

murdochuniversity



annual report 2004

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**MURDOCH
UNIVERSITY**
PERTH, WESTERN AUSTRALIA



Far left:
Murdoch University's Foundation Stone
in Bush Court

Left:
The installation of Murdoch iconic artwork
"Closed Mondays" in Bush Court

Right:
Sir Walter Murdoch



mission

To extend knowledge, stimulate learning, and promote understanding, for the benefit of the community.

vision

Murdoch will be a prominent and influential research-intensive University in the local, national and global communities. It will be renowned for its teaching quality, research excellence and innovation, and promotion of social and scientific critique. Murdoch University will embrace cultural diversity and ensure an international perspective in its activities, incorporating principles of sustainability, social justice and global responsibility.

Murdoch University is a multi-campus institution. By engaging with communities in the sphere of influence of our campuses, Murdoch will be a significant contributor to cultural and community life and development in the region.

Through excellence and accessibility in the learning environment, student care and service provision, Murdoch, in partnership with the Guild of Students, will engender a vibrant and positive on-campus life. The University will also foster an expanding, active community of alumni.

Murdoch University will have increased financial reserves and more diverse sources of income as a result of an entrepreneurial outlook combined with prudent management that will ensure long-term independence.



Far left:
Chief Justice David Malcolm,
Vice Chancellor Professor
John Yovich and Justice Ralph
Simmonds turn the first sod of
the Law Building

Left:
Chancellor Professor Geoffery
Bolton and Graduant

Right:
Orientation Week



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Left:
Murdoch is at the forefront of renewable energy research

Right:
Harmony Day at Murdoch

Far right:
Staff and students celebrate Multicultural Day



financial report

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vice chancellor's report

Vice Chancellor

Professor John Yovich

Murdoch University has a long and proud history stretching over nearly 30 years. 2004 was an extremely successful year with progress in key initiatives that has enabled Murdoch to consolidate the growth of recent years and to move forward with confidence.

One of the most significant achievements in 2004 was Murdoch's success in gaining 470 new fully funded Commonwealth student places for 2005, rising to 1,285 places by 2008. Through the higher education package, *Our Universities: Backing Australia's Future* the Federal Government allocated a pool of additional places that will grow to accommodate approximately 25,000 new students nationally by 2008. A further 1,200 places were allocated in nursing with a focus on aged care. In the single biggest injection of places and associated funding to the University in the last 15 years, Murdoch received the largest allocation of places in Western Australia and the fourth highest allocation nationally. The places will add to Murdoch University's current pool of over 13,000 students.

The new places are vital in building our critical mass as an institution and will be distributed across the University's three campuses. At the Murdoch Campus primary and secondary education, business, multimedia and biological sciences received an allocation, as well as two new courses - *Entrepreneurship & Business Innovation* and *Security, Terrorism & Counter Terrorism*. Approximately 150 places will be allocated to the Kwinana/Rockingham/Peel regions for courses including nursing, business, power engineering and information technology.

These places translate to additional funding of approximately \$5M in 2005 rising to \$13.5M per annum from 2008, against our current Base Operating Grant of \$73.5M.

A further component of the *Backing Australia's Future* is the ability for institutions to set their own prices for students gaining Commonwealth supported Higher Education Contribution Scheme (HECS) places, to levels 25 % higher than the projected 'standard' HECS levels in that year. Nursing and education are the two exceptions where no real changes will be allowed.

Senate approved the setting of HECS levels at 20 % above the base rate from 2005. In so doing, Murdoch acted in line with its strategic direction while responding to external pressures and opportunities. Murdoch is also strongly committed to providing the highest quality education to its students. Implementation of a 20 % HECS top-up, rather than the 25 % permitted by the Commonwealth, displays our desire to balance social justice and equity considerations against income generation. This was further demonstrated by the decision that 10 % of the increased income would be allocated to equity strategies. In doing so, the University hopes to provide support to the broadest possible range of students through mechanisms such as scholarships, academic and pastoral care.

Our research profile continues to expand, driven by Murdoch's outstanding success in attracting external funding and in completing research students. Grant funding from the highly competitive and peer reviewed schemes of the

national research councils, including the Australian Research Council (ARC), has been a cornerstone of our growth. Equally important to our research growth has been our ongoing commitment to developing and maintaining industry alliances. Indeed, in this year's Second Round of the ARC Linkage Grants, which require an industry partner to provide a substantial contribution, we ranked eleventh out of 38 Universities nationally.

The most significant new research initiative at Murdoch, and a first nationally, has been the establishment of the Murdoch Westscheme Enterprise Partnership. This collaborative venture provides financial capital to invest in innovative technology projects arising from the University's research activities that demonstrate strong commercial potential. It is a concrete outcome of Murdoch's commitment to commercialisation of intellectual property through viable technology transfer structures developed with industry partners.

