a program of public events. Over 100 lectures were presented over the course of the year, advertised monthly in *Voice*, the University's supplement in *The Age* newspaper, and online via the University's website. Attendance continued to be excellent.

Highlights were:

- » The Chief Justice of the United States, the Hon John G. Roberts Jr, presenting an international public lecture – the first time a US chief justice has addressed a public audience in Australia
- » The Hon Paul Keating, former Prime Minister of Australia, considering the issue of privacy in the age of new media in a lecture hosted by the University's Centre for Advanced Journalism
- » Mr Oliver Everett, Librarian Emeritus of the Royal Library, Windsor Castle, presenting an international public lecture titled *Mughal Painting at its Zenith* focused on the *Padshahnama*, the finest Islamic manuscript in the Royal Library at Windsor Castle
- » Dr Kiran Martin of the Asha Institute, Delhi, presenting the prestigious Chancellor's Human Rights Lecture on the subject *Making Human Rights Real: Transforming the Lives of India's Poor and Homeless*

- » Ms Annabel Crabbe, ABC Online's chief political writer, considering the implications of delivering content in a rapidly-changing media landscape in the 2010 A N Smith Lecture in Journalism
- » Professor Stuart Macintyre, former Dean of Arts and past President of the Academy of the Social Sciences in Australia, presenting *The Poor Relation: a History of the Social Sciences in Australia*.

October marked the long-awaited reopening of the University of Melbourne's Grainger Museum, which houses the works and eclectic collection of Australia's most famous composer Percy Grainger. The reopening was accompanied by a Grainger Symposium, featuring noted Grainger scholar Professor Malcolm Gillies, Chancellor of the London Metropolitan University, as guest speaker and by the launch of a peer-reviewed journal *Grainger Studies: an Interdisciplinary Journal*.

A second Cultural Treasures Day opened the University's cultural collections to the general public, attracting over 2400 visitors. Throughout the year, the University also hosted a series of cultural collections exhibitions at the Baillieu Library including *Wilson Hall: Centre and Symbol of the University*, a fascinating exhibition of *Banned Books in Australia*, and *Primary Sources: 50 Stories from 50 Years in the Archives* commemorating the 50th anniversary of the establishment of the University of Melbourne Archives. *Cavities, Keys and Camels: Early Dentistry in Victoria*, was organised by the Dental Museum, and the Medical History Museum ran a well-documented exhibition *The Physick Gardener: Aspects of the Apothecary's World from the Collections of the University of Melbourne*.

Cultural and community activities across campus were supported by 25 Cultural Community Grants totalling \$201,690. This assistance allowed the Debating Club to host the Intervarsity Debating Competition, supported the Museums of Australia National Conference, provided travel assistance for the University's elite athletes to attend significant international competitions, and enabled over 30 student theatre productions, many lunchtime concerts, and a host of other significant events and activities.

### COMMERCIAL ENGAGEMENT

A targeted five per cent increase in aggregate financial returns from commercialisation activities was exceeded during the year through the three core activities of:

- » Melbourne Ventures – research commercialisation

- » Curriculum Licensing Services – courseware, multimedia, and specialised software licensing
- » Melbourne Consulting and Custom Programs – consulting projects and customised award and non-award programs.

Overall, the University enjoyed an increase of 34 per cent on net returns from commercialisation activities during 2010. This increase was achieved despite the continuing adverse impact of the global financial crisis in a market with little appetite for high-risk early-stage technology, and where timelines for the licensing of technology stretched as companies adopted a cautious outlook.

During 2010, Melbourne Ventures managed in excess of 60 new intellectual property disclosures from researchers, and 20-plus patent applications. Significant licensing developments related to a new vaccine manufacturing process, and technologies for optimising information flow along copper and optical fibre networks. A new company, Harmonix Instruments, was established to develop novel musical instruments. Melbourne Ventures also continued to work closely with its joint-venture pre-seed fund, Uniseed, on a number of opportunities. The University's Growing Innovation Fund, designed to support commercial proof-of-concept projects and assist with maximising commercial outcomes from University research collaborations, continued to be accessed and managed by Melbourne Ventures.

In 2011 Curriculum Licensing Services' activity focused on the consolidation of distribution activity in preparation for the closure of the service as a separate activity from that of the services and IP commercialisation of the other divisions. The transfer was completed as of December 31. New business opportunities for 2011 are already indicated.

Melbourne Consulting and Custom Programs continued to develop an innovative range of programs in partnership with, and delivered consulting services to, faculties and graduate schools in response to demand from the private and public sector. There was a very high level of existing client retention, strong growth in new clients, and a continued increase in international activity. Revenue from award and non-award programs and consultancies increased by 40 per cent over 2009 to approximately \$17.8 million, and exceeded budget by \$5.6 million. In addition, postgraduate enrolments through the school increased by 40 per cent from 2010 to a total of 1694.

## International Engagement

The University of Melbourne is committed to operating in an international environment and being assessed accordingly. Its scholars contribute to a global body of knowledge, it prepares graduates for the challenges and opportunities of an increasingly globalised world, and it engages with leading universities and research institutes around the world.

### RANKINGS

The University's strong performance in international rankings in 2010 places it at the forefront of education internationally and reflects the University's particularly high standing in the Asia-Pacific region. In the research-based Academic Ranking of World Universities prepared by Shanghai Jiao Tong University, Melbourne jumped 13 places to be ranked 62nd, making it the fastest-moving university in the world's top 100.

The latest Times Higher Education ranking placed the University of Melbourne as the highest ranked university in Australia, the leading university in the Oceania region, and 36th in the world. In this index, the University ranked top in Australia in Teaching (the learning environment), Research (volume, income and reputation) and Citations (measuring research

influence). It was second in Industry Income (innovation and knowledge transfer) and third in International (looking at the proportion of international staff and students).

Melbourne was also Australia's leading university and ranked 43rd in the world in the 2010 Higher Education Evaluation and Accreditation Council of Taiwan performance ranking of scientific papers, eight positions higher than in 2009.

### INTERNATIONAL STUDENTS

2010 continued to bring challenges for the international student recruitment market, with capacity to participate in overseas higher education severely undermined by the Global Financial Crisis and the strong Australian dollar. The Commonwealth Government's review of immigration policy, and subsequent uncoupling of higher education outcomes and skilled migration opportunities, also diminished Australia's attractiveness as an education destination for many international students. Security and safety concerns continued to beleaguer the sector, with attacks on Indian students capturing media attention worldwide.

Nonetheless, the University of Melbourne successfully avoided the significant downturn experienced by much of the sector, maintaining a total international

student population of approximately 11,500 enrolments equating to over 27.7 per cent of teaching load. China, Malaysia, Singapore, Indonesia and India continued to be the University's top five feeder countries, based on citizenship.

In 2010, the University took steps to ensure that key stakeholders – such as school counsellors, overseas representatives, and sponsoring bodies – were able to represent accurately the educational opportunities offered by the University. There was a focus on explaining Melbourne Model undergraduate degree offerings and pathways to graduate programs. Key market segments were targeted to ensure market share was maintained in established markets and diversity markets fostered. Measures to cultivate relationships with sponsoring bodies, facilitate interaction with targeted offshore schools, and enhance services provided to overseas representatives raised the University's profile. The inaugural Representatives Leadership Program, conducted over the Open Day period in August 2010, offered a unique opportunity to provide a valuable intensive professional development program for 21 key representatives from 14 different countries.

## CULTURAL ENGAGEMENT

In 2010 the University of Melbourne continued to enrich the community's cultural life with theatre, music, visual arts, and literary programs.

### CULTURAL HIGHLIGHTS

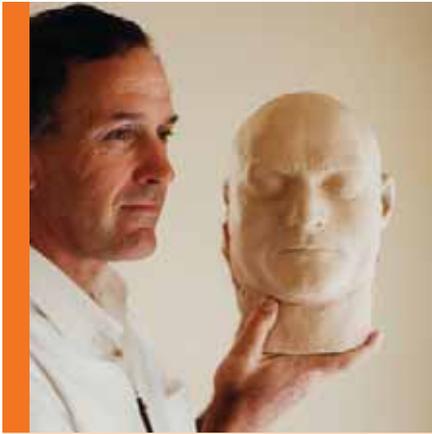
» Melbourne University Publishing (MUP) published a total of 76 titles under its three main imprints: Melbourne University Press, The Miegunyah Press, and commercial imprint, Victory Books. Highlights included *Malcolm Fraser: the Political Memoirs* by Margaret Simons and Malcolm Fraser, *Hawke: the Prime Minister* by Blanche d'Alpuget, Heti Perkins' *art + soul*, *A Journey into the World of Aboriginal Art* published as a companion volume to the ABC TV series, Bruce Guthrie's *Man Bites Murdoch: Four Decades in Print*, *Six Days in Court*, Barrie Cassidy's *The Party Thieves*, an incisive analysis of a tumultuous nine months in politics leading up to the 2010 election, and *Rare and Curious: the Secret History of Governor Macquarie's Collectors' Chest* by Elizabeth Ellis, a co-publication with the State Library of NSW. Bain Attwood's *Possession*

won the 2010 NSW Premier's History Prize, the Ernest Scott Prize for History, and the Victorian Community History Award, while Peter Sutton's *The Politics of Suffering* won the 2010 John Button Prize.

» The Melbourne Theatre Company attracted record audiences, with 11 plays presented to over 250,000 people in the main Melbourne season. Its 21,500 subscribers make the MTC the most highly subscribed theatre company in Australia. The company received an unprecedented number of Helpmann Award nominations, with six subsequent awards. *Richard III* won Best Production from both the Australian Entertainment Industry and the drama teachers of Victoria. The world premiere of four Australian plays and the Australian premiere of three international plays were presented, enabling Melbourne audiences to see renowned actors such as Noni Hazelhurst, Garry McDonald, Lisa McCune, Geoffrey Rush, John Waters, Jacki Weaver, John Wood and Wendy Hughes at work. Six new

plays were commissioned, providing invaluable support to emerging young writers and directors.

- » The Ian Potter Museum of Art presented a range of exhibitions, including *Ancient Coins: Heads and Tales from Ancient Lands; Melbourne >< Brisbane: Punk, Art and After; Devotion and Ritual*; and *The Collection of Dr Samuel Arthur Ewing*. Two exhibitions titled *The Shilo Project* and *Other Side Art: Trevor Nickolls* toured five venues in four states and territories. The museum also hosted the second Basil Sellers Art Prize, an exhibition and award of \$100,000 to a contemporary Australian artist, one of the richest art prizes in Australia.
- » The Sidney Myer Free Orchestral Concerts at the open-air Sidney Myer Music Bowl, funded by the University and presented by the Melbourne Symphony, attracted its traditionally huge crowds in February.
- » The Faculty of the VCA and Music offered over 200 exhibitions, viewings and performances of student work during the year.



## Peter Norden AO

Peter Norden has joined the University of Melbourne as a Vice-Chancellor's Fellow.

Mr Norden has over 30 years' experience in the Australian criminal justice system, 12 of which he served as the Pentridge Prison chaplain, and many more as a criminal justice reformer and public advocate. He is a passionate campaigner for fair treatment and defence of human rights, and a member of the World Coalition against the Death Penalty. For many years Mr Norden has advocated for significant reform in the Australian criminal justice system and for a change in the treatment and rehabilitation of criminals.

Based at the Melbourne Law School, Mr Norden researches and publishes on human rights, social justice and public advocacy.

On the 130th anniversary of Ned Kelly's execution in 2010, Mr Norden delivered The John Barry Memorial Lecture titled *Ned Kelly, John Barry, and the Role of Social Activism in Criminal Justice Reform* which examined the role of social activism in the criminal justice system and touched on his own experiences and those of prominent judge and social reformer, Sir John Barry.

The University of Melbourne's Vice-Chancellor's Fellowships provide distinguished public intellectuals in-residence status, allowing them to engage in the public life of the University by providing a scholarly environment for research, writing, teaching and related activities.

## COLLABORATION

In 2010 the University of Melbourne enhanced its network of highly-ranked partner universities abroad, as well as its engagement with key international alliances. In response to a growing demand for student mobility, eight new student exchange linkages were established with leading institutions including ETH Zurich, the Autonomous University of Madrid, George Washington University, and the Indian Institute of Management, Ahmedabad. In addition, the University finalised a bilateral agreement for academic collaboration with the University of Delhi, an existing partner via the Universitas 21 network.

The University is now a partner in 216 bilateral international agreements, of which 163 include provisions for reciprocal student exchange. As part of its regular cycle of quality assurance and review, 31 existing agreements were renegotiated and renewed in 2010. In each case, negotiations focused on including opportunities for postgraduate student exchange in response to the introduction of the Melbourne Model, as well as on establishing appropriate frameworks for jointly-supervised doctoral degrees.

The development of strategic international partnerships continues to be a priority, with the University finalising negotiations for the delivery of joint degrees in Avian Health and Medicine with the University of Georgia in 2010. Similarly the strengthening of the relationship between the Group of Eight universities in Australia and China's nine leading institutions (known as the C9) will enhance opportunities for research collaboration and staff and student mobility with these leading universities in the future. Work continued in 2010 to identify leading international institutions with which Melbourne might seek to develop whole-of-University relationships across disciplines. The existing core partnership with Vanderbilt University (USA) was further consolidated through reciprocal high-level delegations and the establishment of a targeted funding scheme for international mobility between the two institutions.

## UNIVERSITAS 21

In 2010 Universitas 21 (U21) continued to strengthen and consolidate the University of Melbourne's international reputation through a broad range of collegial and collaborative activities and programs that facilitate international opportunities for staff and students of member institutions. The University of Connecticut and the University of Amsterdam were welcomed as members of the network during the year.

Melbourne plays a leading role in increasing student mobility across the U21 network, with the Vice-Chancellor appointed Chair of U21 in 2010 and the Senior Vice-Principal holding the position of Convenor of the U21 Managers Group. A particular focus for the University has been the development of programs to increase student mobility across the U21 network year by year. In 2010 undergraduate mobility increased from 853 to around 2,200 exchanges. U21 members also executed a Delhi Accord to advance student mobility within the network. The U21 Undergraduate Research Conference hosted by Melbourne attracted around 60 Honours and final year U21 undergraduates from across the network.

The University of Melbourne continued to coordinate the Global Issues Program (GIP), a multidisciplinary program offered by the U21 network to undergraduate students of the Universities of British Columbia (Canada), Nottingham (United Kingdom), Queensland (Australia), Lund (Sweden), and Tecnológico de Monterrey (Mexico). The program encourages students to develop globally relevant knowledge and skills through certificate or diploma-level study, or as a minor within an undergraduate degree. In 2010 25 students were enrolled in the GIP at the University of Melbourne.

The U21 network's activity in learning environment design and development led by Melbourne, continued to expand with a fourth annual forum held at University College Dublin. Melbourne also launched the unique Learning Environment Spatial Laboratory, a facility that will provide a further basis for collaborative activity throughout the U21 network.

Management of the Water Futures for Sustainable Cities (WFSC) Research Program resided at Melbourne in 2010 and comprised seven research themes in various stages of development. The University led Theme 3 (Innovative strategies for city water systems) and was involved in Theme 1 (Water education and literacy), Theme 6 (Recycled water) and Theme 7 (Water and energy).

## ASSOCIATION OF PACIFIC RIM UNIVERSITIES

The University of Melbourne continues to be an active participant in the activities of the Association of Pacific Rim Universities (APRU). In late 2010, Deputy Vice-Chancellor (Global Engagement) Professor Susan Elliott was appointed Chair of the APRU Senior Staff Advisory Committee. Among other responsibilities, the Committee is charged with collating ideas and suggestions for the development and implementation of future APRU activities that will add value and build



Members of Kwesi Bruni, the University of Melbourne drumming ensemble, perform on the Parkville campus North Court stage during 2010 Neighbourhood Day celebrations.

on the existing strengths and distinctive nature of the APRU consortium.

Opportunities for staff and students to participate in APRU activities in 2010 included the Senior Staff Meeting hosted by Keio University (Japan), the Presidents Meeting hosted by the University of Auckland, the Chief Information Officers' Forum and the inaugural Education and Research Technology Forum hosted by the University of Southern California, the Doctoral Students' Conference hosted by University of Indonesia, the Undergraduate Summer Program hosted by National University of Singapore, a range of APRU Research Symposia, and meetings of APRU Law Deans and Education Deans hosted by Chulalongkorn University (Thailand) and the University of Hong Kong respectively.

A particular focus of the University's engagement with APRU has been on opportunities to promote collaborative activities of regional benefit. Melbourne continues to provide leadership in the APRU World Institute (AWI) research project *Pacific Rim Cities: Climate Change Mitigation and Adaptation Strategies*. Professor Jim Falk, Director of the University's Australian Centre for Science, Innovation and Society (ACSIS), leads the AWI climate change project.

#### DEVELOPMENT OF INTERNATIONAL RELATIONSHIPS

Relationships with key institutions abroad, foreign governments and other international stakeholders are fostered in a number of ways. A targeted diplomatic engagement strategy continues to raise the profile of the University at government level, while the University's network of regional in-country

offices in India, Thailand, Malaysia, Singapore, China, Indonesia, and the USA maintains regular contact with government departments and partner institutions abroad.

Each year the University of Melbourne hosts a range of international delegations, with a strong strategic focus on briefing Australian and international diplomatic staff, as well as meeting with leading partner institutions. Key partner universities hosted during the year included the University of Birmingham, ETH Zurich, Trinity College Dublin, UCLA and UC Davis (USA), the University of Botswana, Peking, Tsinghua and Fudan Universities (China), Jawaharlal Nehru University and the University of Delhi, National Taiwan University, and the National University of Singapore. The University of Melbourne also hosted a range of high-level government visits, including from Saudi Arabia (Minister for Higher Education), Singapore (Chief Justice), and China (Director-General, Social Science, and Ministry of Education).

A series of high-level delegations to North America, India, and Indonesia all assisted in strengthening the University's profile and building new relationships within government institutional and alumni networks in those countries.

Two successful delegations to North America provided opportunities to identify trends and best practice in the North American education and research environment, showcase the University's strengths to North American funding bodies, and explore opportunities for collaboration. Several new funding and partner opportunities were identified and the decision

taken to relocate the University's in-country office from San Francisco to Washington DC.

The delegation to India worked in partnership with the Australia India Institute to leverage several key activities. A two-day conference in Delhi assisted the Faculty of Arts in developing a public policy course with U21 partners, – the Universities of Delhi and Birmingham. An energy colloquium with Indian and Australian colleagues – including IBM and TERI – has led to the development by the Melbourne Energy Institute of a Grand Energy Challenge Bid through the Australia India Strategic Research Fund. Meetings and activities involving the Nossal Institute for Global Health and supported by the Indian Minister for Human Resources helped to expand the strong relationship the Nossal already enjoys in India to other disciplines within the University.

A major delegation to Indonesia late in the year was designed to profile and position the University of Melbourne, offering an integrated approach to marketing, recruitment, alumni, advancement and international relations. The University also participated in and presented at the Indonesian Ministry National Education Conference. The trip marked the first time the University had taken a mission beyond one city, with activities in Jakarta, Yogyakarta, Bandung and Surabaya. Stakeholder reception dinners held in three of the four cities, and the 2010 Indonesian Alumni Celebration held in Jakarta, brought together more than 80 Indonesian alumni. The mission was highly successful in reaching more institutions, stakeholders and prospective students than in the past, reflecting the University's strengthening relationship with Indonesia.

In other internationally focused activities:

- » The University of Melbourne became a signatory to the *Magna Charta Universitatum* in 2010. This charter of fundamental university values and rights was established in Europe in 1988 on the 900th anniversary of the foundation of the University of Bologna in Italy. Over 150 institutions around the world have now signed the charter.
- » A major Canada Day was held to promote and strengthen research and collaboration activities. Titled *Beyond the Maple Leaf: Opportunities for Collaboration and Exchange with Canada*, the event was run in conjunction with the Canadian High Commission in Canberra and involved activities targeted at academic staff, early career researchers and current PhD students. As well as the opportunity to meet and interact with colleagues

## ASIALINK HIGHLIGHTS

### FORUMS AND EVENTS

- » The Asialink Asia Society National Forum, *Mapping our Future in the Asian Century*, brought together 130 specialists and stakeholders from business, the arts, government, academia and the health and development areas in Parliament House. The forum facilitated a non-government, informed contribution to Australia's long-term Asia planning and developed recommendations for action. The Prime Minister, Opposition leader, High Commissioner for India, and Ambassadors for China, Indonesia, Japan and the Republic of Korea all participated.
- » Asialink led Australia's Track II diplomacy initiatives by delivering the 2010 Asialink Conversations in Phnom Penh with a keynote address by Cambodian Prime Minister Hun Sen, and the ASEAN-Australia-New Zealand Dialogue in Kuala Lumpur.
- » The eighth annual Asia Education Foundation National Summit was held in Sydney, with 140 leading educators from across Australia.
- » A major speech by United States Secretary of State, Hillary Rodham Clinton, was delivered at the Sidney Myer Asia Centre.

### EDUCATION POLICY

Asialink's education program, the Asia Education Foundation, continued to work closely with government, peak bodies,

teachers, and school and business leaders to ensure Asia literacy for every young Australian. Key initiatives included:

- » Establishing the Asia Literacy Roundtable for senior education policy makers
- » Gaining the support of 49 peak education, business and community organisations for the *Call for a National Action Plan for Asia Literacy in Schools*
- » Delivering the *Leading 21st Century Schools: Engage with Asia* program for 120 principals
- » Recruiting ambassadors from the business community across Australia to engage with schools through the *Asia Literacy Business Ambassadors Program*
- » Establishing a strategic relationship with the Australian Curriculum, Assessment and Reporting Authority to support and influence the development of Australian Curriculum that is Asia literate
- » Convening the inaugural two-day National Asia Literacy Network Meeting of 50 key managers responsible for Asia literacy programs in all state and territory education jurisdictions.

### COMMUNITY HEALTH

- » Hosting 30 government bureaucrats and health professionals from Guangzhou, China for a week-long training program in community mental health provision
- » Commencing delivery of a two-year project to help build the mental health

### ENGAGEMENT WITH ASIA

The University of Melbourne's four Asia-facing bodies – Asialink, Asia Institute, Confucius Institute and Australia India Institute – had a productive and demanding year. Their activities contributed significantly to the University's efforts to expand strategic liaison with national government departments, international governments, funding and sponsorship bodies.

### ASIALINK

Asialink is Australia's leading centre for the promotion of public understanding of Asia and of Australia's role in the Asian region. Its annual program of initiatives across the arts, education, business, health and the community within Australia and Asia significantly advances the University's reputation as an Asia-engaged institution. This year, Asialink celebrated its 20th anniversary as an organisation – 19 of these years

system in Qatar, developing best practice in community mental health for Muslim communities

- » Finalising a major new partnership with the Indian Ministry of Health and the National Institute for Health and Family Welfare.

### EDUCATION PROGRAM

- » Expanding the study tour program by confirming agreements with both the NSW and Victorian departments of Education and the Catholic Education Office, Sydney Diocese, to develop and deliver programs to China, Japan and Korea in 2011 for over 250 teachers.

### ARTS PROGRAM

- » Development of planning and key partnerships with Tokyo and Singapore for Utopia, a roving visual arts event for regional partnerships comprising exhibitions, residencies education programs and web access.

### PRICEWATERHOUSECOOPERS MELBOURNE INSTITUTE ASIALINK INDEX

- » Launch of the inaugural PwC Melbourne Institute Asialink Index ANZ Services Report, the first systematic examination of service interaction between Australia and Asia across indicators of education, transport, finance and business services.

as a centre, and later as a non-academic department of the University of Melbourne.

### CONFUCIUS INSTITUTE

The University's Confucius Institute (CI) cemented its role as a centre of education excellence for Australian companies wishing to do business in China, for the general public with an interest in Chinese language and culture, and for Chinese companies and executives wanting to do business in Australia.

Major achievements during 2010 include:

- » Winning a contract with Westpac Group to provide a Cultural and Language Learning Program on China to over 3000 Westpac staff and clients – resoundingly successful workshops held across Australia's major cities
- » Partnering with the City of Melbourne to host Tianjin government leaders in a

working on Canada-related projects in other parts of the University, participants received updated information on the wide range of funding offered by the Canadian government to support research collaboration.

- » 'Oman Corner' was launched at the University in recognition of a long-standing relationship with the Sultanate of Oman. Established in conjunction with the Consulate-General of Oman in Australia, the Oman Corner showcases different aspects of Oman's culture, tradition and society. The location of the Oman Corner in the Sidney Myer Asia Centre will ensure ready access to this educational resource by both the University community and the general public.

cultural, language and professional skills immersion program

- » Attracting major corporate clients for executive training programs
- » Partnering with the Department of Education and Early Childhood Development to establish the Confucius Classroom Program in government schools across Victoria, signalling a formal sister school partnership with schools in China and engagement with the Office of the Chinese Language Council International (HANBAN) in China to contribute resources to the teaching of Chinese language in these schools.

The Confucius Institute's international speakers program hosted distinguished Chinese scholars during 2010 in a range of fields including law, sociology and economics. Speakers included Professor Wang Chenguang of Tsinghua University Law School, Professor Li Xindan, Director of the Institute of Financial Engineering at Nanjing University, and Professor Wang Hui from Tsinghua University's School of Humanities and Social Sciences.

#### AUSTRALIA INDIA INSTITUTE

The Australia India Institute, which was launched in Delhi in 2009, had a busy establishment year planning a wide-ranging calendar of events, visitors, research and cultural programs. A website, e-newsletter, and database were also established.

In 2010 the Institute appointed core professional staff to fill four positions, established a Board chaired by University of Melbourne Chancellor the Hon Alex Chernov AO QC, and established an International Advisory Committee chaired by Dr Isher Ahluwalia, Chair of the Board of the Indian Centre for Research on International Economic Relations in New Delhi. The Institute appointed six program directors to oversee its priority areas of Resources and Environment, Regional Relationships, Health, Education, Contemporary India, and Economics and Business.

The Institute's research program launched a major national collaborative research grant scheme with funding of \$600,000 providing up to \$50,000 per project. More than 70 applications covering the six priority areas for

the Institute were received for assessment by the program directors and advisers.

The projects selected for support by the Institute are based in 10 universities across Australia and link with Indian collaborators based in 16 universities and research institutes, and three NGOs.

During 2010 senior Institute staff participated in meetings, workshops and seminars in India to increase and initiate research collaborations and to profile the Institute's vision and activities.

Among the many prominent visitors hosted during the year, the Indian Minister for Human Resource Development, the Hon Kapil Sibal MP QC, delivered the Institute's inaugural lecture titled *India and its Transformation to a Knowledge Economy: the potential for partnerships with Australia*. The Director of the successful Indian lunar mission Chandrayaan, Dr Mylswamy Annadurai, was a Visiting Fellow of the Institute and presented several seminars in Melbourne, Canberra and Sydney. The Institute also organised the conferring by the University of Melbourne of an Honorary Doctor of Laws on Pandit Ravi Shankar.

In September 2010 the Premier John Brumby MP launched the Victorian Government's India strategy *Engaging India* which included several major initiatives involving the Institute including funding for a Chair in Contemporary Indian Studies, support for an Eminent Lecture series, and a suite of 10 PhD research scholarships to be shared by Victorian universities that have research collaborations with India.

The Institute also organised, supported and sponsored workshops and seminars based around a wide range of themes such as globalisation, India's Look East policy, water security, energy security, and national literature.

The Institute works to increase Australians' understanding of contemporary India by contributing to and supporting artistic, literary and cultural festivals. In 2010 this included a mini Indian film festival titled *Not Quite Bollywood* as part of the Melbourne International Film Festival, bringing authors to the Brisbane and Melbourne Writers' festivals, and sponsoring a major art exhibition and symposium at the Art Gallery of NSW.

## Increasing alumni engagement

### ALUMNI RELATIONS

Alumni participation continued to rise, with a 12 per cent increase (10,450 alumni) in the number of alumni participating in events, offering their time, networks, and expertise to the University.

The establishment of a University-wide alumni reunions program to expand engagement with alumni saw more than 2000 alumni attend reunions to reconnect with staff, fellow former students and their campus. A successful family event at the Melbourne Museum, and a sell-out Potter Museum Tour Series also attracted strong participation. International alumni events were held in London, Singapore, Malaysia, Indonesia, China, Japan, Bangladesh, Sri Lanka, Canada and the USA. In Australia events were held in Melbourne, regional Victoria, Adelaide, Sydney, Brisbane and Perth.

Communication with alumni also increases their connection to the University of Melbourne. Over 15,000 alumni have registered their preferences to receive individually-tailored news and invitations from the University. This initiative – a first for Australian universities – is one of the ways the University is working to ensure alumni receive relevant communications. Meanwhile, *Alumni eNews* enjoys subscriptions of over 79,000.

The *Melbourne University Magazine* for alumni received the international CASE Silver Medal for an alumni publication in 2010. The magazine highlights leadership and achievements among the University's alumni community as well as updating alumni on University progress.

In other engagement measures, alumni benefits were further developed including subject discounts, online learning webinars and podcasts, and priority access to discussion and debate on major issues.

### DONOR SUPPORT

In 2010, the University received donations and gifts totalling \$46.7 million, a 73 per cent increase on 2009, substantially outperforming the target of \$30 million and setting a national record for University giving in the year. This

#### INTERNATIONAL STUDENT ENROLMENTS (EFTSL)

	2006	2007	2008	2009	2010
International Enrolments	8,804	9,385	9,895	10,154	10,144
% International	25.9%	27.1%	27.9%	28.2%	27.7%

Notes: 1996–2009 data is based on DEEWR Submissions. 2010 data is based on ISIS as at 7th January 2011.

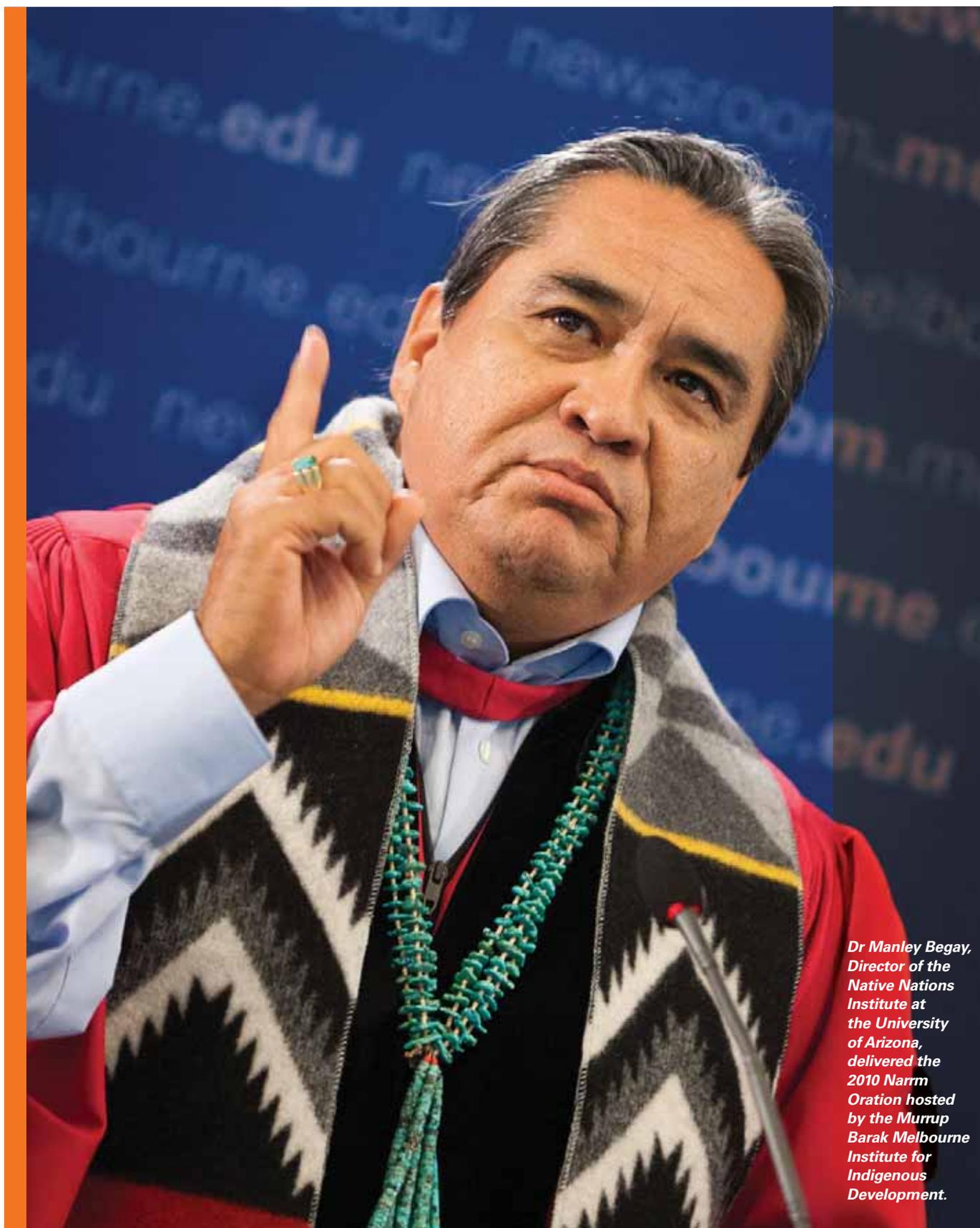
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was due in large measure to the realisation of two generous bequests, further instalments from the estate of Dr Albert Shimmins to support research activities in the Faculty of Science (some \$7 million), and the arrival of the capital from the estate of Sir Rowden White (over \$14 million) which supports a range of faculties. Major gifts included several million-plus dollar gifts from anonymous donors for scholarships, and a \$1.5 million dollar gift to endow the James Riady Chair of Asian Economics and Business.

The University Fund Appeal again exceeded \$1 million including giving from staff, students, and alumni at home and abroad. Particularly pleasing was the enthusiasm of this year's Student Appeal, which saw a 45 per cent increase in donations and a 25 per cent increase in donors. The Student Appeal is run by students themselves to assist other students in need of financial aid, and establishes early the habit of philanthropy in student members of our community.

The Chancellor's Circle recognition program continues to encourage annual giving of \$1,000 or more. Affiliation was nearing 1,000 donors at the close of 2010. Membership for the Heritage Society which recognises those who have remembered the University in a will, also continued to grow.

Year by year the donor stewardship program matures, with major donors now receiving regular updates and reports on donations and the outcomes of giving, and providing opportunities for donors to meet and celebrate their giving.



*Dr Manley Begay, Director of the Native Nations Institute at the University of Arizona, delivered the 2010 Narm Oration hosted by the Murrup Barak Melbourne Institute for Indigenous Development.*

## Performance against 2010 Targets

### ACTIVELY ENRICH KNOWLEDGE THROUGH LOCAL AND INTERNATIONAL KNOWLEDGE TRANSFER AND PARTNERSHIPS

The University's Knowledge Transfer mission was revised under the updated Growing Esteem strategy. Now named 'Global Engagement' in line with international nomenclature convention, staff and student engagement activities are formally measured through the performance development framework and encouraged by the Vice-Chancellor's Engagement Awards and Grants.

### TO BE INTERNATIONALLY ENGAGED AND POSITIONED FOR RESEARCH, TEACHING AND KNOWLEDGE TRANSFER EXCELLENCE

Despite a predicted downturn of incoming international students, the University maintained the number and diversity of the undergraduate and graduate international student cohorts. The University's commitment to a diversified international student engagement strategy will be formally recognised through an International Plan to be delivered in 2011.

The University's Australia India Institute is the cornerstone of a coordinated whole-of-University strategy to further international engagement with India. In 2010, the Institute sponsored the IBM Internship Program in India. As part of its Engaging India strategy, the Victorian Government announced funding for a Chair in Contemporary Indian Studies at the Institute, 10 scholarships and a public lecture series featuring eminent Indians.

Asialink celebrated its 20 year association with the University in June. The organisation works to increase awareness of Asia through initiatives spanning arts, education, business and health.

The University strengthened its engagement with the diplomatic community in 2010 through targeted visits by ambassadorial and consular staff to campus, involvement in offshore activities and the provision of tailored information on the University's activities and international engagement.

The core partnership with the Vanderbilt University developed further with 20 active research collaborations now under way.

A customer relationship management system was implemented across graduate schools and the Office of Admissions to streamline stakeholder management.

### TO ENRICH COMMUNITY AND CULTURAL LIFE THROUGH PUBLIC ENGAGEMENT AND PARTICIPATION OF THE UNIVERSITY'S WORLDWIDE ALUMNI AND SUPPORTERS

In its active commitment to cultural and community life, the University hosted the second Cultural Treasures Day in late 2010. The Day showcased the University's rich cultural heritage with items from more than 30 collections and museums on display.

Overall alumni participation increased by 12 per cent in 2010, involving over 650 University alumni and their families. Registered email addresses increased 20 per cent and alumni e-news reach increased by 15 per cent.

Donations and gifts to the University continued to strengthen, following previous year growth of 33 per cent in the context of impeded economic conditions. Donations increased by 54 per cent in 2010 compared with 2009.

### OPTIMISE INTEGRATION OF PLANNING AND OPERATIONS OF THE UNIVERSITY'S THIRD STRAND (GLOBAL ENGAGEMENT AND UNIVERSITY AFFAIRS)

Assignment of roles between the Deputy Vice-Chancellor portfolios was revised and a reworked set of engagement goals and targets developed to align with the revised Growing Esteem strategy.



## People don't always let you down

Lauren Kosta, a first-year international student studying for her Master of Social Work, typifies the growing number of students taking Masters courses in the University of Melbourne's graduate schools. Having completed her undergraduate studies at the University of Toronto, Ms Kosta took a year off to go backpacking and while in Australia saw and applied for the Master of Social Work at Melbourne.

The new Master of Social Work has been developed in collaboration with government partners. It takes a practical approach so that students become work ready for a human services career. Internships and guest lecturers from the Department of Human Services are important parts of the program.

At the official launch to celebrate the University's partnership with the North and West Metropolitan Region of the Department of Human Services and the Department of Health, Ms Kosta spoke of her internship as a child protection worker and the benefits resulting from such a partnership.

At the end of her work placement with the Department, Ms Kosta was able to report on some positive results not generally heard outside the field. "Would you believe me if I told you that on one of our closure visits my supervisor and I each got a hug from the client we'd been working with?" she asked the audience at the partnership launch. "We were thanked for listening to her, for believing, for our support, and for showing her child that people don't always let you down."

# Environmental Sustainability





**“As a university seeking to address problems of substantial societal impact, we are committed to promoting environmental sustainability through our research and education programs.”**

**MS LIN MARTIN  
HEAD OF UNIVERSITY SERVICES**

*In a happy collision of material and natural beauty, the Sun Ribbon by Inge King, a gift to the University of Mrs Eileen Kaye Fox, provides students with a unique resting place beneath a shady canopy on the Concrete Lawns of the Parkville campus.*

Concerns about the environment dominate 21st century thought, debate and consciousness.

As a university seeking to address problems of substantial societal impact, Melbourne is committed to promoting environmental sustainability through its research and education activities. Community leadership on environmental issues is provided through expert advice to government and industry as well as contribution to public dialogue.

The University is committed to establishing itself as a model for sustainability by improving its own operational practices. This is an ongoing process, being achieved over time with the introduction of initiatives and targets.

In 2010, a wide range of activities was undertaken in pursuit of these goals.

## **Research on sustainability**

Two of Melbourne’s cross-disciplinary research institutes play a major role leading and coordinating research efforts on environmental sustainability challenges. The Melbourne Sustainable Society Institute (MSSI) and the Melbourne Energy Institute bring researchers together from across the University to tackle the most pressing environmental problems.

The Melbourne Sustainable Society Institute (MSSI) was established at the University in 2009 to progress sustainability research in Australia and the Asia-Pacific region. The MSSI acts as a portal to relevant research at the University and as a platform to foster new research and collaborations between researchers, institutions and communities. The MSSI benefits significantly from the involvement and expertise of 12 leading academics, senior bureaucrats, and innovative business people who have been named Associates of the Institute.

In 2010 the MSSI brought together an interdisciplinary group of PhD students to create the Melbourne Academy for Sustainability and Society. Responding to emerging regional sustainability challenges, this network of future leaders brings learning from a range of disciplines to provide diverse perspectives on sustainability issues, encouraging collaboration across faculties and institutions.

The Melbourne Energy Institute was launched in 2009 to investigate how to best generate, use and deliver energy into the future. The Institute enables leading University researchers to collaborate with government,

the community and other institutes, to work towards sustainable solutions for future energy supply.

In 2010, the Energy Institute implemented a number of initiatives. An Energy Futures seminar series provided a forum for industry leaders, decision makers, and the general public to learn about current research in energy-related issues. Significant research publications included the award-winning *Zero Carbon Australia Stationary Energy Plan*, a roadmap to achieving 100 per cent renewable energy in Australia within a decade. Institute researchers participated in a federally-funded collaboration looking into carbon capture and storage (CCS) technologies.

Climate change is a major focus for research groups across the University. Groups include the ARC Centre of Excellence in Climate System Science, Victorian Centre for Climate Change Adaptation Research (VCCCAR), nodes of the National Climate Change Adaptation Research Facility (NCCARF), and the newly-launched Primary Industries Climate Change Centre (PICCC). In 2010, the University of Melbourne and the Victorian Department of Primary Industries established the PICCC as a collaborative effort to address the impacts of a changing climate and develop the state’s capacity to improve the long-term sustainability of Australia’s food and fibre production.

## **Teaching sustainability**

Environmental issues are a growing concern for the community. From climate change to waste management and demand for water, they influence all fields of modern life and are reconfiguring business, public policy, primary industries, diplomacy and international development.

Several major teaching programs focus on sustainability.

At the undergraduate level, the Bachelor of Environments develops students’ awareness of environmental impacts and management on a global scale. It builds an understanding of professional and social responsibility to shape and manage environments in a sustainable way. Undergraduate students from all faculties are able to undertake a wide range of University breadth subjects relating to issues of sustainability and the environment including Climate Change, Food for a Healthy Planet, and Water for Sustainable Futures.

The Office for Environmental Programs (OEP), delivers the University of Melbourne’s flagship Graduate Environmental Program, a unique multidisciplinary coursework program consisting of the Master of Environments

degree, a Postgraduate Certificate in Environments, and a Postgraduate Diploma in Environments. Students have the flexibility to design their own course or pursue specialist studies of interest from over 200 subjects from 10 faculties at the University. Majors in the Master of Environments degree range across a number of disciplines including Energy Studies, Development, Environmental Science, and Public Health. Students can enrich their experience by participating in internships, industry-based research projects, and international exchange study. Testament to its teaching achievements, the OEP program reached the finals in the Tertiary Education category of the 2010 Premier's Sustainability Awards.