During 2004, its first full year of operation, the Murdoch University Foundation has put in place the various procedures and processes to enable it to successfully invite and receive funds for University programs. The Foundation is starting to build an endowment fund and is assisting with targeted fundraising campaigns, including the *Building Law Campaign*, *Peel Campus Nursing Campaign* and major campaigns for *Theology and Health Sciences*.

In the Rockingham/Kwinana and Peel regions we have forged a unique alliance with municipal councils and industry partners that has resulted in the establishment of three new professorial positions at our regional campuses. Sponsorship funds secured

for these named Chairs will flow through the Foundation with total funding of \$1.17M over three years. This is a significant achievement for Murdoch. The sponsorships from the Cities of Rockingham and Mandurah are the first partnerships between a local government and a tertiary institution in Australia and the Peel Health Campus represents a valued local alliance. This demonstrates not only the strong relationship we have developed with communities in the Peel region but also the innovative approaches we are taking to increasing alternative sources of income.

Development of the Peel Campus has progressed in 2004 with new facilities planned to be available for Semester One 2005. The importance of providing tertiary educational opportunities in the region has been recognised by the Federal government through the granting of \$2.0M from the 2007 Capital Development Pool (CDP). This adds to CDP allocations of \$2.5M and \$2.0M received from the 2005 and 2006 funding pools respectively.

Other initiatives at Peel have arisen from synergies between our strategic teaching, research and regional engagement goals. The Murdoch Westscheme Enterprise Partnership (MWEPEP) was awarded a grant of \$27,500 by the Peel Development Commission for the development of the MWEPEP Peel Regional Office sited at the Murdoch Campus. This will successfully support Murdoch's aim to establish a strong industry-focused innovation and entrepreneurship presence in the Peel region. The Peel Careers Combo is an innovative program, designed specifically for mature age students and people

who want to return to study, that combines TAFE and University units in a national qualification that provides both direct employment opportunities and a path to further study at either TAFE or Murdoch.

The Commonwealth Government has tied a 2.5 % increase in each university's Commonwealth Grant Scheme funding to compliance with the National Governance Protocols for Higher Education Providers. These include a maximum Senate membership of 22 and the need to specify the duties of Senators and sanctions for breaches of these duties. Murdoch coordinated a joint submission by the four WA universities to the State Government on changes to their Acts required to meet the National Governance Protocols. To meet the membership requirement, the University's Senate decided to reduce its membership to 19 and to create a single category of members appointed by the Governor.

Murdoch is also making its presence felt through increased participation on local and national bodies with the potential to influence higher education policy and practice. We continue to have a strong participation in national Higher Education and Vice Chancellor's committees. This is critical to ensuring we are able to influence the future direction of higher education and university-linked research in a manner that is advantageous to meeting our strategic goals.

The formation of the Innovative Research Universities Australia Group (IRU) has also supported Murdoch having a strong voice at the national level. This involvement has built strong institutional links that will continue to provide valuable

collaborations across institutions in teaching, research and other areas. It will also provide excellent benchmarking opportunities and identification of best practice, with positive quality outcomes. We have already collaborated with IRU Australia members in areas such as medical education, joint international programs, libraries, academic staff development, statistical data collection, and quality assurance. The strong institutional links we have developed are also crucial for a range of grant schemes. This has been demonstrated by the group's successful application for Higher Education Innovation Program funding for a project providing undergraduate student mobility in Environmental Science.

Through planned and strategic expansion in our core areas of teaching and research Murdoch has built critical mass during 2004. This enables us to maintain our position as one of Australia's premier comprehensive research-intensive universities and to move forward with confidence.



Far Left:
Murdoch hosts students from more than 65 countries

Left:
A Christmas Magic Show

Right:
Inauguration of Murdoch University
17 September 1974



highlights

Law opens doors to new facility

Murdoch's new Law building was officially opened on 22 July by Chief Justice David Malcolm and Sir Ronald Wilson. Thanks to the support of alumni, the law firms and members of WA's legal profession, Murdoch University's School of Law now resides in a building equipped with some of the most up-to-date, technologically advanced legal education facilities in the nation. Facilities include a unique electronically equipped moot court, rooms for the School's SCALES community legal information service and the student-run Legal Advice Centre for the campus community, as well as tailored spaces for students, staff and members of the legal profession.