In 2010, enrolments at the OEP continued to grow, with a 28 per cent increase from 2009 to over 300 students.

The Melbourne School of Land and Environment (MSLE) is home to three academic departments addressing climate change and population challenges through teaching and research – Agriculture and Food Systems, Forest and Ecosystem Science, and Resource Management and Geography. MSLE offers students a selection of undergraduate, graduate, research and professional and short courses, with subjects crossing a variety of disciplines. This interdisciplinary approach equips MSLE graduates with the skills and training to address challenges facing the natural environment.

## Sustainability and transferring knowledge

Sustainability issues were the focus of many knowledge-sharing activities during 2010.

The MSSJ has worked with the University of Melbourne's Property and Campus Services staff to develop a Campus Sustainability Centre. From 2011, the facility will act as a drop-in centre for students, staff, and the general public interested in understanding how the University is improving the sustainability of its operations. The Centre will showcase Melbourne's operational achievements, its progress towards greater sustainable practices through a range of technical and behavioural changes, and how research is being directed and applied to reduce the University's environmental impact.

Students are encouraged to engage with sustainability operations on campus. In 2010 undergraduate students participating in the Student Ambassador Leadership Program conducted a green building audit under the guidance and supervision of staff from the Sustainability Unit. Provided with green audit training and data relating to waste, water and energy, students prepared a detailed report outlining recommendations and areas for improvement. The project gave students a greater understanding of sustainability operations on campus, enabling them to take ownership of sustainability initiatives in their own learning environments.

Professor Ross Garnaut was commissioned by the Australian Government in late 2010 to provide an update to his 2008 Climate Change Review for the Australian community.

The OEP hosted a series of successful public lectures in 2010. A highlight was the lecture *What is the world worth? Putting nature on the balance sheet* by prominent economist Pavan Sukhdev, at an event co-hosted by the Australian Conservation Foundation. The lecture attracted an audience of some 400 people.

In another lecture, Laureate Professor Peter Doherty attempted to answer the question "What do we owe to future generations?" in his paper of the same name in *Future Justice* (2010).

## Operational sustainability

The University of Melbourne is one of the largest organisations in Victoria. With a staff and student population approaching 50,000 it is larger than many Victorian towns. Consequently, its daily operations have a significant environmental impact.

Aspiring to be a model of sustainability, the University aims to make substantial reductions to its environmental impact and to be carbon neutral by 2030. An Environmental Policy underpins all University operations, with targets specified in its Strategic Plan.

The Environmental Policy was reviewed and revised in November 2010 to take account of legislative changes and development of University aspirations in sustainability leadership. A new Environmental Sustainability Strategic Plan 2011–2015 sets revised targets to ensure the University is on track to achieving carbon neutrality by 2030. Targets have been set to reduce carbon emissions, conserve water and electricity, minimise waste, and promote sustainable design in new and refurbished buildings.

To evaluate and communicate progress, the University will develop and maintain a fully-documented Environmental Management System which complies with legislative requirements and contractual obligations, and measures targets and outcomes. The adoption of the Resource Smart Tertiary Education

### SUSTAINABILITY TARGETS 2011–2015

ANNUAL PERFORMANCE MEASURE	BASELINE YEAR	BASELINE VALUE	2010 PERFORMANCE	2015 TARGET	2015 TARGET AS
					% REDUCTION FROM BASELINE
Energy Usage – GJ/m <sup>2</sup> GFA	2006	0.9	0.7	0.6	33%
Nett Energy-related Carbon Emissions – kg CO <sub>2</sub> /m <sup>2</sup> GFA	2006	212	106*	106*	50%
Potable Water Usage – megalitres per annum	2006	513	358	410	20%
Waste – % of Total Waste by volume diverted to recycling	2009	41%	n/a	50%	22% increase
Travel – motor vehicle fleet, nett fuel emissions after Greenfleet offset	2007	–	–	–	

\* External offsets will progressively be replaced by on-campus emissions reduction.

(RSTE) framework, developed by Sustainability Victoria, will guide practices within the University environment.

### ENERGY

The University of Melbourne's energy consumption represents a significant proportion of its carbon footprint. Every effort is made to reduce energy consumption and to offset impact through the purchase of renewable energy and abatements. On-site energy reduction projects and external offset have resulted in a considerable reduction of Melbourne's carbon footprint since baseline measures were introduced in 2006.

All 2008–2010 sustainability targets have been reached.

The energy reduction target was reached in October 2010, with projects completed to date delivering 25,200 tonnes of ongoing annual carbon savings.

Targets for Green Power and abatements have been exceeded. The University has purchased 100 per cent Green Power for Creswick, Dookie and Burnley since 2008, and from July 2010 increased purchase of external offsets to 20 per cent Green Power and 15 per cent abatements for all remaining campuses.

Since the first purchase of Green Power in 2007, and abatements in 2008, Green Power and abatement purchases have reduced the University's carbon emissions by a cumulative total of over 86,000 tonnes to the end of 2010.

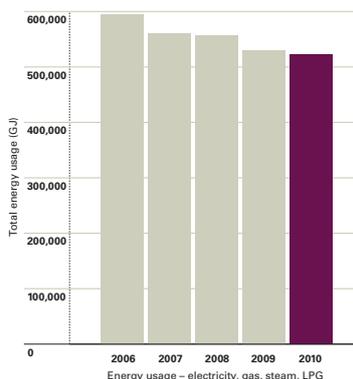
Net emissions from electricity, mains gas, LPG and steam (after offsets of Green Power and abatements) have reduced by a remarkable 43 per cent from the baseline level. This achievement is particularly significant given University space has increased by over 13 per cent in the corresponding period.

Over the longer term it is expected that external offsets will be progressively replaced by on-campus emissions savings – achieved through reduced energy demand, particularly of the most carbon-intensive sources, and through the contribution of on-site energy generation.

Energy efficiency projects have focussed on buildings and systems with the greatest energy usage. Changes were made to the heating, ventilation and air-conditioning systems, which consume the majority of energy in buildings. Upgrades and standardisation of building automation systems also played a part, alongside upgrades to lighting systems through reconfigurations and installation of energy-efficient fluorescents, long-lasting LED and voltage reduction units to reduce energy consumption further.

One of the biggest single projects, the VCAM absorption chiller project, is expected to reap annual savings of 660 tonnes of carbon. Many projects completed in the past 12 months will further reduce annual consumption figures.

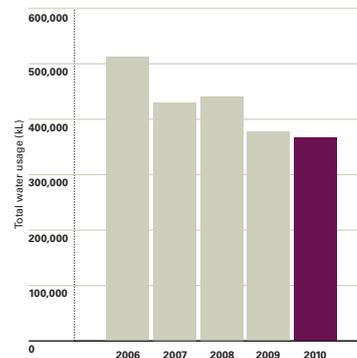
### REDUCTIONS IN ENERGY USAGE



### WATER

The University of Melbourne reduces its water consumption year by year. In 2010 water consumption was reduced by 3.1 per cent from 2009 levels. Consumption levels were 30 per cent below the baseline year of 2006, well exceeding the target to maintain levels 20 per cent below the baseline.

### POTABLE WATER CONSUMPTION



Water savings achieved at individual campuses for November 2009–November 2010 are as follows:

Southbank	24.9%
Burnley	17.2%
Dookie	15.0%
Werribee	10.0%
Parkville	0.5%

Initiatives implemented in 2010 to achieve these significant savings include the metering of cooling towers, upgrade of distribution main, rainwater and harvesting systems, installation of drip irrigation systems, tap and toilet upgrades, planting drought-tolerant plants, and on-site water recycling.

### WASTE

By minimising waste and increasing recycling and waste management, the University of Melbourne aims to reduce the waste it sends to landfill. The University has a recycling program in place for mixed recyclables, including paper, cardboard, cans, plastics and bottles, IT equipment, fluorescent light tubes, polystyrene, mobile phones, and toner cartridges. The program also offers a safe disposal stream for batteries.

### TARGETED REDUCTIONS IN CARBON FOOTPRINT FROM ENERGY USE 2008 – 2010 FROM 2006 BASELINE

ACTIONS TO REDUCE CARBON FOOTPRINT	2008	2009	2010
Reduction in Energy Use	10%	15%	20%
Certified Green Power	10%	15%	20%
Abatement Measures	5%	10%	10%
<b>Total Impact</b>	<b>25%</b>	<b>40%</b>	<b>50%</b>

Note: Targets are cumulative.

A University-wide Waste Management Strategy, developed in 2010, will implement actions recommended by an independent waste audit conducted at Parkville in late 2009. Results indicated that an estimated 41 per cent of solid waste is being separated and collected for recycling, a good result compared with industry standards. Early in 2010 the University, in partnership with the Packaging Stewardship Forum, completed the installation of 35 dual bins for more efficient recycling.

#### SUSTAINABLE BUILDINGS

The University of Melbourne aims to meet a minimum rating target of five stars for all new building developments and four stars for all major building upgrades under the Green Building Council of Australia's rating system.

The new Melbourne Brain Centre-Parkville is on track to achieve a five-star rating, with green features designed to minimise energy consumption. The Peter Doherty Institute also aims to achieve a five-star rating and is working with the Green Building Council of Australia to this end.

#### SUSTAINABLE TRANSPORT

The University of Melbourne recognises that commuting and business travel have a significant impact on carbon footprint.

In 2010, the University continued to support a range of transport initiatives offering sustainable alternatives for staff and student travel.

The Webfleet system plays an important role in ensuring efficient use and management of the fleet. The University fleet was reduced

by 25 vehicles in 2010, an annual saving of \$300,000. Fleet emissions have been 100 per cent offset through Greenfleet since 2008. The University plans to trial electric vehicles as part of its fleet, following the submission of an expression of interest to the State Government.

Use of bicycles as sustainable transport was encouraged by several initiatives. The Melbourne Bike Share scheme was launched at Parkville in May 2010, with subsequent on-campus stations being established at Parkville and Southbank. Ongoing removal of ground-level car parking spaces and other landscaping initiatives continue to increase the number of bike parking spaces at Parkville. The University of Melbourne Bicycle Users Group was re-launched in 2010. The Travel Portal system for travel authorisations enables efficient management of air travel emissions.

#### CULTURAL CHANGE

In an effort to incorporate sustainability principles through all University activities and operations, the Sustainability Forum was formed in 2009. The Forum monitors and facilitates University research, learning and teaching, engagement, and operational sustainability initiatives. It meets twice yearly and reports annually to Council on achievements in sustainability.

The Forum working groups are working to embed sustainability in all University activities. The group focuses on activities ranging from on-campus research projects (largely involving local energy generation), developing frameworks for sustainability education, creating opportunities to showcase the University's operational achievements,

sponsorship of the Green Star Communities Project, and the development of a communications plan to engage and inspire the University community in all these activities.

A Sustainability Grant Scheme established during 2010 encouraged staff and students to think locally and implement initiatives to achieve a sustainable campus. Projects approved under the scheme included lighting upgrades, replacement of inefficient electrical appliances, and green roof initiatives at a total cost of \$50,000.

Each year a team of around 100 University Staff Environment Advocates seek to raise staff awareness about environmental impacts in the workplace through a variety of programs, tools and support services. In the past year, advocates have guided staff through an energy management program to encourage them to minimise their impact on the environment by switching off lights, computers and other appliances when not in use, and switching off heating, ventilation and air conditioning at the end of each working day.

A program offering free re-usable 'KeepCup' coffee mugs to staff who made a commitment to sustainability proved highly successful, with 2,120 staff and students making a commitment during October and November alone.

### ENVIRONMENTAL RESEARCH HIGHLIGHTS

University of Melbourne researchers are breaking new ground with innovative research leading to a range of sustainability solutions.

#### WATER POLLUTION

The Victorian Centre for Aquatic Pollution Identification and Management (CAPIM) was launched at the University's Bio21 Institute in June 2010. In an effort to tackle aquatic pollution in Victoria's freshwater and estuarine systems, multidisciplinary researchers at CAPIM are using new monitoring approaches to identify and manage previously-undetected pollutants. Increased understanding of pollution problems will lead to new research tools for monitoring pollution and new remediation strategies, with the State of Victoria

benefiting economically from healthier waterways. University researchers are working with experts from Melbourne Water, the Victorian Department of Primary Industries, the Victorian Environment Protection Authority, and RMIT.

#### 'GREEN' IT

In 2010, the University of Melbourne joined forces with Alcatel-Lucent's world-renowned research arm, Bell Labs, to launch a Centre for Energy-Efficient Telecommunications (CEET), which will focus on increasing energy efficiency of networks and technologies. The University and Bell Labs are members of the GreenTouch initiative, a global, industry-wide consortium formed to improve energy efficiency by driving radical redesign of communication networks. The

Centre's research activities will further the GreenTouch initiative.

#### SUSTAINABILITY REPORTING PRACTICES

University of Melbourne researchers have co-authored a report investigating the importance of sustainability reporting. The Nossal Institute for Global Health at the University, along with industry partner Beaton Research and Consulting and WellmarkPerspexa, conducted the largest Australian survey on business leader and employee attitudes to sustainability reporting. More than 10,000 leaders and employees from a range of businesses and industries participated. Results suggested that Australian businesses will need to engage in sustainability reporting in the future to remain competitive.



*Particulate Fluids  
Research Centre  
students and  
researchers,  
including  
Dr Kathryn  
Mumford  
(pictured), travel  
to Antarctica  
every year  
to develop  
methods to clean  
contaminated  
sites in  
partnership with  
the Australian  
Antarctic  
Division.*

# Enablers



**“The major reforms to the University’s management model during 2010 have laid the foundations for greater clarity and effectiveness over coming years.”**

**MR IAN MARSHMAN  
SENIOR VICE-PRINCIPAL**

**The home of the Graduate School of Business and Economics, a 5 Star energy-rated building affectionately called ‘The Spot’, was officially launched by the Governor-General Her Excellency Ms Quentin Bryce AC in April 2010.**

## Administration

In the context of a financially-challenging economic environment for universities across the sector, the University of Melbourne worked throughout 2010 to contain central and faculty costs and to implement an ambitious program of administrative reform.

Approval of initiatives to contain administrative costs has enabled the savings target for 2012 to be increased above levels agreed in 2009. By the end of 2012 it is expected that \$48 million will have been taken out of the University’s expenditure budget, compared with 2009 expenditure.

Meanwhile, the Responsible Division Management (RDM) project established in 2008 coordinated efforts – across all budget divisions – to make the University’s administrative operations more effective and efficient. Some two years in development, rollout of RDM commenced in 2010.

In other efficiency measures, considerable work was undertaken to improve and simplify the University’s set of operating policies to ensure information about appropriate principles and practice is accessible to students and staff alike. Infrastructure planning processes were improved by linking plans more closely to strategic developments planned for the coming five years.

The University’s ambitious capital and IT works program saw the number of major projects increase significantly from three in 2009 to nine in 2010, with another seven in the planning phase. Many are complex projects undertaken in partnership with external organisations, focussed on bringing multidisciplinary activity under the one roof.

Work was undertaken to review and refine the Human Resources Policy Framework. This will enable the University to remain competitive internationally in teaching and research by putting in place arrangements to attract and retain high quality staff, develop staff to achieve their full potential, and reward high-achieving staff appropriately.

### REFINEMENT OF GROWING ESTEEM STRATEGY

The *Growing Esteem* strategy adopted by the University of Melbourne in 2005 included a commitment to review all programs on a three-year cycle, with the aim of sharpening institutional priorities in the context of prevailing realities. In 2009 a process was undertaken to refine the *Growing Esteem* strategy, with a discussion paper titled *Refining Our Strategy* released to the entire University community for comment.

Extensive consultations continuing into 2010 confirmed widespread support for *Growing Esteem*, but suggested improvements to some aspects. A refined strategy was subsequently adopted by Council during the year.

### ACADEMIC STRUCTURE

In the second half of 2010, the Faculty of the VCA and Music undertook a comprehensive review of its curriculum in response to the Switkowski Review. The curriculum review proposed significant changes to the Faculty’s suite of undergraduate and graduate programs, including the introduction of a Bachelor of Fine Arts degree with specialised streams of study to replace separate discipline-based courses. The proposed curriculum changes were approved in principle by the Academic Board and University Council at the end of 2010. Work has started on development of the new programs. Funding commitments from the Federal and State Governments, coupled with a new business plan, promise to secure the long-term viability of the Faculty.

### AUQA

In 2010, the Australian Universities Quality Agency (AUQA) conducted its second audit of the University of Melbourne. The focus of the audit was on academic outcomes and standards, with the University required to address two key thematic areas – internationalisation, and the Melbourne Model from the perspective of undergraduate and graduate science. The AUQA Report released in early September commended the University on 11 separate aspects of its performance, including its commitment to multidisciplinary research, its surveying of students’ experiences and immediate action on their feedback, substantial investment in new student centres and learning spaces, and the introduction of mandatory diagnostic English language assessments for specified groups of students. Particularly pleasing was the report’s acknowledgement of the substantial curriculum renewal that has occurred over a comparatively short time. The University is addressing a number of areas recommended for further attention.

### RESPONSIBLE DIVISION MANAGEMENT (RDM)

Roll out of the University’s new RDM operating model began on 1 January 2010. RDM is based on the principle of subsidiarity which aligns accountability and actions as closely as possible to where services are delivered and people are affected. RDM has given greater responsibility to and requires greater accountability of deans and heads of administrative budget divisions to make



## Professor Deborah Cobb-Clark

Professor Deborah Cobb-Clark was appointed Director of the Melbourne Institute of Applied Economic and Social Research and Ronald F Henderson Professor at the University of Melbourne in 2010. The Melbourne Institute is Australia's leading and longest-standing research institute in the field of economics, renowned for cutting-edge research into key issues relevant to contemporary economic and social policy.

Prior to joining the Melbourne Institute, Professor Cobb-Clark held positions at the US Labor Department, Illinois State University, and the Australian National University. She is an elected Fellow of the Academy of Social Sciences in Australia.

Professor Cobb-Clark's research agenda centres on the effect of social policy on labour market outcomes. Areas of investigation include immigration, sexual and racial harassment, health, old-age support, education and youth transitions. In particular, she is currently leading the Youth in Focus Project, a longitudinal survey assessing how young people achieve their social and economic independence, and how social and economic disadvantage is passed on through the generations.

decisions which directly impact on their academic and business needs.

The implementation of RDM is expected to take three years. During 2010, evaluation through pulse surveys, internal audits, a senior administrative staff conference, and informal feedback showed despite the significant level of change to existing practices, encouraging support for the concept combined with strong commitment to making the new service model work.

Communication, streamlining of business processes, and development of a policy framework to support effective decision making were all identified as areas for improvement. An enhanced website to be developed in 2011 will improve communication, while development of a roadmap will assist in managing expectations of timelines for RDM implementation.

A process is being developed to assess the value of RDM as an operating model for use in future years. Based on a balanced scorecard model, it will assess RDM as an operating model with objectives set against the vision and anticipated benefits of RDM from the four perspectives of finance, customers, internal business processes, and learning and growth.

### COST CONTAINMENT

The University of Melbourne continued the cost containment agenda which began in 2009. Although by the end of 2009 good progress had been made against savings targets to be achieved by 2012, a review of the budget suggested the need for additional savings to address the University's financial situation. The previous target of \$33 million savings to be made by the end of 2012 was increased to \$48 million. These revised targets are to be achieved by a program titled Responsible Expenditure Management (REM). REM focuses on:

- » Savings through centralising Workspace Computing
- » Improving space utilisation across the campus
- » Savings on purchasing and application of e-procurement software across the University
- » Streamlining student services and the establishment of a contact centre
- » Improving the efficiency of core administrative practices.

Implementation of these savings programs is being overseen by the Head of University Services.

### TAKING RESPONSIBILITY FOR MAKING MELBOURNE MANAGEABLE (TRMMM)

In 2008 Council endorsed a broad program of activities to reform University governance and management, with the objective of more clearly and simply aligning responsibilities, resources, and accountabilities.

During 2010 the most significant achievements of the TRMMM program included:

- » A Register of Authorities and Responsibilities was promulgated, consolidating all delegations and responsibilities into a single repository of information and recording delegations made pursuant to RDM.
- » The University's various administrative policies were consolidated into an electronically-accessible policy library.
- » A root and branch review of the policy and procedures of the University, to be completed in 2011, was started and will be redrafted in line with the newly-developed policy typology that includes templates for policies, procedures, and guidelines.

### ISIS

A process extending over nearly a decade culminated with the implementation of a new Integrated Student Information System, (ISIS), in June 2010. Since the go-live date, a series of Faculty and Student Centre 'road shows' and front line visits has assisted staff to understand and use the new system. The transition from the previous in-house system, Merlin, was accomplished without any major long-term disruption to the student business cycle as at the end of 2010, although there is still work to be done to assist staff and students to manage and navigate new processes, and achieve the expected benefits of the new system. Further enhancements to a number of modules are in planning to improve overall performance and functionality, through a two-year post-implementation ISIS-Connect project. The successful implementation was in no small part due to the contribution of several expert professional staff who remained dedicated to achieving the best outcome possible for the University from this most complex of systems projects throughout the extended life of the project.

## Human Resources

### HR POLICY FRAMEWORK

In 2010, the University of Melbourne embarked on an extensive consultation process to refine its HR policy framework



The Parkville campus is a bike-friendly environment for the growing number of staff and students who ride to and from university.

to support the objectives of *Growing Esteem 2010*. After nine months' consultation and the development of a green paper outlining a series of options for consideration, a revised HR Policy Framework was approved in December 2010. The framework identifies broad areas for policy development focused on individual and collective performance including setting standards of achievement appropriate to a world-class university, and ensuring that appropriate support and encouragement are available to staff to enable these standards to be achieved.

The revised framework provides a blueprint to guide detailed HR policy development over the next three years in areas including performance development and the clarification of performance expectations, recruitment and retention, succession planning, leadership and management development, building flexibility in classification systems, nurturing early-career staff and encouraging diversity, including addressing issues relating to the participation of women and Indigenous staff.

#### HR MANAGEMENT

Most recent benchmarking staff data shows that in 2009 Melbourne's voluntary employee-initiated turnover rate was 7.37 per cent. This

was less than the Go8 average of 8.24 per cent and the sector (Australian universities) average of 7.97 per cent. National comparative data for 2010 is not yet available.

The University regularly reviews and updates its Human Resources policies and practices in consultation with staff and other stakeholders. Of particular note in 2010, the University launched new policies in relation to staff volunteering and community involvement, allowing staff two days' paid leave each year to engage in volunteer service with a not-for-profit or community organisation.

Other major policy initiatives in 2010 included the development for a 2011 release of the University Code of Conduct and accompanying policies. The Code of Conduct draws together in one document all requirements relating to staff conduct, providing a set of general principles to guide staff on the responsibilities and obligations of working at the University.

During the year the University updated policy and procedures, where necessary, to ensure compliance with The University of Melbourne Collective Agreement 2010 and the new delegations and accountabilities applicable under RDM. The University also continued

to prioritise and work towards achievement of the targets identified for 2010 in its Staff Equity and Diversity (SED) Plan. This included widespread consultation with stakeholders regarding priorities, accountability, and timelines.

#### ORGANISATIONAL CHANGE

Devolution of administrative functions under RDM saw the establishment of new organisational structures from 1 January 2010, with new roles and responsibilities for many staff. Transition has been supported through a range of initiatives, including those coordinated through relevant practice leaders.

Other decisions taken by the University during the year to bring about organisational change impacted on various groups of staff. In particular:

- » The Department of Clinical and Biomedical Sciences in the Faculty of Medicine, Dentistry and Health Sciences, located at Barwon Health, was closed at the end of December as a consequence of Deakin University establishing a teaching hospital at that site. The Faculty also progressed its change proposals for the development of the North West Academic Centre with a relocation plan to move some staff from their respective departments and clinical school to the new Teaching, Training and Research Centre (TTR) at Western Health, Sunshine.
- » The Centre for Cultural Materials Conservation, located in the Faculty of Arts, separated its academic activities from its commercial conservation activities. Teaching and research programs were retained within the School of Historical Studies, while commercial activities were transferred to UoM Commercial Ltd.
- » Following a review of its administrative structure, the Melbourne Law School adopted changes to achieve the level of excellence to which it aspires. Oversight of the Faculty's academic activity now rests with the Deputy Dean, freeing the Dean to devote significant additional time to activities essential to MLS's continuing success. Reporting lines were also

#### STAFF NUMBERS AT 31 MARCH (EXCLUDING CASUALS)

FULL-TIME EQUIVALENT	2008	2009	2010
Academic	2,887.74	2,909.43	2,911.2
Professional	3,442.84	3,457.32	3,259.12
Total	6,330.58	6,366.75	6,170.32

Source: MLR DEEWR staff report



changed for senior professional staff to allow school-wide needs to be met more effectively.

### PROFESSIONAL DEVELOPMENT INITIATIVES

The 2010 professional development program focused on supporting and developing leadership capabilities of both academic and professional staff under the five main program themes shown above. Each program offered a suite of courses with defined outcomes to build staff capability and confidence.

The Academic Leaders' Program included programs to support newly-appointed and aspiring heads of departments, and a program dedicated to academic women. Feedback highlighted the value of these programs in not only building capability but providing organisational knowledge and developing future networks. The more general leadership programs support front-line supervisors and managers to understand their leadership role.

There has been a high demand for the courses that support the Performance Development Framework, and Recruitment and Selection, with more being scheduled and additional support offered locally within faculties on an at-needs basis.

All program areas were revised during 2010, in line with an ongoing commitment to quality offerings.

### EMPLOYEE RELATIONS

The University of Melbourne Collective Agreement 2010 was approved in June 2010. Implementation of new and varied arrangements in accordance with the new agreement are near completion and will continue in 2011.

There was no industrial action resulting in lost working time undertaken by staff in 2010.

### EQUAL OPPORTUNITY

The Staff Equity and Diversity Framework 2008 – 2012 outlines University-wide goals and activities to promote staff equity, diversity and inclusive workplace cultures and practices. Continued action to achieve the goals of the framework includes development and implementation of equal opportunity plans by faculties, the revision of the Indigenous Employment Framework to expand Indigenous employment across the University, the development of a Reconciliation Action Plan, and the implementation of other specialist policies, programs, and initiatives.

A working and learning environment free from unlawful discrimination, sexual harassment, and bullying is fundamental to equal opportunity for staff and students. The University launched a new policy and procedures for these matters in August 2010, with significant enhancements to ensure best practice in diversity and inclusion.

Melbourne was again recognised for its equal opportunity initiatives and achievements, with the Mental Health Strategy for students and

staff receiving the Gold Award at the 2010 Australian and New Zealand Mental Health Service Achievement Awards. The University was commended for its 'innovative university mental health care strategy incorporating aspects of care ranging from health promotion to individual therapy'.

The University continues to progress the representation of female staff, and has commissioned a major research project on gender equity to inform the next iteration of the Staff Equity and Diversity Framework to be developed in 2011.

## Infrastructure

Quality infrastructure is crucial in supporting Growing Esteem goals. The Master Plan for the Parkville Campus adopted in 2008 anticipated a fundamental change to the academic structure of the campus, with consolidation of discipline clusters in line with the Melbourne Model. With the Eastern Precinct well established and successful in bringing together science and engineering, a number of projects is under way to reorganise other disciplines. Of particular significance is the relocation of the Melbourne Graduate School of Education to new premises in Leicester Street.

The University continues to invest in physical infrastructure with the design and construction of new facilities, significant refurbishment of older buildings, and redevelopment or replacement of supporting infrastructure.

These activities have been supported by State and Federal Governments, most notably through funding programs such as the Better Universities Renewal Fund, Teaching and Learning Capital Fund, the Education Investment Fund, and the Health and Hospitals Fund. Over \$1.6 billion of capital works under way in and around the Parkville campus will help establish the Parkville precinct as a world centre of research and clinical training. These major projects include:

- » New \$204 million Melbourne Brain Centre facilities under construction at the Parkville campus and at Austin Health, Heidelberg, and due for completion in 2011.
- » The \$210 million Peter Doherty Institute for Infection and Immunity, supported by a \$90 million grant announced in 2008 under the Education Investment Fund, awaiting planning approval.
- » The \$1 billion Victorian Comprehensive Cancer Centre (VCCC) under construction on the site of the old Dental Hospital in Grattan Street.
- » At the \$100 million Victorian Life Sciences Computation Initiative, installation of the first stage of Peak Computing facilities comprising part of Data Centre facilities to be completed in 2011.
- » The Melbourne School of Engineering's \$34.2 million Centre for Neural Engineering under construction and due for completion in February 2011. This involves major refurbishments to an existing building to house laboratories and work areas for researchers from the Faculties of Engineering, and Medicine, Dentistry and Health Sciences, and a major expansion of the Parkville Data Centre.
- » The \$33.2 million transformation of traditional teaching and learning facilities into Melbourne Model professional graduate learning spaces, providing high-quality teaching environments to assist the development of a strong cohort

experience in eight of the new Graduate Schools. Construction was completed for Arts, Design, and Engineering in 2010, with construction for Education, Law, Science, and Environments due for completion in 2011.

Other significant capital works approved or under way in 2010 included:

#### NEW BUILDINGS

- » The \$21 million Melbourne Oral Health teaching facility in the design stage, with an expected completion date of December 2011. The facility will increase educational facilities for both standard dental procedures as well as training in advanced methods such as orthodontics.
- » A new \$114 million Architecture Building and Planning (ABP) building, approved to replace the current ABP Building and create an innovative, highly sustainable structure in the heart of the campus.
- » New Teaching, Training and Research facilities under development in conjunction with major hospitals to support the expansion of clinical spaces. These include:
  - Sunshine Hospital, in association with Western Health and Victoria University, due for completion March 2011
  - A facility at Epping Hospital, in association with Northern Health and Latrobe University, currently under design
  - The new Integrated Education Precinct under construction within the new Royal Children's Hospital, due for completion in 2011.
- » A new car park with 320 spaces beneath the Parkville Melbourne Brain Centre building. Operational from late 2010, the car park provides sufficient bicycle facilities and parking to allow the implementation of the final stages of the University's parking strategy to remove all parking from the Parkville campus. In future parking on the Parkville campus

will be restricted to disabled and service vehicles.

- » Fit out of the recently acquired building at 100 Leicester Street for the Melbourne Graduate School of Education, ready for occupation in early 2011.

#### REFURBISHED FACILITIES

- » Upgrade of teaching facilities, laboratories and infrastructure in the Chemistry Building completed during the year and providing an investment of almost \$27 million in Chemistry.
- » Design for the fit out of the Doug McDonnell building for computer science and software engineering students, with an expected completion date of early 2012.
- » Works within the Walter Boas Building to expand facilities for Research Higher Degree students under construction, and due for completion in early 2011.
- » Progress in implementing key components of the Library Strategic Plan 2010 – 15, namely:
  - Refurbishment of the Brownless Library due for completion in 2010.
  - Plans for relocation of the Business and Economics Giblin Library to the ICT Building, with works due for completion by June 2011 at a cost of \$10 million.
  - Commencement of concept design for the redevelopment of the Baillieu Library building in accordance with the preferred development option identified in the Feasibility Study 2010. The planned works represent the University's most significant investment in Library facilities since the 1970s. Works to the ground floor of the Baillieu Library to upgrade student collaborative study areas, improve access to high use collections, and improve book return facilities will commence early 2011.

#### REPRESENTATION OF FEMALE STAFF (FTE) IN TOTAL STAFF POPULATION (INCLUDING CASUALS)

	2006	% FEM	2007	% FEM	2008	% FEM	2009	% FEM	2010	% FEM
Total Academic Staff (incl Casuals)	3,258	42.6%	3,250	42.7%	3,326	44.3%	3,375	44.3%	3,377	45.4%
Total Teaching & Research Staff (incl Casuals)	2,071	39.0%	1,982	38.6%	1,980	40.0%	2,050	40.4%	1,980	40.8%
Staff at Level E (excl Casuals)	293	19.5%	358	20.1%	390	21.3%	420	22.0%	430	22.3%
Staff at level D (excl Casuals)	362	27.4%	374	28.3%	372	29.5%	371	32.8%	365	32.5%
Staff at HEW Level 10 (excl Casuals)	160	45.8%	176	43.9%	171	50.3%	189	55.4%	200	55.4%

2006–2009 data based on reporting to Commonwealth  
2010 casual data is preliminary



## Associate Professor Justyna Karakiewicz

In 2010, the University of Melbourne was the most-represented Australian university at the 12th Venice Architecture Biennale. The Biennale is the world's most prestigious architectural fair showcasing the work of professionals and students. Three of the 17 projects exhibited at the Australian Pavilion's 'NOW+ WHEN Australian Urbanism' featured the work of staff and students from the Faculty of Architecture, Building and Planning (ABP).

Justyna Karakiewicz is Associate Professor in Urban Design. With the Dean of ABP, Professor Tom Kvan, and Steve Hatzellis of HATZ Architects, she co-led 'The Fear-Free City' exhibition at the Biennale. The project drew on her expertise in high-density urbanism, and focussed on city design that challenges fear of cities and of the future, envisaging the city as a place of hope and possibility.

Associate Professor Karakiewicz has enjoyed great success in international competitions, having previously exhibited work in the Royal Academy in London, New York, Kyoto, and Barcelona. For the past two years she has led the Linear City research project, examining density in Hong Kong.

- » Extensive repair works to the Grainger Museum and installation of contemporary museum display fittings completed during the year, with the Museum reopened to the public from October 2010.
- » Major works to Medley Hall to address infrastructure concerns, create additional facilities for residents, and increase the number of units available for graduate tutors currently under construction, and due for completion in 2011.
- » Completion of the Master Plan for International House to inform a series of new project initiatives, including an additional accommodation unit for at least 60 students, and appointment of consultants to design the student accommodation.

### RURAL FACILITIES

The University of Melbourne's regional presence will be boosted through expansion of current facilities at Graham Street, Shepparton, most notably through a community health clinic. Properties will be purchased in the Latrobe Valley to support expansion of rural dental training.

### MAINTENANCE (ASSET SERVICES)

The University of Melbourne's property portfolio is valued at approximately \$2.4 billion.

The 2010 Maintenance Program provided approximately \$40 million to address maintenance contracts, EHS compliance, backlog maintenance, energy reduction, and minor works. The program allowed for routine and unscheduled maintenance activities consistent with the previous year's expectations and asset conditions.

In addition, the Asset Projection Program (backlog maintenance) has delivered \$32 million of works since 2007 to upgrade lifts, refurbish roofs, replace window frames, repair building facades, and carry out much-needed air conditioning modifications to satisfy current expectations and achieve energy savings. This expenditure is working to reduce the \$172 million of backlog maintenance assessed in 2006. The University's level of continual investment in normal maintenance and in addressing the backlog maintenance reduction has made it a sector leader in responsibly maintaining its property assets.

Over the period 2007 – 2010 funds have also been provided for building renewal at the Southbank Campus housing the Faculty of the Victorian College of the Arts and Music. In 2010 \$2.6 million of renewal funds were focused on a program of works that included

the replacement of air conditioning equipment servicing five separate buildings.

### INFORMATION TECHNOLOGY

Significant infrastructure milestones in 2010 included the launch of ISIS, the upgrade of the University data network to provide greater bandwidth and reliability, the rollout of a new VoIP based telephony system to over 4,000 staff and the introduction of the virtual server service. In collaboration with Monash University and RMIT, a joint data centre providing secure and scalable capacity for IT infrastructure was also established at Noble Park. Migration of services to the new facility was completed in the second quarter of 2010.

An analysis of enterprise systems during 2010 identified opportunities to improve the efficiency of business processes and provide enhanced capabilities to students and staff. To realise these benefits, a program of 13 major IT projects has now been formed, providing a strategic roadmap for enterprise systems over the next 3 to 5 years. Five of these projects had progressed to business case stage by the end of 2010. In addition to these projects, the University has also completed the first phase of the Nexus CRM project which enables end-to-end engagement with students as they progress from prospective students to active study and ultimately alumni. A new application, Melbourne Research Windows (MRW), has also been developed to bring together research publication information sourced from the University, the Thomson Web of Science, and the Australian Research Council. MRW categorises research activity by researcher, department, research classification, journals and publications. Users of the system can also build their own 'windows' by creating customised lists. Subsequent releases will provide additional visualisation tools such as collaboration diagrams, as well as information on research funding, teaching and supervision.

A Research Services team was established in 2010 to implement and support the IT Infrastructure required by researchers of the University and its partners. Initiatives delivered included the development of research data storage service to provide large scale 'storage on demand' capacity to the research community, and the development of data management, high-performance computing and collaboration services for researchers. Engagement across the University and Parkville research community, including VLSCI, NeCTAR and VCCC, has resulted in the establishment of significant joint eResearch initiatives and partnerships.



*During 2010, some 10,000 University of Melbourne students graduated at Wilson Hall under the mantle of the carved and painted mural representing 'humanity struggling out of the primitive bog of ignorance and despair towards knowledge, symbolised by the light of the sun.'*

## Performance against 2010 targets

### **OPTIMISE INTEGRATION AND COMMUNICATION OF THE WHOLE-OF-UNIVERSITY STRATEGY, PLANNING AND OPERATIONS**

The University engaged in a program of refinement with regard to its strategy and planning, endorsing a refined Growing Esteem strategy which outlines the University's overarching strategy to 2014. The strategy informs a revised planning approach which aligns University-wide, triple helix, divisional and individual targets.

The University's compact with the Commonwealth Government was further developed in 2010. The Compact supports the achievement of the long-term aims of Growing Esteem and underpins the University's Commonwealth performance-based funding entitlements.

A comprehensive communications strategy supporting Growing Esteem and promoting the benefits of the Melbourne Model continued throughout 2010 via a range of channels and the stakeholder engagement strategy.

### **ACHIEVE OPERATIONAL CHANGE GOALS WHILE ENSURING STAFF SUPPORT**

The University's new operating model, Responsible Division Management (RDM), was closely monitored in 2010 through a range of mechanisms including internal audits, staff surveys and informal feedback. While feedback confirmed a number of strengths, some areas have been identified for improvement. In development is a balanced scorecard to aid in the future assessment of the value of RDM as an operating model.

A common services pricing model was developed and incorporated into the 2011–2013 budget. The model stipulates per-unit-consumption prices based on quality and volume, as agreed by University service owners and senior management.

The Human Resources Policy Framework and policy and procedure on work focus categories received provisional approval in December 2010, subject to further consultation with the general University community. The Framework advocates a series of significant reforms designed to ensure the quality and adequacy of the University's workforce in the medium-to-long term.

The University coordinated a number of programs throughout 2010 to support staff during a period of change. Staff who left under the University's Voluntary Redundancy Program at the end of 2009 were also able to access career transition support into the first half of 2010.

### **ACHIEVE REVENUE TARGETS AND CONTAIN COSTS**

Expenditure and cost containment targets were realised. Faculty margins improved between 1 and 4 per cent while deviations in projected central division margins ranged from -7 per cent to 4 per cent.

University revenue exceeded budget. Non-Commonwealth streams including fee revenue, State and other grants, investment income and donations and bequests performed strongly.

Undergraduate load targets were exceeded in all fee categories (international, Commonwealth supported and Australian fee).

### **ENSURE EFFECTIVE AND TRUSTED OPERATIONS INCLUDING PLANNING, INFRASTRUCTURE AND FACILITIES**

The planning and budget cycle was embedded with tighter integration and cascade between University level and divisional level planning. Finance and planning was elevated to a strategic level within the University and both are now considered in all key decision making.

The outcomes of the University's Cycle 2 Australian Universities Quality Agency (AUQA) audit were favourable. AUQA's positive assessment reflects the University's commitment to quality in the context of the Melbourne Model, Responsible Division Management, research performance and the international and domestic student experience. The agency provided 11 commendations, nine affirmations and eight recommendations.

Significant progress was made on strategies to support the University's long-term scholarly information future, including an emphasis on discipline-clustered library and learning precincts, improved research data management, and libraries and study spaces.

Significant infrastructure milestones in 2010 included the launch of the Integrated Student Information System (ISIS), migration of services to the new data centre at Noble Park, the introduction of the virtual server service, the extension of a common desktop support service, the Nexus client relationship management system for prospective graduate students, the Management Information Library (MIL) and the alignment of research systems with Themis and the MIL.

ISIS has encountered a number of significant issues, especially in relation to systems performance. The ISIS Connect project was established to manage improvements to functionality and reporting planned for 2011 and 2012.

Major infrastructure projects were substantially delivered in accordance with the Infrastructure Plan, and campus services continued to be provided at or below the average cost for Australian and Go8 Universities. Milestones for major projects were met on time and within budget with the exception of the Peter Doherty Institute and the Melbourne Oral Health Training and Education Centre due to delays to planning approval and funding issues respectively. Each project is subject to robust governance.



*Donors Joanne Cameron (right) and MaryJane Crabtree studied together at Melbourne Law School.*

## Climbing further up the ladder of education

The newly-created First in the Family (FiF) and the Melbourne JD Harold Ford scholarships will open education pathways for students in need.

FiF scholarships provide an allowance of \$10,000 to disadvantaged and under-represented Australian students entering the Bachelor of Commerce in 2011. These unique scholarships will be awarded to students who are the first in their families to go to university.

“The First in the Family scholarship is a way to break the cycle of disadvantage and gives bright young people the opportunity to study at a higher level of education, even if that was not the norm in their family,” says donor and alumna Leanne Loh (BComm 1974).

Similarly, the Melbourne JD Harold Ford scholarships will meet the gap between existing financial assistance and the actual cost of studying law full-time. These scholarships are made possible through the continued support of alumni such as MaryJane Crabtree and Joanne Cameron, both law graduates.

“Giving to the Melbourne JD Harold Ford scholarships program helps students who would otherwise be unable to study law,” says Ms Cameron, a partner at Mallesons Stephen Jaques.

The Melbourne JD Harold Ford scholarships and the First in the Family scholarships will be awarded in 2011, both for the first time.

# University Governance



The University of Melbourne was established by an Act of the Victorian Parliament in April 1853. Since then it has been governed by successive Acts, the most recent being the *University of Melbourne Act 2009* ('Act'). The 2009 Act followed a review of all Victorian university acts initiated by the State Government in 2008. The rationale for this review, as provided in the DIIRD Discussion Paper of January 2008, was to:

- » ensure the continuing relevance of legislation to the contemporary education and training environment;
- » ensure that legislation supports universities' objectives;
- » harmonise and align the common provisions of each University Act; and
- » minimise legislative obstacles to innovative service delivery.