Three Chairs to boost regional education

Three new Professorial appointments were established at Murdoch's regional campuses in 2004, with local support. These included:

- The City of Rockingham Chair in Education funded by the City of Rockingham for three years. This appointment, which will focus on helping the education of primary and secondary teachers to flourish in the region, is thought to be the first such partnership between a local government and a tertiary institution in WA.
- The inaugural City of Mandurah Professor of Entrepreneurship and Business Innovation at Murdoch University's Peel campus. Funded by the City of Mandurah for three

years, this new appointment will play a major role in attracting new businesses to the region and ensuring their long-term success, and will provide the necessary leadership to grow a thriving node of business education and development within the region.

- Mandurah based private hospital, Peel Health Campus, strengthened its relationship with Murdoch University through funding the establishment of a Nursing Chair for the new Murdoch University School of Nursing. This three-year funding agreement reinforces the Peel Region as a progressive nursing education centre. Nursing students at Murdoch University have already had the benefit of using the Peel Health Campus facilities, completing their clinical placements within the hospital and accessing a demonstration ward for their practical classes.

WA Company to Spearhead Drug Discovery in Australia

A WA company is set to challenge the boundaries of drug discovery in Australia with the unveiling of the nation's top drug discovery facility in 2004. WA Minister for State Development, Clive Brown, officially launched Epicchem Pty Ltd and its state-of-the art laboratory, designed to fast-track the creation of a range of potential new drugs to treat important diseases such as cancer and AIDS. Located at Murdoch University and staffed by the largest assembly of chemists in the country, Epicchem's specialised facilities will allow for the rapid purification of multiple drug compounds, meaning drugs can be created and tested at a record pace.

New research facility to streamline Australia's minerals industry

A new research facility designed to test innovative processes for the minerals industry was officially opening at Murdoch University. The Parker Centre's hydrometallurgy research pilot plant will bridge the gap between the laboratory bench and the commercial-scale industrial processing plant. The pilot plant is a small-scale model of a full-size plant, and will be used to scale-up new processes and test changes to existing processes without the cost and risk of experimenting on the full scale. The pilot plant can be configured for a range of applications and will assist Australia's gold and nickel industries in particular.

Top independent researchers drawn together in new Academy

Murdoch's top independent researchers were invited to the newly established Academy of Advanced Studies. The Academy was developed to provide appropriate support and recognition for researchers working on their own or in small groups. Inaugural membership of the Academy includes social scientists, psychologists, law researchers, cultural experts and physicists. Membership is dependent on meeting a stringent set of research performance criteria including the ability to win external research grants, contribute to research publications and books, and successful supervision of research students.



Left:
The Peel Health Campus Professor of Nursing position was launched by Minister Jim McGinty MLA in December

Right:
Murdoch researchers are world leaders in battling waterborne tropical diseases

Far Right:
Murdoch's veterinary emergency hospital is one of the best in the world



Research breakthrough heralds new potent plant germination agent

Scientists from the Botanic Gardens and Parks Authority in Western Australia in collaboration with The University of Western Australia and Murdoch University have created a world first, isolating and identifying a potent molecule that stimulates seed germination. The findings of Dr Kingsley Dixon (Kings Park), Associate Professor Emilio Ghisalberti (UWA), PhD student Gavin Flematti (UWA) and Associate Professor Robert Trengove (Murdoch University), have been published in the international journal *Science* in Washington.

International accolades for Murdoch academics

Outstanding Murdoch academics have been recognised on the international stage:

- Professor Ian Potter (Director of the Centre for Fish and Fisheries) was acknowledged by Thomson-ISI as a Highly Cited Researcher. This honour places Professor Potter in the world's top 250 researchers in the category of Plant and Animal Science whose collected publications have received the highest number of citations over the past two decades.
- Dr Fernand de Varennes (School of Law) was awarded the international Lingaupax Award for 2004, recognising his outstanding work in the field of linguistic rights, diversity and multilingual education.

- Professor Andris Stelbovics (Pro Vice Chancellor Research) was elected a Fellow of the prestigious American Physical Society (APS), recognising his seminal contributions to electron-atom collision theory, including co-development of the convergent-close-coupling method.

Emergency warning system

A public warning system developed by Murdoch researchers was awarded the 2004 Safer Communities Awards Combination Stream National Winner plaque in December. The system, called the Newsbug project, was developed in conjunction with the Fire and Emergency Services Authority (FESA) in Western Australia. Investigating a 'new media' approach to emergency alerts, the Research Institute consulted with emergency management officials in FESA and in the State's inter-departmental Public Information Group to develop a proof-of-concept trial of a public warning system incorporating SMS, voice, fax, email, and on-line channels.

Clinic takes fresh approach to drug and alcohol treatment

A unique cost effective approach to researching and treating methamphetamine and alcohol dependent patients in WA is being offered at the East Perth Neuropsychological Clinic (EPNC), which was officially opened on 16 June. The clinic is the first of its kind in Australia, providing free neuropsychological assessment of patients by students enrolled in the postgraduate psychology degree at The University of Western Australia or Murdoch University.