The new Act came into effect on 1 July 2010. Its main effects have been to:

- » have an overall focus on the powers and responsibilities of the University as the relevant legal entity, rather than Council;
- » set up the management framework for the operation of the University, subject to the new Act, and to the governance responsibilities of Council, including its broad legislative powers relating to the University;
- » provide Council with enhanced powers of delegation under the new Act beyond its own committees, or any member of Council or officer of the University. In particular, section 18 now gives express power for Council to delegate powers or functions to the Academic Board or any other entity as prescribed by University statutes; and
- » provide that the Minister can approve guidelines with respect to a number of matters, the key one of which will be those covering University commercial activities.

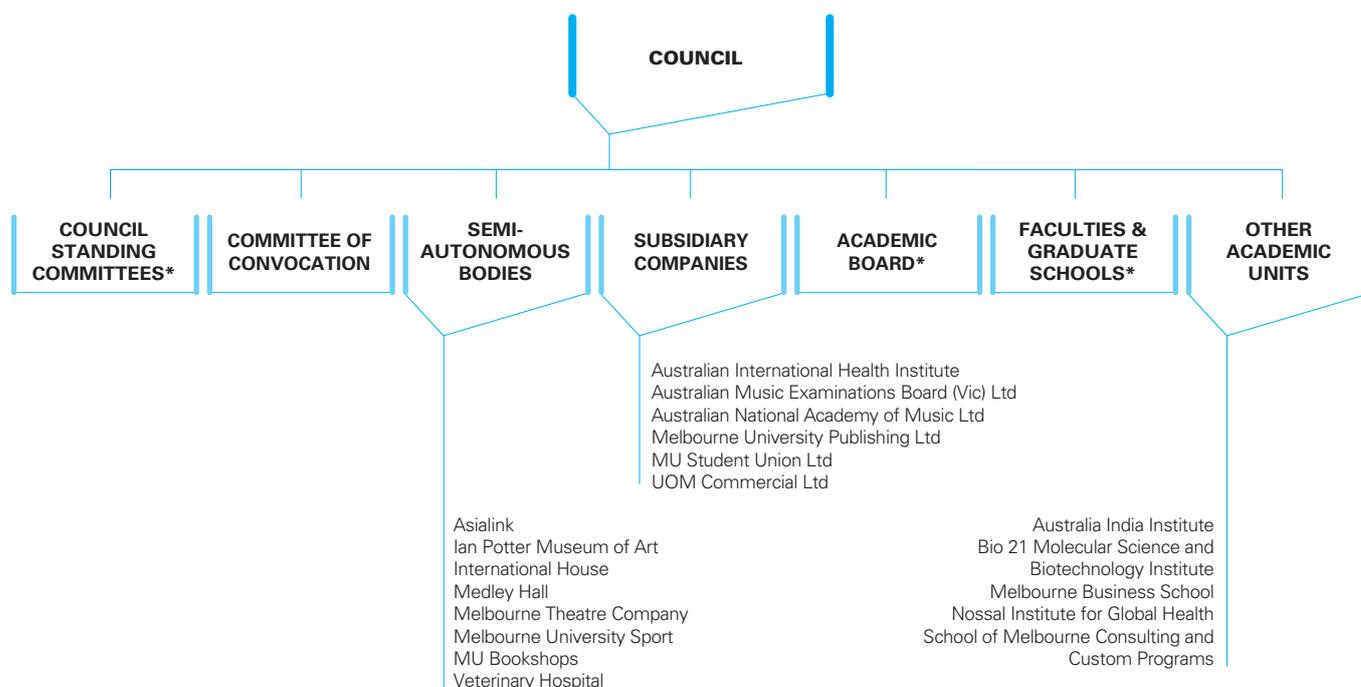
Pursuant to the Act, the primary responsibilities of the Council, as the governing body, include:

- (a) ensuring that the University is managed lawfully, ethically and prudently;
- (b) approving the University's strategic and business plans, and specifically the strategic goals and financial objectives contained therein;
- (c) deciding the expenditure authorisation limits to be delegated to the vice-chancellor and other senior officers of the University, and approving expenditure above those levels;

- (d) approving any significant changes to the organisational structure of the University;
- (e) determining what academic authorities are to be delegated to the Board;
- (f) overseeing the establishment of University charitable trusts and the proper discharge of University trust obligations;
- (g) approving investments and strategic commitments that may have a material effect on the assets, financial performance or operations of the University and any material change in the nature of the business or role of the University;
- (h) monitoring the decisions and actions of the vice-chancellor and the performance of the University to ensure satisfactory progress is being made towards the vision, strategic goals and financial objectives of the University as reflected in approved plans;
- (i) approving the University master plan;
- (j) monitoring relations between the University, governments and the external community;
- (k) approving the appointment of the vice-chancellor, deputy vice-chancellors (including provost), deans, senior vice-principal and other members of the professional staff as specified from time to time;
- (l) determining any matters referred to it by the vice-chancellor or the Board; and
- (m) ensuring that all external accountabilities are met.

**The new University of Melbourne Act came into effect on 1 July 2010 and was officially launched at Government House.**

## GOVERNANCE STRUCTURE



\*Details provided in following pages

## Objectives of the University

Section 5 of the Act states that the objectives of the University include:

- (a) to provide and maintain a teaching and learning environment of excellent quality offering higher education at an international standard;
- (b) to provide vocational education and training, further education and other forms of education determined by the University to support and complement the provision of higher education by the University;
- (c) to undertake scholarship, pure and applied research, invention, innovation, education and consultancy of international standing and to apply those matters to the advancement of knowledge and to the benefit of the wellbeing of the Victorian, Australian and international communities;
- (d) to equip graduates of the University to excel in their chosen careers and to contribute to the life of the community;
- (e) to serve the Victorian, Australian and international communities and the public interest by:
  - (i) enriching cultural and community life;
  - (ii) elevating public awareness of educational, scientific and artistic developments;
  - (iii) promoting critical and free enquiry, informed intellectual discourse and public debate within the University and in the wider society;
- (f) to use its expertise and resources to involve Aboriginal and Torres Strait Islander people of Australia in its teaching, learning, research and advancement of knowledge activities and thereby contribute to:
  - (i) realising Aboriginal and Torres Strait Islander aspirations; and
  - (ii) the safeguarding of the ancient and rich Aboriginal and Torres Strait Islander cultural heritage;
- (g) to provide programs and services in a way that reflects principles of equity and social justice;
- (h) to confer degrees and grant other awards;
- (i) to utilise or exploit its expertise and resources, whether commercially or otherwise.

The governance of the University of Melbourne, subject to the provisions of the Act, is detailed in a Council Standing Resolution (2.16). Part of that Standing Resolution covers Council committees.

**MIXED REPRESENTATION COMMITTEES**

In order to reflect the value of a balance of input, most major University Council Committees are of mixed composition, combining external and internal Council members, and where appropriate, involving non-members of Council, both external and internal, who bring special knowledge or skills to the committee's tasks.

The Buildings and Estates Committee is perhaps the clearest example of a Council Committee that is constituted with a mix of external and internal Council and non-Council members. The internal members are stakeholders with a deep knowledge of the issues that concern the Committee, but because they may have particular interests in the outcome of its decisions, external members provide the necessary balance.

**EXTERNAL-MEMBER COMMITTEES**

Although the Vice-Chancellor and the Senior Vice-Principal are ex officio members of all University bodies, certain committees are otherwise constituted wholly of external members. The Remuneration and Employment Conditions Committee is an example of a standing committee which is so constituted. The Council from time to time may establish an ad hoc Due Diligence Committee to consider a specific issue (for example a matter of strategic importance or a proposal involving unusually large expenditure, such as the implementation of the new student system (ISIS) and, if Council so determines, such a committee may be made up exclusively or predominantly of external members.

In such instances, the need for a combination of expertise and independence has made it appropriate for Council to rely on external members able to bring special expertise to the deliberations of the Committees.

Council Committees in 2010 comprised the following:

**AUDIT AND RISK COMMITTEE****2010 Chair: The Hon David White**

The Audit and Risk Committee advises Council and its Finance Committee on the policy direction and effectiveness of both internal and external audit investigations and reviews, on the effectiveness and efficiency of internal control systems, and on the identification, governance and management of strategic risk and the effectiveness of risk management controls.

**BUILDINGS AND ESTATES COMMITTEE****2010 Chair: Mr Robert Johanson**

The Buildings and Estates Committee exercises governance responsibilities on behalf of Council in the oversight of the planning, development and stewardship of the University's buildings, infrastructure and open spaces on all of the University's campuses.

**COUNCIL NOMINATIONS AND GOVERNANCE COMMITTEE****2010 Chair: The Hon Alex Chernov**

The Council Nominations and Governance Committee advises Council on the overall governance of the University and on matters relating to the selection and appointment of members of Council, as well as considering proposed amendments to the University Act.

**FINANCE COMMITTEE****2010 Chair: Ms Elizabeth Alexander**

The Finance Committee exercises governance responsibilities in respect of the University's financial and business affairs, including monitoring the financial risk and performance of the University's subsidiaries and commercial ventures. Within delegated authority, it acts on behalf of Council in those matters. The Investment Management Committee reports to Council through the Finance Committee.

**HONOURS COMMITTEE****2010 Chair: The Hon Alex Chernov**

The Honours Committee nominates, considers and recommends, on behalf of Council, candidates for honorary degrees, medals for exceptional service, and the appointment of eminent scholars. It also advises on other honours and awards in recognition of service to the University or the community generally.

**INDIGENOUS AFFAIRS ADVISORY COMMITTEE****2010 Chair: Judge Irene Lawson**

The Indigenous Affairs Advisory Committee advises Council on matters relating to the University's relationship with the Indigenous community both in Victoria and across Australia.

**LEGISLATION AND TRUSTS COMMITTEE****2010 Chair: Justice Susan Crennan**

The Legislation and Trusts Committee advises Council on the appropriate form for draft Statutes and Regulations of Council and oversees the University's stewardship of endowments and trusts.

**REMUNERATION AND EMPLOYMENT CONDITIONS COMMITTEE****2010 Chair: The Hon Alex Chernov**

The Remuneration and Employment Conditions Committee exercises governance responsibilities in the oversight of remuneration, staff conditions and benefits, and other matters relating to employment policy.

**VCA INTEGRATION COMMITTEE****2010 Chair: The Hon Alex Chernov**

Established by a Heads of Agreement dated January 2007, the VCA Integration Committee reviews and advises the Council at least annually on whether the integration between the University and the Victorian College of the Arts is proceeding in accordance with the Heads of Agreement.

**COMMITTEE OF CONVOCATION**

Under the Melbourne University Act 1958, Convocation comprises the graduates of the University and the Committee of Convocation represents those graduates. The committee comprises a minimum of 40 members elected on a proportional basis by faculty graduates.

The 2009 Act no longer includes reference to Convocation or its committee. During 2010, an Ad Hoc Committee of Council recommended the establishment of an Alumni Council and a new University statute was made by Council to establish such a body. The Committee of Convocation is a recognised alumni body under the new statute, and the President of Convocation will be the inaugural President of the Alumni Council. As at 31 December 2010, the University is awaiting the Minister's approval of the new statute.

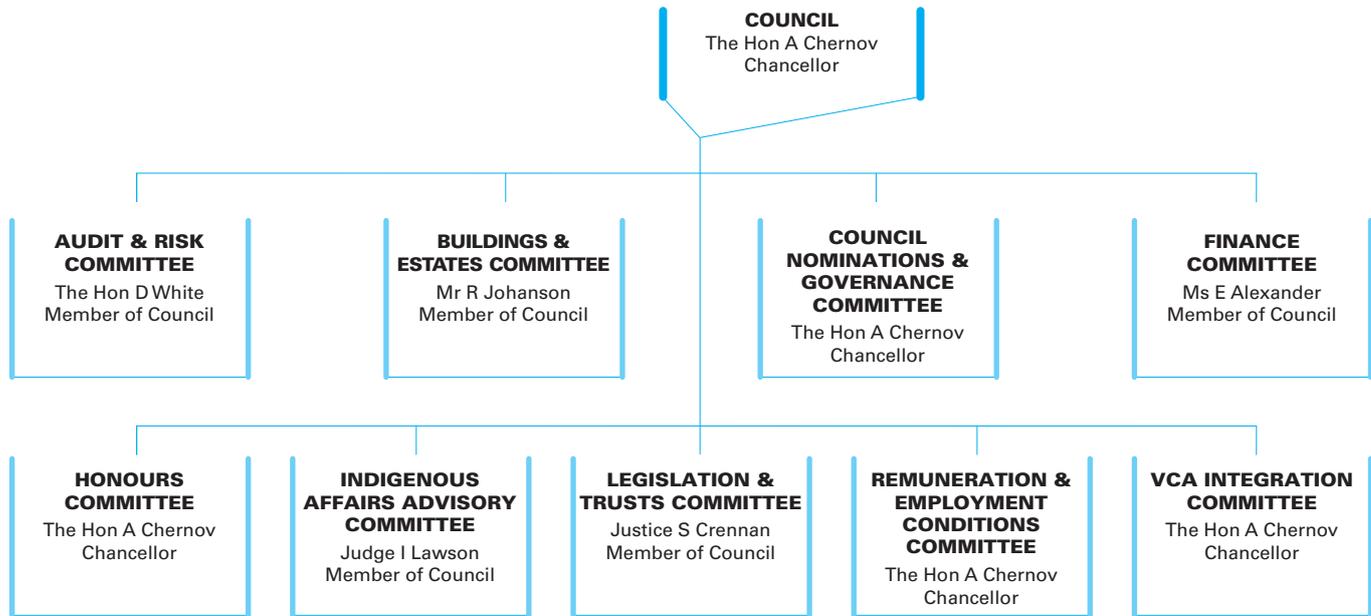
**2010 OFFICERS**

President of Convocation  
Dr Ros Otzen

Deputy President of Convocation  
Mr David Ford

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**COUNCIL AND ITS COMMITTEES**



**DETAILS OF COUNCIL MEMBERS' APPOINTMENT AND ATTENDANCE AT COUNCIL MEETINGS**

CATEGORY OF APPOINTMENT	COUNCIL MEMBER	APPOINTMENT DETAILS	EXPIRATION OF TERM	COUNCIL MEETINGS 2010	
				ELIGIBLE TO ATTEND	ATTENDED
Chancellor	The Hon Alex Chernov AO QC	Appointed to Council 1 January 1992 First elected Deputy Chancellor 8 March 2004, re-elected 1 January 2008. Elected Chancellor 10 January 2009 until 31 December 2010 Re-elected Chancellor 1 January 2011	31 December 2013	11	11
Vice-Chancellor	Professor Glyn Davis AC	Appointed as Vice-Chancellor 10 January 2005		11	11
Ex-Officio – President of the Academic Board	Professor Geoff Stevens	Appointed ex-officio member of Council 1 January 2009	Term as President expires 31 December 2010	11	11
One person appointed by the Minister for Skills and Workforce Participation for a three-year term	Professor Peter Dawkins	Appointed 18 February 2008	Resigned 9 August 2010	8	8
Six persons appointed by the Governor-in-Council	Ms Elizabeth Alexander AM	First appointed 2 October 2004 Re-appointed 15 April 2008	30 June 2011	11	10
	Judge Irene Lawson	First appointed 23 October 2001 Re-appointed 15 April 2008	30 June 2011	11	5
	Justice Susan Crennan AC (Deputy-Chancellor)	First appointed 2003 Re-appointed 5 May 2009	30 June 2012	11	6
	Mr Tony Peake	Appointed 5 May 2009	30 June 2012	11	9
	Mr Robert Johanson	Appointed 6 March 2007	31 December 2012	8	6
	Mr John Wilson	Appointed 23 March 2010	31 December 2012	8	7
Six persons appointed by Council	Mr Martyn Myer AO	Appointed 17 February 2009	30 June 2011	11	10
	Ms Rosa Storelli (Deputy Chancellor)	First appointed 1 January 2001 Re-appointed 1 January 2008	30 June 2011	11	9
	The Hon David White	First appointed 1 March 2000 Re-appointed 1 January 2009	30 June 2012	11	11
	Ms Eda Ritchie	First appointed 13 September 2004 Re-appointed 1 January 2009	30 June 2012	11	10
	Dr Virginia Mansour	First appointed 9 July 2007 Re-appointed 1 January 2010	31 December 2012	11	8
	Mr Ross McPherson	Appointed 1 January 2010	31 December 2012	11	11
Three persons elected by, and from, the staff of the University – Professors	Professor Glenn Bowes	Elected 1 January 2008. Re-elected 1 January 2010	30 June 2012	11	11
	Dr Frederik Vervaeet	Elected 1 January 2010	30 June 2012	11	8
	Mr Michael Coyle	Elected 1 January 2007 Re-elected 1 January 2009	30 June 2011	11	11
Two persons elected by, and from, the students enrolled at the University for a one-year term of office	Ms Zoe Edwards	Elected 1 January 2010	31 December 2010	11	10
	Mr Michael Griffith	Elected 1 January 2010	31 December 2010	11	10

**INDEMNITY FOR COUNCIL**

Pursuant to Section 19 of the Act, the University of Melbourne indemnifies members of Council and University committees in respect of acts or omissions in good faith in the exercise of their powers or duties.

## Academic Governance

### ACADEMIC BOARD

The Academic Board is established by Council as required by section 20 of the Act in Statute 4.1 – Academic Board. It reports directly to Council and its primary functions are the supervision and development of all academic activities of the University, including the maintenance of high standards in teaching and research. The Board is also responsible for the development of academic and research policy. The President of the Academic Board is an elected position with a two-year term of office and is supported by a Vice-President and Deputy Vice-President, each with a term of office of two years.

#### President of the Academic Board

Professor Geoff Stevens  
BE(Chem) *RMIT* PhD *Melb.* FTSE FICHEM FAusIMM

#### Vice-President of the Academic Board

Professor Ron Slocombe  
BSc (Hons) *Melb.* MS PhD *Michigan State* U DipACVP  
MACVS MAICD

#### Deputy Vice-President of the Academic Board

Professor Ruth Fincher  
BA (Hons) *Melb.* MA *McMaster* PhD *Clark*

The Standing Committees of the Academic Board report to the Board on matters within their remit as defined by their terms of reference. The Academic Board met eight times in 2010, from February to December.

## Faculties, Schools and Other Academic Units

In 2010, the University of Melbourne comprised 11 faculties and graduate schools established as faculties, together with the Bio21 Molecular Science and Biotechnology Institute, the Nossal Institute for Global Health, Melbourne Business School, the School of Melbourne Consulting and Custom Programs and the Australia India Institute.

### FACULTY OF ARCHITECTURE, BUILDING AND PLANNING

The Faculty of Architecture, Building and Planning is structured as a single-department faculty, containing one graduate school:

- » Melbourne School of Design

### FACULTY OF ARTS

The Faculty of Arts comprises the following schools, graduate school and institute:

- » School of Culture and Communication
- » School of Historical Studies
- » School of Languages and Linguistics
- » School of Philosophy, Anthropology and Social Inquiry
- » School of Social and Political Sciences
- » Graduate School of Humanities and Social Sciences
- » The Asia Institute

### FACULTY OF BUSINESS AND ECONOMICS

The Faculty of Business and Economics consists of the following departments, graduate school and institute:

- » Accounting and Business Information Systems
- » Economics
- » Finance
- » Management and Marketing

- » Graduate School of Business and Economics
- » Melbourne Institute

### MELBOURNE GRADUATE SCHOOL OF EDUCATION

The Melbourne Graduate School of Education is a graduate school established as a faculty.

The Graduate School includes:

- » Centre for the Study of Higher Education
- » LH Martin Institute for Higher Education Leadership and Management

### MELBOURNE SCHOOL OF ENGINEERING

The Melbourne School of Engineering has eight departments:

- » Biomedical Engineering
- » Chemical and Biomolecular Engineering
- » Civil and Environmental Engineering
- » Computer Science and Software Engineering
- » Electrical and Electronic Engineering
- » Geomatics
- » Infrastructure Engineering
- » Mechanical Engineering

### MELBOURNE SCHOOL OF LAND AND ENVIRONMENT

The Melbourne School of Land and Environment consists of three departments:

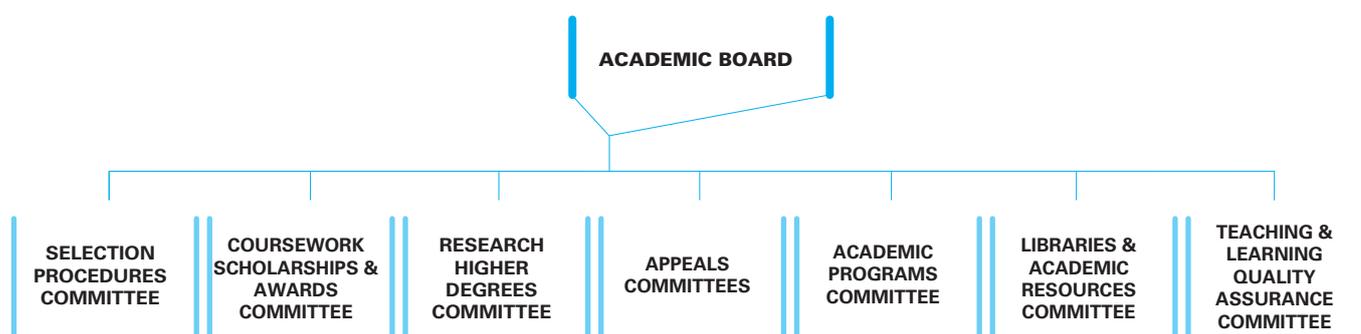
- » Agriculture and Food Systems
- » Forest and Ecosystem Science
- » Resource Management and Geography

The School operates out of four campuses: Burnley, Creswick, Dookie and Parkville.

### MELBOURNE LAW SCHOOL

The Melbourne Law School is a graduate school established as a faculty.

## ACADEMIC BOARD AND ITS KEY COMMITTEES



### FACULTY OF MEDICINE, DENTISTRY AND HEALTH SCIENCES

The Faculty of Medicine, Dentistry and Health Sciences comprises the following schools:

- » Melbourne Dental School
- » Melbourne Medical School
- » Melbourne School of Health Sciences
- » Melbourne School of Population Health

### FACULTY OF SCIENCE

The Faculty of Science includes the following schools, departments and graduate school:

- » School of Botany
- » School of Chemistry
- » School of Earth Sciences
- » School of Physics
- » Department of Genetics
- » Department of Information Systems
- » Department of Mathematics and Statistics
- » Department of Optometry and Vision Sciences
- » Department of Zoology
- » Melbourne Graduate School of Science

### FACULTY OF VETERINARY SCIENCE

The Faculty of Veterinary Science is a single-department faculty. The Veterinary Hospital is a semi-autonomous body of the University.

### FACULTY OF THE VCA AND MUSIC

The Faculty of the VCA and Music is the result of the merger of two previously separate faculties, which came into effect on 6 April 2009. Following the Switkowski Review, Council in July 2010 accepted a recommendation to continue with a single faculty comprising two divisions each headed by a Director:

- » Victorian College of the Arts, comprising three schools:
  - School of Art
  - School of Film and Television
  - School of Performing Arts
- Melbourne Conservatorium of Music

The faculty also has three specialist centres:

- » Centre for Ideas
- » Centre for Cultural Partnerships
- » Wilin Centre for Indigenous Arts and Cultural Development

## Other Academic Units

### BIO21 MOLECULAR SCIENCE AND BIOTECHNOLOGY INSTITUTE

The Bio21 Molecular Science and Biotechnology Institute (Bio21 Institute) is a multidisciplinary research centre, specialising

in medical, agricultural, and environmental biotechnology.

### MELBOURNE BUSINESS SCHOOL

The Melbourne Business School is a separate legal entity which operates as a School of the University offering postgraduate and executive business education programs approved by the University's Academic Board. It has two centres of excellence and its research activities focus on, *inter alia*, economics, organisational behaviour, strategy, and marketing.

### THE NOSSAL INSTITUTE FOR GLOBAL HEALTH

The Nossal Institute for Global Health contributes to the improvement of global health through research, education, inclusive development practice, and training of future leaders in the fields of health sciences.

### SCHOOL OF MELBOURNE CONSULTING AND CUSTOM PROGRAMS

The School of Melbourne Consulting and Custom Programs provides consultancy services, professional education and custom programs to the corporate and government sectors and staff of the University.

### AUSTRALIA INDIA INSTITUTE

The objectives of the Australia India Institute are to facilitate the co-ordination and development of studies in Australia of Indian culture and its social, scientific and economic dimensions, and to enhance understanding and cooperation between Australia and India in these matters.

### MELBOURNE SCHOOL OF GRADUATE RESEARCH

The Melbourne School of Graduate Research provides a range of enrichment activities and support mechanisms that contribute to the success of postgraduate research students and consequently enhance the research reputation of the University.

## FACULTY AND ACADEMIC UNIT TEACHING LOAD – 2010 ESTIMATES

	STUDENT LOAD (EFTSL)	% FEMALE
Architecture Building & Planning	1,711	48.6%
Arts	6,482	64.9%
Business and Economics	5,498	51.2%
Melbourne Graduate School of Education	2,622	76.3%
Melbourne School of Engineering	2,995	23.7%
Melbourne School of Land and Environment	1,246	55.1%
Melbourne Law School	1,918	55.2%
Medicine, Dentistry and Health Sciences	6,456	63.5%
Melbourne Business School	788	29.2%
Melbourne Consulting and Custom Programs	197	37.9%
School of Graduate Research	9	38.8%
Science	4,027	45.5%
Veterinary Science	542	71.7%
VCA and Music	1,799	59.5%
Other*	336	63.3%
TOTAL **	36,626	55.2%

\* Other includes 'unallocated' (student on exchange) load

\*\* Total includes load at 31 December 2010.

# Statutory Reporting

## 1. Statement on Occupational Health and Safety (OHS) Matters

The University of Melbourne has a broad OHS risk profile, including specific risks associated with laboratory operations, workshop operations, chemical storage, handling and use, and manual handling.

The OHS Policy requires the University to provide a safe and healthy working and learning environment for all staff, contractors, students, and visitors.

The policy is supported by the University's OHS Strategic Plan 2007–2010, which was developed in consultation with University staff. The plan sets OHS goals towards four strategic objectives. Table 1 provides a summary of significant achievements during 2010 towards meeting those objectives.

**TABLE 1. OCCUPATIONAL HEALTH AND SAFETY STRATEGIC PLAN SUMMARY OF ACHIEVEMENTS: 2010**

OBJECTIVE	ACHIEVEMENT
1. Reduce the occurrence or re-occurrence of workplace injuries and illnesses	1. 17.8 per cent reduction in lost time injuries from 2009 2. 32.9 per cent increase in total claims from 2009
2. Continually improve compliance with health and safety legislation and conformance to SafetyMAP (and subsequently the National Audit Tool (NAT))	1. Reduction in number of WorkSafe visits 2. Nil Improvement Notices issued by WorkSafe 3. Achievement of certification to NAT and AS4801 4. Maintenance of self-insurance licence
3. Improve health and safety leadership and culture throughout the University	1. Continued implementation of budgetary incentives for internal OHS audit compliance 2. Continued implementation of Executive Roles and Responsibilities training 3. Improved documentation of OHS responsibilities of all personnel at the University
4. Provide high-quality consistent and practical health and safety information and advice to the University community	1. Continued revision of the OHS Policies and Procedures 2. Publication of practical Safety Bulletins and Alerts 3. Publication of practical forms and templates 4. Continued development of networks of OHS managers, advisers, and coordinators

### OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (OHSMS)

The University of Melbourne's OHSMS was subject to continuous review throughout 2010. New or revised procedures published include: Health & Safety Policy, OHS & Environmental Communication, OHS & Environmental Management System Audit, Cooling Tower Risk Management, Emergency Preparedness & Response, First Aid – OHS Requirements, Laboratory Risk Management, OHS & Environmental Legal Requirements, OHS & Environmental Responsibilities, Signage – OHS Requirements, Smoking in the Workplace Risk Management, Waste Risk Management, EHS Risk Management, EHS Training, EHS Policy, Procedure & Document Development, EHS Records Management, Document And Data Control, Purchasing – EHS Requirements, and Contractor Management – EHS Requirements.

### OCCUPATIONAL HEALTH AND SAFETY RESOURCES

In 2010, each Division appointed local staff to provide initial OHS support services in accordance with Responsible Division Management principles. Dedicated full-time OHS Managers provide local OHS advisory services in the following higher risk Divisions:

- » Business Centre-Administrative Divisions, servicing six Administrative Divisions
- » Faculty of Medicine, Dentistry & Health Science
- » Faculty of Science
- » Faculty of Veterinary Science
- » Graduate School of Engineering
- » Melbourne School of Land & Environment

Lower risk Divisions appointed part-time local OHS advisory staff.

Complementing the local OHS advisory staff, specialist OHS advisory services continued to be provided to all Divisions through the OHS and Injury Management Department.

**TRAINING**

Over 3,300 attendees undertook OHS-related training throughout 2010. Table 2 provides a summary of the training and the number of attendees for each type.

**TABLE 2. OCCUPATIONAL HEALTH AND SAFETY TRAINING PROVIDED: 2010**

<b>TRAINING COURSE TYPE</b>	<b>NO. OF ATTENDEES 2010</b>
Supervisor Roles and Responsibilities	398
Staff Roles and Responsibilities	677
Manual Handling and Ergonomics	665
Risk Management	286
Chemical Safety	216
Personal Protective Equipment	266
Radiation Safety	88
Compressed Gas Safety	131
Health & Wellbeing, Change Management and Psychosocial	187
Emergency Management	530
First Aid	197
Health and Safety Representative	5

**EMERGENCY PREPAREDNESS AND RESPONSE**

The University of Melbourne's emergency preparedness and response procedures are overseen and monitored by the Crisis and Emergency Planning Group (CEPG), chaired by the Head of University Services. The CEPG met on two occasions during 2010.

The University continued its ongoing commitment and resourcing for both campus-wide and local building emergency plans in accordance with AS3745 Emergency Control Organisation and Procedures for Buildings, Structures, and Workplaces. In addition, bushfire response plans were developed for the University's rural campuses at Dookie and Creswick.

At least one evacuation drill for each building occupied or controlled by the University was conducted during 2010. Following all emergency exercises, a review of the procedure's effectiveness was conducted, and action plans developed to address any deficiencies identified.

**RADIATION MANAGEMENT**

During 2010, the University of Melbourne's Electromagnetic Radiation Safety Committee met on three occasions. The committee's significant achievements in 2010 included:

1. Development and ratification of new Terms of Reference
2. Establishment of radiation training and radiation emergency response and requirements subcommittees to undertake projects in 2011 in their respective areas. The University developed a web page to provide specialist information and advice to staff and students on radiation management requirements. This information included detailed guidance material on the requirements for use of neutron probes.

### OCCUPATIONAL HEALTH SURVEILLANCE & PROGRAMS

The University of Melbourne's OHS and Injury Management Department coordinates and implements health monitoring and vaccination programs. These include regulatory health surveillance and vaccination programs to support the University's compliance obligations, and voluntary vaccination programs to reduce the incidence of staff illness.

During 2010, over 674 staff and students received services – excluding influenza vaccinations – from the OHS and Injury Management Department. Table 3 provides a summary of the services provided between 2008 and 2010.

**TABLE 3. OCCUPATIONAL HEALTH SERVICE – SERVICES PROVIDED: 2008–2010**

SERVICE PROVIDED	2008	2009	2010
Influenza Vaccinations	2,212	2,987	2,119
Q Fever Vaccinations	196	133	92
Pathologies and Biological Screening	453	222	107
Other Vaccinations (Hepatitis A, B, Tetanus, Whooping Cough, Typhoid, Rabies, Measles/Mumps/Rubella)	339	179	118
Audiometry	165	153	119
Spirometry	258	394	284

### WORKERS COMPENSATION AND INJURY MANAGEMENT

An early intervention approach by the University ensured that return-to-work plans were developed for all compensable injuries under the workers' compensation self-insurance licence during 2010. The University also continued to assist staff with non-compensable injuries and other health-related conditions, achieving successful return to work outcomes.

#### SELF-INSURANCE LICENSE AND THE ACCIDENT COMPENSATION ACT 1985 (VIC)

The annual Claims Management audit confirmed that 97.6 per cent of audit samples were in conformance with the requirements of the University's self-insurance licence and the *Accident Compensation Act 1985 (Vic)*.

Following significant changes to the *Accident Compensation Act 1985 (Vic)*, resulting impacts on workers' compensation and injury management were planned for and addressed during 2010. An independent review of the University of Melbourne's compliance confirmed a successful transition to meet new legislative requirements.

### REGULATORY ACTIVITY

The University continued to work cooperatively with OHS regulators. WorkSafe Victoria was the most active OHS regulator at the University during 2010. Table 4 provides a summary of WorkSafe activity at the University.

**TABLE 4. WORKSAFE VICTORIA ACTIVITY: 2010**

ACTION	2010
Visits to the University's Workplaces by WorkSafe	7
Occupational Health and Safety Convictions	Nil
Prohibition Notices issued by WorkSafe	Nil
Improvement Notices issued by WorkSafe	Nil
WorkSafe Intervention Projects	Nil

**OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE**

OHS performance reports are provided to Deans and Executive Directors annually to assist local managers in identifying problem areas, resource requirements, and training needs in their workplaces.

Table 5 sets out the indicators the University uses to monitor OHS performance. All significant incidents are reviewed in detail and, where appropriate, action plans are put in place to minimise the risk of reoccurrence.

**TABLE 5. OCCUPATIONAL HEALTH AND SAFETY INCIDENT STATISTICS: 2008–2010.**

PERFORMANCE INDICATOR	2008	2009	2010
Reported Incidents (including Injury and Illness)	1,094	1,034	1,066
Number of WorkCover Claims	111	85	113
Number of Lost Time Incidents	31	28	23
Days Lost due to Reported Injuries	749	567	558
Work Related Fatalities	Nil	Nil	Nil

**INCIDENTS REQUIRING NOTIFICATION TO WORKSAFE**

The University of Melbourne reported three dangerous occurrences, ten serious injuries, and one death at a workplace to WorkSafe Victoria in accordance with the incident notification requirements of the *Occupational Health and Safety Act 2004 (Vic)*. Table 6 provides a summary of events at the University that required notification to WorkSafe during 2010.

**TABLE 6. NOTIFICATIONS TO WORKSAFE 2010**

TYPE	EVENT	NUMBER
Dangerous Occurrence	Uncontrolled fall or release from height, any plant, substance or object	1
Dangerous Occurrence	Uncontrolled implosion, explosion or fire	2
Serious Injury or Illness	Immediate medical treatment resulting from a laceration	3
Serious Injury or Illness	Immediate medical treatment resulting from temporary loss of bodily function	4
Serious Injury or Illness	Admission as an inpatient in a hospital	3
Death at a Workplace	Non-work related fatalities	1

Investigations of each incident have either commenced or have been completed. Following the investigation of each incident, corrective and preventative actions have been instigated to prevent or reduce the risk of reoccurrence.

**EXTERNAL OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (OHSMS) AUDITS**

Conformance of the University of Melbourne's OHSMS to the National Self-Insurers OHS Audit Tool is one of the requirements of the University's Workers' Compensation Self-Insurance Licence, which is regulated by WorkSafe Victoria. During 2010, the University's appointed external auditors conducted the initial certification audit to the NAT and AS4801: *Occupational Health and Safety Management systems: Specifications with guidance for use*. The NAT introduced an additional 32-audit criteria not included in the audit tool used for the University's previous certification to SafetyMAP.

The scope of the audits undertaken included the management of the central OHSMS, four faculties/graduate schools, three administrative divisions, two semi-autonomous bodies, and one wholly-owned subsidiary. There were 499 conformance and 44 non-conformance findings issued during the audit.

Auditees were required to develop action plans to address all adverse audit findings.

All non-conformances were brought back into conformance and certification to both NAT and AS4801 was achieved.

**INTERNAL OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (OHSMS) AUDITS**

A program of internal audits of the University of Melbourne's OHSMS against the NAT criteria continued throughout 2010. During 2010 almost 3,000 samples were audited across all academic and administrative divisions of the University and a number of its controlled entities. Overall, the University achieved less than 1.0 per cent non-conformance findings and 0.6 per cent findings requiring correction.

Auditees were required to develop action plans to address all adverse audit findings, and progress was monitored as part of the internal audit program.

## CONSULTATIVE FRAMEWORK

Employees continue to be represented by elected and trained employee Health and Safety Representatives in designated workgroups across the University. There were approximately 60 elected employee Health and Safety Representatives holding office during 2010. Each Division has an established Health and Safety Committee. Membership of these committees includes both employer and employee representatives. The employee representatives on Division Health and Safety Committees are generally elected Health and Safety Representatives.

Membership of the University-wide Occupational Health and Safety Committee (OHSC) consists of equal numbers of employer and employee representatives. The employee representatives are elected from the pool of all employee Health and Safety Representatives at the University. Three Health and Safety Representatives were re-elected and two were elected for the first time to the OHSC during 2010. The OHSC met four times during 2010, with minutes of the meetings published on the University's Safety website at <http://safety.unimelb.edu.au/about>

## 2. Statement on the University's Risk Management Strategy

Identifying and managing risk is a core component of the University of Melbourne's accountability structure, integrating the annual cycles of strategic and operational planning, reporting, and quality assurance.

At governance level, a risk management framework has been approved by Council and several Council committees exercise a governance role on behalf of Council to ensure that designated risk accountabilities are being properly exercised. Key Council committees in this regard are:

- » Audit and Risk Committee – provides advice to Council on the appropriate governance and risk management structures and processes, and the effectiveness of risk management controls. The Committee regularly monitors and reports to Council on the integrated University-wide risk assessment process. It also advises Council and the Finance Committee of Council on all matters pertaining to financial audits, management audits and reviews.
- » Finance Committee – has oversight of the University's financial performance, position and risks, assuring that due financial processes and probity are carried out and that the University is fully compliant with legislative and government requirements. This committee monitors financial and major project risk-management processes, as well as audit management letters to ensure that any control weaknesses identified in the financial audit process are appropriately managed. The Investment Management Committee reports to Council through Finance Committee, and has oversight of the University's investment portfolio.
- » Legislation and Trusts Committee has oversight of trusts policies and processes.

The membership of these committees comprises external members of Council and other external appointees with relevant expertise in audit and compliance, risk management, financial management and the law. There is also regular reporting to Council on compliance issues by the University Compliance Officer.

At the management level, risk is monitored and managed through the Risk Management Committee, and consistency with International Standard ISO/FDIS 31000:2009 (replacing the Australian Risk Management Standards) is applied.

Academic and administrative divisions undertake a strategic risk assessment on an annual basis, as an integral part of the business planning process, and risk management and mitigation is a core responsibility of all senior managers. Divisional assessments are integrated into the overall University risk assessment which is reported regularly to Council through the Audit and Risk Committee.

Operational risks are monitored by the Administrative and Business Advisory Group which is responsible for the development and implementation of effective and efficient administrative policies and practices, with the accountable head of division being responsible for a quarterly review. Quarterly reports are received by the Risk Management Committee.

In addition, the University has dedicated risk program managers responsible for ensuring effective University-wide programs are in place for controlling specialist risks – Environmental Health and Safety, Biosafety, Insurance, WorkCover, IT and Information Services, Business Continuity Planning, and Crisis Management and Emergency Management Planning. Quarterly reports are received by the Risk Management Committee.

The University considers that this risk management framework is consistent with the International Standard ISO/FDIS 31000:2009 (replacing the Australian/New Zealand Risk Management Standards).

A risk information webpage is available at <http://www.fpg.unimelb.edu.au/ipeq/risk.html>.

**UNIVERSITY CONTROLLED ENTITIES – LEVELS OF FINANCIAL AND REPUTATIONAL RISK**

(All the bodies below – other than Victorian Institute for Chemical Sciences Limited – are ongoing entities with no anticipated termination date. University of Melbourne appointments to the boards of its controlled entities are covered by its Directors and Officers' Liability Policy.)

ENTITY	PRINCIPAL OBJECTIVES	MEMBERS OF THE UNIVERSITY'S STAFF OR COUNCIL SERVING AS BOARD MEMBERS	LEVEL OF FINANCIAL RISK (HIGH, MEDIUM OR LOW)	LEVEL OF REPUTATIONAL RISK (HIGH, MEDIUM OR LOW)
Australian International Health Institute Ltd (The University of Melbourne) Limited	To undertake research, development, education, training, consultancy, and other activities in regard to medicine, dentistry, health, health science, and related areas  To provide facilities for study, research and education	Ms Elizabeth Alexander  Associate Professor Peter Deutschmann  Prof Ian Gust	Low	Low
Australian Music Examinations Board (Vic) Ltd	To represent in Victoria the Australian Music Examinations Board as the State Committee  For the purposes of the conduct within the State of Victoria and elsewhere of music examinations  To aid, promote and assist music, music education and the appreciation of music	Professor Ian Holtham  Professor Warren Bebbington  Mr James Bolton  Associate Professor Robin Stevens	Low	Low
Australian National Academy of Music Ltd (activities conducted on a not for profit basis)  and its subsidiary ANAM Foundation Ltd	To operate as a national centre of excellence in practical music education and training  To provide practical music education and training for outstandingly talented music students	Mr Michael Beaton-Wells	Low	Low
UoM Commercial Ltd (formerly UMEE Limited)  and its subsidiaries	To deliver commercial outcomes for the University of Melbourne intellectual assets and capabilities, and to commercialise its educational services	Professor Glyn Davis Mr Ian Marshman Mr Allan Tait Professor Peter Rathjen	Low	Low
Melbourne Ventures Pty Ltd (non-operational) and		Mr Ian Marshman Mr Allan Tait Professor Peter Rathjen		
UM Commercialisation Pty Ltd		Mr Ian Marshman Mr Allan Tait		

ENTITY	PRINCIPAL OBJECTIVES	MEMBERS OF THE UNIVERSITY'S STAFF OR COUNCIL SERVING AS BOARD MEMBERS	LEVEL OF FINANCIAL RISK (HIGH, MEDIUM OR LOW)	LEVEL OF REPUTATIONAL RISK (HIGH, MEDIUM OR LOW)
Melbourne Business School Ltd  and its subsidiaries, Melbourne Business School Foundation and Mt Eliza Graduate School of Business and Government Limited	To undertake the education of university graduates and others in management studies  To develop and deliver post-experience courses for practising managers  To design and deliver postgraduate research programs into management and related areas, and to promote licence, develop and apply the results of research activities	Professor Elizabeth Sonenberg Professor Robert Wood	Low	Low
Melbourne University Publishing Limited	To publish the best scholarly writing from Australia and overseas, both within and independent of the tertiary sector  To develop and disseminate text and image-based intellectual property in a variety of formats and media	Ms Eda Ritchie	Medium	Low
MU Student Union Limited	To advance the education of students of the University by providing amenities, services and facilities for the benefit of students	Mr Anthony Peake Ms Lin Martin Mr Neil Robinson	Low	Low
Victorian Institute for Chemical Sciences Limited (being wound up)	To advance chemical sciences in Victoria	Professor Peter Rathjen	Low	Low

**UNIVERSITY BUSINESS OPERATIONS**

(The entities below are ongoing semi-autonomous bodies within the University, where control and management are exercised by or under the direction of a board on behalf of Council. They are staffed by University employees.)

ENTITY	PRINCIPAL OBJECTIVES	MEMBERS OF THE UNIVERSITY'S STAFF OR COUNCIL SERVING AS BOARD MEMBERS	LEVEL OF FINANCIAL RISK (HIGH, MEDIUM OR LOW)	LEVEL OF REPUTATIONAL RISK (HIGH, MEDIUM OR LOW)
Ian Potter Museum of Art	To display art works (including the University's collection), support teaching and research, and contribute to the cultural life of the University and the wider community	Dr Chris McAuliffe Professor Jaynie Anderson Professor Warren Bebbington Dr Christopher Marshall Ms Eda Ritchie Professor Antonio Sagona Mr Allan Tait	Low	Low
Melbourne University Bookshop	To work closely with departments to supply students with teaching and text materials to meet course and research requirements at affordable prices  To maintain a high quality campus bookstore web site and provide new services electronically as they evolve  To operate on a commercial basis and return a surplus to the University	Professor Greg Whitwell Mr Graeme Connelly Mr James Bolton	Low	Low
Melbourne Theatre Company	To produce classic and contemporary Australian and international theatre with style, passion, and world class artistic excellence in order to entertain, challenge, and enrich audiences in Melbourne, Victoria and Australia	Professor Glyn Davis Mr Martyn Myer Mr Ian Marshman Mr Simon Phillips Ms Ann Tonks	Low	Low
Asialink	To work with business, government, philanthropic and cultural partners to initiate and strengthen Australia Asia engagement	Professor Glyn Davis Ms Jenny McGregor Professor Abdullah Saeed	Low	Low
Veterinary Hospital	To provide teaching material for undergraduate and postgraduate students in veterinary science and provide veterinary care to the community	Professor Ken Hinchcliff Professor Glenn Bowes Mr Allan Tait Professor Ted Whitem Professor Bruce Parry Ms Diana Harrison Professor Eleanor Mackie	Low	Low

ENTITY	PRINCIPAL OBJECTIVES	MEMBERS OF THE UNIVERSITY'S STAFF OR COUNCIL SERVING AS BOARD MEMBERS	LEVEL OF FINANCIAL RISK (HIGH, MEDIUM OR LOW)	LEVEL OF REPUTATIONAL RISK (HIGH, MEDIUM OR LOW)
International House	To be a place of residence, education and corporate life for students and for the purpose of encouraging international understanding and friendship among students	Professor Sue Elliott  Professor Frank Larkins  Associate Professor Jane Munro  Professor Robert Saint	Low	Low
Medley Hall	To be a place of residence, education and communal life for students and for the purpose of encouraging understanding and friendship among students	Professor Joan McMeeken  Professor Philip Goad  Professor Lesleyanne Hawthorne  Ms Lin Martin  Ms Philippa Connelly	Low	Low
Melbourne University Sport	<p>To engage the University community in sport, fitness, and recreational opportunities to support the campus experience</p> <p>To support student athletes, sport teams and clubs to ensure sustained high performance to enhance the University's reputation</p> <p>To manage the University's sport and recreational facilities including the planning for and overseeing of ongoing maintenance, capital improvement, and construction of new and replacement facilities</p>	Professor Margaret Abernethy  Mr Mark Hargreaves	Medium	Low

**SIGNIFICANT INVOLVEMENTS WITH EXTERNAL CORPORATIONS**

(Appointments made by the University to the boards of other corporations are covered by its Directors and Officers Liability Policy.)

ENTITY	PRINCIPAL OBJECTIVES	MEMBERS OF THE UNIVERSITY'S STAFF OR COUNCIL SERVING AS BOARD MEMBERS	LEVEL OF FINANCIAL RISK (HIGH, MEDIUM OR LOW)	LEVEL OF REPUTATIONAL RISK (HIGH, MEDIUM OR LOW)
Universitas 21 LBG	<p>To provide a pre-eminent brand for educational services supported by a strong quality assurance framework</p> <p>To allow member universities to pursue significant global initiatives that would be beyond their individual capabilities</p>	Professor Glyn Davis	Low	Low
Universitas 21 Global Pte Ltd (Joint venture between Universitas Equity and MULI (Mampal))	<p>To be an online graduate school that provides leading-edge access to educational programs designed to meet the needs of the individuals and corporations in the information economy of the 21st century</p> <p>To build academic programs that incorporate the traditions and strengths of its founders and add the value of the internet as a powerful educational medium</p>	Mr Ian Marshman	Medium	Medium
Universitas 21 Equity Ltd	To hold part of the issued share capital of Universitas 21 Global	Mr Ian Marshman	Low	Low
Bio21 Australia Limited	<p>To develop and enhance the reputation of Victoria as a leading academic centre for the advancement of knowledge in fundamental areas of biology, medicine, science and technology</p> <p>In cooperation with other universities, other educational and scientific institutions and other persons to conduct world class training, financially viable biotechnology research, and to facilitate the development and commercialisation of the results of that research</p>	<p>Professor Ian Gust</p> <p>Professor Douglas Hilton</p> <p>Professor James McCluskey</p> <p>Professor Jeffrey Zajac</p>	Low	Low
NeuroSciences Victoria Ltd	<p>To organise and focus neuroscience research so that the social and economic potential offered by Australian neuroscience is realised</p> <p>To promote and mediate large-scale collaborative research programs that will result in discoveries and technologies for the management of neurological and psychiatric disorders</p>	<p>Professor John Furness</p> <p>Professor Trevor Kilpatrick</p>	Low	Low
UIIT Pty Ltd	<p>To provide seed funding to further develop promising research outcomes</p> <p>To assist with the commercialisation of such research outcomes</p>	<p>Mr Ian Marshman</p> <p>(Mr Allan Tait, <i>alternate</i>)</p>	Low	Low
UniSeed Management Pty Ltd	To provide management services to UIIT Pty Limited	<p>Mr Ian Marshman</p> <p>(Mr Allan Tait, <i>alternate</i>)</p>	Low	Low

### 3. Conformity with the Building Act 1993

#### MAJOR PROJECTS (NEW AND EXISTING BUILDING WORKS)

The following mechanisms have been implemented to ensure that new buildings and works on existing buildings conform to building standards:

- » Property and Campus Services closely examines each major project prior to the selection of a project team.
- » The selected design consultants for each project are University-registered or Department of Infrastructure-registered consultants and are required to ensure compliance with University design requirements and statutory planning requirements.
- » All design and management of project works is undertaken in accordance with the University of Melbourne's Project Management Procedures Manual and Design Standards. The Manual has been developed to advise consultants of the management procedures and design standards required by the University and includes procedures covering environmental and occupational health and safety matters.
- » The University has promulgated procedures similar to those required by the private sector for the issuing of building permits.
- » All projects are monitored by the University project managers and appointed consultants, in order to ensure that projects comply with current building regulations and statutory requirements.
- » Where required by the Building Code of Australia, an external building surveyor is appointed for each project to provide advice regarding building permits, certification of final inspection, and occupancy permits.
- » The University ensures that an asbestos audit is carried out for each project prior to the commencement of construction work.
- » The Project Management Procedures Manual is used by University project managers to ensure that University policy and procedures are followed in relation to works.

- » 61 projects, each with a value of more than \$50,000, were issued with Building Permits.
- » Of those, 39 projects in total were completed throughout 2010 and Certificates of Final Inspection were issued. The remaining 22 projects are still under construction, to be completed in 2011.

In addition, 23 projects were not subject to Certification of Plans or Building Surveyor involvement during construction.

These included:

- » Infrastructure upgrades (18)
- » Equipment upgrades (2)
- » Minor works (3)

None of these projects comes within the jurisdiction of the *Building Act 1993* or required structural change necessitating building surveyor inspections.

### 4. National Competition Policy and Competitive Neutrality Requirements

The University of Melbourne has established policies and procedures to ensure adherence to its obligations under the *Trade Practices Act 1974*, and to practice competitive neutrality in relation to relevant significant business activities.

Detailed information and guidelines may be obtained online from the websites of the Melbourne Research Office, Financial Operations Department, and the University's Compliance Management Program. Advice on the law of trade practices and competitive neutrality is provided by each of these areas.

### 5. Compliance with the Educational Services for Overseas Students Act (ESOS Act) 2000

Amendments to the *Education Services for Overseas Students Act 2000* (Cth) in 2010 required that registered providers of education to overseas students re-register on the Commonwealth Register of Institutions and Courses for Overseas Students and publish and maintain a list of overseas agents on their websites. The University of Melbourne has complied with these new requirements and has achieved compliance across the National Code standards with the exception of ESOS monitoring and reporting requirements under s19 ESOS Act and Standards 9, 12 and 13. The University is unable to comply substantially with these requirements while in the process of transitioning to a new student data base and operating system. The Department of Education, Employment and Workplace Relations (DEEWR) was advised during the year on the interruption to full ESOS reporting functionality.

## 6. Statutes and Regulations

The University of Melbourne administers Statutes and Regulations of the University and Standing Resolutions of the Council, in accordance with the provisions of the *University of Melbourne Act 2009*. The Statutes, Regulations and Council Resolutions are recorded in three volumes of University publications, which may be inspected in the Baillieu Library, or may be viewed on the web at [www.unimelb.edu.au/Statutes](http://www.unimelb.edu.au/Statutes).

The following Statutes were enacted, repealed and amended during 2010:

STATUTE	TITLE	ACTION
Statute 1.1	Preliminary	Amended*
Statute 1.2	Acting Officers, Offices, Nominees	Amended
Statute 1.3	Meetings	Amended
Statute 1.4	Publication of Statutes and Regulations	Amended
Statute 1.5	Seal of the University	Amended
Statute 1.7	University Governance	Enacted
Statute 2.1	Elections to Council	Amended
Statute 2.2	Council Meetings	Amended
Statute 2.3	The Chancellor and Deputy Chancellors	Amended
Statute 2.4	The Vice-Chancellor	Amended
Statute 2.7	Primary Responsibilities of Council	Repealed*
Statute 3.1	Convocation and Its Committee	Repealed*
Statute 3.2	The Graduate Roll	Repealed*
Statute 3.3	Elections to the Committee of Convocation	Repealed*
Statute 3.1	Alumni Council	Enacted*
Statute 4.1	The Academic Board	Repealed
Statute 4.1	Academic Board	Enacted
Statute 5.4	Courses and Subjects	Repealed
Statute 7.1	Academic and Professional Staff	Repealed
Statute 7.1	Academic Titles and Honorary Appointments	Enacted
Statute 8.2	University Students Loan Fund	Repealed
Statute 9.24	The School of Forestry, Creswick	Repealed*
Statute 9.37	The Victorian College of Agriculture and Horticulture	Repealed*
Statute 9.39	Centre for the Study of Sexually Transmissible Diseases	Repealed*
Statute 9.43	Turning Point Alcohol and Drug Centre Incorporated	Repealed*
Statute 9.60	Affiliated Bodies	Enacted*
Statute 9.61	Recognised Bodies	Enacted*
Statute 10.1	Fees and Charges	Amended*
Statute 11.1	Entry Quotas and Admission	Repealed
Statute 11.2	Enrolment – General Provisions	Repealed
Statute 11.3	Enrolment for a Higher Degree	Repealed
Statute 11.4	Exclusion for Health Reasons	Repealed
Statute 11.5	Unsatisfactory Progress	Repealed
Statute 11.6	Enrolment for Continuing Education Courses	Repealed
Statute 11.7	Semesters and Timetables	Repealed
Statute 11.9	Exclusion from Enrolment	Repealed
Statute 11.1	Courses, Enrolment and Assessment	Enacted

STATUTE	TITLE	ACTION
Statute 11.2	Exclusion for Health Reasons	Enacted
Statute 11.3	Exclusion from Enrolment	Enacted
Statute 11.4	Unsatisfactory Progress	Enacted and later amended**
Statute 11.5	Conferring and Other Ceremonies	Enacted
Statute 11.6	Revocation of Awards	Enacted
Statute 12.1	Examiners	Repealed
Statute 12.2	Assessment	Repealed
Statute 12.3	Conduct of Assessment	Repealed
Statute 12.4	Additional Assessment	Repealed
Statute 12.5	Examination of Theses for Higher Degrees	Repealed
Statute 12.6	Admission to Degrees and Granting of Diplomas after Examination	Repealed
Statute 12.7	Admission to Degrees without Examination and Admission to Honorary Degrees	Repealed
Statute 12.8	Revocation of Awards	Repealed
Statute 13.1	Student Discipline	Repealed*
Statute 13.1	Student Discipline	Enacted*
Statute 14.1	Intellectual Property	Amended*
Statute 16.3	Superannuation Scheme for Australian Universities	Repealed
Statute 17.2	Equal Opportunity	Repealed

\* Awaiting Ministerial approval as at 31 December 2010

\*\* Enactment approved September 2010; amendments awaiting approval as at 31 December 2010.

## 7. Whistleblowers Protection Act 2001

The University of Melbourne is committed to ensuring full compliance with the aims and objectives of the *Whistleblowers Protection Act, 2001* (The Act). It tolerates neither improper conduct by University staff or Council members nor the taking of reprisals against those who come forward to disclose such conduct.

The University recognises the value of transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The University will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosures. It will also afford natural justice to any person who is the subject of the disclosure.

The University's procedures for reporting disclosures of improper conduct or detrimental action by the University, its staff, or members of Council can be viewed at [www.hr.unimelb.edu.au/advicesupport/whistleblowers](http://www.hr.unimelb.edu.au/advicesupport/whistleblowers).

The procedures enable disclosures to be made to the Protected Disclosure Co-ordinator or to one of the nominated Protected Disclosure Officers listed on the website. Disclosures may be made by students, staff or members of the public.

### ACTIVITY IN 2010

- » The number and types of disclosures made to the public body during the year:  
*One complaint was received by the University and it was deemed not to be a protected disclosure in the public interest. Of the two complaints received in 2009, one is pending and the other was deemed to be a public interest disclosure.*
- » The number of disclosures referred during the year by the public body to the Ombudsman for determination as to whether they are public interest disclosures:  
*One disclosure made to the University in 2009 was referred to the Ombudsman for determination.*
- » The number and types of disclosed matters referred to the public body during the year by the Ombudsman:  
Nil.

- » The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate:  
Nil.
- » The number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year:  
Nil.
- » The number of requests made under Section 74 during the year to the Ombudsman to investigate disclosed matters:  
Nil.
- » The number and types of disclosed matters the public body has declined to investigate during the year:  
*One anonymous disclosure received by the University was determined not to be a protected disclosure.*
- » The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation:  
*One disclosure received by the University in 2009 and investigated by the University in 2009/2010 was substantiated and the results reported to the Ombudsman. The staff member concerned resigned their employment before disciplinary action could be completed. The staff member's supervisor was formally reprimanded. The matter is now closed.*
- » The number of recommendations of the Ombudsman under this Act that related to the public body:  
Nil.

## 8. Grievance Procedures

The University of Melbourne's student grievance procedures have been in operation since 2003 and were slightly amended after an initial implementation review in 2004. In 2009, a further substantial review was undertaken to reinforce the preference for early resolution through informal processes prior to taking a more formal approach. Other changes clarified the student's right to use a support person, the processes for dealing with vexatious complainants and where the student's grievance was against another student. The current student grievance procedures are on the University's website at [www.services.unimelb.edu.au/grievances](http://www.services.unimelb.edu.au/grievances).

The grievance procedures in the University of Melbourne 2010 Enterprise Bargaining

Agreement apply to all staff grievances, except where specific procedures, such as those for handling grievances relating to sexual harassment or unlawful discrimination, exist. Staff members aggrieved by decisions made by the University: promotion, reclassification of professional staff positions and disciplinary penalties for misconduct and unsatisfactory performance may also lodge a grievance. Specific review committees exist to handle each of these issues. Current staff grievance procedures are published on the University's website at [www.hr.unimelb.edu.au/advicesupport/grievance](http://www.hr.unimelb.edu.au/advicesupport/grievance).

## 9. Freedom of Information

### A. ACTIVITY REPORT

In the period from 1 July 2009 to 30 June 2010, 19 new requests for documents were received. There were 10 requests for personal documents and nine requests for non-personal documents. Access in full was given to three requests, partial access to six requests, one request was denied, one request was withdrawn, six were not proceeded with, in one case there were no documents found, and one case was determined to be outside the provisions of the Act.

The Principal Officer of the University is the Vice-Chancellor. The Senior Vice-Principal is the formally designated Freedom of Information Manager of the University.

All formal requests for access to documents of the University, under the provisions of the *Freedom of Information Act 1982* (Vic), are made in writing to:

The Senior Vice-Principal  
The University of Melbourne Vic 3010

Enquiries on any aspect of the Freedom of Information legislation, or for assistance that may be required to identify documents of the University available under Freedom of Information, should be directed to:  
The University Secretary  
The University of Melbourne Vic 3010

Where access is granted to inspect, obtain or purchase material, arrangements will be made during normal office hours, Monday to Friday, 8.45am to 5.00pm.

A request for access to a document of the University should include sufficient information about that document to enable it to be identified. Assistance will be provided by an officer of the University in cases where details supplied about a document are not sufficiently clear to identify that document.

Charges for access to documents of the University under the provisions of the *Freedom of Information Act 1982* are in accordance with the standard provisions of the Freedom of Information (Access Charges) Regulation 1993.

## B. CATEGORIES OF DOCUMENTS

Major Information Series:

1. University Council Minutes 1853–
2. Academic Board (formerly Professorial Board) Minutes 1853–
3. Central Administration Correspondence
4. Staff Correspondence Files
5. Faculty Records
6. Academic Department Records
7. Computer Records and Systems

## C. DOCUMENTS CONTAINING UNIVERSITY LEGISLATION, POLICIES, PROCEDURES AND GUIDELINES

Documents listed within this section cover University publications that include details of legislation, policies, operating procedures and/or guidelines that may have an effect or impact on members of the public in their dealings with the University. All documents listed may be inspected on application to the University Secretary, where not otherwise available within the University or other public venues. University policies, and many related procedures, are being migrated to the University's policy library, <http://policy.unimelb.edu.au>.

### (1) University Act, Statutes and Regulations

The *University Act*, Statutes and Regulations are detailed in the Calendar and on the web. Regulations dealing with courses, scholarships, and endowments are available on the web at [www.unimelb.edu.au/unisec/calendar](http://www.unimelb.edu.au/unisec/calendar).

### (2) Standing Resolutions of Council

Standing Resolutions of Council codify the terms of reference, membership and functions of committees of Council and collect together all Council resolutions on meeting procedures etc and are available on the web at [www.unimelb.edu.au/unisec/Srvol1](http://www.unimelb.edu.au/unisec/Srvol1).

### (3) University Calendar

The University Calendar is a register of academic staff and list of key University activities, and is available on the web at [www.unimelb.edu.au/unisec/calendar](http://www.unimelb.edu.au/unisec/calendar).

### (4) Other Manuals and Rules of Procedure

Rules and practices affecting members of the public in their dealings with the University are found in the following locations:

- » Melbourne Policy Library  
<http://policy.unimelb.edu.au>
- » Environmental Health and Safety Manual  
<http://policy.unimelb.edu.au/category/Occupational+Health+and+Safety>
- » Freedom of Information  
[www.unimelb.edu.au/unisec/foi.html](http://www.unimelb.edu.au/unisec/foi.html)
- » Whistleblowers Protection Policy  
[www.hr.unimelb.edu.au/advicesupport/whistleblowers](http://www.hr.unimelb.edu.au/advicesupport/whistleblowers)

## D. PUBLICITY SERVICES AND REPORT LITERATURE

The University produces a large number of publications, a list of which is available on the web at [www.unimelb.edu.au/publications](http://www.unimelb.edu.au/publications).

## 10. Statement Concerning Compulsory Non-academic Fees, Subscriptions and Charges

In accordance with the *Higher Education Support Amendment Act 2005*, the University does not charge a compulsory Amenities and Services Fee to students.

## 11. Further Information

The University has the following information available on request:

- » Declarations of pecuniary interests
- » Details of shares held beneficially by senior officers as nominees of a statutory authority or subsidiary
- » Details of publications produced
- » Details of major promotional, public relations and marketing activities
- » Details of changes in prices, fees, charges, rates and levies charged
- » Details of major external reviews
- » Occupational health and safety assessments and measures
- » A list of major committees.

Enquiries regarding the above should be addressed to:  
University Secretary  
The University of Melbourne Vic 3010

# Financials

## Report on Financial Performance

Events of recent years have seen a paradigm shift in both the financial environment in which the University operates and the operational and financial management responses required. For example, there has been:

- » Significant pressure on core revenue sources, particularly international and domestic fee paying student enrolments and a decade of indexation at approximately 2 per cent that has eroded the value of Commonwealth funding;
- » A decline in the value of investments and related returns, and while the local economy has performed relatively well, both uncertainty and volatility remain, particularly in Europe and the US;
- » Continuing increases in operating costs at rates at or above revenue growth;
- » A significant reduction in liquidity availability;
- » Increasing competition, from both local and overseas institutions and private providers;
- » A changing policy framework;
- » A significant expansion in infrastructure requirements, with resultant demands on capital funding and increasing annual operating costs; and
- » Increasing complexity and size of strategic developments.

The University recognises that it cannot rely on significant improvements in the external environment in the short term.

Internally, the University still faces challenges in transitioning to the Melbourne Model which is targeted to be fully operational by 2014, including the establishment of viable graduate schools, and in its administrative and human resources reform agenda.

Given this environment, the 2010 result builds on the prudent and conservative approach adopted for 2009, and through the optimisation of revenue from existing sources and considered strategic management of cost, provides a further step toward a robust financial position for the University, with the underlying operational performance continuing to improve from prior years. In addition, the University retained its AA+ credit rating and met its external borrowing covenants.

Significantly, the outlook for 2011–13 is for an underlying operating surplus in 2011, which is two years ahead of the 2013 target set in 2009, and keeps it there. This substantially eliminates the cross subsidisation of operating activities from income that is for capital and strategic purposes.

The consolidated University of Melbourne group includes the University itself, encompassing the core teaching, research, engagement and administrative activities, and eight subsidiaries. The consolidated University group recorded an operating surplus after tax and impairment of available-for-sale financial assets of \$57.6 million for the year ended 31 December 2010, compared to \$17.3 million in 2009 (after restatement for changes in accounting policies). The 2010 result provides a margin of 3.4 per cent (5.4 per cent before impairment of available-for-sale financial assets). The improvement in the 2010 result compared to the prior year was mainly due to a \$20.1 million reduction in impairment of available-for-sale financial assets (from \$54.0 million in 2009 to \$33.9 million in 2010) and a \$19.8 million increase in donations and bequests (\$45.9 million in 2010 compared to \$26.1 million in 2009).

The University itself, which also includes semi-autonomous bodies, recorded an operating surplus of \$53.6 million after impairment losses on available-for-sale financial assets, compared to \$23.0 million in 2009 (again after restatements).

## Auditor-General's Qualification

The Victorian Auditor-General has again qualified the University's financial report on the grounds that unspent grants provided by the Commonwealth and State governments received in advance as at 31 December 2010 have been treated as income in advance and recognised as a liability in the Statement of Financial Position. The University's treatment of these payments is in accordance with Australian Accounting Standard AASB 118 *Revenue*. The University regards the receipt of these payments as a reciprocal transfer where the grants have outstanding performance or return conditions. Under these conditions the payment received in advance may not be recognised until the University meets its obligations in the relevant year. The Auditor-General has taken the view that these payments should be treated as income in the year of receipt and for that reason has qualified the University's financial report. The University does not agree with the interpretation of the nature of the income. The University has external advice which confirms the University's interpretation of the standards.

## Five-year Financial Summary

The University of Melbourne and its Subsidiaries

	2010 \$'000	2009* \$'000	2008 \$'000	2007 \$'000	2006 \$'000
<b>Income And Expense</b>					
Income	1,700,478	1,570,212	1,530,601	1,511,963	1,282,566
Expenses (excluding Impairment of Available-for-Sale Financial Assets)	1,608,893	1,498,902	1,525,329	1,353,853	1,192,560
Surplus/(Deficit) Before Income Tax	91,585	71,310	5,272	158,110	90,006
Income Tax (Expense)/Benefit	(89)	(27)	(25)	(430)	1
<b>Surplus/(Deficit) after Income Tax but before Impairment of Available-For-Sale Financial Assets</b>	<b>91,496</b>	<b>71,283</b>	<b>5,247</b>	<b>157,680</b>	<b>90,007</b>
Impairment Expense on Available-for-Sale Financial Assets	33,892	53,981	250,924	–	–
<b>Operating Result for the Year</b>	<b>57,604</b>	<b>17,302</b>	<b>(245,677)</b>	<b>157,680</b>	<b>90,007</b>
<b>Statement of Financial Position</b>					
Reserves	2,513,993	2,472,337	2,106,952	2,226,328	2,553,953
Retained Surplus/(Deficit)	1,062,431	1,040,652	1,035,833	1,434,146	1,034,332
<b>Total Equity</b>	<b>3,576,424</b>	<b>3,512,989</b>	<b>3,142,785</b>	<b>3,660,474</b>	<b>3,588,285</b>
Current Liabilities	529,527	458,481	427,453	324,549	285,530
Non-Current Liabilities	334,619	333,062	357,380	283,105	273,600
<b>Equity and Liabilities</b>	<b>4,440,570</b>	<b>4,304,532</b>	<b>3,927,618</b>	<b>4,268,128</b>	<b>4,147,415</b>
Current Assets	255,385	229,130	286,786	288,830	261,993
Non-Current Assets	4,185,185	4,075,402	3,640,832	3,979,298	3,885,422
<b>Total Assets</b>	<b>4,440,570</b>	<b>4,304,532</b>	<b>3,927,618</b>	<b>4,268,128</b>	<b>4,147,415</b>
<b>Cash Flows</b>					
Cash Flows from Operating Activities including Government Funding:					
– Inflows	1,654,868	1,556,408	1,570,667	1,370,148	1,259,935
– Outflows	1,436,033	1,438,297	1,331,211	1,214,100	1,087,023
<b>Net Cash Inflow From Operating Activities</b>	<b>218,835</b>	<b>118,111</b>	<b>239,456</b>	<b>156,048</b>	<b>172,912</b>

\* In the 2010 accounts, the University has made the following adjustments to balances previously reported in the 2009 financial report:

- a revaluation of the University's general library collection showed a significant decline in value, and also resulted in an adjustment to the depreciation rates applied to the collection. This has resulted in a \$138.336 million reduction in Non-Current Assets and Retained Surplus at 31 December 2008. Additional depreciation and amortisation of \$2.677 million and disposals of \$1.689 million were also recognised in 2009.
- a change in the treatment of third party contributions towards construction of a University building which will create an obligation for the University to provide rent relief upon completion. Contributions previously reported as income in 2009 of \$17.956 million were transferred to Construction in Progress.
- a change in the buildings depreciation policy was retrospectively applied which resulted in a \$3.464 million increase to depreciation

Further information is provided in Note 1.26 to the Financial Statements.

## Five-Year Financial Summary

The University of Melbourne and its Subsidiaries

	2010	2009**	2008	2007	2006
<b>Sources of Income (\$'000)</b>					
Australian Government Recurrent Financial Assistance*	377,552	362,013	343,266	318,019	301,153
Other Australian Government Financial Assistance	319,521	261,913	333,299	231,420	187,134
HECS-HELP:					
– HECS-HELP Australian Government Payments	94,673	90,911	85,808	79,626	75,655
– HECS-HELP Student Payments	35,628	32,487	30,750	27,519	25,272
FEE-HELP	40,080	46,028	33,857	30,107	28,171
State and Local Government Financial Assistance	57,505	42,114	50,185	30,425	48,098
Fees and Charges and Other Income	556,726	504,456	477,112	429,159	430,423
Investment Income	108,939	151,128	252,776	114,025	98,711
Grants, Donations and Bequests	109,854	79,162	67,677	64,959	73,899
<b>Total Income</b>	<b>1,700,478</b>	<b>1,570,212</b>	<b>1,530,601</b>	<b>1,511,963</b>	<b>1,282,566</b>
<b>Expenditures (\$'000)</b>					
Employee Related Expenses	818,151	795,951	765,662	712,625	634,916
Depreciation and Amortisation	135,687	99,709	87,067	82,135	75,362
Repairs and Maintenance	66,700	57,019	51,190	61,240	44,233
Scholarships and Prizes	63,314	60,099	59,643	52,922	50,768
Other Expenses	525,041	486,124	561,767	444,931	387,281
<b>Total Expenditure (Excl Income Tax &amp; Impairment of Available-For-Sale Financial Assets)</b>	<b>1,608,893</b>	<b>1,498,902</b>	<b>1,525,329</b>	<b>1,353,853</b>	<b>1,192,560</b>
<b>Key Ratios (\$'000)</b>					
Australian Government Recurrent Grants including payments from HECS-HELP and HECS-HELP Student Payments	507,853	485,411	459,824	425,164	402,080
Other University Income	1,192,625	1,084,801	1,070,777	1,086,799	880,486
<b>Total University Income</b>	<b>1,700,478</b>	<b>1,570,212</b>	<b>1,530,601</b>	<b>1,511,963</b>	<b>1,282,566</b>
Australian Government Recurrent Grants as a % of Total University Income	22	23	21	23	23
Australian Government Recurrent Grants and HECS-HELP as a % of Total University Income	30	31	30	28	31
Number of Students (EFTSL)	36,626	35,886	34,667	34,667	33,934
Average Australian Government Recurrent Grants (Including HECS-HELP) per Student (\$)	13,866	13,526	12,264	12,264	11,849
DEEWR Funded Student Load (EFTSL)	22,892	22,336	21,735	21,369	20,541
Average Australian Government Recurrent Grants* per DEEWR funded position (\$)	16,493	16,208	15,793	14,882	14,661

\* Includes funding for the Commonwealth Grants Scheme, Joint Research Engagement Program, Research Training Scheme, Research Infrastructure Block Grants and Sustainable Research Excellence in Universities.

\*\* In the 2010 accounts, the University has made the following adjustments to balances previously reported in the 2009 financial report:

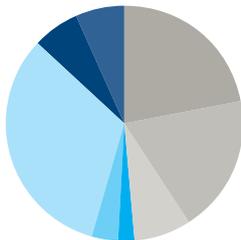
- a revaluation of the University's general library collection showed a significant decline in value, and also resulted in an adjustment to the depreciation rates applied to the collection. This has resulted in a \$138.336 million reduction in Non-Current Assets and Retained Surplus at 31 December 2008. Additional depreciation and amortisation of \$2.677 million and disposals of \$1.689 million were also recognised in 2009.
- a change in the treatment of third party contributions towards construction of a University building which will create an obligation for the University to provide rent relief upon completion. Contributions previously reported as income in 2009 of \$17.956 million were transferred to Construction in Progress.
- a change in the buildings depreciation policy was retrospectively applied which resulted in a \$3.464 million increase to depreciation

Further information is provided in Note 1.26 to the Financial Statements.

## INCOME FROM CONTINUING OPERATIONS

Consolidated income from continuing operations at \$1,700.5 million has increased by \$130.3 million or 8.3 per cent on 2009 with the most significant improvement being in Australian Government grants (\$73.1 million). This was primarily due to: a \$23.9 million increase in capital funding income under the Teaching and Learning Capital Fund and Education Investment Fund schemes; \$10.6 million Sustainable Research Excellence in Universities funding, and a \$22.1 million improvement in other Commonwealth research income, which is received from various Commonwealth government entities. These improvements were partly offset by a \$53.2 million decline in Other Investment Income, resulting from higher than normal gains being recognised in 2009 subsequent to the global financial crisis.

### SOURCES OF INCOME 2010



22.2%	Australian Government Recurrent Financial Assistance*
18.8%	Other Australian Government Financial Assistance
7.7%	HECS-HELP (Govt and Student Payments)
2.4%	FEE-HELP
3.4%	State and Local Government Financial Assistance
32.6%	Fees and Charges and Other Income
6.4%	Investment Income
6.5%	Grants, Donations and Bequests

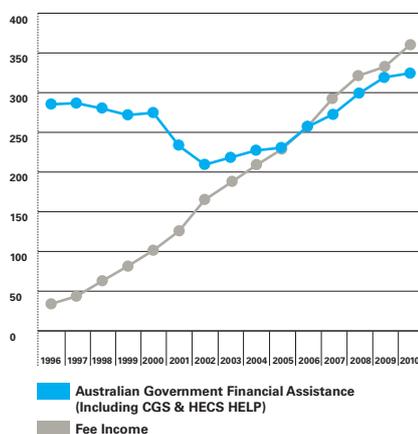
\* Australian Government Recurrent Financial Assistance includes funding for the Commonwealth Grants Scheme, Joint Research Engagement Program, Research Training Scheme, Research Infrastructure Block Grants and Sustainable Research Excellence in Universities.

Commonwealth Government recurrent financial assistance has for many years decreased as a proportion of the University's total income, falling from 37.6 per cent in 1997 to 22.2 per cent in 2010. As the rate at which the Commonwealth indexes its grants to universities does not reflect the full cost of CPI increases affecting the university sector, there is annually a gradual decline in the relative value of the level of Commonwealth contribution to the University. Government contribution excluding competitive research and research higher degree funding represented 26.5 per cent of the Consolidated Group's total income in 2010.

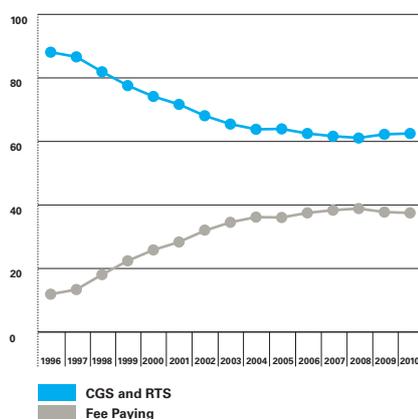
In 2010 total student fee revenue (including FEE-HELP) was \$360.2 million, an increase of \$27.9 million or 8.4 per cent from 2009. International student fee revenue increased to \$292.6 million, a rise of 10.2 per cent.

The relationship of Australian Government assistance to fee revenue, and government subsidised students to fee based students, since 1996 is as follows:

### AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE AND FEE INCOME (INCLUDING CGS & HECS-HELP ONLY) (\$ Million)

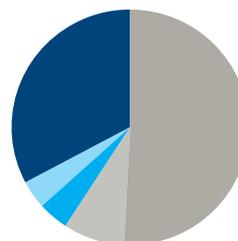


### GOVERNMENT SUBSIDISED AND FEE-BASED STUDENTS AT MELBOURNE %



## EXPENDITURE FROM CONTINUING OPERATIONS

Consolidated operating expenditure (excluding income tax and impairment of available-for-sale financial assets) for 2010 amounted to \$1,608.9 million, which was \$110.0 million or 7.3 per cent higher than in 2009. This largely reflects: a \$36.0 million increase in depreciation and amortisation, mainly due to depreciation being accelerated on two buildings which have been earmarked for demolition; a \$22.2 million (or 2.8 per cent) increase in employee related expenses, and a \$21.0 million increase within Other Expenses resulting from a change in accounting for course fee remissions.



50.9%	Employee Related Expenses
8.4%	Depreciation and Amortisation
4.1%	Repairs and Maintenance
3.9%	Scholarships and Prizes
32.7%	Other Expenses

A detailed breakdown of expenditure is available in the notes to the financial statements.

### PROPERTY, PLANT AND EQUIPMENT

The consolidated University group holds property, plant and equipment valued at \$2,865.8 million as at 31 December 2010 (2009 restated value, \$2,863.0 million). Of this, 87.1 per cent is represented by land and buildings and 6.7 per cent by library, artworks and other collections.

During 2010, the University engaged the Australian Valuation Office to revalue its general library collection, the results of which highlighted a material decline to the value reported in the University's financial statements in previous years. As a result, the Consolidated Group's 2009 opening library collection balance has been revised down by \$147.6 million to a value of \$105.6 million, partly offset by a reclassification of \$9.3 million electronic library materials from property, plant and equipment to intangible assets. The 2009 opening and closing comparative balances have been restated in the University's 2010 Statement of Financial Position and affected notes. A small decrement (\$1.3 million) has also been recognised due to the revaluation of three works of art and other collections.

The University also revised its buildings depreciation policy during 2010, which has been applied effective from 1 January 2009. Under the new policy, components of new buildings are categorised within four categories (as suggested by the Victorian Department of Treasury and Finance), each of which is subject to a different depreciation rate. Existing buildings continue to be depreciated at 3 per cent as it was not practicable to apply the new rates. This change in policy resulted in a \$3.464 million increase in 2009 Depreciation.

The University funds capital expenditure through a combination of its annual surplus, Commonwealth and State government grants for capital purposes, external third party contributions, borrowings and retained surpluses. During the year the consolidated University spent \$88.0 million on land and buildings (including construction in progress), \$35.7 million on plant and equipment (including leased plant and equipment) and \$8.7 million on the library collection.

#### INVESTMENT PORTFOLIO

The University's investment portfolio comprises a combination of long term and short term managed funds. The balance as at 31 December 2010 was \$1,110.8 million, an increase of \$49.5 million over 31 December 2009. Included within these managed funds are trust funds related to endowments and bequests, which are held, for example, to provide scholarships and to support other specific teaching, learning, research and engagement related purposes. These funds generally are not available to fund the University's operations. Total funds related to such trusts amounted to \$472.4 million of the total portfolio as at 31 December 2010.

#### SUBSIDIARIES

As noted previously, the University has eight subsidiaries, the activities of which are included in the consolidated University group. These are statutory entities which are incorporated under the Corporations Act. Additional financial information for each subsidiary is contained in Note 37 of the financial statements. The operating results after tax of the University's subsidiaries for the year are as follows:

SUBSIDIARY	SURPLUS/ (DEFICIT) \$'000
Australian International Health Institute (University of Melbourne) Ltd	264
Australian Music Examinations Board (Vic) Limited	316
Australian National Academy of Music Ltd	(122)
Melbourne Business School Limited Group	4,058
Melbourne University Publishing Limited	(395)
MU Student Union Limited	659
UoM Commercial Limited Group (formerly UMEE Limited Group)	(581)
The Victorian Institute for Chemical Sciences Limited	(148)
	<b>4,051</b>

#### SEMI-AUTONOMOUS BODIES

As noted previously, the University's operations encompass the activities of its semi-autonomous bodies. These are activities that are managed as semi-autonomous business operations. The aggregate semi-autonomous bodies' surplus for the year of \$4.3 million is represented by:

SEMI-AUTONOMOUS BODY	SURPLUS/ (DEFICIT) \$'000
Children's Services	181
Halls of Residence	
– International House	266
– Kendall Hall	45
– Medley Hall	(89)
Melbourne Theatre Company*	3,347
Melbourne University Bookshop	(296)
Melbourne University Sport	33
The Ian Potter Museum of Art	78
Veterinary Hospital	759
	<b>4,324</b>

\* Includes \$2.1 million capital funding and \$0.4 million forgiveness of debt from the University.

## Significant Changes in State of Affairs

The following significant changes to the state of affairs of the consolidated University group occurred in the year ended 31 December 2010 and the prior year.

#### UoM Commercial Ltd Group (formerly UMEE Limited Group)

During the 2010 year the operations of UoM Commercial Ltd's wholly owned subsidiary Melbourne Ventures Pty Ltd were transferred to UoM Commercial Ltd, pursuant to an internal restructure. As a consequence, Melbourne Ventures Pty Ltd will be wound up in 2011.

MUP Services Pty Ltd was liquidated on 5 August 2010.

In 2009 there were several changes to the UoM Commercial Ltd Group structure due to a rationalisation of non-operating subsidiaries. Melbourne Enterprises International Ltd and Melbourne Information Management Pty Ltd were liquidated on 2 October 2009. MU Private (NZ) Ltd was liquidated on the 23 October 2009 and UMEE UK Ltd was liquidated on the 6 March 2009. The Hawthorn English Language Centres (Canada) Ltd was dissolved on the 11 September 2009.

There were no other significant changes in the state of affairs of the University and its subsidiaries.

## Event occurring after reporting date

There are no matters or circumstances that have arisen since the end of the financial year that have affected or may subsequently affect the financial position of the University or its subsidiaries.



*First used in 1854, the figure of Victory, soon known affectionately as 'the Angel', was adopted by University Council with a motto from Horace – Postera Crescam Laude: "to grow in the esteem of future generations." The bronze Angel was sculptured by University member of staff Jennifer Mann.*

# Financial Statements



# Financial Statements Index



Income Statement	103	24 Intangible assets	132
Statement of Comprehensive Income	104	25 Trade and other payables	133
Statement of Financial Position	105	26 Borrowings	133
Statement of Changes in Equity	106	27 Provisions	134
Statement of Cash Flows	108	28 Other current liabilities	136
Notes to and forming part of the Financial Statements	109	29 Other financial liabilities	136
1 Statement of significant accounting policies	109	30 Reserves and retained surplus	137
2 Australian Government financial assistance	118	31 Key management personnel disclosures	139
3 State and Local Government financial assistance	120	32 Remuneration of auditors	142
4 Fees and charges	120	33 Contingent assets and liabilities	142
5 Investment income	121	34 Commitments	143
6 Royalties, trademarks and licences	121	35 Related party transactions	144
7 Consultancy and contracts	121	36 WorkCover – self insurance	144
8 Other income	122	37 Subsidiaries	145
9 Employee related expenses	122	38 Subsequent events	148
10 Depreciation and amortisation	123	39 Reconciliation of cash flows from operating activities	149
11 Repairs and maintenance	123	40 Financial risk management	149
12 Borrowing costs	123	41 Superannuation commitments	154
13 Impairment of assets	123	42 Consultants	155
14 Loss/(gain) on disposal of assets	124	43 Acquittal of Australian Government financial assistance (University only)	156
15 Other expenses	124	Statements by University officers	163
16 Income tax (expense)/benefit	124	Victorian Auditor-General's report	164
17 Cash and cash equivalents	124	Compliance index to disclosure requirements 2010	166
18 Receivables	125		
19 Inventories	126		
20 Other financial assets	126		
21 Other non-financial assets	127		
22 Investments accounted for using the equity method	127		
23 Property, plant and equipment	128		

## The University of Melbourne

Income Statement for the year ended 31 December 2010

	Note	CONSOLIDATED		UNIVERSITY	
		2010	Restated*	2010	Restated*
		\$'000	\$'000	\$'000	\$'000
<b>Revenue from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2	697,073	623,926	694,477	620,566
HECS-HELP – Australian Government payments	2	94,673	90,911	94,673	90,911
FEE-HELP	2	40,080	46,028	40,080	46,028
State and Local Government financial assistance	3	57,505	42,114	57,505	42,064
HECS-HELP – student payments		35,628	32,487	35,628	32,487
Fees and charges	4	458,321	414,749	382,831	349,506
Investment revenue	5	71,908	61,899	67,750	58,542
Royalties, trademarks and licences	6	5,535	5,217	5,517	5,447
Consultancy and contracts	7	19,512	20,715	18,017	21,377
Other revenue	8	166,790	130,823	150,006	117,073
<b>Total revenue from continuing operations</b>		<b>1,647,025</b>	<b>1,468,869</b>	<b>1,546,484</b>	<b>1,384,001</b>
Investments accounted for using the equity method		2	(21)	–	–
Other investment income	5	37,031	89,229	35,971	89,203
Deferred superannuation contributions	41.3	16,196	12,135	16,196	12,135
Other income	8	224	–	224	–
<b>Total income from continuing operations</b>		<b>1,700,478</b>	<b>1,570,212</b>	<b>1,598,875</b>	<b>1,485,339</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	9	818,151	795,951	769,872	747,890
Depreciation and amortisation	10	135,687	99,709	130,611	94,205
Repairs and maintenance	11	66,700	57,019	65,555	56,268
Borrowing costs	12	15,389	14,458	14,879	13,996
Impairment of assets (excluding available-for-sale financial assets)	13	3,633	2,613	3,416	4,545
Loss/(gain) on disposal of assets	14	5,422	5,816	4,657	5,138
Deferred superannuation expense	41.3	16,196	12,135	16,196	12,135
Other expenses	15	547,715	511,201	506,539	474,469
<b>Total expenditure from continuing operations</b>		<b>1,608,893</b>	<b>1,498,902</b>	<b>1,511,725</b>	<b>1,408,646</b>
<b>Operating result before income tax and impairment of available-for-sale financial assets</b>		<b>91,585</b>	<b>71,310</b>	<b>87,150</b>	<b>76,693</b>
Income tax (expense)/benefit	16	(89)	(27)	–	–
<b>Subtotal – Operating result after income tax but before impairment of available-for-sale financial assets</b>		<b>91,496</b>	<b>71,283</b>	<b>87,150</b>	<b>76,693</b>
Impairment expense on available-for-sale financial assets	13	(33,892)	(53,981)	(33,597)	(53,703)
<b>Operating result for the year</b>		<b>57,604</b>	<b>17,302</b>	<b>53,553</b>	<b>22,990</b>

\* The 2009 comparative balances have been restated. Refer to Note 1.26 for further information.

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

	Note	CONSOLIDATED		UNIVERSITY	
		2010	Restated*	2010	Restated*
		\$'000	2009 \$'000	\$'000	2009 \$'000
<b>Operating result for the year</b>		<b>57,604</b>	<b>17,302</b>	<b>53,553</b>	<b>22,990</b>
Gain/(loss) on revaluation of land and buildings	30(a)	8,404	289,357	8,404	282,231
Gain/(loss) on revaluation of works of art	30(a)	(406)	–	(406)	–
Gain/(loss) on revaluation of other collections	30(a)	(861)	–	(861)	–
Available-for-sale financial assets:					
– Valuation gains/(losses) taken to equity	30(a)	45,045	103,250	46,054	92,934
– Transferred to profit and loss on sale	30(a)	(44,777)	(68,744)	(44,777)	(68,744)
Valuation gain/(loss) on cash flow hedge	30(a)	(1,554)	29,183	(1,554)	29,183
Exchange differences on translation of foreign operations	30(a)	(20)	(144)	–	–
<b>Total comprehensive income for the year</b>		<b>63,435</b>	<b>370,204</b>	<b>60,413</b>	<b>358,594</b>

\* The 2009 comparative balances have been restated. Refer to Note 1.26 for further information.

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

## The University of Melbourne

Statement of Financial Position as at 31 December 2010

	Note	CONSOLIDATED			UNIVERSITY		
		2010 \$'000	Restated* 2009 \$'000	Restated* 1 Jan 2009 \$'000	2010 \$'000	Restated* 2009 \$'000	Restated* 1 Jan 2009 \$'000
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	17	110,501	83,777	93,088	96,658	70,984	82,310
Receivables	18	85,034	68,845	80,293	72,868	60,043	68,804
Inventories	19	6,910	7,222	6,375	5,555	6,262	5,638
Other financial assets	20	19,989	50,263	97,409	208	30,744	79,406
Other non-financial assets	21	32,951	19,023	9,621	30,336	16,909	8,122
<b>Total current assets</b>		<b>255,385</b>	<b>229,130</b>	<b>286,786</b>	<b>205,625</b>	<b>184,942</b>	<b>244,280</b>
<b>Non-current assets</b>							
Receivables	18	117,932	100,177	89,060	117,196	100,177	89,060
Other financial assets	20	1,178,837	1,098,711	1,033,379	1,135,491	1,055,114	995,838
Investments accounted for using the equity method	22	20	26	48	–	–	–
Property, plant and equipment	23	2,865,808	2,862,968	2,507,021	2,753,398	2,747,643	2,397,359
Intangible assets	24	22,588	13,449	11,244	21,664	12,070	9,379
Deferred tax assets		–	71	80	–	–	–
<b>Total non-current assets</b>		<b>4,185,185</b>	<b>4,075,402</b>	<b>3,640,832</b>	<b>4,027,749</b>	<b>3,915,004</b>	<b>3,491,636</b>
<b>TOTAL ASSETS</b>		<b>4,440,570</b>	<b>4,304,532</b>	<b>3,927,618</b>	<b>4,233,374</b>	<b>4,099,946</b>	<b>3,735,916</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables	25	93,155	72,031	110,972	73,350	55,264	94,490
Borrowings	26	12,512	6,911	6,567	11,537	5,683	5,317
Provisions	27	163,418	137,083	127,002	158,213	131,548	121,113
Other current liabilities	28	260,442	242,456	182,912	251,421	231,649	172,538
<b>Total current liabilities</b>		<b>529,527</b>	<b>458,481</b>	<b>427,453</b>	<b>494,521</b>	<b>424,144</b>	<b>393,458</b>
<b>Non-current liabilities</b>							
Borrowings	26	179,119	186,058	190,946	177,756	183,615	189,298
Provisions	27	142,258	135,245	125,483	141,060	134,117	124,501
Other financial liabilities	29	13,242	11,688	40,871	13,242	11,688	40,871
Deferred tax liabilities		–	71	80	–	–	–
<b>Total non-current liabilities</b>		<b>334,619</b>	<b>333,062</b>	<b>357,380</b>	<b>332,058</b>	<b>329,420</b>	<b>354,670</b>
<b>TOTAL LIABILITIES</b>		<b>864,146</b>	<b>791,543</b>	<b>784,833</b>	<b>826,579</b>	<b>753,564</b>	<b>748,128</b>
<b>NET ASSETS</b>		<b>3,576,424</b>	<b>3,512,989</b>	<b>3,142,785</b>	<b>3,406,795</b>	<b>3,346,382</b>	<b>2,987,788</b>
<b>EQUITY</b>							
Restricted funds		–	–	–	–	–	–
Reserves	30(a)	2,513,993	2,472,337	2,106,952	2,405,889	2,363,214	2,015,056
Retained surplus	30(b)	1,062,431	1,040,652	1,035,833	1,000,906	983,168	972,732
<b>TOTAL EQUITY</b>		<b>3,576,424</b>	<b>3,512,989</b>	<b>3,142,785</b>	<b>3,406,795</b>	<b>3,346,382</b>	<b>2,987,788</b>

\* The opening 2009 comparative balances have been presented due to prior year adjustments, resulting in the restatement of opening and closing 2009 balances. Refer to Note 1.26 for further information.

The above Statement of Financial Position should be read in conjunction with the accompanying notes..

	RESERVES	RETAINED SURPLUS	TOTAL
	\$'000	\$'000	\$'000
<b>Consolidated</b>			
Balance at 1 January 2009	2,106,952	1,174,170	3,281,122
Retrospective application or restatement of balances*	–	(138,337)	(138,337)
<b>Restated balance at 1 January 2009</b>	<b>2,106,952</b>	<b>1,035,833</b>	<b>3,142,785</b>
Changes resulting from profit or loss	–	17,302	17,302
Changes from other comprehensive income			
Gain/(loss) on revaluation of land and buildings	289,357	–	289,357
Available-for-sale financial assets:			
– Valuation gains/(losses) taken to equity	103,250	–	103,250
– Transferred to profit and loss on sale	(68,744)	–	(68,744)
Valuation gain/(loss) on cash flow hedge	29,183	–	29,183
Exchange differences on translation of foreign operations	(144)	–	(144)
<b>Total comprehensive income</b>	<b>352,902</b>	<b>17,302</b>	<b>370,204</b>
Net transfers	12,483	(12,483)	–
<b>Balance at 31 December 2009</b>	<b>2,472,337</b>	<b>1,040,652</b>	<b>3,512,989</b>
<b>Balance at 1 January 2010</b>	<b>2,472,337</b>	<b>1,040,652</b>	<b>3,512,989</b>
Changes resulting from profit or loss	–	57,604	57,604
Changes from other comprehensive income			
Gain/(loss) on revaluation of land and buildings	8,404	–	8,404
Gain/(loss) on revaluation of works of art	(406)	–	(406)
Gain/(loss) on revaluation of other collections	(861)	–	(861)
Available-for-sale financial assets:			
– Valuation gains/(losses) taken to equity	45,045	–	45,045
– Transferred to profit and loss on sale	(44,777)	–	(44,777)
Valuation gain/(loss) on cash flow hedge	(1,554)	–	(1,554)
Exchange differences on translation of foreign operations	(20)	–	(20)
<b>Total comprehensive income</b>	<b>5,831</b>	<b>57,604</b>	<b>63,435</b>
Net transfers	35,825	(35,825)	–
<b>Balance at 31 December 2010</b>	<b>2,513,993</b>	<b>1,062,431</b>	<b>3,576,424</b>

\* The 2009 comparative balances have been restated. Refer to Note 1.26 for further information.

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

	RESERVES	RETAINED SURPLUS	TOTAL
	\$'000	\$'000	\$'000
<b>University</b>			
Balance at 1 January 2009	2,015,056	1,111,068	3,126,124
Retrospective application or restatement of balances*	–	(138,336)	(138,336)
<b>Restated balance at 1 January 2009</b>	<b>2,015,056</b>	<b>972,732</b>	<b>2,987,788</b>
Changes resulting from profit or loss	–	22,990	22,990
Changes from other comprehensive income			
Gain/(loss) on revaluation of land and buildings	282,231	–	282,231
Available-for-sale financial assets:			
– Valuation gains/(losses) taken to equity	92,934	–	92,934
– Transferred to profit and loss on sale	(68,744)	–	(68,744)
Valuation gain/(loss) on cash flow hedge	29,183	–	29,183
<b>Total comprehensive income</b>	<b>335,604</b>	<b>22,990</b>	<b>358,594</b>
Net transfers	12,554	(12,554)	–
<b>Balance at 31 December 2009</b>	<b>2,363,214</b>	<b>983,168</b>	<b>3,346,382</b>
<b>Balance at 1 January 2010</b>	<b>2,363,214</b>	<b>983,168</b>	<b>3,346,382</b>
Changes resulting from profit or loss	–	53,553	53,553
Changes from other comprehensive income			
Gain/(loss) on revaluation of land and buildings	8,404	–	8,404
Gain/(loss) on revaluation of works of art	(406)	–	(406)
Gain/(loss) on revaluation of other collections	(861)	–	(861)
Available-for-sale financial assets:			
– Valuation gains/(losses) taken to equity	46,054	–	46,054
– Transferred to profit and loss on sale	(44,777)	–	(44,777)
Valuation gain/(loss) on cash flow hedge	(1,554)	–	(1,554)
<b>Total comprehensive income</b>	<b>6,860</b>	<b>53,553</b>	<b>60,413</b>
Net transfers	35,815	(35,815)	–
<b>Balance at 31 December 2010</b>	<b>2,405,889</b>	<b>1,000,906</b>	<b>3,406,795</b>

\* The 2009 comparative balances have been restated. Refer to Note 1.26 for further information.

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

	Note	CONSOLIDATED		UNIVERSITY	
		2010 \$'000	Restated* 2009 \$'000	2010 \$'000	Restated* 2009 \$'000
<b>Cash flows from operating activities</b>					
Australian Government grants		869,731	833,548	867,133	822,162
OS-HELP		773	595	773	595
State Government grants		61,967	42,114	61,967	42,064
Local Government grants		385	–	385	–
HECS-HELP student payments		35,626	32,487	35,626	32,487
Dividends received		52,251	43,901	51,714	43,431
Interest received		18,214	17,397	16,510	15,803
Receipts of student and other fee-for-service activities		347,427	345,378	328,136	331,353
Other inflows		268,494	240,988	201,788	179,314
Payments to employees		(817,257)	(798,786)	(769,020)	(750,569)
Payments to suppliers (inclusive of GST)		(393,338)	(431,016)	(359,761)	(389,690)
Interest and other cost of finance paid		(15,389)	(14,458)	(14,879)	(13,996)
GST recovered/(paid)		(2,341)	(4,653)	(1,679)	(4,094)
Other outflows		(207,708)	(189,384)	(202,268)	(189,738)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>39</b>	<b>218,835</b>	<b>118,111</b>	<b>216,425</b>	<b>119,122</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		1,329	2,342	1,276	2,337
Proceeds from sale of other financial assets		854,475	792,294	852,775	785,294
Other inflows		514	9	7	–
Payment for property, plant and equipment		(123,067)	(173,643)	(121,193)	(172,072)
Payment for other financial assets		(906,439)	(740,620)	(906,246)	(740,341)
Payment for intangible assets		(4,569)	(376)	(4,523)	(351)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(177,757)</b>	<b>(119,994)</b>	<b>(177,904)</b>	<b>(125,133)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		1,910	38	1,910	38
Other inflows		788	(10)	788	–
Loans granted		(1,642)	(36)	(1,642)	(36)
Repayment of borrowings		(5,687)	(5,317)	(5,683)	(5,317)
Repayment of finance leases		(9,723)	(2,103)	(8,220)	–
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(14,354)</b>	<b>(7,428)</b>	<b>(12,847)</b>	<b>(5,315)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>26,724</b>	<b>(9,311)</b>	<b>25,674</b>	<b>(11,326)</b>
Cash and cash equivalents at the beginning of the year		83,777	93,088	70,984	82,310
Effect of foreign exchange rate on cash and cash equivalents		–	–	–	–
<b>Cash and cash equivalents at the end of the year</b>	<b>17</b>	<b>110,501</b>	<b>83,777</b>	<b>96,658</b>	<b>70,984</b>

\* The 2009 comparative balances have been restated. Refer to Note 1.26 for further information.

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 1 Statement of significant accounting policies

The principal accounting policies adopted by the University of Melbourne in the preparation of the financial report for the year ended 31 December 2010 are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for the University as an individual entity and the consolidated entity, consisting of the University and its subsidiaries. The University and its subsidiaries are referred to in this financial report as the Group or the consolidated entity.

#### 1.1 Basis of preparation

These general purpose financial statements have been prepared on an accrual basis in accordance with Australian accounting standards, the *Financial Management Act 1994*, AASB Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements have also been prepared in accordance with the guidelines issued by the Department of Education, Employment and Workplace Relations (DEEWR) applicable to the 2010 year.

#### Compliance with International Financial Reporting Standards (IFRSs)

The financial statements and notes of the University comply with Australian accounting standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

#### Historical cost convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

#### Critical accounting estimates

The preparation of financial statements in conformity with Australian accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are described below:

(i) *Key estimates – impairment*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The Group's impairment policies are set out in Note 1.10 for financial assets and Note 1.15 for non-financial assets.

(ii) *Key estimates – determination of fair values*

Financial assets and liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices. The quoted market price used for financial assets held by the Group is the closing market price at balance sheet date. The determination of fair values for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Property, plant and equipment

Land, buildings are valued by an external valuer on a cyclical basis, or earlier if there is a material movement. Works of art and other collections are valued by management on a cyclical basis based on a combination of internal and external expert advice.

(iii) *Key estimates – useful lives of physical and intangible assets*

The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During 2010, the useful lives of buildings, other scientific and computing equipment, the library collection and electronic library materials have been revised, refer to Note 1.27 for further details.

(iv) *Key judgements – financial asset and liability classification*

The Group's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In designating financial assets at fair value through profit and loss, the Group has determined that it has met one of the criteria for this designation set out in Note 1.9.
- The Group classifies financial assets as held-to-maturity where it has determined that it has both the positive intention and ability to hold the assets until their maturity date as required in Note 1.9.

#### 1.2 Principles of consolidation

(i) *Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2010, and their results for the year then ended.

Subsidiaries are all those entities over which the University has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the University. They are de consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the University.

The University's consolidated financial statements show the "University" (parent entity) financial position and result, which includes the University's general, trust and auxiliary operation activities, as well as the "Consolidated" financial position and result, which also includes the University's subsidiaries. The activities and entities that make up the University and Consolidated information are detailed below.

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 1 Statement of significant accounting policies (Continued)

#### *University (parent entity)*

The University parent entity includes:

- **General activities** – including teaching, research and administrative activities.
- **Trust activities** – which are activities supported by funds derived from endowments and bequests and income earned thereon. A major part of trust monies is received for, and can only be applied to, restricted purposes.
- **Auxiliary operations** – are the University's semi-independent enterprises which operate on a commercial basis in support of core University activities. The University has nine auxiliary operations, being:

Children's Services

Halls of Residence:

- International House
- Kendall Hall
- Medley Hall

The Ian Potter Museum of Art

Melbourne Theatre Company

Melbourne University Bookshop

Melbourne University Sport

Veterinary Hospital

#### *Subsidiaries*

The subsidiaries of the University are:

Australian International Health Institute (The University of Melbourne) Ltd ACN 084 268 655

Australian Music Examinations Board (Vic) Limited ACN 050 464 634

Australian National Academy of Music Ltd ACN 067 405 190 and its subsidiary:

- ANAM Foundation Ltd ACN 110 698 550 \*

Melbourne Business School Limited ACN 007 268 233 and its subsidiaries:

- The Melbourne Business School Foundation
- The Melbourne Business School Foundation Ltd ACN 057 776 711 \*
- Mt Eliza Graduate School of Business and Government Limited ACN 008 394 732

Melbourne University Publishing Limited ACN 103 214 713

MU Student Union Limited ACN 107 286 706

UOM Commercial Ltd (formerly UMEE Limited) ACN 081 182 685 and its subsidiaries:

- Hawthorn English Language Centres (Canada) Ltd\*\*
- Melbourne Enterprises International Ltd ACN 073 950 062\*\*
- Melbourne Information Management Pty Ltd ACN 087 644 595\*\*
- Melbourne Ventures Pty Ltd ACN 106 845 783\*\*\*
- MU Private (NZ) Ltd\*\*
- MUP Services Pty Ltd ACN 082 978 578\*\*
- UMEE UK Ltd\*\*
- UM Commercialisation Pty Ltd ACN 122 930 269\*\*\*

Victorian Institute for Chemical Sciences Limited ACN 107 013 936

\* Not operational during the year.

\*\* Melbourne Enterprises International Ltd and Melbourne Information Management Pty Ltd were liquidated on 2 October 2009. MU Private (NZ) Ltd was liquidated on the 23 October 2009 and UMEE UK Ltd was liquidated on the 6 March 2009. The Hawthorn English Language Centres (Canada) Ltd was dissolved on the 11 September 2009. MUP Services Pty Ltd was liquidated on the 5 August 2010.

\*\*\* As part of a strategic evaluation, UM Commercialisation Pty Ltd was transferred from Melbourne Ventures Pty Ltd to UOM Commercial Ltd at 31 December 2010. The operations of Melbourne Ventures Pty Ltd were also transferred to UOM Commercial Ltd on 31 December 2010. Melbourne Ventures Pty Ltd will be wound up at a future date.

The companies listed, with exception of the overseas subsidiaries in UOM Commercial Ltd, are all incorporated in the State of Victoria. The University has more than 50 per cent of the voting rights in each of these companies with the exception of Melbourne Business School Limited (45 per cent) and the Victorian Institute for Chemical Sciences Limited (33 per cent). These companies are deemed to be subsidiaries for the purpose of this report. A minority interest is not disclosed for the Melbourne Business School as it is a company Limited by Guarantee.

In accordance with AASB 127 *Consolidated and Separate Financial Statements* the financial statements of each of the above subsidiaries have been consolidated in these financial statements. Summary information for each subsidiary group is provided in Note 37.

#### (iii) *Associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments are accounted for in the parent entity financial statements using the cost method, and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Income Statement, and its share of post-acquisition movements in reserves is recognised in the Statement of Financial Position. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### 1.3 Foreign currency translation

#### (i) *Functional and presentational currency*

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

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Income Statement.

Transactions in foreign currencies which are carried out by the library for book purchases are converted to Australian currency at the rate of exchange on the date on which the currency is purchased. The University hedges its foreign currency exposure in respect of major purchases of equipment from overseas countries. At the reporting date there were no such hedges in place (2009, nil).

(iii) *Group companies*

The assets and liabilities of overseas subsidiaries are translated at year-end rates and operating results are translated at the rates ruling at the date of transactions. All resulting exchange differences are recognised through the foreign currency translation reserve.

## 1.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for the major business activities as follows:

(i) *Government financial assistance*

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group has complied with the attached conditions. Such grants are treated as non-reciprocal transfers in accordance with AASB 1004 *Contributions*.

Government grants which have outstanding performance or return conditions are recognised in accordance with AASB 118 *Revenue* with reference to the percentage of completion method. The stage of completion is measured by reference to total expenditure incurred to date compared with the funding provided. The University regards the receipt of such revenue as a reciprocal transfer as the University is required to provide the necessary services in return for grant funding. A liability is recognised in the Statement of Financial Position in respect of grant revenue which is unearned at the balance date. AASB 118 *Revenue* requires revenue to be recognised in the reporting periods in which the services are rendered.

(ii) *Fees and charges*

Fee-for-service revenue is recognised upon the delivery of the service. Where revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are deferred and disclosed as income in advance in accordance with AASB 118 *Revenue*.

(iii) *Investment revenue*

Dividend revenue from investments is recognised when the Group's right to receive payment has been established. Interest revenue is recognised on an accruals basis taking into account the interest rates applicable to the financial assets.

(iv) *Other*

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue in the form of endowments and bequests is brought to account when received.

All revenue is stated net of Goods and Services Tax (GST).

## 1.5 Income tax

The University of Melbourne and its subsidiaries with the exception of some of the wholly-owned subsidiaries of UOM Commercial Ltd are exempt from income tax pursuant to Part 50.1 of the *Income Tax Assessment Act 1997*.

The balance sheet method of tax-effect accounting is adopted.

## 1.6 Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand and at bank, at-call deposits and bank bills with a maturity of 90 days or less.

## 1.7 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less any provision for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impaired receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows. Cash flows relating to short-term receivables are not discounted as the effect of discounting is immaterial. Movements in the balance of the allowance are recognised in the Income Statement.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Income Statement in Note 13. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

## 1.8 Inventories

Annual stocktakes of inventories are undertaken at all locations.

Inventories comprising finished goods, raw materials, work in progress, fodder and hay stocks are measured at the lower of cost and net realisable value, with adjustments made to take into account obsolescence.

The Group's livestock are measured at their fair value less estimated point-of-sale costs in accordance with AASB 141 *Agriculture*. The fair value of this item is determined based on market prices in the local area.

Costs are assigned to individual items of inventory on the basis of the first-in, first-out method.

## 1.9 Financial assets

AASB 139 *Financial Instruments: Recognition and Measurement* provides four categories of financial instruments: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification of investments depends on the purpose for which they were acquired. The classification of investments is determined by management at initial recognition and is re-evaluated at each reporting date where applicable.

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 1 Statement of significant accounting policies (Continued)

initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance sheet date.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the Income Statement in the period in which they arise.

#### (ii) *Loans and receivables*

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

#### (iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities where management has the positive intention and ability to hold to maturity. Held-to-maturity investments are carried at amortised cost using the effective interest method. At the reporting date, the Group did not hold any financial assets in this category (2009, nil).

#### (iv) *Available-for-sale financial assets*

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

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

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

#### (v) *Other investments*

Investments in other unlisted entities are in the main carried at fair value. Where a fair value is not readily available, investments are carried at the lower of cost or recoverable amount.

### 1.10 Impairment of financial assets

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

In the case of available-for-sale financial assets, a significant or prolonged decline in the fair value of an asset below its cost is considered to indicate impairment. The University has assumed in its impairment assessment that a significant decline in fair value occurs when market value has declined by greater than 20 per cent below historical cost, and a prolonged decline occurs when market value remains below historical cost for more than nine months.

If any such evidence of impairment exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments are not reversed through the Income Statement.

### 1.11 Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Entities shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value of financial instruments traded in active markets is based on quoted market prices for identical assets or liabilities at the balance sheet date (Level 1). The quoted market price used for financial assets held by the Group is the closing market price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The level in the fair value hierarchy shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Financial instruments are classified using a fair value hierarchy reflecting the significance of inputs used in making the measurements as outlined above in this note.

### 1.12 Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The University has a policy of capitalising property, plant and equipment costing \$10,000 or more. Items under \$10,000 are expensed, with exception to Works of Art, Library and Other Collections which are capitalised. Some subsidiaries have lower capitalisation thresholds, however the overall effect of these is considered to be immaterial in accordance with AASB 1031 *Materiality*. There has been no change to the capitalisation rate from the prior year.

#### (i) *Land and buildings*

Land and buildings are initially recorded in the Statement of Financial Position at cost, which is considered to equate fair value.

Subsequent to initial recognition, land and buildings are valued by an external valuer on a cyclical basis unless there is a material movement between valuations. These assets are disclosed as measured at fair value. At the date of revaluation any accumulated depreciation is eliminated against the gross carrying amount of the asset. The net value is then restated to the revalued amount of the asset.

An independent valuation of land and buildings belonging to the University and Melbourne Business School Ltd was carried out as at 31 December 2009 by Cunningham Property Consultants Pty Ltd. A Director's valuation of land and buildings belonging to UOM Commercial Ltd was carried out as at 31 December 2006 by the directors of the company.

(ii) *Works of Art & Other Collections*

The University's works of art and other collections, which include the University's rare book collection, archives and the Percy Grainger collection, are measured on a fair value basis and are valued on a cyclical basis unless there is a material movement between valuations. Collections are valued by management relying on both internal and independent valuations.

A valuation of works of art and other collections held by the University was carried out as at 31 December 2006 by management, based on both internal and independent expertise. Independent expertise was provided for artwork valuations by Leonard Joel Australia (Valuers), Deutcher-Menzies Pty Ltd, Joshua McClelland and Jan Martin, and by Leonard Joel Australia (Valuers) and Kenneth Hince Old and Fine Books for the University's other collections.

An independent valuation of works of art held by the Victorian College of the Arts was also carried out as at 31 December 2006 by Leonard Joel Australia (Valuers). Works of art held by the Victorian College of the Arts were transferred to the University on integration as at 1 January 2007 at fair value.

An independent valuation of two University rare book collections and the library print collection was carried out as at 31 December 2010 by the Australian Valuation Office.

(iii) *Items of cultural significance*

The University has identified and is in the process of cataloguing items of cultural significance. These items are varied in nature. Apart from other collections and works of art (referred to above) these collections have not been valued as there is no ready market or reliable valuation basis for these items.

(iv) *Library collection*

The University's general library collection, which excludes the rare book collection and electronic publications, is recorded at cost less any accumulated depreciation and, where applicable, any impairment losses.

(v) *Plant and equipment*

The University's plant and equipment, which includes motor vehicles, furniture, fixtures and fittings and all equipment with exception to leased equipment is recorded in the Statement of Financial Position at cost less depreciation and, where applicable, any impairment losses.

(vi) *Leasehold improvements*

Leasehold improvements are recorded in the Statement of Financial Position at cost less amortisation and, where applicable, any impairment losses.

(vii) *Leased plant and equipment*

Plant and equipment held under a finance lease arrangement is initially recorded in the Statement of Financial Position at the lower of the fair value of the leased plant and equipment and the

present value of minimum lease payments, and is depreciated over the shorter of the asset's useful life and the lease term.

(viii) *Construction in progress*

Construction in progress is recorded in the Statement of Financial Position at cost. Capital expenditure relating to the refurbishment of buildings which adds value rather than maintaining the value of the buildings is included in construction in progress. When construction projects are completed, the balance within construction in progress is transferred to buildings.

Included within construction in progress are the costs of the University's Parkville Neuroscience Building which is expected to be completed in mid-2011. The University has received contributions from third party research institutes towards the construction of this building in exchange for the right to occupy space in the building at \$1 per annum for a period of 42 years. These contributions have been netted against expenditure in construction in progress until completion, at which time the market value of the University's obligation to provide rent relief will be determined and accounted for as rental in advance, appropriately classified as current and non-current liability. This rental in advance balance will be amortised over the period of the lease. Other such transactions are accounted for consistently with this policy.

(ix) *Subsequent costs*

The costs of the day-to-day servicing of property, plant and equipment are recognised in the Income Statement in the period in which they are incurred.

(x) *Depreciation*

Depreciation is provided on a straight line basis on all tangible fixed assets other than land, construction in progress, works of art and other collections, none of which are depreciated.

The University's depreciation rates are:

Buildings

– Structure/shell/building fabric	2.5%–3%
– Site engineering services and central plant	4%
– Fit out	8%
– Trunk reticulated building systems	5%

Plant and equipment

– Motor vehicles	20%
– Furniture, fixtures and fittings	10%
– Communications equipment	12½%
– General equipment	25%
– Scientific and computing equipment	
– Large research equipment	20%
– Other scientific and computing equipment	25%–33⅓%

Leasehold improvements (amortised over the term of the lease)

Library collection:

– Monographs	5%
– Periodicals	3⅓%
– Audiovisual materials	20%

The buildings, other scientific and computing equipment, and library collections rates have been changed during 2010, refer to Notes 1.26 and 1.27 for further details. Depreciation rates used by some subsidiaries vary slightly from the rates stated above, however the effect of these differences is considered immaterial.

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 1 Statement of significant accounting policies (Continued)

Acquisitions are depreciated from the date of purchase; disposals are depreciated up to the date of sale or when classified as held-for-sale (refer to Note 1.16).

#### 1.13 Intangible Assets

(i) *Research*

Expenditure on research activities is recognised in the Income Statement as an expense when it is incurred.

(ii) *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment at least annually. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(iii) *Software*

Major computer software is recorded in the Statement of Financial Position at cost less amortisation and, where applicable, any impairment losses. Only the cost of the software is capitalised, installation costs are expensed in the Income Statement in the year they are incurred. Amortisation is provided on a straight line basis at rates between 14.29 per cent and 33.33 per cent (2009, 33.33 per cent).

(iv) *Electronic Publications*

Electronic publications can be categorised into perpetual access and annual subscriptions. Perpetual access based publications are capitalised and amortised on a straight line basis at  $3\frac{1}{3}$  per cent (2009,  $3\frac{1}{3}$  per cent). Annual subscriptions are expensed as incurred.

#### 1.14 Revaluation of non-current assets

AASB 116 *Property, Plant and Equipment* requires reporting entities to measure assets within each class of non-current asset on either the cost basis or on a fair value basis. Subsequent to initial recognition, non-current physical assets, other than plant and equipment, leasehold improvements, the library collection and intangible assets are measured at fair value.

In accordance with the not-for-profit requirements of AASB 116, revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. Revaluation reserves are not transferred to retained earnings on derecognition of the relevant asset.

#### 1.15 Impairment of non-financial assets

At each reporting date, all assets except for those held at fair value including inventories, assets arising from employee benefits and financial instrument assets are assessed to determine whether there is any indication of impairment. If there is an indication of impairment, the assets concerned are tested as to whether their carrying amount

exceeds the recoverable amount, and the difference is written-off by a charge to the Income Statement except to the extent that the write-down can be debited to an asset revaluation reserve applicable to that class of asset.

At each reporting date, assets previously determined to be impaired are assessed for circumstances indicating that an impairment loss recognised in prior periods no longer exists or may have decreased. If there is an indication that the impairment loss has been reversed, the assets concerned are tested as to whether the recoverable amount exceeds the carrying amount. The difference not exceeding the original impairment is credited to the Income Statement, except for revalued assets, which are credited to an asset revaluation reserve.

Where it is not possible to estimate the recoverable amount of an individual asset, the University estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.16 Non-current assets (or disposal groups) held for sale and discontinued operations

In the event that the Group identified a non-current asset (or disposal group) to be classified as held for sale, the asset (or disposal group) would be stated at the lower of the carrying amount and fair value less costs to sell, if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Statement of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statement of Financial Position.

#### 1.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days commencing from the month following recognition.

#### 1.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

### 1.19 Borrowing costs

Borrowing costs including those incurred for the construction of any qualifying asset are expensed during the period of time that is required to complete and prepare the asset for its intended use or sale.

### 1.20 Employee benefits

Provision is made for the liability for employee benefits arising from services rendered by employees at the reporting date. Employee benefits which are short term in nature and are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year and which are long-term in nature have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(i) *Annual leave*

Liabilities for annual leave have been determined in accordance with AASB 119 *Employee Benefits*. The liability is broken down into the amount expected to be settled within twelve months of the reporting date and that which is expected to be settled after twelve months of the reporting date.

(ii) *Long service leave*

Liabilities for long service leave are measured using the projected unit credit method which measures the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The current portion of the liability is the amount over which the University does not have a right of deferral.

(iii) *Superannuation*

Employee contributory superannuation funds managed outside of the University exist to provide benefits for the Group's employees and their dependents on retirement, disability or death of the employee. The contributions made to these funds are recorded in the Income Statement. Further details are provided in Note 41.

(iv) *Unfunded superannuation liabilities*

The unfunded liabilities recorded in the Statement of Financial Position under provisions have been determined by the actuary of the Victorian Government Superannuation Office and relate to employees who are members of the State Superannuation Scheme.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Schemes on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987*, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the Statement of Financial Position under Provisions (Note 27) with a corresponding asset recognised under Receivables (Note 18). The recognition of both the asset and the liability consequently does not affect the year-end net asset position of the University and its subsidiaries. Refer to Note 41.3 for further details.

### 1.21 Provisions

(i) *WorkCover Provision*

The University is a Self Insurer for Workers' Compensation and WorkCover. A provision is recognised representing an estimate of the total outstanding liability for workers' compensation claims. The value of the provision is based on an actuarial assessment carried out at balance date.

(ii) *Other Provisions*

Other provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

### 1.22 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group held one derivative during the reporting period, being an interest rate swap which has been designated as a cash flow hedge to remove the Group's exposure to interest rate risk on its borrowings.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80–125 per cent.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other expenses or other income. Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the income statement as the recognised hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

Further details about the Group's interest rate swap are disclosed in Note 29 and valuation movements through the Hedging Reserve are disclosed in Note 30(a).

### 1.23 Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the Australian Taxation Office (ATO) is included as a current asset or liability in the Statement of Financial Position.

Cash flows are presented on a net basis in the Statement of Cash Flows with the net cash inflow/(outflow) to/from the ATO being recorded separately. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 1 Statement of significant accounting policies (Continued)

#### 1.24 Leases

(i) *Operating leases as lessee*

The Group leases certain land and buildings. Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases are charged to the Income Statement on a straight-line basis over the period of the lease.

(ii) *Operating leases as lessor*

Lease income from operating leases is recognised in the Income Statement on a straight-line basis over the lease term.

(iii) *Finance leases*

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

#### 1.25 Rounding

All amounts shown in the financial statements are expressed by reference to the nearest thousand dollars unless otherwise specified.

#### 1.26 Changes in comparatives

##### Prior year adjustments

In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the University's 2009 comparative figures have been restated to account for the following changes in accounting policy. The Group's Operating Result for 2009 has decreased from a previously reported \$43.087 million (\$48.776 million University) to \$17.302 million (\$22.990 million University) as a result of these changes.

i) *University Library Collection*

An independent valuation of the University's general library collection was undertaken by the Australian Valuation Office at 31 December 2010. The results of the valuation highlighted a significant decline to the value reported in the University's financial statements in previous years, resulting from both an overstatement of the physical library collection and an understatement of the depreciation rate applied to the collection each period.

As the change in the value of the collection is considered to be material, the 2009 comparatives have been restated as follows:

- The opening value of the Group's Library Collection at 1 January 2009 included in Note 23 Property, Plant and Equipment was reduced from a net book value of \$253.261 million (\$252.514 million University) to \$105.612 million (\$104.865 million University). A corresponding decline was also recorded in the opening balance of Retained Surplus included within Note 30(b) and the Statement of Changes in Equity.
- Electronic Library Materials previously included within Property, Plant & Equipment in Note 23 were reclassified

to Intangible Assets as at 31 December 2008. The Group's Intangible Assets balance in Note 24 at 1 January 2009 increased from \$1.931 million (\$0.066 million University) to \$11.244 million (\$9.379 million University).

- A review of useful lives was conducted which has resulted in a change to the depreciation rates applied to the library collection. Under the previous accounting policy Monographs were depreciated at 2 per cent, Periodicals 2½ per cent and Audiovisual 33⅓ per cent. The revised rates as outlined in Note 1.12(x) were applied from 1 January 2009. As a result, the Group's 2009 depreciation expenditure for the Library Collection included within Note 10 has increased from a previously reported \$13.439 million (\$13.089 million University) to \$15.970 million (\$15.621 million University). In addition, amortisation of the Group's Electronic Library Materials was also included in Note 10 and amounted to \$0.145 million (\$0.145 million University).
- Additional disposals of \$1.689 million were recognised in 2009 reflecting estimated withdrawals from the Library Collection based on the valuation information provided.

The closing balance of the Group's Library Collection at 31 December 2009 is now reported at \$88.822 million (\$88.622 million University). The Group's Electronic Library Materials at 31 December 2009 are reported at \$11.701 million (\$11.701 million University).

ii) *Asset Componentisation*

The University revised its buildings depreciation policy during 2010, which has been applied effective from 1 January 2009. Under the new policy, components of new buildings are categorised within four categories (as suggested by the Victorian Department of Treasury and Finance), each of which is subject to a different depreciation rate as detailed in Note 1.12(x). Existing buildings continue to be depreciated at 3 per cent as it was not practicable to apply the new rates. This change in policy has resulted in a \$3.464 million increase in 2009 Depreciation Expense and decrease in Operating Result by the same amount for both the University and Group.

iii) *Contributions for construction of the Parkville Neuroscience building*

The University revised its accounting policy for the treatment of third party contributions towards construction projects which will result in a liability for the University upon building completion. In 2009, the University received \$17.956 million contributions from third party research institutes towards the construction of the Parkville Neuroscience building in exchange for the right to occupy space in the building at \$1 per annum for a period of 42 years. These contributions were recorded as Non-Government Grant income in Note 8 in the 2009 University financial statements.

Under the revised accounting policy, these contributions have been restated by netting the contributions against expenditure in Construction in Progress in Note 23 until completion, at which time the market value of the University's obligation to provide rent relief will be determined and accounted for as rental in advance, appropriately classified as current and non-current liability. This rental in advance balance will be amortised over the period of the lease. This restatement has resulted in

- the reclassification of \$17.956 million from Non-Government Grant income in Note 8 to Construction in Progress in Note 23, resulting in a decrease to the University and Group's 2009 Operating Result by the same amount.

- the reclassification of \$17.956 million from Other Inflows to Payments for Property, Plant and Equipment in the Statement of Cash flows.

### Other changes in comparatives

When required by accounting standards or to comply with DEEWR requirements, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Such changes are disclosed in accordance with AASB 101 *Presentation of Financial Statements*.

### 1.27 Changes to accounting policy and estimates

The following changes were made to the University's accounting policy and/or estimates during the year ended 31 December 2010:

- As outlined in note 1.26 above, the University's Library Collection depreciation and amortisation rates were revised effective from 1 January 2009. This resulted in a \$2.532 million increase in Depreciation and \$0.145 million increase in Amortisation expenditure for the Group in 2009 (additional \$4.893 million Depreciation and \$0.231 million Amortisation in 2010).
- As outlined in note 1.26 above, the University revised its accounting policy on asset componentisation. As a result of this change, the depreciation rates for the University's buildings were amended effective from 1 January 2009. This change has resulted in a \$3.464 million increase in Depreciation expenditure for the Group in 2009 and \$3.927 million additional Depreciation in 2010.
- A new depreciation rate of 25 per cent for Other Scientific and Computing Equipment was introduced in 2010 as a result of the purchase of specialised peripheral computing equipment.
- As outlined in Note 1.26 above, the University revised its accounting policy for third party contributions towards construction projects which will result in a liability for the University upon building completion, effective from 1 January 2009. This policy change has resulted in \$17.956 million contributions recorded as Non-Government Grant income in Note 8 in 2009 being reclassified to Construction in Progress in Note 23. In 2010, \$52.093 million contributions were received which have also been included within construction in progress. Refer to Note 1.12(viii) for further details.
- During 2010, there was a change to the University's enterprise bargaining agreement which entitles staff to payment of accrued long service leave pro rata on termination after seven years of service (previously ten years). This change has resulted in an increase in the value of the University's Provision for Long Service Leave at 31 December 2010 of \$3.611 million, and a reclassification of \$17.050 million from Non-Current to Current.
- During 2010, the University introduced a new student management system and as part of this process the accounting policy for student fee remissions was revised. Under the previous student system, fee remissions were offset against Course Fees and Charges income within Note 4, whereas the new accounting policy records the full student fee amount as income in Note 4 and the remission as an expense under Course Fees Paid within Note 15. The total amount of fee remissions recorded as an expense in 2010 is \$23.333 million. It is not practicable to restate the prior year information and as such the 2009 comparatives have not been restated.

Other than the above, there were no changes to the Group's accounting policy or estimates during the year ended 31 December 2010 (2009, nil).

### 1.28 New accounting standards and interpretations

In the current year, the Group has adopted all of the new and revised standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to the operations and effective for the current annual reporting period. The adoption of these new and revised standards and Interpretations have not resulted in any significant changes to the Group's accounting policies for the current and prior years.

At the date of this report certain new accounting Standards and Interpretations have been published that are not mandatory for the financial year ending 31 December 2010. They are available for early adoption, but have not been applied in preparing this financial report. The Group's assessment of the impact of the new standards and Interpretations relevant to the Group is set out below:

- AASB 9 *Financial Instruments* was published in December 2009 and becomes effective for reporting periods beginning on or after 1 January 2013. This standard prescribes classification and measurement requirements for financial assets and includes some significant changes from the current accounting requirements contained in AASB 139 *Financial Instruments: Recognition and Measurement*. Upon first-time application of this new standard, the Group will be required to elect whether to recognise fair value changes in other comprehensive income or through profit or loss. Application of AASB 9 is expected to result in material changes to the Group's future financial reports however the quantitative effect of the Group adopting this standard has not yet been determined.
- AASB 1053 *Application of Tiers of Australian Accounting Standards* was published in June 2010 and applies to reporting periods beginning on or after 1 July 2013. This standard allows some entities to apply reduced disclosure requirements in their annual financial statements. Application of AASB1053 is not expected to result in any material changes to the Group's future financial reports.
- A number of other new or revised standards, amendments to standards and interpretations applicable to future reporting periods have also been issued, none of which are expected to have a material impact on the Group's future financial reports.

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

	Note	CONSOLIDATED		UNIVERSITY	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Note 2 Australian Government financial assistance including HECS-HELP and FEE-HELP</b>					
<b>(a) Commonwealth Grants Scheme (CGS) and other grants</b>					
	43.1				
Commonwealth Grant Scheme*		214,412	197,439	214,412	197,439
Indigenous Support Program		724	816	724	816
Partnership and Participation Program**		1,286	215	1,286	215
Disability Support Program		244	286	244	286
Workplace Reform Program		–	2,273	–	2,273
Workplace Productivity Program		2,500	2,500	2,500	2,500
Learning and Teaching Performance Fund		–	3,836	–	3,836
Superannuation Supplementation		7,765	9,090	7,765	9,090
Diversity and Structural Adjustment Fund***		2,130	9,854	2,130	9,854
Improving the Practical Component of Teacher Education Initiative		–	456	–	456
Transitional Cost Program		665	1,657	665	1,657
<b>Total Commonwealth Grant Scheme and other grants</b>		<b>229,726</b>	<b>228,422</b>	<b>229,726</b>	<b>228,422</b>
<b>(b) Higher Education Loan Programs</b>					
	43.2				
HECS-HELP		94,673	90,911	94,673	90,911
FEE-HELP		40,080	46,028	40,080	46,028
<b>Total Higher Education Loan Programs</b>		<b>134,753</b>	<b>136,939</b>	<b>134,753</b>	<b>136,939</b>
<b>(c) Scholarships</b>					
	43.3				
Australian Postgraduate Awards		18,155	13,477	18,155	13,477
International Postgraduate Research Scholarships		2,313	2,296	2,313	2,296
Commonwealth Education Cost Scholarships <sup>#</sup>		2,872	1,728	2,872	1,728
Commonwealth Accommodation Scholarships <sup>#</sup>		9	2,463	9	2,463
Indigenous Access Scholarships		77	96	77	96
<b>Total scholarships</b>		<b>23,426</b>	<b>20,060</b>	<b>23,426</b>	<b>20,060</b>
<b>(d) Department of Innovation, Industry, Science and Research (DIISR) research grants</b>					
	43.4				
Joint Research Engagement Program <sup>##</sup>		37,171	36,364	37,171	36,364
Research Training Scheme		69,702	68,156	69,702	68,156
Research Infrastructure Block Grants		30,331	29,071	30,331	29,071
Implementation Assistance Program		193	338	193	338
Australian Scheme for Higher Education Repositories		–	419	–	419
Commercialisation Training Scheme		622	585	622	585
Sustainable Research Excellence in Universities		10,622	–	10,622	–
<b>Total DIISR research grants</b>		<b>148,641</b>	<b>134,933</b>	<b>148,641</b>	<b>134,933</b>

\* Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

\*\* Includes Equity Support Program.

\*\*\* Includes Collaboration & Structural Adjustment Program.

<sup>#</sup> Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

<sup>##</sup> Includes Institutional Grants Scheme.

	Note	CONSOLIDATED		UNIVERSITY	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Note 2 Australian Government financial assistance including HECS-HELP and FEE-HELP (continued)</b>					
<b>(e) Voluntary Student Unionism (VSU) funding</b>					
VSU Transition Fund	43.5	–	–	–	–
<b>Total VSU funding</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>(f) Capital funding</b>					
Teaching and Learning Capital Fund	43.6	6,582	–	6,582	–
Education Investment Fund		19,666	2,320	19,666	2,320
<b>Total capital funding</b>		<b>26,248</b>	<b>2,320</b>	<b>26,248</b>	<b>2,320</b>
<b>(g) Australian Research Council (ARC) funding</b>					
<b>(g)(i) Discovery</b>					
Project	43.7 43.7(a)	31,504	32,478	31,504	32,478
Fellowships		8,933	5,201	8,933	5,201
Indigenous Researchers Development		32	108	32	108
<b>Total Discovery</b>		<b>40,469</b>	<b>37,787</b>	<b>40,469</b>	<b>37,787</b>
<b>(g)(ii) Linkages</b>					
Special research initiatives	43.7(b)	11,494	–	11,494	–
Infrastructure		2,244	3,084	2,244	3,084
International		306	553	306	553
Projects		13,948	10,526	13,948	10,526
<b>Total Linkages</b>		<b>27,992</b>	<b>14,163</b>	<b>27,992</b>	<b>14,163</b>
<b>(g)(iii) Networks and Centres</b>					
Research networks	43.7(c)	–	442	–	442
Centres		6,210	6,715	6,210	6,715
<b>Total Networks and Centres</b>		<b>6,210</b>	<b>7,157</b>	<b>6,210</b>	<b>7,157</b>
<b>Total ARC funding</b>		<b>74,671</b>	<b>59,107</b>	<b>74,671</b>	<b>59,107</b>
<b>(h) Other Australian Government financial assistance</b>					
Department of Health & Ageing		21,727	36,967	21,727	36,967
Other DEEWR funding		8,466	16,501	8,466	16,501
Other DIISR funding		4,358	1,604	4,358	1,604
Co-operative Research Centres		5,169	5,429	5,169	5,429
National Health & Medical Research Council		95,473	87,479	95,473	87,479
Other Commonwealth research		47,614	25,549	47,614	25,549
Other funding		11,554	5,555	8,958	2,195
<b>Total other Australian Government financial assistance</b>		<b>194,361</b>	<b>179,084</b>	<b>191,765</b>	<b>175,724</b>
<b>Total Australian Government financial assistance</b>		<b>831,826</b>	<b>760,865</b>	<b>829,230</b>	<b>757,505</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

	Note	CONSOLIDATED		UNIVERSITY	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Note 2 Australian Government financial assistance including HECS-HELP and FEE-HELP (continued)</b>					
<b>Reconciliation</b>					
Australian Government grants [a + c + d + e + f + g + h]		697,073	623,926	694,477	620,566
HECS-HELP payments		94,673	90,911	94,673	90,911
FEE-HELP payments		40,080	46,028	40,080	46,028
<b>Total Australian Government financial assistance</b>		<b>831,826</b>	<b>760,865</b>	<b>829,230</b>	<b>757,505</b>
<b>(i) Australian Government grants received – cash basis</b>					
CGS and other grants		229,726	229,175	229,726	228,422
Higher Education Loan Programs		131,653	142,514	131,653	134,696
Scholarships		23,426	20,060	23,426	20,060
DIISR research		148,641	134,933	148,641	134,933
VSU funding		–	–	–	–
Capital funding		42,666	26,416	42,666	26,416
ARC – Discovery		41,922	40,225	41,922	40,225
ARC – Linkages		29,631	15,365	29,631	15,365
ARC – Networks and Centres		6,922	7,180	6,922	7,180
Other Australian Government grants		215,144	217,680	212,546	214,865
<b>Total Australian Government grants received – cash basis</b>		<b>869,731</b>	<b>833,548</b>	<b>867,133</b>	<b>822,162</b>
OS-HELP	43.8	773	595	773	595
<b>Total Australian Government funding received – cash basis</b>		<b>870,504</b>	<b>834,143</b>	<b>867,906</b>	<b>822,757</b>
<b>Note 3 State and Local Government financial assistance</b>					
Research funding		41,423	27,539	41,423	27,539
Capital funding		8,208	2,045	8,208	2,045
Microbiological Diagnostic Unit		4,704	5,082	4,704	5,082
Other non-research funding		3,170	7,448	3,170	7,398
<b>Total State and Local Government financial assistance</b>		<b>57,505</b>	<b>42,114</b>	<b>57,505</b>	<b>42,064</b>
<b>Note 4 Fees and charges</b>					
<b>Course fees and charges</b>					
Fee-paying overseas students		295,913	268,141	292,608	265,541
Continuing education*		6,306	5,509	2,418	2,180
Fee-paying domestic postgraduate students*		32,256	20,967	9,230	2,057
Fee-paying domestic undergraduate students*		9,661	11,518	9,661	11,518
Other domestic course fees and charges		32,675	28,512	1,951	1,668
Sundry fees		4,249	3,358	4,249	3,353
<b>Total course fees and charges**</b>		<b>381,060</b>	<b>338,005</b>	<b>320,117</b>	<b>286,317</b>

\* Continuing education and domestic course fees and charges are net of FEE-HELP payments which are disclosed in Note 2(b).

\*\* The University's accounting treatment of fee remissions was changed in 2010, refer to Note 1.27 for further details.

	CONSOLIDATED		UNIVERSITY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Note 4 Fees and charges (continued)</b>				
<b>Other non-course fees and charges</b>				
Childcare fees	4,014	3,521	4,014	3,521
Examination fees	2,204	2,223	185	264
Hospital shared services fees	12,788	11,556	12,788	11,556
Parking fees	3,710	3,531	3,710	3,531
Rent/Use of facilities charges	13,671	15,035	7,696	9,331
Seminar, conference and course fees	4,900	4,989	4,491	4,700
Sporting activities	2,069	2,148	2,069	2,148
Student accommodation charges	6,092	6,615	6,092	6,615
Testing and servicing	11,381	11,234	11,381	11,186
Veterinary Hospital services	8,222	8,086	8,222	8,086
Other fees and charges for services provided	8,210	7,806	2,066	2,251
<b>Total other non-course fees and charges</b>	<b>77,261</b>	<b>76,744</b>	<b>62,714</b>	<b>63,189</b>
<b>Total fees and charges</b>	<b>458,321</b>	<b>414,749</b>	<b>382,831</b>	<b>349,506</b>
<b>Note 5 Investment income</b>				
<b>Investment revenue</b>				
Interest	17,272	15,387	15,570	14,193
Dividends	51,585	43,163	51,048	42,692
Other investment revenue	3,051	3,349	1,132	1,657
<b>Total investment revenue</b>	<b>71,908</b>	<b>61,899</b>	<b>67,750</b>	<b>58,542</b>
<b>Other investment income</b>				
Realised gains/(losses) on disposal of investments	(7,746)	20,485	(8,806)	20,459
Transfer of gains/(losses) from equity on disposal of available-for-sale financial assets	44,777	68,744	44,777	68,744
<b>Total other investment income</b>	<b>37,031</b>	<b>89,229</b>	<b>35,971</b>	<b>89,203</b>
<b>Total investment income</b>	<b>108,939</b>	<b>151,128</b>	<b>103,721</b>	<b>147,745</b>
<b>Note 6 Royalties, trademarks and licences</b>				
Copyright and royalties	5,535	5,217	5,517	5,447
<b>Total royalties, trademarks and licences</b>	<b>5,535</b>	<b>5,217</b>	<b>5,517</b>	<b>5,447</b>
<b>Note 7 Consultancy and contracts</b>				
Consultancy	9,661	7,277	8,166	7,939
Contract research	9,851	13,438	9,851	13,438
<b>Total consultancy and contracts</b>	<b>19,512</b>	<b>20,715</b>	<b>18,017</b>	<b>21,377</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Note 8 Other income</b>				
<b>Other revenue</b>				
Donations and bequests	45,919	26,148	45,171	26,069
Non-government grants	63,935	53,014	62,404	52,814
Box office receipts	13,461	10,751	13,376	10,659
Computer sales	6,745	7,060	2,673	2,733
Other research/project income	6,201	6,170	20	–
Publishing and book sales	18,569	20,574	14,301	15,564
Sale of produce and livestock	1,593	1,768	1,593	1,768
Subscriptions to University societies	1,273	1,155	1,273	1,155
Other revenue	9,094	4,183	9,195	6,311
<b>Total other revenue</b>	<b>166,790</b>	<b>130,823</b>	<b>150,006</b>	<b>117,073</b>
<b>Other income</b>				
Net foreign exchange gains	224	–	224	–
<b>Total other income</b>	<b>224</b>	<b>–</b>	<b>224</b>	<b>–</b>
<b>Note 9 Employee related expenses</b>				
<b>Academic</b>				
Salaries	324,249	313,020	324,175	312,876
Contributions to superannuation and pension schemes:				
Emerging cost	8,657	8,495	8,657	8,495
Funded	41,467	39,901	41,467	39,895
Payroll tax	17,645	16,913	17,645	16,909
Workers' compensation	1,797	1,721	1,797	1,720
Long service leave expense	11,249	4,485	11,249	4,483
Annual leave	27,266	25,357	27,266	25,358
Other	13,825	12,110	13,825	12,110
<b>Total academic</b>	<b>446,155</b>	<b>422,002</b>	<b>446,081</b>	<b>421,846</b>
<b>Non-academic</b>				
Salaries	274,353	267,108	239,946	232,200
Contributions to superannuation and pension schemes:				
Funded	36,418	35,753	33,094	32,385
Payroll tax	14,874	14,598	13,274	12,901
Workers' compensation	1,629	1,488	1,343	1,305
Long service leave expense	9,522	5,321	9,083	4,742
Annual leave	22,340	21,876	20,639	19,997
Other	12,860	27,805	6,412	22,514
<b>Total non-academic</b>	<b>371,996</b>	<b>373,949</b>	<b>323,791</b>	<b>326,044</b>
<b>Total employee related expenses</b>	<b>818,151</b>	<b>795,951</b>	<b>769,872</b>	<b>747,890</b>

	CONSOLIDATED		UNIVERSITY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Note 10 Depreciation and amortisation</b>				
<b>Depreciation</b>				
Buildings	89,526	54,735	87,526	52,699
Library collection	15,821	15,970	15,658	15,621
Works of art	1	2	–	–
Motor vehicles	1,056	1,135	1,046	1,122
Furniture	211	232	115	101
Scientific and computing equipment	18,283	19,784	18,125	19,640
Communications equipment	110	190	89	106
General equipment	4,919	4,619	4,342	4,015
Leasehold improvements	997	1,065	717	708
Assets under finance lease	3,446	1,273	2,178	–
<b>Total depreciation</b>	<b>134,370</b>	<b>99,005</b>	<b>129,796</b>	<b>94,012</b>
<b>Amortisation</b>				
Software	1,086	559	584	48
Electronic library materials	231	145	231	145
<b>Total amortisation</b>	<b>1,317</b>	<b>704</b>	<b>815</b>	<b>193</b>
<b>Total depreciation and amortisation</b>	<b>135,687</b>	<b>99,709</b>	<b>130,611</b>	<b>94,205</b>
<b>Note 11 Repairs and maintenance</b>				
Buildings	39,594	31,585	39,255	31,001
Plant and equipment	27,104	25,434	26,300	25,267
Leasehold improvements	2	–	–	–
<b>Total repairs and maintenance</b>	<b>66,700</b>	<b>57,019</b>	<b>65,555</b>	<b>56,268</b>
<b>Note 12 Borrowing costs</b>				
Interest expense	14,436	13,998	14,164	13,996
Finance charges payable under finance leases	953	460	715	–
<b>Total borrowing costs expensed</b>	<b>15,389</b>	<b>14,458</b>	<b>14,879</b>	<b>13,996</b>
<b>Note 13 Impairment of assets</b>				
Impairment of receivables				
Bad debts written off	289	494	161	319
Increase/(decrease) in allowance for impaired receivables	2,196	384	2,107	294
<b>Total impairment of receivables</b>	<b>2,485</b>	<b>878</b>	<b>2,268</b>	<b>613</b>
Impairment of other investments	798	1,932	798	3,932
Other impairment losses	350	(197)	350	–
<b>Impairment of assets excl. available-for-sale financial assets</b>	<b>3,633</b>	<b>2,613</b>	<b>3,416</b>	<b>4,545</b>
Impairment of available-for-sale financial assets*	33,892	53,981	33,597	53,703
<b>Total impairment of assets</b>	<b>37,525</b>	<b>56,594</b>	<b>37,013</b>	<b>58,248</b>

\* The Group recognised an impairment loss of \$33.892 million on its Available-for-Sale Financial Assets during 2010 (2009, \$53.981 million). This has been separately disclosed in the Income Statement. Refer to Note 1.10 for the University's accounting policy for the impairment of financial assets.

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Note 14 Loss/(gain) on disposal of assets</b>				
Carrying amount of disposed assets	6,449	8,158	5,631	7,475
Proceeds from sale of assets	1,027	2,342	974	2,337
<b>Net loss/(gain) on disposal of assets</b>	<b>5,422</b>	<b>5,816</b>	<b>4,657</b>	<b>5,138</b>
<b>Note 15 Other expenses</b>				
Grants	109,534	117,799	113,356	123,620
Scholarships and prizes	63,314	60,099	62,624	59,639
Non-capitalised equipment	15,942	16,357	15,886	16,310
Advertising, marketing and promotional expenses	8,288	8,961	6,341	6,880
Computer software and services	22,435	21,775	21,440	20,729
Consumable materials	36,424	33,205	35,906	32,666
Contracted and professional services	91,187	86,479	84,566	76,624
Course fees paid*	26,104	5,105	26,104	5,081
Insurance	5,378	2,996	5,119	2,733
Library materials	7,324	4,870	7,078	4,563
Printing, publications and stationary	10,730	11,241	8,710	9,003
Program and course development, preparation and delivery services	12,058	5,920	–	–
Rent and leasing payments	14,398	10,328	11,073	9,200
Travel, staff development and training	39,743	39,512	35,753	35,174
Utilities and services	40,601	36,300	38,688	34,677
Other expenses	44,255	50,254	33,895	37,570
<b>Total other expenses</b>	<b>547,715</b>	<b>511,201</b>	<b>506,539</b>	<b>474,469</b>
* The University's accounting treatment of fee remissions was changed in 2010, refer to Note 1.27 for further details.				
<b>Note 16 Income tax (expense)/benefit</b>				
The prima facie tax on the operating result from continuing operations is reconciled to the income tax provided in the financial statements as follows:				
Prima facie tax on operating profit/(loss) of tax paying subsidiaries before income tax:	(57)	4	–	–
Income tax effect of				
Non-deductible expenditure	(3)	(1)	–	–
Other	(29)	(30)	–	–
<b>Income tax (expense)/benefit</b>	<b>(89)</b>	<b>(27)</b>	<b>–</b>	<b>–</b>
<b>Note 17 Cash and cash equivalents</b>				
Cash at bank	106,407	81,291	96,492	70,822
Petty cash floats	198	198	166	162
Deposits at call/term deposits	3,896	2,288	–	–
<b>Total cash and cash equivalents</b>	<b>110,501</b>	<b>83,777</b>	<b>96,658</b>	<b>70,984</b>

### (a) Reconciliation to Cash at the end of the Year

The above figures represent the cash at the end of the year as shown in the Statement of Cash Flows.

### (b) Cash at Bank and Petty Cash Floats

Cash at bank generally earns interest in line with the Reserve Bank of Australia cash rate. During the year, interest was earned at rates between 3.7 per cent and 5.0 per cent (2009, 3.0 per cent and 4.0 per cent). Petty Cash Floats are non-interest bearing.

**Note 17 Cash and cash equivalents (continued)**
**(c) Deposits at Call/Term Deposits**

Deposits at Call and Term Deposits are bearing floating interest rates between 3.6 per cent and 5.0 per cent (2009, 0.7 per cent and 3.6 per cent). These deposits have an average maturity of 90 days.

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Note 18 Receivables</b>				
<b>Current receivables</b>				
Trade receivables	59,084	44,805	47,042	39,163
Sundry debtors	19,755	14,966	19,174	11,417
Less allowance for impaired receivables	(4,439)	(2,259)	(3,966)	(1,852)
	<b>74,400</b>	<b>57,512</b>	<b>62,250</b>	<b>48,728</b>
Student loans	2,305	2,182	2,305	2,182
Less allowance for impaired receivables	(27)	(34)	(27)	(34)
	<b>2,278</b>	<b>2,148</b>	<b>2,278</b>	<b>2,148</b>
Deferred government contribution for superannuation	8,325	9,152	8,325	9,152
Other	31	33	15	15
<b>Total current receivables</b>	<b>85,034</b>	<b>68,845</b>	<b>72,868</b>	<b>60,043</b>
<b>Non-current receivables</b>				
Deferred government contribution for superannuation	117,196	100,173	117,196	100,173
Other	736	4	–	4
<b>Total non-current receivables</b>	<b>117,932</b>	<b>100,177</b>	<b>117,196</b>	<b>100,177</b>
<b>Total receivables</b>	<b>202,967</b>	<b>169,022</b>	<b>190,064</b>	<b>160,220</b>

**(a) Deferred Government Contributions to Superannuation**

The University recognises a receivable for the amount receivable from the Australian Government in respect of unfunded superannuation schemes operated by the State Government. The total consolidated amount owing in respect of these schemes at 30 June 2010 is recorded at \$125.521 million (2009 \$109.325 million). Refer Notes 1.20(iv), 27 and 41.

**(b) Allowance for impaired receivables**

The movement in the allowance for impaired receivables during the year was as follows:

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Movement in allowance for impaired receivables</b>				
Balance at 1 January	2,293	1,910	1,886	1,592
Impairment loss/(reversal gain) recognised	2,173	383	2,107	294
<b>Balance at 31 December</b>	<b>4,466</b>	<b>2,293</b>	<b>3,993</b>	<b>1,886</b>

**(c) Interest Rates and Credit Risk**

The Group's receivables are non-interest bearing. Information concerning the credit risk of the Group's receivables is set out in Note 40.

**(d) Ageing of Receivables**

Included in the Group's Receivables balance are \$4.466 million of debtors which are considered to be impaired and for which a provision has been provided (2009, \$2.293 million). Of the Group's impaired receivables in 2010, 3 per cent were between three and six months past due (2009, 13 per cent) and 97 per cent were more than six months overdue (2009, 61 per cent).

Also included in the Group's Receivables balance are debtors that are past due at the reporting date which are not considered to be impaired. Seven per cent of total receivables were past due but not impaired in 2010 (2009, 7 per cent). The Group has not provided for these receivables as it is considered that these amounts are still recoverable.

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

	Note	CONSOLIDATED		UNIVERSITY	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Note 19 Inventories</b>					
Finished goods		5,094	5,059	4,165	4,429
Raw materials		434	140	434	140
Work in progress		426	330	–	–
Livestock and other		956	1,693	956	1,693
<b>Total inventories</b>		<b>6,910</b>	<b>7,222</b>	<b>5,555</b>	<b>6,262</b>
<b>Note 20 Other financial assets</b>					
<b>Current</b>					
Financial assets at fair value through profit or loss	20(a)	19,969	20,022	188	506
Available-for-sale financial assets	20(b)	20	30,241	20	30,238
<b>Total current other financial assets</b>		<b>19,989</b>	<b>50,263</b>	<b>208</b>	<b>30,744</b>
<b>Non-current</b>					
Available-for-sale financial assets	20(b)	1,173,292	1,093,797	1,110,818	1,031,072
Investments in subsidiaries and other companies	20(c)	5,525	4,894	24,673	24,042
Other financial assets		20	20	–	–
<b>Total non-current other financial assets</b>		<b>1,178,837</b>	<b>1,098,711</b>	<b>1,135,491</b>	<b>1,055,114</b>
<b>Total other financial assets</b>		<b>1,198,826</b>	<b>1,148,974</b>	<b>1,135,699</b>	<b>1,085,858</b>
<b>(a) Financial assets at fair value through profit or loss</b>					
Bank and term deposits (> 90 days)		19,969	20,022	188	506
<b>Total financial assets at fair value through profit or loss</b>		<b>19,969</b>	<b>20,022</b>	<b>188</b>	<b>506</b>
<b>(b) Available-for-sale financial assets</b>					
Shares, equities and convertible notes*		947,337	902,141	947,033	901,647
Listed income securities/unit trusts		225,955	190,904	164,829	129,714
Commercial paper		–	4,989	–	4,989
Fixed interest stock		20	25,249	20	25,249
Units in pool**		–	–	(1,044)	(1,044)
Other		–	755	–	755
<b>Total available-for-sale financial assets</b>		<b>1,173,312</b>	<b>1,124,038</b>	<b>1,110,838</b>	<b>1,061,310</b>
<b>(c) Investments in subsidiaries and other companies</b>					
Investments in subsidiaries		–	–	24,148	24,148
Investments in other companies		38,587	37,714	38,587	37,714
Provision for accumulated impairment		(33,062)	(32,820)	(38,062)	(37,820)
<b>Total other investments</b>		<b>5,525</b>	<b>4,894</b>	<b>24,673</b>	<b>24,042</b>

\* A portion of this balance is pledged as security over the Group's long-term borrowings. Refer to Note 26 for further details.

\*\* Represents the ownership of Units in the University's Investment Pool held by Subsidiaries.

	CONSOLIDATED		UNIVERSITY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Note 21 Other non-financial assets</b>				
Prepayments	29,461	15,800	28,971	15,329
Accrued income/other	3,490	3,223	1,365	1,580
<b>Total other non-financial assets</b>	<b>32,951</b>	<b>19,023</b>	<b>30,336</b>	<b>16,909</b>
<b>Note 22 Investments accounted for using the equity method</b>				
Investments in associates	20	26	–	–
<b>Total investments accounted for using the equity method</b>	<b>20</b>	<b>26</b>	<b>–</b>	<b>–</b>
<b>(a) Reconciliation</b>				
Balance at 1 January	26	48	–	–
Share of profit/(loss) for the year	–	(17)	–	–
Share of difference between final audited prior year profit and unaudited profit used in prior year financial statements	(6)	(5)	–	–
<b>Balance at 31 December</b>	<b>20</b>	<b>26</b>	<b>–</b>	<b>–</b>
<b>(b) Ownership Interest of Associated Entities</b>				
<i>Name of Entity</i>				
<i>Description</i>				
Uniseed Management Pty Ltd	33%	33%	–	–
Investment Management Services				
<b>(c) Summarised financial information of associates</b>				
Uniseed Management Pty Ltd				
Financial position				
Total assets	323	434	–	–
Total liabilities	262	355	–	–
Net assets	61	79	–	–
<b>Share of associate's net assets</b>	<b>20</b>	<b>26</b>	<b>–</b>	<b>–</b>
Financial performance				
Total revenue	1,681	1,386	–	–
Profit/(loss)	(19)	(50)	–	–
<b>Share of associate's profit/(loss)</b>	<b>(6)</b>	<b>(21)</b>	<b>–</b>	<b>–</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 23 Property, plant and equipment

	LAND	BUILDINGS	LIBRARY COLLECTION
	\$'000	\$'000	\$'000
<b>Consolidated</b>			
At 1 January 2009			
– At cost	–	–	106,482
– At valuation	566,142	1,566,477	–
Accumulated depreciation	–	(89,966)	(870)
<b>Net book amount</b>	<b>566,142</b>	<b>1,476,511</b>	<b>105,612</b>
<b>Year ended 31 December 2009</b>			
Opening net book amount	566,142	1,476,511	105,612
Additions	41,388	32,007	5,140
Disposals	(788)	(517)	(5,960)
Revaluation increment/(decrement)	53,349	236,008	–
Depreciation	–	(54,735)	(15,970)
Transfer from construction in progress	–	132,299	–
<b>Closing net book amount</b>	<b>660,091</b>	<b>1,821,573</b>	<b>88,822</b>
<b>At 31 December 2009</b>			
– At cost	–	222	104,942
– At valuation	660,091	1,821,862	–
Accumulated depreciation	–	(511)	(16,120)
<b>Net book amount</b>	<b>660,091</b>	<b>1,821,573</b>	<b>88,822</b>
<b>Year ended 31 December 2010</b>			
Opening net book amount	660,091	1,821,573	88,822
Reclassification	–	–	–
Additions	4,230	1,180	8,727
Disposals	(534)	(271)	(4,834)
Revaluation increment/(decrement)	4,155	4,249	–
Depreciation	–	(89,526)	(15,821)
Transfer from construction in progress	–	91,186	–
Write-ups/transfers/(write-offs)	534	(21)	–
<b>Closing net book amount</b>	<b>668,476</b>	<b>1,828,370</b>	<b>76,894</b>
<b>At 31 December 2010</b>			
– At cost	–	–	108,834
– At valuation	668,476	1,918,407	–
Accumulated depreciation	–	(90,037)	(31,940)
<b>Net book amount</b>	<b>668,476</b>	<b>1,828,370</b>	<b>76,894</b>

\* Plant and equipment includes motor vehicles, furniture, fixtures and fittings and all equipment with exception to leased equipment.

WORKS OF ART & OTHER COLLECTIONS	PLANT AND EQUIPMENT*	LEASEHOLD IMPROVEMENTS	LEASED PLANT AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
3	275,075	22,756	6,415	172,602	583,333
115,025	-	-	-	-	2,247,644
(33)	(225,417)	(3,836)	(3,834)	-	(323,956)
<b>114,995</b>	<b>49,658</b>	<b>18,920</b>	<b>2,581</b>	<b>172,602</b>	<b>2,507,021</b>
114,995	49,658	18,920	2,581	172,602	2,507,021
131	20,380	845	2,641	71,082	173,614
-	(378)	-	(376)	-	(8,019)
-	-	-	-	-	289,357
(2)	(25,960)	(1,065)	(1,273)	-	(99,005)
-	-	-	-	(132,299)	-
<b>115,124</b>	<b>43,700</b>	<b>18,700</b>	<b>3,573</b>	<b>111,385</b>	<b>2,862,968</b>
161	282,827	21,286	5,140	111,313	525,891
114,998	5,227	1,850	-	72	2,604,100
(35)	(244,354)	(4,436)	(1,567)	-	(267,023)
<b>115,124</b>	<b>43,700</b>	<b>18,700</b>	<b>3,573</b>	<b>111,385</b>	<b>2,862,968</b>
115,124	43,700	18,700	3,573	111,385	2,862,968
12	(12)	-	-	-	-
372	21,614	297	13,802	90,964	141,186
-	(615)	(228)	(510)	-	(6,992)
(1,267)	-	-	-	-	7,137
(1)	(24,579)	(997)	(3,446)	-	(134,370)
-	16	130	-	(91,332)	-
-	24	61	509	(5,228)	(4,121)
<b>114,240</b>	<b>40,148</b>	<b>17,963</b>	<b>13,928</b>	<b>105,789</b>	<b>2,865,808</b>
-	300,385	23,579	18,413	105,789	557,000
114,276	-	-	-	-	2,701,159
(36)	(260,237)	(5,616)	(4,485)	-	(392,351)
<b>114,240</b>	<b>40,148</b>	<b>17,963</b>	<b>13,928</b>	<b>105,789</b>	<b>2,865,808</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 23 Property, plant and equipment (continued)

	LAND	BUILDINGS	LIBRARY COLLECTION
	\$'000	\$'000	\$'000
<b>University</b>			
At 1 January 2009			
– At cost	–	–	104,865
– At valuation	517,577	1,511,274	–
Accumulated depreciation	–	(86,318)	–
<b>Net book amount</b>	<b>517,577</b>	<b>1,424,956</b>	<b>104,865</b>
Year ended 31 December 2009			
Opening net book amount	517,577	1,424,956	104,865
Additions	41,388	31,955	5,035
Disposals	(788)	(517)	(5,657)
Revaluation increment/(decrement)	49,914	232,317	–
Depreciation	–	(52,699)	(15,621)
Transfer from construction in progress	–	132,299	–
<b>Closing net book amount</b>	<b>608,091</b>	<b>1,768,311</b>	<b>88,622</b>
At 31 December 2009			
– At cost	–	–	104,243
– At valuation	608,091	1,768,311	–
Accumulated depreciation	–	–	(15,621)
<b>Net book amount</b>	<b>608,091</b>	<b>1,768,311</b>	<b>88,622</b>
Year ended 31 December 2010			
Opening net book amount	608,091	1,768,311	88,622
Reclassification	–	–	–
Additions	4,230	947	8,640
Disposals	(534)	(271)	(4,834)
Revaluation increment/(decrement)	4,155	4,249	–
Depreciation	–	(87,526)	(15,658)
Transfer from construction in progress	–	91,186	–
Write-ups/transfers/(write-offs)	534	(21)	–
<b>Closing net book amount</b>	<b>616,476</b>	<b>1,776,875</b>	<b>76,770</b>
At 31 December 2010			
– At cost	–	–	108,048
– At valuation	616,476	1,864,401	–
Accumulated depreciation	–	(87,526)	(31,278)
<b>Net book amount</b>	<b>616,476</b>	<b>1,776,875</b>	<b>76,770</b>

\* Plant and equipment includes motor vehicles, furniture, fixtures and fittings and all equipment with exception to leased equipment.

WORKS OF ART & OTHER COLLECTIONS	PLANT AND EQUIPMENT*	LEASEHOLD IMPROVEMENTS	LEASED PLANT AND EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
–	257,047	19,426	–	172,602	553,940
114,645	–	–	–	–	2,143,496
–	(211,127)	(2,632)	–	–	(300,077)
<b>114,645</b>	<b>45,920</b>	<b>16,794</b>	<b>–</b>	<b>172,602</b>	<b>2,397,359</b>
114,645	45,920	16,794	–	172,602	2,397,359
131	19,810	–	–	71,082	169,401
–	(374)	–	–	–	(7,336)
–	–	–	–	–	282,231
–	(24,984)	(708)	–	–	(94,012)
–	–	–	–	(132,299)	–
<b>114,776</b>	<b>40,372</b>	<b>16,086</b>	<b>–</b>	<b>111,385</b>	<b>2,747,643</b>
158	264,286	17,112	–	111,313	497,112
114,618	5,227	1,850	–	72	2,498,169
–	(229,141)	(2,876)	–	–	(247,638)
<b>114,776</b>	<b>40,372</b>	<b>16,086</b>	<b>–</b>	<b>111,385</b>	<b>2,747,643</b>
114,776	40,372	16,086	–	111,385	2,747,643
12	(12)	–	–	–	–
374	20,644	–	13,697	90,779	139,311
–	(536)	–	–	–	(6,175)
(1,267)	–	–	–	–	7,137
–	(23,717)	(717)	(2,178)	–	(129,796)
–	16	130	–	(91,332)	–
–	(7)	–	–	(5,228)	(4,722)
<b>113,895</b>	<b>36,760</b>	<b>15,499</b>	<b>11,519</b>	<b>105,604</b>	<b>2,753,398</b>
–	281,276	19,556	13,697	105,604	528,181
113,895	–	–	–	–	2,594,772
–	(244,516)	(4,057)	(2,178)	–	(369,555)
<b>113,895</b>	<b>36,760</b>	<b>15,499</b>	<b>11,519</b>	<b>105,604</b>	<b>2,753,398</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

	CONSOLIDATED			UNIVERSITY		
	2010 \$'000	2009 \$'000	1 Jan 2009 \$'000	2010 \$'000	2009 \$'000	1 Jan 2009 \$'000
<b>Note 24 Intangible assets</b>						
Electronic Library Materials	17,670	11,701	9,313	17,670	11,701	9,313
Software	4,918	1,398	1,931	3,994	19	66
Goodwill	–	350	–	–	350	–
<b>Total net book amount</b>	<b>22,588</b>	<b>13,449</b>	<b>11,244</b>	<b>21,664</b>	<b>12,070</b>	<b>9,379</b>

Movements in each class of intangible assets are set out below:

	CONSOLIDATED			UNIVERSITY		
	Electronic Library Materials \$'000	Software \$'000	Goodwill \$'000	Electronic Library Materials \$'000	Software \$'000	Goodwill \$'000
<b>At 1 January 2009</b>						
Cost	9,313	7,482	–	9,313	5,002	–
Accumulated amortisation and impairment	–	(5,551)	–	–	(4,936)	–
<b>Net book amount</b>	<b>9,313</b>	<b>1,931</b>	<b>–</b>	<b>9,313</b>	<b>66</b>	<b>–</b>
<b>Year ended 31 December 2009</b>						
Opening net book amount	9,313	1,931	–	9,313	66	–
Additions	2,672	26	350	2,672	1	350
Disposals	(139)	–	–	(139)	–	–
Reclassification	–	–	–	–	–	–
Impairment expense	–	–	–	–	–	–
Amortisation expense	(145)	(559)	–	(145)	(48)	–
<b>Closing net book amount</b>	<b>11,701</b>	<b>1,398</b>	<b>350</b>	<b>11,701</b>	<b>19</b>	<b>350</b>
<b>At 31 December 2009</b>						
Cost	11,846	7,493	350	11,846	4,988	350
Accumulated amortisation and impairment	(145)	(6,095)	–	(145)	(4,969)	–
<b>Net book amount</b>	<b>11,701</b>	<b>1,398</b>	<b>350</b>	<b>11,701</b>	<b>19</b>	<b>350</b>
<b>Year ended 31 December 2010</b>						
Opening net book amount	11,701	1,398	350	11,701	19	350
Additions	6,200	4,569	–	6,200	4,522	–
Disposals	–	–	–	–	–	–
Reclassification	–	37	–	–	37	–
Impairment expense	–	–	(350)	–	–	(350)
Amortisation expense	(231)	(1,086)	–	(231)	(584)	–
<b>Closing net book amount</b>	<b>17,670</b>	<b>4,918</b>	<b>–</b>	<b>17,670</b>	<b>3,994</b>	<b>–</b>
<b>At 31 December 2010</b>						
Cost	18,046	12,069	350	18,046	9,547	350
Accumulated amortisation and impairment	(376)	(7,151)	(350)	(376)	(5,553)	(350)
<b>Net book amount</b>	<b>17,670</b>	<b>4,918</b>	<b>–</b>	<b>17,670</b>	<b>3,994</b>	<b>–</b>

	CONSOLIDATED		UNIVERSITY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Note 25 Trade and other payables</b>				
<b>Current payables</b>				
Trade creditors	27,992	30,703	22,946	26,263
Sundry creditors and accrued expenses	65,163	41,328	50,404	29,001
<b>Total current payables</b>	<b>93,155</b>	<b>72,031</b>	<b>73,350</b>	<b>55,264</b>
<b>Note 26 Borrowings</b>				
<b>Current borrowings</b>				
Secured bank borrowings	6,060	5,683	6,060	5,683
Finance lease liabilities	6,452	1,228	5,477	–
<b>Total current borrowings</b>	<b>12,512</b>	<b>6,911</b>	<b>11,537</b>	<b>5,683</b>
<b>Non-current borrowings</b>				
Secured bank borrowings	177,555	183,615	177,555	183,615
Finance lease liabilities	1,564	2,443	–	–
Other borrowings	–	–	201	–
<b>Total non-current borrowings</b>	<b>179,119</b>	<b>186,058</b>	<b>177,756</b>	<b>183,615</b>
<b>Total borrowings</b>	<b>191,631</b>	<b>192,969</b>	<b>189,293</b>	<b>189,298</b>
<b>Assets pledged as security</b>				
The carrying amounts of assets pledged as security for current and non-current borrowings are:				
<b>Non-current</b>				
Land and buildings	205,792	212,156	205,792	212,156
Other financial assets	94,195	99,881	94,195	99,881
<b>Total assets pledged as security</b>	<b>299,987</b>	<b>312,037</b>	<b>299,987</b>	<b>312,037</b>

**(a) Secured Bank Borrowings**

Secured Bank Borrowings are for the construction of two educational facilities. The first, University Square comprises of three academic buildings with a small retail component and was substantially completed in 2001. The total loan facility was initially for \$150.000 million with repayments extending until 2029. The second Secured Bank Borrowing was for the construction of a new Business and Economics building. The total loan facility was for \$60.000 million with repayments to conclude in 2023.

**(b) Assets Pledged as Security**

The University's Bank Borrowings are secured by registered first mortgage over certain freehold property and a registered equitable mortgage of securities held by the University. At the reporting date, the fair value of the secured properties was \$205.792 million (2009, \$212.156 million).

The University is required to maintain a security deposit for its Borrowings of at least \$75.000 million under the terms of the loan agreement. At the reporting date, the carrying value of securities amounted to \$94.195 million (2009, \$99.881 million).

**(c) Loan Covenant**

The secured bank borrowings have two financial covenants: (a) to achieve an operating surplus of \$25.000 million and (b) an interest coverage ratio of at least 2.5 times. The University's result for the year ended 31 December 2009 has been retrospectively restated in these accounts. On 21 March 2011 the bank provided the University with a letter that confirmed that it is satisfied that this restatement has not given rise to an event of default as at 31 December 2009 or 31 December 2010, pursuant to the terms and conditions of the banking facilities provided to the University.

**(d) Financing Arrangements**

The University has no other financing arrangements in place at 31 December 2010 (2009, nil).

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 26 Borrowings (continued)

#### (e) Finance Lease Liabilities

2010	CONSOLIDATED			UNIVERSITY		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	7,078	626	6,452	5,953	476	5,477
Between one and five years	1,696	132	1,564	–	–	–
More than five years	–	–	–	–	–	–
	<b>8,774</b>	<b>758</b>	<b>8,016</b>	<b>5,953</b>	<b>476</b>	<b>5,477</b>

2009	CONSOLIDATED			UNIVERSITY		
	Minimum lease payments	Interest	Principal	Minimum lease payments	Interest	Principal
Less than one year	1,464	236	1,228	–	–	–
Between one and five years	2,715	272	2,443	–	–	–
More than five years	–	–	–	–	–	–
	<b>4,179</b>	<b>508</b>	<b>3,671</b>	<b>–</b>	<b>–</b>	<b>–</b>

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000

#### Note 27 Provisions

##### Current provisions

Current provisions expected to be settled within 12 months

Employee benefits –

Annual leave

41,986 40,588 39,049 37,688

Long service leave

14,382 13,248 12,167 11,019

Deferred government superannuation obligation

8,325 9,152 8,325 9,152

WorkCover claims

1,374 1,184 1,374 1,184

Taxation

11 25 – –

Other

12,511 7,820 12,500 7,519

**78,589 72,017 73,415 66,562**

Current provision expected to be settled after more than 12 months

Employee benefits –

Annual leave

15,039 14,757 15,008 14,677

Long service leave

69,790 50,309 69,790 50,309

**84,829 65,066 84,798 64,986**

Total current provisions

**163,418 137,083 158,213 131,548**

	CONSOLIDATED		UNIVERSITY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Note 27 Provisions (continued)</b>				
<b>Non-current provisions</b>				
Employee benefits –				
Long service leave	16,822	29,114	15,624	27,986
Deferred government superannuation obligation	117,196	100,173	117,196	100,173
WorkCover claims	4,437	4,098	4,437	4,098
Other	3,803	1,860	3,803	1,860
<b>Total non-current provisions</b>	<b>142,258</b>	<b>135,245</b>	<b>141,060</b>	<b>134,117</b>
<b>Total provisions</b>	<b>305,676</b>	<b>272,328</b>	<b>299,273</b>	<b>265,665</b>
<b>27(a) Employee benefits</b>				
Provision for employee benefits – current	149,522	128,054	144,339	122,845
Provision for employee benefits – non-current	134,018	129,287	132,820	128,159
<b>Aggregate employee benefits</b>	<b>283,540</b>	<b>257,341</b>	<b>277,159</b>	<b>251,004</b>
<b>27(b) Employee numbers</b>				
Full-time equivalent staff numbers	<b>6,761</b>	<b>6,662</b>	<b>6,389</b>	<b>6,300</b>

### 27(c) State Superannuation Fund

AASB 119 *Employee Benefits* requires that the estimated present value of superannuation obligations recognised in the financial statements be determined as at balance date. These financial statements recognise estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 30 June 2010. As there is no net impact on the Statement of Financial Position or Income Statement from these superannuation obligations (due to recognition of a corresponding receivable), the costs of providing an actuarial assessment at balance date outweigh the benefits. The University has therefore elected not to obtain an estimate of its superannuation obligations as at balance date. Consequently superannuation obligations (and the corresponding receivable) are stated in the financial statements based on estimates prepared six months in arrears.

### 27(d) Movements in provisions (other than employee benefits)

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	WORKCOVER CLAIMS	TAXATION	OTHER	TOTAL
	\$'000	\$'000	\$'000	\$'000
<b>Consolidated – 2010</b>				
Carrying amount at start of year	5,282	25	9,680	14,987
Additional provisions recognised	529	19	11,958	12,506
Amounts used	–	–	(5,324)	(5,324)
Tax refunds received/payments made	–	(33)	–	(33)
<b>Carrying amount at end of year</b>	<b>5,811</b>	<b>11</b>	<b>16,314</b>	<b>22,136</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Note 28 Other current liabilities</b>				
<b>Income in advance – current</b>				
Australian Government unspent financial assistance:				
Teaching and Learning Capital Fund	17,514	24,096	17,514	24,096
eResearch Collaboration Infrastructure Project	23,000	–	23,000	–
Commonwealth research project income (unspent)	76,559	96,147	76,008	96,147
Other Australian Government financial assistance	27,807	835	27,807	835
Other unspent research project income	30,741	21,376	30,741	20,624
Victorian Life Sciences Computer Initiative funding	42,257	50,000	42,257	50,000
Student fees	22,297	28,301	16,916	22,357
Other	19,931	21,368	16,962	17,394
	<b>260,106</b>	<b>242,123</b>	<b>251,205</b>	<b>231,453</b>
Deposits and funds lodged	336	333	216	196
<b>Total other current liabilities</b>	<b>260,442</b>	<b>242,456</b>	<b>251,421</b>	<b>231,649</b>
<b>Note 29 Other financial liabilities</b>				
<b>Non-current</b>				
Interest rate swap	13,242	11,688	13,242	11,688
<b>Total other financial liabilities</b>	<b>13,242</b>	<b>11,688</b>	<b>13,242</b>	<b>11,688</b>

### Interest rate swap

In 1999, the University entered into an interest rate swap to remove exposure to the variable interest rate on the loan facility for the construction of the University Square buildings. The interest rate swap extends over the entire loan period and is designated as an effective hedging instrument. This is the only financial derivative that the University has at balance date. Refer to note 26(a) for further details of the relevant loan facility.

	CONSOLIDATED			UNIVERSITY		
	2010 \$'000	2009 \$'000	1 Jan 2009 \$'000	2010 \$'000	2009 \$'000	1 Jan 2009 \$'000
<b>Note 30 Reserves and retained surplus</b>						
<b>30(a) Reserves</b>						
Reserves at 31 December comprise –						
Trust Fund Reserve	327,389	292,133	283,008	327,389	292,133	283,008
General Reserve	39,344	39,398	39,370	39,312	39,366	39,338
Land Asset Revaluation Reserve	547,558	543,403	490,054	495,569	491,414	441,500
Building Asset Revaluation Reserve	1,359,899	1,355,650	1,119,642	1,355,747	1,351,498	1,119,181
Other Collections Asset Revaluation Reserve	57,969	58,830	58,830	57,969	58,830	58,830
Works of Art Asset Revaluation Reserve	54,982	55,388	55,388	54,982	55,388	55,388
Available-for-Sale Revaluation Reserve	80,182	79,914	43,509	71,019	69,742	43,653
Hedging Reserve	(13,242)	(11,688)	(40,871)	(13,242)	(11,688)	(40,871)
Special Purpose Reserve	17,168	16,545	15,114	17,144	16,531	15,029
Members Capital Reserve	30,405	30,405	30,405	–	–	–
Contributed Equity	12,339	12,339	12,339	–	–	–
Foreign Currency Translation Reserve	–	20	164	–	–	–
<b>Total Reserves</b>	<b>2,513,993</b>	<b>2,472,337</b>	<b>2,106,952</b>	<b>2,405,889</b>	<b>2,363,214</b>	<b>2,015,056</b>
<b>MOVEMENTS IN RESERVES</b>						
<b>Trust Fund Reserve</b>						
Balance Beginning of Year	292,133	283,008	270,713	292,133	283,008	270,713
Transfer from Land Revaluation Reserve	–	–	50	–	–	50
Transfer from Retained Surplus	35,256	9,125	12,245	35,256	9,125	12,245
<b>Balance End of Year</b>	<b>327,389</b>	<b>292,133</b>	<b>283,008</b>	<b>327,389</b>	<b>292,133</b>	<b>283,008</b>
<b>General Reserve</b>						
Balance Beginning of Year	39,398	39,370	39,512	39,366	39,338	39,339
Transfer from/(to) Retained Surplus	(54)	28	(142)	(54)	28	(1)
<b>Balance End of Year</b>	<b>39,344</b>	<b>39,398</b>	<b>39,370</b>	<b>39,312</b>	<b>39,366</b>	<b>39,338</b>
<b>Land Asset Revaluation Reserve</b>						
Balance Beginning of Year	543,403	490,054	487,894	491,414	441,500	439,340
Changes due to Revaluation	4,155	53,349	–	4,155	49,914	–
Transfer from/(to) Trust Fund Reserve	–	–	(50)	–	–	(50)
Transfer (to)/from Building Revaluation Reserve	–	–	2,210	–	–	2,210
<b>Balance End of Year</b>	<b>547,558</b>	<b>543,403</b>	<b>490,054</b>	<b>495,569</b>	<b>491,414</b>	<b>441,500</b>
<b>Building Asset Revaluation Reserve</b>						
Balance Beginning of Year	1,355,650	1,119,642	1,121,812	1,351,498	1,119,181	1,121,351
Changes due to Revaluation	4,249	236,008	40	4,249	232,317	40
Transfer (to)/from Land Revaluation Reserve	–	–	(2,210)	–	–	(2,210)
<b>Balance End of Year</b>	<b>1,359,899</b>	<b>1,355,650</b>	<b>1,119,642</b>	<b>1,355,747</b>	<b>1,351,498</b>	<b>1,119,181</b>
<b>Other Collections Asset Revaluation Reserve</b>						
Balance Beginning of Year	58,830	58,830	58,830	58,830	58,830	58,830
Changes due to Revaluation	(861)	–	–	(861)	–	–
<b>Balance End of Year</b>	<b>57,969</b>	<b>58,830</b>	<b>58,830</b>	<b>57,969</b>	<b>58,830</b>	<b>58,830</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

	CONSOLIDATED			UNIVERSITY		
	2010 \$'000	2009 \$'000	1 Jan 2009 \$'000	2010 \$'000	2009 \$'000	1 Jan 2009 \$'000
<b>Note 30 Reserves and retained surplus (continued)</b>						
<b>Works of Art Asset Revaluation Reserve</b>						
Balance Beginning of Year	55,388	55,388	55,388	55,388	55,388	55,388
Changes due to Revaluation	(406)	–	–	(406)	–	–
<b>Balance End of Year</b>	<b>54,982</b>	<b>55,388</b>	<b>55,388</b>	<b>54,982</b>	<b>55,388</b>	<b>55,388</b>
<b>Available-for-Sale Revaluation Reserve</b>						
Balance Beginning of Year	79,914	43,509	136,567	69,742	43,653	140,640
Transfer from/(to) Retained Surplus	–	1,899	–	–	1,899	–
Transfers to Profit and Loss on Sale	(44,777)	(68,744)	(41,848)	(44,777)	(68,744)	(46,190)
Changes due to Revaluation of Investments	45,045	103,250	(50,996)	46,054	92,934	(50,797)
Transfer from/(to) Foreign Currency Translation Reserve	–	–	(214)	–	–	–
<b>Balance End of Year</b>	<b>80,182</b>	<b>79,914</b>	<b>43,509</b>	<b>71,019</b>	<b>69,742</b>	<b>43,653</b>
<b>Hedging Reserve</b>						
Balance Beginning of Year	(11,688)	(40,871)	–	(11,688)	(40,871)	–
Valuation gains/(losses)	(1,554)	29,183	(40,871)	(1,554)	29,183	(40,871)
<b>Balance End of Year</b>	<b>(13,242)</b>	<b>(11,688)</b>	<b>(40,871)</b>	<b>(13,242)</b>	<b>(11,688)</b>	<b>(40,871)</b>
<b>Special Purpose Reserve</b>						
Balance Beginning of Year	16,545	15,114	12,918	16,531	15,029	12,840
Transfer from/(to) Retained Surplus	623	1,502	2,196	613	1,502	2,189
Transfer from General Reserve	–	(71)	–	–	–	–
<b>Balance End of Year</b>	<b>17,168</b>	<b>16,545</b>	<b>15,114</b>	<b>17,144</b>	<b>16,531</b>	<b>15,029</b>
<b>Members Capital Reserve</b>						
Balance Beginning of Year	30,405	30,405	30,405	–	–	–
<b>Balance End of Year</b>	<b>30,405</b>	<b>30,405</b>	<b>30,405</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Foreign Currency Translation Reserve</b>						
Balance Beginning of Year	20	164	(50)	–	–	–
Exchange differences on translation of foreign operations	(20)	(144)	–	–	–	–
Transfer from/(to) Available-for-Sale Revaluation Reserve	–	–	214	–	–	–
<b>Balance End of Year</b>	<b>–</b>	<b>20</b>	<b>164</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>30(b) Retained surplus</b>						
Balance at Beginning of Year	1,040,652	1,035,833	1,295,809	983,168	972,732	1,197,162
Operating Result from Continuing Operations after related Income Tax Expense	57,604	17,302	(245,677)	53,553	22,990	(209,997)
Transfers from/(to) Reserves	(35,825)	(12,483)	(14,299)	(35,815)	(12,554)	(14,433)
<b>Balance at End of Year</b>	<b>1,062,431</b>	<b>1,040,652</b>	<b>1,035,833</b>	<b>1,000,906</b>	<b>983,168</b>	<b>972,732</b>

### 30(c) Nature and Purpose of Reserves

**Trust fund reserve** – this reserve reflects net surpluses derived from endowments and bequests which can only be applied to restricted purposes.

**General Reserve** – this reserve is maintained to cover a range of general purposes.

**Asset Revaluation Reserves** – these reserves arise from the revaluation of the specific assets of Land, Buildings, Other Collections and Works of Art.

**Available-for-Sale Revaluation Reserve** – this reserve arises from the revaluation of Available-for-Sale Investments.

**Hedging Reserve** – this reserve arises from the hedging gains and losses recognised on the effective portion of cash flow hedges.

**Special Purpose Reserve** – this reserve is maintained to cover a range of special purposes. The major Special Purpose Reserve is maintained by the University against possible future claims that may arise under the University's self insurance licence for WorkCover. This reserve is in addition to the University's statutory obligation.

**Members Capital Reserve** – this reserve is maintained by the Melbourne Business School Limited, a deemed subsidiary, for the purpose of recording capital donations principally received from the University and other parties who have subscribed, or are invited to subscribe to the Memorandum of Association of the Company.

**Foreign Currency Translation Reserve** – this reserve is maintained by UoM Commercial Ltd, a subsidiary, for recording the effect of foreign currency exchange rate movements at balance dates in respect of its non-hedged holdings of assets and liabilities of its overseas subsidiaries.

**Contributed Equity** – represents the Net Fair Value of Assets identified upon acquisition of Mt Eliza Graduate School of Business and Government Limited by Melbourne Business School Limited as at 5 March 2004.

## Note 31 Key management personnel disclosures

### (a) Names of Responsible Persons

The names of each person holding the position of Member of Council during the year were:

Ms E Alexander	Mr R McPherson (appointed 1 Jan 2010)
Prof G Bowes (re-elected 1 Jan 2010)	Dr V Mansour (reappointed 1 Jan 2010)
The Hon. Mr A Chernov (Chancellor)	Mr M Myer
Mr M F Coyle	Mr A Peake
Justice S Crennan	Ms E N S Ritchie
Prof G C Davis (Vice-Chancellor)	Prof G W Stevens (term expired 31 Dec 2010)
Prof P Dawkins (until 9 August 2010)	Ms R Storelli (Deputy Chancellor)
Ms Z Edwards (1 Jan 2010 to 31 Dec 2010)	Dr F Varvaet (elected 1 Jan 2010)
Mr M Griffith (1 Jan 2010 to 31 Dec 2010)	Mr J Wilson (appointed 23 Mar 2010)
Mr R N Johanson (reappointed 1 Apr 2010)	The Hon. Mr D R White
Judge I E Lawson	

### (b) Remuneration of Responsible Persons

Income paid or payable, or otherwise made available to, Members of University Council and to Board Members of Subsidiaries in the consolidated entity and related parties in connection with the management of affairs of the University and its Subsidiaries for the year is outlined below.

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Short-Term Employee Benefits	2,735	2,917	1,262	1,289
Post-Employment Benefits	275	260	248	234
Other Long-Term Benefits	4	7	4	7
<b>Total Remuneration of Council/Board Members</b>	<b>3,014</b>	<b>3,184</b>	<b>1,514</b>	<b>1,530</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 31 Key management personnel disclosures (continued)

The number of Council Members and Directors of Subsidiary companies and their total remuneration during the reporting period is shown in the table below in their relevant income bands:

	CONSOLIDATED NUMBER		UNIVERSITY NUMBER	
	2010	2009	2010	2009
Nil	47	55	3	4
\$1–\$9,999	1	2	–	–
\$10,000–\$19,999	22	20	15	16
\$20,000–\$29,999	1	3	–	–
\$30,000–\$39,999	–	1	–	–
\$50,000–\$59,999	–	2	–	–
\$90,000–\$99,999	1	–	1	–
\$160,000–\$169,999	–	1	–	1
\$190,000–\$199,999	1	1	–	–
\$200,000–\$209,999	1	–	–	–
\$210,000–\$219,999	–	1	–	–
\$220,000–\$229,999	1	–	–	–
\$230,000–\$239,999	–	1	–	–
\$280,000–\$289,999	–	1	–	1
\$290,000–\$299,999	1	–	1	–
\$320,000–\$329,999	–	1	–	–
\$340,000–\$349,999	1	–	–	–
\$380,000–\$389,999	1	–	–	–
\$390,000–\$399,999	–	1	–	–
\$830,000–\$839,999	–	1	–	1
\$870,000–\$879,999	1	–	1	–
<b>Total number</b>	<b>79</b>	<b>91</b>	<b>21</b>	<b>23</b>

As a responsibility of office, one executive included above occupies a residence owned by the University. The residence is required to be available and used regularly for official University functions and promotional activities. The value of this benefit including associated costs is \$173,061 (2009, \$164,729), which is included in the remuneration reported above.

Members of the University Council are remunerated for their service. Certain members elect to donate part or all of this remuneration to the University.

#### (c) Remuneration of Executive Officers

Total amounts received by Executives of the Group including Members of Council are outlined below.

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Short-Term Employee Benefits	15,423	14,101	9,227	8,543
Post-Employment Benefits	2,266	2,537	2,080	2,349
Other Long-Term Benefits	174	618	129	539
Termination Benefits	764	566	675	551
<b>Total Remuneration of Executive Officers</b>	<b>18,627</b>	<b>17,822</b>	<b>12,111</b>	<b>11,982</b>

**Note 31 Key management personnel disclosures (continued)**

The number of Executive Officers and their base and total remuneration during the reporting period is shown in the table below in their relevant bands:

	CONSOLIDATED NUMBER				UNIVERSITY NUMBER			
	TOTAL REMUNERATION		BASE REMUNERATION		TOTAL REMUNERATION		BASE REMUNERATION	
	2010	2009	2010	2009	2010	2009	2010	2009
\$100,000–\$109,999	–	1	–	1	–	–	–	–
\$110,000–\$119,999	3	4	4	4	–	–	–	–
\$120,000–\$129,999	2	1	1	–	1	–	–	–
\$130,000–\$139,999	1	2	3	5	–	–	2	2
\$140,000–\$149,999	5	3	5	2	–	1	1	1
\$150,000–\$159,999	3	3	1	3	–	2	–	1
\$160,000–\$169,999	2	6	6	7	1	2	2	3
\$170,000–\$179,999	1	1	2	7	–	–	1	3
\$180,000–\$189,999	–	1	2	2	–	–	2	2
\$190,000–\$199,999	3	4	3	2	1	3	–	2
\$200,000–\$209,999	2	1	2	1	1	1	2	1
\$210,000–\$219,999	2	4	4	3	2	3	4	3
\$220,000–\$229,999	3	3	4	5	1	2	2	2
\$230,000–\$239,999	1	2	–	2	–	1	–	–
\$240,000–\$249,999	2	2	3	2	2	2	2	2
\$250,000–\$259,999	2	2	2	5	2	–	1	3
\$260,000–\$269,999	2	1	2	1	2	–	2	1
\$270,000–\$279,999	4	2	2	1	1	2	1	1
\$280,000–\$289,999	1	3	2	1	1	3	1	1
\$290,000–\$299,999	5	3	1	1	4	2	1	1
\$300,000–\$309,999	3	1	1	–	3	1	1	–
\$310,000–\$319,999	–	2	2	2	–	1	2	1
\$320,000–\$329,999	–	2	2	3	–	2	2	3
\$330,000–\$339,999	1	–	1	1	1	–	1	1
\$340,000–\$349,999	1	2	1	1	–	1	–	–
\$350,000–\$359,999	1	1	3	–	1	–	2	–
\$360,000–\$369,999	–	2	1	1	–	2	1	1
\$370,000–\$379,999	3	–	–	–	3	–	–	–
\$380,000–\$389,999	5	1	–	–	3	1	–	–
\$390,000–\$399,999	1	3	–	–	1	2	–	–
\$400,000–\$409,999	–	1	–	–	–	1	–	–
\$410,000–\$419,999	1	1	–	–	1	1	–	–
\$420,000–\$429,999	1	–	–	–	1	–	–	–
\$460,000–\$469,999	2	–	–	–	1	–	–	–
\$540,000–\$549,999	–	1	–	–	–	1	–	–
\$550,000–\$559,999	–	1	–	–	–	1	–	–
\$590,000–\$599,999	1	–	–	–	1	–	–	–
\$730,000–\$739,999	–	–	–	1	–	–	–	1
\$770,000–\$779,999	–	–	1	–	–	–	1	–
\$830,000–\$839,999	–	1	–	–	–	1	–	–
\$870,000–\$879,999	1	–	–	–	1	–	–	–
<b>Total number</b>	<b>65</b>	<b>68</b>	<b>61</b>	<b>64</b>	<b>36</b>	<b>39</b>	<b>34</b>	<b>36</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 31 Key management personnel disclosures (continued)

#### (d) Minister

The responsible Ministers for the reporting period were the Hon. Jacinta Allan MP (1 January 2010 to 20 October 2010), the Hon. Bronwyn Pike (20 October 2010 to 2 December 2010) and the Hon. Peter Hall (2 December 2010 to 31 December 2010). Remuneration of the Ministers is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members' Interests, which each member of Parliament completes.

#### (e) Related Party Transactions

Ms E A Alexander is a Director of CSL Limited, which has entered into a lease for space in the BIO21 building and other contracts with the University on normal commercial terms and conditions.

Mr A Peake is Managing Partner Melbourne of PricewaterhouseCoopers, which provided services to the University during the year on normal commercial terms and conditions.

Other related party transactions requiring disclosure under the directions of the Minister for Finance have been considered and there are no matters to report.

#### (f) Loans to Key Management Personnel

There were no loans made to any members of Council or Directors of subsidiary companies in 2010 (2009, nil).

### Note 32 Remuneration of auditors

During the year, the following fees were paid for services provided by the University's auditor, its related practices and non-related audit firms:

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>(a) Audit services</b>				
Fees paid or payable to the Victorian Auditor General's Office for audit and review of financial reports and other work under the Corporations Act 2001	333	355	294	292
Fees paid or payable to other audit firms for the audit and review of financial reports of subsidiary entities	266	250	–	–
<b>Total remuneration for audit services</b>	<b>599</b>	<b>605</b>	<b>294</b>	<b>292</b>
<b>(b) Non-audit services</b>				
No entity in the Group received any other service from the Victorian Auditor General's Office in the reporting period. (2009, Nil).				
Fees paid or payable to subsidiary entities' audit firms for:				
Audit-related services	–	6	–	–
Taxation services	9	4	–	–
Other services	50	350	50	94
<b>Total remuneration for non-audit services</b>	<b>59</b>	<b>360</b>	<b>50</b>	<b>94</b>

### Note 33 Contingent assets and liabilities

The Group has the following contingent asset as at 31 December 2010.

- (a) In 2009, the University purchased a property in Melbourne. As part of the settlement terms, an amount of \$950,000 was deducted from the purchase price and placed in an interest bearing trust account in the joint names of the Vendor and the University. The property currently has a tenant with a lease to occupy the property until June 2018. If the lease is terminated by the Lessee on or before the 16 April 2012 the retention of \$950,000 as well as any accumulated interest will be paid to the University.

The Group has the following contingent liabilities as at 31 December 2010.

- (a) The University has issued a Letter of indemnity to the National Australia Bank to cover the Bank's guarantee to the Victorian WorkCover Authority under the University's WorkCover Self Insurance Scheme. The amount of the guarantee in place is \$8.237 million (2009, \$7.401 million) and the actuarial assessment of claims liability as at 31 December 2010 is \$5.811 million (2009, \$5.282 million).
- (b) In addition, the University has provided an indemnity to cover National Australia Bank guarantee to the City of Melbourne in respect of a 50-year lease (signed in 2000) over a site on which the University has constructed and is operating as a car park. The amount of the guarantee in place is \$50,000 (2009, \$50,000).
- (c) The University has provided an indemnity to cover National Australia Bank guarantee to the Victorian Employers Chamber of Commerce and Industry for the sum of \$135,000 in connection with ATA Carnet requirements over the delivery of specific scientific equipment.

	CONSOLIDATED		UNIVERSITY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Note 34 Commitments</b>				
<b>34.1 Capital Commitments</b>				
Commitments for the construction and acquisition of buildings, plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	169,649	101,420	169,589	101,316
Later than one year but not later than five years	135,308	52,433	135,308	52,433
Later than five years	–	–	–	–
<b>Total Capital Commitments</b>	<b>304,957</b>	<b>153,853</b>	<b>304,897</b>	<b>153,749</b>
<b>34.2 Lease Commitments – as Lessee</b>				
Commitments for minimum lease payments in relation to operating leases at the reporting date but not recognised as liabilities, payable:				
Within one year	5,048	4,064	4,172	3,039
Later than one year but not later than five years	12,738	9,038	11,778	7,615
Later than five years	23,244	21,125	23,054	20,934
	<b>41,030</b>	<b>34,227</b>	<b>39,004</b>	<b>31,588</b>
Representing:				
Cancellable operating leases	422	1,140	–	–
Non-cancellable operating leases	40,608	33,087	39,004	31,588
<b>Total Lease Commitments – as Lessee</b>	<b>41,030</b>	<b>34,227</b>	<b>39,004</b>	<b>31,588</b>
<b>34.3 Lease Commitments – as Lessor</b>				
Future minimum rentals receivable under non-cancellable operating leases at the reporting date but not recognised as assets, receivable:				
Within one year	2,142	5,547	2,142	3,614
Later than one year but not later than five years	854	12,293	854	9,363
Later than five years	174	8,728	174	7,890
<b>Total Lease Commitments – as Lessor</b>	<b>3,170</b>	<b>26,568</b>	<b>3,170</b>	<b>20,867</b>
The University has entered into operating leases with various businesses as lessor to lease retail space at Union House and other areas controlled by the University for the purpose of providing services to students. Included above is the rentals receivable from these properties.				
<b>34.4 Other Expenditure Commitments</b>				
Within one year	2,556	3,994	2,527	3,952
Later than one year but not later than five years	11,592	8,982	11,592	8,953
Later than five years	12,079	16,304	12,079	16,304
<b>Total Other Expenditure Commitments</b>	<b>26,227</b>	<b>29,280</b>	<b>26,198</b>	<b>29,209</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 35 Related party transactions

#### (a) Parent entities

The ultimate parent entity within the Group is the University.

#### (b) Subsidiaries

The University's interests in its subsidiaries are set out in Note 37.1.

#### (c) Members of Council and Specified Executive Officers

Disclosures relating to members of Council and specified executives are set out in Note 31.

#### (d) Transactions with Related Parties

The following transactions occurred with related parties:

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Funding Provided to Subsidiaries	–	–	8,473	7,078
Sale of Goods and Services to				
Subsidiaries	–	–	7,128	7,717
Other Related Parties	61	68	–	–
Purchase of Goods from Subsidiaries	–	–	13,880	13,170
Loan Advanced from Subsidiaries	–	–	201	–
Interest Expense to Subsidiaries	–	–	330	235

#### (e) Outstanding Balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Current Receivables (sale of goods and services)				
Subsidiaries	–	–	591	583
Current Payables (purchases of goods)				
Subsidiaries	–	–	3,335	1,155
Non-current payables (loans)				
Parent entity	–	–	201	–

No allowance for impaired receivables was raised in 2010 (2009, nil) for the outstanding balances disclosed above. Therefore, no expense was recognised for the period.

#### (f) Guarantees

No guarantees have been given to third parties in respect of related parties.

#### (g) Terms and Conditions

During the financial year, all transactions between the University and its subsidiaries were in the ordinary course of business and on normal arm's length commercial terms and conditions.

### Note 36 WorkCover – self insurance

From 1 October 1990, the University became a Self Insurer for Workers' Compensation and WorkCover. As part of the settlement terms with the Victorian WorkCover Authority, the University is liable for all remaining claims in respect of the period prior to self insurance from 1 September 1985 up to that date. An actuarial assessment carried out as at 31 December 2010 assessed outstanding liabilities of the University in respect of both new claims incurred and the remaining claims from the period prior to self insurance at \$5.811 million (\$5.282 million at 31 December 2009) which are projected to decrease to \$5.504 million by 31 December 2011.

**Note 37 Subsidiaries****37.1 Subsidiary Entities**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.2(i).

NAME OF ENTITY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	CLASS OF SHARES	OWNERSHIP INTEREST	
				2010	2009
Australian International Health Institute (The University of Melbourne) Ltd	Undertake and provide research, development, education, training, consultancy and other activities in regard to medical and related areas.	Australia	Fully Paid Ordinary Shares	100%	100%
Australian Music Examinations Board (Victoria) Limited	Provides a system of graded examinations in relation to music and speech in Victoria.	Australia	Company Limited by Guarantee	100%	100%
Australian National Academy of Music Ltd Group	Provide a national centre of excellence with practical music education and training.	Australia	Company Limited by Guarantee	75%	75%
Melbourne Business School Limited Group	Provision of educational services.	Australia	Company Limited by Guarantee	45%	45%
Melbourne University Publishing Limited	To publish the best scholarly writing from Australia and Overseas, both within and independent of the tertiary sector.	Australia	Company Limited by Guarantee	100%	100%
MU Student Union Limited	Provision of amenities, services and facilities for the benefit of students.	Australia	Company Limited by Guarantee	100%	100%
UOM Commercial Ltd Group	Commercialisation of research and teaching of the University of Melbourne.	Australia	Fully Paid Ordinary Shares	100%	100%
Victorian Institute for Chemical Sciences Limited*	Provide teaching and research in chemical sciences.	Australia	Company Limited by Guarantee	33%	33%

\* The University of Melbourne, Monash University and RMIT are all equal members of the Victorian Institute for Chemical Sciences Limited. Under the terms of the Funding Agreement with the State Government, the University of Melbourne has financial responsibility for the company, and it is therefore considered to have control.

**37.2 Changes to the Group Structure****UOM Commercial Ltd Group**

MUP Services Ltd was liquidated on the 5 August 2010. During 2009, there were several changes to the UOM Commercial Ltd Group structure. Melbourne Enterprises International Ltd and Melbourne Information Management Pty Ltd were liquidated on 2 October 2009. MU Private (NZ) Ltd was liquidated on the 23 October 2009 and UMEE UK Ltd was liquidated on the 6 March 2009. The Hawthorn English Language Centres (Canada) Ltd was dissolved on the 11 September 2009.

In addition, as part of a strategic evaluation, UM Commercialisation Pty Ltd was transferred from Melbourne Ventures Pty Ltd to UOM Commercial Ltd at 31 December 2010. The operations of Melbourne Ventures Pty Ltd were also transferred to UOM Commercial Ltd on 31 December 2010. Melbourne Ventures Pty Ltd will be wound up at a future date.

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 37 Subsidiaries (continued)

#### 37.3 Summary of net result for each consolidated entity

	Note	NET RESULT AFTER INCOME TAX	
		2010 \$'000	2009 \$'000
<b>University General</b>			
– Profit/(Loss) from Continuing Operations	(a)	13,973	12,838
<b>Trust Funds</b>		35,256	9,613
<b>Auxiliary Operations:</b>			
Children's Services		181	(159)
Halls of Residence:			
– International House		266	290
– Kendall Hall		45	22
– Medley Hall		(89)	(114)
Melbourne Theatre Company	(b)	3,347	(571)
Melbourne University Bookshop		(296)	53
Melbourne University Sport		33	(358)
The Ian Potter Museum of Art		78	91
Veterinary Hospital		759	1,285
<b>Subtotal University</b>		<b>53,553</b>	<b>22,990</b>
<b>Subsidiaries</b>			
Australian International Health Institute (The University of Melbourne) Ltd		264	282
Australian Music Examinations Board (Vic) Limited		316	105
Australian National Academy of Music Ltd Group		(122)	(88)
Melbourne Business School Limited Group		4,058	(6,662)
Melbourne University Publishing Limited	(c)	(395)	2,387
MU Student Union Limited		659	363
UOM Commercial Ltd Group		(581)	(1,981)
Victorian Institute for Chemical Sciences Limited		(148)	(99)
<b>Subtotal Subsidiaries</b>		<b>4,051</b>	<b>(5,693)</b>
Adjustments on Consolidation for Differences in Accounting Policies		–	3
<b>Total</b>		<b>57,604</b>	<b>17,302</b>

- (a) The University's result in 2010 includes a \$33.597 million impairment loss on Available-for-Sale financial assets (2009, \$53.703 million). Refer Note 1.10 for further information.
- (b) The Melbourne Theatre Company's 2010 surplus includes \$2.149 million capital funding and \$0.388 million forgiveness of debt from the University. These amounts have been eliminated from the University General result.
- (c) Included in Melbourne University Publishing Limited's 2009 result is a \$2.000 million capital contribution from the University.

## Note 37 Subsidiaries (continued)

## 37.4 Subsidiaries – Income Statement analysis

	TOTAL INCOME	TOTAL INCOME	TOTAL EXPENDITURE	TOTAL EXPENDITURE
	2010	2009	2010	2009
Subsidiary	\$'000	\$'000	\$'000	\$'000
Australian International Health Institute (The University of Melbourne) Ltd	7,370	7,320	7,106	7,038
Australian Music Examinations Board (Vic) Limited	2,178	2,081	1,862	1,976
Australian National Academy of Music Ltd Group	3,309	3,120	3,431	3,208
Melbourne Business School Limited Group	62,389	54,282	58,331	60,944
Melbourne University Publishing Limited*	6,580	8,806	6,975	6,419
MU Student Union Limited	13,205	13,155	12,546	12,792
UOM Commercial Ltd Group	28,674	20,488	29,166	22,442
Victorian Institute for Chemical Sciences Limited	170	347	318	446
<b>Total – University Subsidiaries</b>	<b>123,875</b>	<b>109,599</b>	<b>119,735</b>	<b>115,265</b>

	TAX (EXPENSE/ BENEFIT)	TAX (EXPENSE/ BENEFIT)	PROFIT/ (LOSS)	PROFIT/ (LOSS)
	2010	2009	2010	2009
Subsidiary	\$'000	\$'000	\$'000	\$'000
Australian International Health Institute (The University of Melbourne) Ltd	–	–	264	282
Australian Music Examinations Board (Vic) Limited	–	–	316	105
Australian National Academy of Music Ltd Group	–	–	(122)	(88)
Melbourne Business School Limited Group	–	–	4,058	(6,662)
Melbourne University Publishing Limited*	–	–	(395)	2,387
MU Student Union Limited	–	–	659	363
UOM Commercial Ltd Group	(89)	(27)	(581)	(1,981)
Victorian Institute for Chemical Sciences Limited	–	–	(148)	(99)
<b>Total – University Subsidiaries</b>	<b>(89)</b>	<b>(27)</b>	<b>4,051</b>	<b>(5,693)</b>

Where applicable, the results of the above Subsidiaries include contributions from the University of Melbourne.

\* Included in Melbourne University Publishing Limited's 2009 result is a \$2.000 million capital contribution from the University.

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 37 Subsidiaries (continued)

#### 37.5 Subsidiaries – Statement of Financial Position analysis

	CURRENT ASSETS LESS CURRENT LIABILITIES	CURRENT ASSETS LESS CURRENT LIABILITIES	PROPERTY, PLANT & EQUIPMENT	PROPERTY, PLANT & EQUIPMENT	TOTAL ASSETS	TOTAL ASSETS
	2010	2009	2010	2009	2010	2009
Subsidiary	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australian International Health Institute (The University of Melbourne) Ltd	1,284	1,132	112	57	4,031	4,693
Australian Music Examinations Board (Vic) Limited	918	558	222	282	2,298	1,936
Australian National Academy of Music Ltd Group	666	762	178	197	977	1,137
Melbourne Business School Limited Group	(5,527)	(11,299)	93,650	96,753	167,439	165,902
Melbourne University Publishing Limited	2,694	3,032	48	57	4,470	5,711
MU Student Union Limited	3,189	2,546	2,646	2,634	7,706	6,530
UOM Commercial Ltd Group	11,586	13,025	15,554	15,344	43,255	39,313
Victorian Institute for Chemical Sciences Limited	75	223	–	–	96	249
<b>Total – University Subsidiaries</b>	<b>14,885</b>	<b>9,979</b>	<b>112,410</b>	<b>115,324</b>	<b>230,272</b>	<b>225,471</b>

	TOTAL LIABILITIES	TOTAL LIABILITIES	EQUITY	EQUITY
	2010	2009	2010	2009
Subsidiary	\$'000	\$'000	\$'000	\$'000
Australian International Health Institute (The University of Melbourne) Ltd	2,720	3,646	1,311	1,047
Australian Music Examinations Board (Vic) Limited	244	198	2,054	1,738
Australian National Academy of Music Ltd Group	172	210	805	927
Melbourne Business School Limited Group	19,077	20,522	148,362	145,380
Melbourne University Publishing Limited	1,878	2,724	2,592	2,987
MU Student Union Limited	1,897	1,380	5,809	5,150
UOM Commercial Ltd Group	15,487	11,010	27,768	28,303
Victorian Institute for Chemical Sciences Limited	21	26	75	223
<b>Total – University Subsidiaries</b>	<b>41,496</b>	<b>39,716</b>	<b>188,776</b>	<b>185,755</b>

### Note 38 Subsequent events

There are no matters or circumstances that have arisen since the end of the financial year that have affected or may subsequently affect the financial position of the University or its subsidiaries.

	CONSOLIDATED		UNIVERSITY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Note 39 Reconciliation of operating result for the year to net cash flows from operating activities</b>				
<b>Operating result for the year</b>	57,604	17,302	53,553	22,990
<b>Add/(less) non-cash flows in net profit/(loss)</b>				
Depreciation and amortisation	135,687	99,709	130,611	94,205
Bad and doubtful debts written off	289	494	161	319
Impairment losses on investments	34,690	55,913	34,395	57,635
Loss/(gain) on sale/redemption of investments	7,746	(20,485)	8,806	(20,459)
Transfer of (gain)/loss from equity on disposal of available-for-sale financial assets	(44,777)	(68,744)	(44,777)	(68,744)
Net (gain)/loss on sale of non-current assets	5,422	5,816	4,657	5,138
Other	(2,726)	(2,421)	117	(131)
<b>Changes in assets and liabilities</b>				
Decrease/(increase) in receivables	(36,118)	(52)	(31,950)	(2,649)
Decrease/(increase) in prepayments	(13,661)	(8,826)	(13,643)	(8,620)
Decrease/(increase) in other assets	(267)	(577)	215	(167)
Decrease/(increase) in inventories	311	(847)	707	(625)
Increase/(decrease) in provision for doubtful debts	2,173	384	2,107	294
Increase/(decrease) in provision for income taxes payable	(13)	22	–	–
Increase/(decrease) in payables	21,127	(38,941)	18,087	(39,227)
Increase/(decrease) in provisions for employee entitlements	26,199	11,718	26,155	11,222
Increase/(decrease) in income in advance	17,986	59,544	19,771	59,112
Increase/(decrease) in other provisions	7,163	8,102	7,453	8,829
<b>Net cash inflow from operating activities</b>	<b>218,835</b>	<b>118,111</b>	<b>216,425</b>	<b>119,122</b>

## Note 40 Financial risk management

### 40.1 Financial risk management objectives and policies

The consolidated entity's principal financial instruments consist mainly of listed and unlisted shares, unit trusts, and borrowings. The main purpose of these financial instruments is to raise finance to support the Group's activities. The Group has various other financial instruments such as accounts receivable and accounts payable, which arise directly from its operations.

The Group is exposed to key financial risks, including market risk (which includes interest rate risk, price risk and foreign currency risk), credit risk and liquidity risk. This note presents information about the Group's exposure to each of these risks, and the objectives, policies and processes for measuring and managing risk.

The University's Council has overall responsibility for the establishment and oversight of the Group's risk management framework. The Council has established:

- the Finance Committee, which meets regularly to monitor and evaluate the University's financial management strategies in the context of the most recent economic conditions and forecasts,
- the Investment Management Committee, which monitors and advises the Finance Committee on University's short term cash management and long term investments, and
- the Audit and Risk Committee, which is responsible for monitoring risk management policies.

## Note 40 Financial risk management (continued)

### 40.2 Risk Exposures

The main risks the Group is exposed to through its financial instruments are as follows:

(a) **Market Risk**

Market risk is the risk that changes in market prices will affect the Group's result or the value of the Group's financial assets and liabilities. The key market risks that the Group is exposed to are interest rate risk, foreign currency risk and price risk, each of which are discussed below.

(i) *Interest Rate Risk*

The Group's exposure to market interest rates relates primarily to the Group's long-term borrowings and funds invested on the money market. The interest rate on the University's long term borrowings are either fixed or hedged, and therefore the Group is not exposed to any material interest rate risk. The University has an Interest Rate Swap on borrowings for University Square which caps the interest rate at 7.32 per cent under a Bill Acceptance and Discount Facility. Borrowings for the Business and Economics building are fixed at 7.03 per cent.

All borrowings are subject to approval by the University of Melbourne Council and the Treasurer of Victoria.

The Group has minimal exposure to interest rate risk through its holding of cash assets and other financial assets at fair value. At the reporting date, it was considered that a 1 per cent decrease/increase in the interest rate is a reasonably possible movement in the next twelve months. If interest rates were 1 per cent lower/higher than the year-end rates with all other variables held constant, the Group's net result for the year would have been \$1.303 million lower/higher, reflecting the lower/higher interest income earned on affected balances. (In 2009, up to a 1 per cent decrease or a 3 per cent increase in rates was considered reasonable and would have resulted in the Group's net result being between \$1.288 million lower and \$3.865 million higher.)

The Group manages its interest rate risk primarily through fixing its interest rate on long term borrowings and by maintaining a diversified investment portfolio.

(ii) *Foreign Currency Risk*

The Group's main exposure to foreign currency risk arises from International Shares held as part of its long term investment portfolio. The Group is mainly exposed to US dollars and the Euro. At the reporting date, had the Australian Dollar weakened/strengthened by 10 per cent against the relevant foreign currencies with all other variables held constant, the Group's equity balance would have been \$13.615 million lower/higher (2009, \$13.544 million lower/higher), due to changes in the fair value of available-for-sale financial assets. There would have been no change to the net result for the year (2009, nil).

At times, the University will hedge large equipment purchases denominated in foreign currencies to manage foreign currency risk. The University did not have any such hedges in place at 31 December 2010 (2009, nil).

(iii) *Price Risk*

The University has a significant investment in marketable securities (included within available-for-sale financial assets), which exposes the Group to price risk. To limit this risk, the University has invested its funds with Fund Managers and maintained a diversified investment portfolio. The majority of the equity investments are of a high quality and are publicly traded on equity exchanges. The investments are mainly included in the S&P/ASX 200 Index.

The sensitivity analysis has been determined based on the Group's exposure to equity prices. At the reporting date, if the value of marketable securities were 10 per cent lower/higher with all other variables held constant, the Group's equity would have been \$117.329 million lower/higher (2009, \$110.038 million lower/higher), due to changes in the fair value of available-for-sale financial assets. There would have been no change to the net result for the year (2009, nil).

(b) **Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's receivables from customers.

The Group does not have any material credit risk exposure to any single receivable or group of receivables. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Receivable balances are monitored on an ongoing basis to ensure that the exposure to bad debts is not significant. The Group has established an allowance for impaired receivables that represents their estimate of incurred losses in respect of receivables.

An analysis of the ageing of the Group's receivables at reporting date has been provided in Note 18.

(c) **Liquidity Risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Liquidity risk is managed by the University's Finance Committee through the monitoring of current forecasts and key ratios. Management also monitors the University's cash position and cash flows regularly throughout the year.

**Note 40 Financial risk management (continued)**
*Maturity analysis – liquidity and interest rate risk tables*

The following tables disclose the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest that will be incurred on those liabilities that are interest-bearing. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability in the Statement of Financial Position.

	NON-INTEREST BEARING	INTEREST EARNING MATURING IN			ADJUSTMENT	CONSOLIDATED CARRYING AMOUNT AS PER STATEMENT OF FINANCIAL POSITION	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE
		1 YEAR OR LESS	BETWEEN 1 TO 5 YEARS	MORE THAN 5 YEARS			
2010	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Financial Liabilities</b>							
Payables	93,155	–	–	–	–	93,155	
Borrowings	–	19,072	76,339	218,512	(130,308)	183,615	7.18
Finance Lease Liabilities	–	7,079	1,696	–	(759)	8,016	7.78
Other Financial Liabilities	13,242	–	–	–	–	13,242	
<b>Total Financial Liabilities</b>	<b>106,397</b>	<b>26,151</b>	<b>78,035</b>	<b>218,512</b>	<b>(131,067)</b>	<b>298,028</b>	

	NON-INTEREST BEARING	INTEREST EARNING MATURING IN			ADJUSTMENT	CONSOLIDATED CARRYING AMOUNT AS PER STATEMENT OF FINANCIAL POSITION	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE
		1 YEAR OR LESS	BETWEEN 1 TO 5 YEARS	MORE THAN 5 YEARS			
2009	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Financial Liabilities</b>							
Payables	72,031	–	–	–	–	72,031	
Borrowings	–	19,122	76,319	237,604	(143,747)	189,298	7.18
Finance Lease Liabilities	–	1,464	2,715	–	(508)	3,671	7.56
Other Financial Liabilities	11,688	–	–	–	–	11,688	
<b>Total Financial Liabilities</b>	<b>83,719</b>	<b>20,586</b>	<b>79,034</b>	<b>237,604</b>	<b>(144,255)</b>	<b>276,688</b>	

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 40 Financial risk management (continued)

#### 40.3 Fair value estimation

The carrying amounts and aggregate net fair values of financial assets and financial liabilities at balance date are as follows:

	TOTAL CONSOLIDATED CARRYING AMOUNT PER BALANCE SHEET		AGGREGATE NET FAIR VALUE	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Financial Assets</b>				
Cash and Cash Equivalents	110,501	83,777	110,501	83,777
Receivables	202,966	169,022	202,966	169,022
Other Financial Assets	1,198,826	1,148,974	1,198,826	1,148,974
<b>Total Financial Assets</b>	<b>1,512,293</b>	<b>1,401,773</b>	<b>1,512,293</b>	<b>1,401,773</b>
<b>Financial Liabilities</b>				
Payables	93,155	72,031	93,155	72,031
Borrowings	183,615	189,298	183,615	189,298
Finance Lease Liabilities	8,016	3,671	8,016	3,671
Other Financial Liabilities	13,242	11,688	13,242	11,688
<b>Total Financial Liabilities</b>	<b>298,028</b>	<b>276,688</b>	<b>298,028</b>	<b>276,688</b>

Receivables, payables, borrowings and financial lease liabilities are measured at amortised cost. All other financial instruments are measured at fair value.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels:

	CONSOLIDATED				UNIVERSITY			
	31 Dec 2010 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	31 Dec 2010 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Financial Assets</b>								
Other Financial Assets	1,198,826	365,237	828,064	5,525	1,135,699	344,088	766,938	24,673
<b>Total Financial Assets</b>	<b>1,198,826</b>	<b>365,237</b>	<b>828,064</b>	<b>5,525</b>	<b>1,135,699</b>	<b>344,088</b>	<b>766,938</b>	<b>24,673</b>
<b>Financial Liabilities</b>								
Borrowings	183,615	183,615	–	–	183,816	183,816	–	–
Finance Lease Liabilities	8,016	8,016	–	–	5,477	5,477	–	–
Other Financial Liabilities	13,242	–	13,242	–	13,242	–	13,242	–
<b>Total Financial Liabilities</b>	<b>204,873</b>	<b>191,631</b>	<b>13,242</b>	<b>–</b>	<b>202,535</b>	<b>189,293</b>	<b>13,242</b>	<b>–</b>

## Note 40 Financial risk management (continued)

	CONSOLIDATED				UNIVERSITY			
	31 Dec 2009	Level 1	Level 2	Level 3	31 Dec 2009	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>								
Other Financial Assets	1,148,974	418,181	725,899	4,894	1,085,858	397,108	664,708	24,042
<b>Total Financial Assets</b>	<b>1,148,974</b>	<b>418,181</b>	<b>725,899</b>	<b>4,894</b>	<b>1,085,858</b>	<b>397,108</b>	<b>664,708</b>	<b>24,042</b>
<b>Financial Liabilities</b>								
Borrowings	189,298	189,298	–	–	189,298	189,298	–	–
Finance Lease Liabilities	3,671	3,671	–	–	–	–	–	–
Other Financial Liabilities	11,688	–	11,688	–	11,688	–	11,688	–
<b>Total Financial Liabilities</b>	<b>204,657</b>	<b>192,969</b>	<b>11,688</b>	<b>–</b>	<b>200,986</b>	<b>189,298</b>	<b>11,688</b>	<b>–</b>

Reconciliation of financial assets and liabilities categorised as level 3:

LEVEL 3 FINANCIAL ASSETS	CONSOLIDATED		UNIVERSITY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	4,894	5,585	24,042	24,733
Total gains/(losses)				
In profit or loss	–	–	–	–
In other comprehensive income	(750)	(2,489)	(750)	(4,489)
Purchases	1,381	1,798	1,381	3,798
Sales	–	–	–	–
Issues	–	–	–	–
Settlements	–	–	–	–
Transfers out of Level 3	–	–	–	–
<b>Closing balance</b>	<b>5,525</b>	<b>4,894</b>	<b>24,673</b>	<b>24,042</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 41 Superannuation commitments

**41.1** University employees are members of a range of superannuation funds, which are divided into the following categories:

- (i) Those operative and open to membership:
  - UniSuper (comprising the merged SSAU – *Superannuation Scheme for Australian Universities* and TESS – *Tertiary Education Superannuation Scheme*)
- (ii) State Government Schemes closed to future membership by University employees:
  - State Employees Retirement Benefits Scheme
  - State Superannuation Fund
- (iii) Some University employees receive superannuation benefits through the Superannuation Guarantee Scheme.

#### 41.2 UniSuper Plans

UniSuper is a multi employer superannuation fund operated by UniSuper Limited as the Corporate Trustee and administered by UniSuper Management Pty Ltd, a wholly owned subsidiary of UniSuper Limited. The operations of UniSuper are regulated by the *Superannuation Industry (Supervision) Act 1993*.

- (i) UniSuper offers eligible members the choice of two schemes known as the *Defined Benefit Division (DBD)* or *Accumulation Super (2)*. The contribution rate to the schemes is 21 per cent of member's salary, of which the member contributes 7 per cent and the University 14 per cent. Members can elect to reduce the level of member contributions with corresponding reductions in benefits. The University has no investment risk in respect of the *Defined Benefit Division* scheme. As such, both the *Defined Benefit Division* and the *Accumulation Super (2)* schemes are Defined Contribution Plans for the purposes of AASB119 *Employee Benefits*.
- (ii) UniSuper also offers a cash accumulation productivity scheme known as *Accumulation Super (1)* (previously referred to as the *Award Plus Plan (APP)*). University employees have no requirement to contribute to the scheme. The University contributes the equivalent of 3 per cent of base salary in respect of those employees who were members of the *Defined Benefit Division* or the *Accumulation Super (2)* Plan. Employees who do not qualify for membership of *Defined Benefit Division* or *Accumulation Super (2)* will have a minimum contribution of 9 per cent of their annual salary contributed by the University to *Accumulation Super (1)* prescribed under the *Superannuation Guarantee Charge Act 1992*. Casual and non-permanent employees, who do not qualify for membership of the *Defined Benefit Division* or *Accumulation Super (2)*, are eligible for *Accumulation Super (1)*.

#### 41.3 State Government Schemes

The University has a number of employees who are members of the State Employees Retirement Benefits Scheme and the State Superannuation Fund administered by the Government Superannuation Office. These schemes are defined benefits schemes and are closed to future University employees.

At 30 June 2010, the State Superannuation Fund was carrying total liabilities for member benefits greater than the value of the net market value of the plan's assets. As a result an unfunded superannuation liability exists and is recognised in the financial statements of the Scheme. The University's portion of the unfunded liability comprises of employees who transferred to the University from the former Melbourne College of Advanced Education, together with those employees of the former subsidiaries Hawthorn Institute of Education Ltd, Victorian College of Agriculture and Horticulture Ltd and the Victorian College of the Arts.

As at 30 June 2010 the University's unfunded superannuation liability determined by the Victorian Government Superannuation Office amounted to \$125.521 million (\$109.325 million in 2009). The values as at 30 June 2010 are the values that have been included in the accounts. Funding to meet payments incurred will be provided to the University of Melbourne by the Australian Government. The cost is shared between the State of Victoria and the Australian Government.

**41.4** The total superannuation contributions by the University during the year in respect of the above plans were:

	2010	2009
	\$'000	\$'000
UniSuper – Defined Benefit Division, Accumulation Super (2) and Accumulation Super (1)	85,350	82,360
State Government Schemes	286	373
Other Superannuation Funds	10,546	10,282
	<b>96,182</b>	<b>93,015</b>

There were no outstanding contributions at year end (2009, nil).

**Note 42 Consultants**

Details of consultants engaged by the University and their costs were as follows:

	2010	2009
	\$'000	\$'000
<b>Consultancies costing less than \$100,000</b>		
Payments to Consultants	2,107	2,604
Number of Consultancies Engaged – 72 in 2010 (85 in 2009)		
<b>Consultancies costing more than \$100,000</b>		
Anthony Milner – Asialink program costs	150	–
The Australian Council for Education – Leadership capability project	–	118
Bevington Consulting Pty Ltd – Faculty of Business and Economics business unification process	–	114
Colab Consulting Pty Ltd – Research Systems Upgrade	314	–
Colmar Brunton Pty Ltd – Brand Health Project	287	379
Corrs Chambers Westgrath – Life Sciences Computation Centre	147	–
Creventures Pty Ltd – Business planning advice for Faculty of the Victorian College of the Arts and Music	144	141
Cynergy Professional Services Pty – Student system project	151	–
Dimension Data Australia Pty Ltd – Development assistance costs	222	–
Experientic Pty Ltd – Stakeholder Engagement Framework Project	613	939
Francis Jones Morehen Thorp Pty Ltd – Medley Hall redevelopment feasibility study	–	349
Intuitivemedia AUST Pty Ltd – Travel bugs software project	120	–
Juroko Pty Ltd – University Student Systems Project	148	235
Kilmacurragh Pty Ltd – Melbourne Business School merger	–	239
LEK Consulting Pty Ltd – Research and development precinct	147	–
Mercer (Australia) Pty Ltd – Melbourne Mercer global pension index 2010	128	–
Nous Group Pty Ltd – Operations review	319	–
Oakton Services Pty Ltd – Stakeholder Engagement Framework Project	308	182
Oracle Corporation Australia Pty Ltd		
– Research Consolidation Project	–	135
– ID management system and student portal	170	–
Patch Solutions Pty Ltd – Themis HR development	139	–
The PD Consulting Group Pty Ltd – Faculty general management program	113	–
Phillips KPA Pty Ltd – Student services review	130	–
PricewaterhouseCoopers – Faculty of Business and Economics and Melbourne Business School merger	–	101
Science Infrastructure Pty Ltd – Parkville Comprehensive Cancer Centre	–	154
Sun Microsystems Pty Ltd – Disaster Recovery Plan and Systems Implementation	–	176
Technology One – University Student Systems Project	211	178
<b>Total Consultancy Cost</b>	<b>6,068</b>	<b>6,044</b>

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 43 Acquittal of Australian Government financial assistance (University only)

#### 43.1 DEEWR – CGS and Other DEEWR Grants

	Note	COMMONWEALTH GRANTS SCHEME*		INDIGENOUS SUPPORT PROGRAM		PARTNERSHIP AND PARTICIPATION PROGRAM**	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period							
(Total Cash Received from the Australian Government for the Programs)		214,412	197,439	724	816	1,286	215
Net Accrual Adjustments		–	–	–	–	–	–
Revenue for the Period	2(a)	214,412	197,439	724	816	1,286	215
Surplus/(Deficit) from the Previous Year		–	–	–	–	–	–
Total Revenue Including Accrued Revenue		214,412	197,439	724	816	1,286	215
Less Expenses Including Accrued Expenses		(214,412)	(197,439)	(724)	(816)	(1,286)	(215)
Surplus/(Deficit) for Reporting Period		–	–	–	–	–	–

	Note	DISABILITY SUPPORT PROGRAM		WORKPLACE REFORM PROGRAM		WORKPLACE PRODUCTIVITY PROGRAM	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period							
(Total Cash Received from the Australian Government for the Programs)		244	286	–	2,273	2,500	2,500
Net Accrual Adjustments		–	–	–	–	–	–
Revenue for the Period	2(a)	244	286	–	2,273	2,500	2,500
Surplus/(Deficit) from the Previous Year		–	–	–	–	–	–
Total Revenue Including Accrued Revenue		244	286	–	2,273	2,500	2,500
Less Expenses Including Accrued Expenses		(244)	(286)	–	(2,273)	(2,500)	(2,500)
Surplus/(Deficit) for Reporting Period		–	–	–	–	–	–

\* Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

\*\* Includes Equity Support Program

## Note 43 Acquittal of Australian Government financial assistance (University only) (continued)

## 43.1 DEEWR – CGS and Other DEEWR Grants (continued)

	Note	LEARNING & TEACHING PERFORMANCE FUND		SUPERANNUATION PROGRAM		DIVERSITY AND STRUCTURAL ADJUSTMENT FUND***	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period							
(Total Cash Received from the Australian Government for the Programs)		–	3,836	7,765	9,090	2,130	9,854
Net Accrual Adjustments		–	–	–	–	–	–
Revenue for the Period	2(a)	–	3,836	7,765	9,090	2,130	9,854
Surplus/(Deficit) from the Previous Year		–	–	421	409	–	–
Total Revenue Including Accrued Revenue		–	3,836	8,186	9,499	2,130	9,854
Less Expenses Including Accrued Expenses		–	(3,836)	(7,823)	(9,078)	(2,130)	(9,854)
Surplus/(Deficit) for Reporting Period		–	–	363	421	–	–

	Note	IMPROVING THE PRACTICAL COMPONENT OF TEACHER EDUCATION		TRANSITIONAL COST PROGRAM		TOTAL	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period							
(Total Cash Received from the Australian Government for the Programs)		–	456	665	1,657	229,726	228,422
Net Accrual Adjustments		–	–	–	–	–	–
Revenue for the Period	2(a)	–	456	665	1,657	229,726	228,422
Surplus/(Deficit) from the Previous Year		–	–	–	–	421	409
Total Revenue Including Accrued Revenue		–	456	665	1,657	230,147	228,831
Less Expenses Including Accrued Expenses		–	(456)	(665)	(1,657)	(229,784)	(228,410)
Surplus/(Deficit) for Reporting Period		–	–	–	–	363	421

\*\*\* Includes the Collaboration and Structural Adjustment Program

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 43 Acquittal of Australian Government Financial Assistance (University only) (continued)

#### 43.2 Higher Education Loan Programs

	Note	HECS-HELP (AUSTRALIAN GOVT PAYMENTS ONLY)		FEE-HELP		TOTAL	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period							
(Total Cash Received from the Australian Government for the Programs)		98,862	88,613	32,791	46,083	131,653	134,696
Net Accrual Adjustments		(4,189)	2,298	7,289	(55)	3,100	2,243
Revenue for the Period	2(b)	94,673	90,911	40,080	46,028	134,753	136,939
Surplus/(Deficit) from the Previous Year		–	–	–	–	–	–
Total Revenue Including Accrued Revenue		94,673	90,911	40,080	46,028	134,753	136,939
Less Expenses Including Accrued Expenses		(94,673)	(90,911)	(40,080)	(46,028)	(134,753)	(136,939)
Surplus/(Deficit) for Reporting Period		–	–	–	–	–	–

#### 43.3 Scholarships

	Note	AUSTRALIAN POSTGRADUATE AWARDS		INTERNATIONAL POSTGRADUATE RESEARCH SCHOLARSHIPS		COMMONWEALTH EDUCATION COSTS SCHOLARSHIPS #	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period							
(Total Cash Received from the Australian Government for the Programs)		18,155	13,477	2,313	2,296	2,872	1,728
Net Accrual Adjustments		–	–	–	–	–	–
Revenue for the Period	2(c)	18,155	13,477	2,313	2,296	2,872	1,728
Surplus/(Deficit) from the Previous Year		(211)	(884)	(488)	(2,256)	256	250
Total Revenue Including Accrued Revenue		17,944	12,593	1,825	40	3,128	1,978
Less Expenses Including Accrued Expenses		(17,533)	(12,804)	(1,415)	(528)	(3,106)	(1,722)
Surplus/(Deficit) for Reporting Period		411	(211)	410	(488)	22	256

	Note	COMMONWEALTH ACCOMMODATION SCHOLARSHIPS*		INDIGENOUS ACCESS SCHOLARSHIPS		TOTAL	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period							
(Total Cash Received from the Australian Government for the Programs)		9	2,463	77	96	23,426	20,060
Net Accrual Adjustments		–	–	–	–	–	–
Revenue for the Period	2(c)	9	2,463	77	96	23,426	20,060
Surplus/(Deficit) from the Previous Year		482	462	4	20	43	(2,408)
Total Revenue Including Accrued Revenue		491	2,925	81	116	23,469	17,652
Less Expenses Including Accrued Expenses		(524)	(2,443)	(81)	(112)	(22,659)	(17,609)
Surplus/(Deficit) for Reporting Period		(33)	482	–	4	810	43

\* Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively

Note 43 Acquittal of Australian Government Financial Assistance (University only) (continued)

43.4 Commonwealth – Research

	Note	JOINT RESEARCH ENGAGEMENT PROGRAM**		RESEARCH TRAINING SCHEME		RESEARCH INFRASTRUCTURE BLOCK GRANTS	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period							
(Total Cash Received from the Australian Government for the Programs)		37,171	36,364	69,702	68,156	30,331	29,071
Net Accrual Adjustments		–	–	–	–	–	–
Revenue for the Period	2(d)	37,171	36,364	69,702	68,156	30,331	29,071
Surplus/(Deficit) from the Previous Year		–	–	–	–	–	–
Total Revenue Including Accrued Revenue		37,171	36,364	69,702	68,156	30,331	29,071
Less Expenses Including Accrued Expenses		(37,171)	(36,364)	(69,702)	(68,156)	(30,331)	(29,071)
Surplus/(Deficit) for Reporting Period		–	–	–	–	–	–

	Note	IMPLEMENTATION ASSISTANCE PROGRAM		AUSTRALIAN SCHEME FOR HIGHER EDUCATION REPOSITORIES		COMMERCIALISATION TRAINING SCHEME	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period							
(Total Cash Received from the Australian Government for the Programs)		193	338	–	419	622	585
Net Accrual Adjustments		–	–	–	–	–	–
Revenue for the Period	2(d)	193	338	–	419	622	585
Surplus/(Deficit) from the Previous Year		–	–	–	–	–	–
Total Revenue Including Accrued Revenue		193	338	–	419	622	585
Less Expenses Including Accrued Expenses		(193)	(338)	–	(419)	(622)	(585)
Surplus/(Deficit) for Reporting Period		–	–	–	–	–	–

	Note	SUSTAINABLE RESEARCH EXCELLENCE IN UNIVERSITIES		TOTAL	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Financial Assistance Received in CASH during the Reporting Period					
(Total Cash Received from the Australian Government for the Programs)		10,622	–	148,641	134,933
Net Accrual Adjustments		–	–	–	–
Revenue for the Period	2(d)	10,622	–	148,641	134,933
Surplus/(Deficit) from the Previous Year		–	–	–	–
Total Revenue Including Accrued Revenue		10,622	–	148,641	134,933
Less Expenses Including Accrued Expenses		(9,365)	–	(147,384)	(134,933)
Surplus/(Deficit) for Reporting Period		1,257	–	1,257	–

\*\* Includes Institutional Grants Scheme

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 43 Acquittal of Australian Government Financial Assistance (University only) (continued)

#### 43.5 Voluntary Student Unionism

	Note	VSU TRANSITION FUND		TOTAL	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)		–	–	–	–
Net Accrual Adjustments		–	–	–	–
Revenue for the Period	2(e)	–	–	–	–
Surplus/(Deficit) from the Previous Year		30	1,227	30	1,227
Total Revenue Including Accrued Revenue		30	1,227	30	1,227
Less Expenses Including Accrued Expenses		(30)	(1,197)	(30)	(1,197)
Surplus/(Deficit) for Reporting Period		–	30	–	30

#### 43.6 Capital Funding

	Note	BETTER UNIVERSITIES RENEWAL FUNDING		TEACHING AND LEARNING CAPITAL FUND	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)		–	–	–	24,096
Net Accrual Adjustments		–	–	6,582	(24,096)
Revenue for the Period	2(f)	–	–	6,582	–
Surplus/(Deficit) from the Previous Year		15,732	34,759	–	–
Total Revenue Including Accrued Revenue		15,732	34,759	6,582	–
Less Expenses Including Accrued Expenses		(7,263)	(19,027)	(6,582)	–
Surplus/(Deficit) for Reporting Period		8,469	15,732	–	–

	Note	EDUCATION INVESTMENT FUND		TOTAL	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)		42,666	2,320	42,666	26,416
Net Accrual Adjustments		(23,000)	–	(16,418)	(24,096)
Revenue for the Period	2(f)	19,666	2,320	26,248	2,320
Surplus/(Deficit) from the Previous Year		198	–	15,930	34,759
Total Revenue Including Accrued Revenue		19,864	2,320	42,178	37,079
Less Expenses Including Accrued Expenses		(13,285)	(2,122)	(27,130)	(21,149)
Surplus/(Deficit) for Reporting Period		6,579	198	15,048	15,930

**Note 43 Acquittal of Australian Government Financial Assistance (University only) (continued)**
**43.7 Australian Research Council Grants**
**43.7(a) Discovery**

	Note	PROJECTS		FELLOWSHIPS	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)		33,912	34,034	8,055	6,058
Net Accrual Adjustments		(2,408)	(1,556)	878	(857)
Revenue for the Period	2(g)(i)	31,504	32,478	8,933	5,201
Surplus/(Deficit) from the Previous Year		3,384	3,472	969	467
Total Revenue Including Accrued Revenue		34,888	35,950	9,902	5,668
Less Expenses Including Accrued Expenses		(32,187)	(32,566)	(8,685)	(4,699)
Surplus/(Deficit) for Reporting Period		2,701	3,384	1,217	969

	Note	INDIGENOUS RESEARCHERS DEVELOPMENT		TOTAL	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)		(45)	133	41,922	40,225
Net Accrual Adjustments		77	(25)	(1,453)	(2,438)
Revenue for the Period	2(g)(i)	32	108	40,469	37,787
Surplus/(Deficit) from the Previous Year		1	–	4,354	3,939
Total Revenue Including Accrued Revenue		33	108	44,823	41,726
Less Expenses Including Accrued Expenses		(33)	(107)	(40,905)	(37,372)
Surplus/(Deficit) for Reporting Period		–	1	3,918	4,354

**43.7(b) Linkages**

	Note	SPECIAL RESEARCH INITIATIVES		INFRASTRUCTURE		INTERNATIONAL	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period (Total Cash Received from the Australian Government for the Programs)		14,291	–	1,910	3,088	104	320
Net Accrual Adjustments		(2,797)	–	334	(4)	202	233
Revenue for the Period	2(g)(ii)	11,494	–	2,244	3,084	306	553
Surplus/(Deficit) from the Previous Year		57	57	(1,804)	878	207	26
Total Revenue Including Accrued Revenue		11,551	57	440	3,962	513	579
Less Expenses Including Accrued Expenses		(11,505)	–	(440)	(5,766)	(193)	(372)
Surplus/(Deficit) for Reporting Period		46	57	–	(1,804)	320	207

## Notes to and forming part of the

Financial Statements for the year ended 31 December 2010

### Note 43 Acquittal of Australian Government Financial Assistance (University only) (continued)

#### 43.7 Australian Research Council Grants (continued)

##### 43.7(b) Linkages (continued)

	Note	PROJECTS		TOTAL	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period					
(Total Cash Received from the Australian Government for the Programs)		13,326	11,957	29,631	15,365
Net Accrual Adjustments		622	(1,431)	(1,639)	(1,202)
Revenue for the Period	2(g)(ii)	13,948	10,526	27,992	14,163
Surplus/(Deficit) from the Previous Year		–	–	(1,540)	961
Total Revenue Including Accrued Revenue		13,948	10,526	26,452	15,124
Less Expenses Including Accrued Expenses		(11,960)	(10,526)	(24,098)	(16,664)
Surplus/(Deficit) for Reporting Period		1,988	–	2,354	(1,540)

##### 43.7(c) Networks and Centres

	Note	RESEARCH NETWORKS		CENTRES		TOTAL	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period							
(Total Cash Received from the Australian Government for the Programs)		–	630	6,922	6,551	6,922	7,181
Net Accrual Adjustments		–	(188)	(712)	164	(712)	(24)
Revenue for the Period	2(g)(iii)	–	442	6,210	6,715	6,210	7,157
Surplus/(Deficit) from the Previous Year		–	84	853	1,553	853	1,637
Total Revenue Including Accrued Revenue		–	526	7,063	8,268	7,063	8,794
Less Expenses Including Accrued Expenses		–	(526)	(7,063)	(7,415)	(7,063)	(7,941)
Surplus/(Deficit) for Reporting Period		–	–	–	853	–	853

#### 43.8 OS-HELP

	Note	OS-HELP**	
		2010 \$'000	2009 \$'000
Financial Assistance Received in CASH during the Reporting Period			
(Total Cash Received from the Australian Government for the Programs)	2(i)	773	595
Net Accrual Adjustments		(773)	(595)
Revenue for the Period		–	–
Surplus/(Deficit) from the Previous Year		–	–
Total Revenue Including Accrued Revenue		–	–
Less Expenses Including Accrued Expenses		–	–
Surplus/(Deficit) for Reporting Period		–	–

\*\* OS-HELP receipts from the Australian Government are not included in the Income Statement. The cash received by the University does not meet the definition of revenue in accordance with AASB 118 *Revenue*. Revenue for the period is therefore nil.

## The University of Melbourne

## Statements by University officers

## Statement by principal accounting officer

## In my opinion:

- (a) i) the financial statements of the University of Melbourne and the consolidated entity present a true and fair view of the financial transactions of the University and the consolidated entity during the financial year ended 31 December 2010 and the financial position of its operations for the year ended on that date, and
- ii) the amount of Australian Government financial assistance received during the financial year ended 31 December 2010 was expended for the purposes for which it was provided, and
- iii) the Group has complied with all material requirements of applicable legislation, contracts, agreements and various programme guidelines that apply to the Australian Government financial assistance identified in these financial statements, and
- (b) the financial statements have been prepared in accordance with the Australian Accounting Standards, the *Financial Management Act 1994*, other mandatory professional reporting requirements and the Guidelines for the Preparation of Annual Financial Reports for the 2010 Reporting Period by Australian Higher Education Institutions as issued by the Department of Education, Employment and Workplace Relations.

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 and there are reasonable grounds to believe that the University of Melbourne and the consolidated entity will be able to pay its debts as and when they fall due.



James Bolton  
**Director of Finance**  
21 March 2011

## Statement by the Vice-Chancellor and Chief Financial Officer

The University Council at its meeting held on 21 March 2011 agreed to adopt the financial statements subject to any further minor amendments requested by audit and authorised the Vice-Chancellor and Chief Financial Officer to sign the financial statements on behalf of the University.

## In our opinion:

- (a) i) the financial statements of the University of Melbourne and the consolidated entity present a true and fair view of the financial transactions of the University and the consolidated entity during the financial year ended 31 December 2010 and the financial position of its operations for the year ended on that date, and
- ii) the amount of Australian Government financial assistance received during the financial year ended 31 December 2010 was expended for the purposes for which it was provided, and
- iii) the Group has complied with all material requirements of applicable legislation, contracts, agreements and various programme guidelines that apply to the Australian Government financial assistance identified in these financial statements, and
- (b) the financial statements have been prepared in accordance with the Australian Accounting Standards, the *Financial Management Act 1994*, other mandatory professional reporting requirements and the Guidelines for the Preparation of Annual Financial Reports for the 2010 Reporting Period by Australian Higher Education Institutions as issued by the Department of Education, Employment and Workplace Relations.

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 and there are reasonable grounds to believe that the University of Melbourne and the consolidated entity will be able to pay its debts as and when they fall due.



Glyn Davis  
**Vice-Chancellor**  
21 March 2011



Allan Tait  
**Chief Financial Officer**  
21 March 2011



Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Council Members, The University of Melbourne

#### *The Financial Report*

The accompanying financial report for the year ended 31 December 2010 of The University of Melbourne which comprises the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, the statement by the principal accounting officer, and the statement by the vice-chancellor and chief financial officer has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising The University of Melbourne and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 37 to the financial statements.

#### *The Council Members' Responsibility for the Financial Report*

The Council Members of The University of Melbourne are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations and the financial reporting requirements of the *Financial Management Act 1994* and for such internal control as the Council Members determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

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

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

#### *Electronic Publication of the Audited Financial Report*

It is our understanding that The University of Melbourne intends to electronically present the audited financial report and auditor's report on its internet website. Responsibility for the electronic presentation of the financial report on the university's website is that of the Council Members of The University of Melbourne. The security and controls over information on the website should be addressed by the Council Members to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of the audited financial report on The University of Melbourne's website is beyond the scope of the audit of the financial report.

1

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*Auditing in the Public Interest*

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Independence*

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

### *Basis for Qualified Opinion*

The University and the economic entity reported government research and capital grants of \$217 million as other current liabilities as at 31 December 2010. Of the \$217 million recognised as other current liabilities, \$156 million should have been recognised as grant income in prior years. Further \$61 million should have been recognised as grant income for the year ended 31 December 2010, in accordance with the requirements of AASB 1004 *Contributions*, as the University and the economic entity controlled these grants. The University and the economic entity also brought to account grant income of \$35 million for the year ended 31 December 2010 which should have been recognised in prior years.

Accordingly, for the year ended 31 December 2010, grant income, the net operating result and total comprehensive income are understated by \$26 million, other current liabilities are overstated by \$217 million and retained earnings are understated by \$191 million, for the University and economic entity.

In addition, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* requires the prior period error to be corrected by restating the 2009 comparative figures for the University and the economic entity. The University and economic entity have failed to make these adjustments. The impact of this error is that the 31 December 2009 comparative figures for grant income, the net operating result and total comprehensive income are understated by \$57 million, other current liabilities are overstated by \$191 million and retained earnings are understated by \$134 million for the University and economic entity.

### *Qualified Opinion*

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of The University of Melbourne and the economic entity as at 31 December 2010, and of their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the *Financial Management Act 1994*.

MELBOURNE  
12 April 2011

  
 D D R Pearson  
Auditor-General

## Compliance index to disclosure requirements 2010

The Annual Report of the University of Melbourne is prepared in accordance with:

<b>FMA</b>	<i>Financial Management Act 1994</i>
<b>FRD</b>	A-IFRS Financial Reporting Directions
<b>SD</b>	Standing Directions of the Minister for Finance issued under the <i>Financial Management Act 1994</i>
<b>AAS</b>	Australian Accounting Standards
<b>AASB</b>	Australian Accounting Standards Board
<b>ETRA 2006</b>	<i>Education and Training Reform Act 2006</i>
<b>PAEC</b>	Decision of Public Accounts and Estimates Committee of Parliament
<b>RUG</b>	Victorian Government response to the Review of University Governance
<b>ESOS</b>	<i>Education Services for Overseas Students Act 2000</i>
<b>DEEWR</b>	Commonwealth Government Department of Education, Employment and Workplace Relations

CLAUSE	DISCLOSURE	PAGE(S)
<b>STANDING DIRECTIONS FOR THE MINISTER FOR FINANCE (SD)</b>		
SD 4.2(g)	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the <i>Financial Management Act 1994</i> .	1–99
SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions	1–99
SD 4.2(j)	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved	1
SD 4.2(a)	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> <li>• Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements;</li> <li>• Financial Reporting Directions; and</li> <li>• Business Rules.</li> </ul>	109
SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> <li>Income Statement</li> <li>Statement of Comprehensive Income</li> <li>Statement of Financial Position</li> <li>Statement of Changes in Equity</li> <li>Statement of Cash Flows; and</li> <li>Notes to the financial statements.</li> </ul>	103 104 105 106 108 109–162
SD 4.2(c)	Signed and dated statement by Accountable Officer stating that financial statements: <ul style="list-style-type: none"> <li>• Present fairly the financial transactions during reporting period and the financial position at end of the period;</li> <li>• Were prepared in accordance with Standing Direction 4.2 (c) and applicable Financial Reporting Directions; and</li> <li>• Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements.</li> </ul>	163
SD 4.2(d)	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> <li>• \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and</li> <li>• \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000.</li> </ul>	116
SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission	163
SD 4.5.5 (NEW)	Attestation on compliance with the Australian/New Zealand Risk Management Standard	84
<b>A-IFRS FINANCIAL REPORTING DIRECTIONS (FRD)</b>		
10	Disclosure Index	166–168
11	Disclosure of Ex-gratia Payments	n/a
07A	Early Adoption of Authoritative Accounting Pronouncements	177
17A	Long Service Leave Wage Inflation and Discount Rates	115
19	Private Provision of Public Infrastructure	n/a
21A	Responsible Person and Executive Officer Disclosure in the Financial Report	139–142
22B	Standard Disclosures in the Report of Operations	1–99
25	Victorian Industry Participation Policy in the Report of Operations	n/a
26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	n/a
102	Inventories	111
104	Foreign currency	110–111
106	Impairment of assets	112, 114
107	Investment properties	n/a
109	Intangible assets	114

CLAUSE	DISCLOSURE	PAGE(S)
<b>A-IFRS FINANCIAL REPORTING DIRECTIONS (FRD) (CONTINUED)</b>		
110	Statement of Cash Flows	108
112A	Defined benefit superannuation obligations	115, 154
113	Investments in Subsidiaries, Jointly Controlled Associates and Entities	109–110, 127, 145–148
114	Financial Investments	111–112, 126
<b>DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (DEEWR)</b>		
FRD 22B DEEWR	Analysis of the achievement of the entity's operational and budget objectives for the financial year; should include comparative analysis of indicators such as enrolments, graduations, student performance and satisfaction, staff profile, research performance and performance position	1–94, Particularly 14, 20, 25, 26, 27, 36, 37, 38, 65, 67, 79
DEEWR	Information with respect to the governance and administrative structure of the university, specifically council members and occupants of senior officers.	4–7, 74–75
DEEWR	Outline of student and staff grievance procedures and number of complaints made to and investigated by the Ombudsman	93
DEEWR	Details of information available on institution's website, including locations of current and previous Annual Reports	94
DEEWR	Compliance of financial statements with the Financial Statement Guidelines for Australian <i>Higher Education Providers for 2010 Reporting Period</i> issued by DEEWR.	109
<b>FINANCIAL MANAGEMENT ACT 1994 (FMA)</b>		
FMA 1994 49(a) 49 (b) 49 (c) 49 (d) 49 (e)	Financial Statements: <ul style="list-style-type: none"> <li>• Contain such information as required by the Minister;</li> <li>• Are prepared in a manner and form approved by the Minister;</li> <li>• Present fairly the financial transactions of the department or public body during the relevant financial year to which they relate;</li> <li>• Present fairly the financial position of the department or public body as at the end of that year; and</li> <li>• Are certified by the accountable officer in the manner approved by the Minister.</li> </ul>	109 109 163 163 163
<b>GOVERNMENT RESPONSE TO THE REVIEW OF UNIVERSITY GOVERNANCE (RUG)</b>		
RUG	Statement outlining that public funds allocated to the University have been allocated to the purposes specified by the Government or other public funding body. Statement is audited by the Auditor-General.	163
RUG	University Council's risk management strategy	84–89
RUG	Summary of financial performance of Associates and Commercial Ventures	145–148
<b>EDUCATIONAL SERVICES FOR OVERSEAS STUDENTS ACT 2000 (ESOS)</b>		
ESOS (National Code 2007 – Sections C & D)	Statement indicating compliance with ESOS Act 2000 and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (National Code 2007)	90
<b>EDUCATION AND TRAINING REFORM ACT 2006 (ETRA)</b>		
ETRA 2006, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in the preceding financial year.	94
<b>DECISION OF PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE OF PARLIAMENT</b>		
PAEC (December 1997)	Financial and other information relating to institution's international operations	n/a

## LIST OF LEGISLATION AND DIRECTIONS IN MODEL COMPLIANCE INDEX

- Financial Management Act 1994**  
<http://www.dms.dpc.vic.gov.au/>
- Australian equivalent to the International Financial Reporting Directions**  
<http://www.dtf.vic.gov.au/CA25713E0002EF43/pages/BFM-financial-reporting-policy-financial-reporting-directions>
- Standing Directions of the Minister for Finance issued under the Financial Management Act 1994**  
<http://www.dtf.vic.gov.au/CA25713E0002EF43/pages/bfm-financial-reporting-policy-financial-reporting-directions1>
- Australian Accounting Standards**  
<http://www.aasb.com.au/>
- Australian Accounting Standards Board**  
<http://www.aasb.com.au/>
- Education and Training Reform Act 2006**  
<http://www.dms.dpc.vic.gov.au/>
- Government response to the Review of University Governance**  
[http://www.eduweb.vic.gov.au/edulibrary/public/highered/RUG\\_GOVT\\_RESPONSE.pdf](http://www.eduweb.vic.gov.au/edulibrary/public/highered/RUG_GOVT_RESPONSE.pdf)
- Education Services for Overseas Students Act 2000**  
<http://www.comlaw.gov.au/>
- Higher Education Support Act 2003**  
<http://www.comlaw.gov.au/>
- Higher Education Funding Act 1988**  
<http://www.comlaw.gov.au/>
- Australian Research Council Act 2001**  
<http://www.comlaw.gov.au/>

## useful websites

Annual Reports (2003–2009)	<a href="http://www.unimelb.edu.au/publications/archives.html#Annualreports">www.unimelb.edu.au/publications/archives.html#Annualreports</a>
The Arts at Melbourne	<a href="http://www.unimelb.edu.au/community/arts.html">www.unimelb.edu.au/community/arts.html</a>
Community Programs	<a href="http://www.unimelb.edu.au/community/programs.html">www.unimelb.edu.au/community/programs.html</a>
CSHE Website	<a href="http://www.cshe.unimelb.edu.au">www.cshe.unimelb.edu.au</a>
Cultural Collections	<a href="http://www.unimelb.edu.au/culturalcollections/">www.unimelb.edu.au/culturalcollections/</a>
Engagement	<a href="http://www.knowledgetransfer.unimelb.edu.au">www.knowledgetransfer.unimelb.edu.au</a>
Growing Esteem	<a href="http://www.growingesteem.unimelb.edu.au/triple_helix/engagement">www.growingesteem.unimelb.edu.au/triple_helix/engagement</a>
Living on Campus	<a href="http://www.unimelb.edu.au/campuses/living.html">www.unimelb.edu.au/campuses/living.html</a>
Melbourne Model	<a href="http://www.futurestudents.unimelb.edu.au/about/melbournemodel.html">www.futurestudents.unimelb.edu.au/about/melbournemodel.html</a>
Melbourne Research Office	<a href="http://www.unimelb.edu.au/about/research/">www.unimelb.edu.au/about/research/</a>
Melbourne School of Graduate Research	<a href="http://www.gradresearch.unimelb.edu.au">www.gradresearch.unimelb.edu.au</a>
Policy Library	<a href="http://www.policy.unimelb.edu.au/">www.policy.unimelb.edu.au/</a>
Provost	<a href="http://www.provost.unimelb.edu.au">www.provost.unimelb.edu.au</a>
Research Achievements	<a href="http://www.unimelb.edu.au/about/research/achievements.html">www.unimelb.edu.au/about/research/achievements.html</a>
Strategic Plan	<a href="http://www.unimelb.edu.au/publications/archives.html#Strategicplans">www.unimelb.edu.au/publications/archives.html#Strategicplans</a>
Student Access	<a href="http://www.futurestudents.unimelb.edu.au/home">www.futurestudents.unimelb.edu.au/home</a>
Teaching & Learning	<a href="http://www.unimelb.edu.au/student/teaching.html">www.unimelb.edu.au/student/teaching.html</a>
Teaching & Learning Management	<a href="http://www.provost.unimelb.edu.au/aboutus/learningandteaching">www.provost.unimelb.edu.au/aboutus/learningandteaching</a>
University Events	<a href="http://melbourneuniv-web.ungerboeck.com/coe/coe_p1_all.aspx?oc=10&amp;cc=COE">http://melbourneuniv-web.ungerboeck.com/coe/coe_p1_all.aspx?oc=10&amp;cc=COE</a>



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*Arts students (from left to right) Eric Brotchie, Zoe Rogers, Alexandra Rogers, and Robin Brotchie celebrate their graduation from The University of Melbourne.*

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