Living Smart Program wins Eureka Prize!

The community education program Living Smart, developed through a collaborative partnership with Murdoch University, The Meeting Place Community Centre, the City of Fremantle and the Southern Metropolitan Regional Council, has been awarded the Department of Environment and Conservation Allen Strom Eureka Prize for Sustainability Education in the 2004 Eureka Prizes. The Living Smart program aims to provide participants with environmental education and skills to improve the sustainability of their lifestyles in the context of their home and their neighbourhood.

Peer tutoring an option for East Timor

UNESCO funded six representatives from the National University of East Timor to spend three weeks learning about the STAR Peer Tutoring Programme at Murdoch University, with the aim of establishing a similar scheme in East Timor. The group, all lecturers in education at the National University of East Timor, learned the philosophy underlying peer tutoring programs. They conducted scientific experiments with basic materials and shadowed STAR's student volunteer peer tutors to gain a breadth of understanding about their role in schools.



strategy

Pro Vice Chancellor (Strategy)

Professor Gary Martin

In 2004, the University established an Office of the Pro Vice Chancellor (Strategy) to oversee the development and implementation of Murdoch's strategic planning and to coordinate a number of key strategic portfolios including Murdoch International, the Prospective Students and Admissions Centre, and the Office of Policy and Planning.

Strategic Planning

In 2004, a major planning initiative was undertaken to implement the University's Strategic Plan 2003-2007, which was launched in December 2003. As part of this process, all Academic and Administrative Divisions prepared plans to implement key strategies featured in the University's Strategic Plan.

A highlight of the strategic planning process in 2004 was the preparation of individual School of Study plans. In November 2004, all 15 Academic Schools presented plans to senior staff of the University.

In 2005, Academic and Administrative plans, as well as all School Plans will be reviewed against the major strategies and outcomes of the University's Strategic Plan 2003-2007.

Murdoch International

Recognising the many benefits that internationalisation brings to a University campus, Murdoch International was established in May 2004 as a dedicated unit to oversee the recruitment, admission and support of international students.

The international student population at Murdoch University in 2004 comprised 19.8 % of the total University population. Despite continued global uncertainty and the strong performance of the Australian dollar, Murdoch experienced 6.9 % growth in the number of international students studying Murdoch courses onshore. Significantly, new partnerships with offshore partners in Singapore and Malaysia contributed to 10.3 % growth in the number of students studying Murdoch University courses offshore.

In 2004, Murdoch International implemented a variety of strategies in order to position the University for future growth and diversification of its international student population. While key recruitment initiatives were implemented to maintain the University's strong position in traditional international student markets, new strategies were developed to reinforce market entry into areas of North Asia and the Subcontinent. Significant emphasis was placed on the creation of a range of new pathways to studying at Murdoch University through the development of a number of strategic alliances with local and international partners.

Of particular importance were Murdoch International's negotiations with the Hobson's Service Centre. The Melbourne-based Service Centre has for some time provided an international admissions and reporting service for several Eastern States Universities. As a result of negotiations, Murdoch University has signed an agreement with the Centre which will result in a timely, cost effective strategy for responding to international student applications.

As a key strategy to building international student growth onshore, Murdoch International was particularly active in promoting its popular Study Abroad program. Targeted recruitment campaigns were conducted in Europe and the United States of America. The outcome of these campaigns is expected to be a dramatic increase in the number of international study abroad students studying at Murdoch University in 2005.

New strategic initiatives implemented in 2004, including a range of new and attractive course offerings, should provide a solid foundation for steady growth of the University's international student numbers over the next few years.

Prospective Students and Admissions Centre

The Prospective Students' and Admissions Centre was established in May this year to provide a dedicated recruitment and admissions service to prospective undergraduate and postgraduate domestic students. By the end of June, the Centre had established itself in its current dedicated premises, and was servicing both casual and formal visits to the University by prospective students.

A series of undergraduate recruitment sessions was organised by the Centre in the latter part of the year, with over 200 high school and college visits, and counselling sessions being undertaken.

Highlights of the Centre's undergraduate recruitment initiatives include: the well attended Careers and Opportunities Days held at both the South Street and Rockingham campuses; the Claremont and Burswood Expos; the University Experience Day held for Murdoch College, which was attended by over 400 Year 11 and 12 students; and professional development sessions held for local Careers Teachers.

In the 2004 admissions round, Murdoch University received 16.25 % of the total first preference pool of applicants for admission to its undergraduate courses. Many of the Centre's undergraduate recruitment activities in 2004 aim to increase the number of first preference applicants by one percentage point for the 2005 admissions round.

In addition to conducting recruitment activities for undergraduate courses, the Centre was active in exploring alternative entry paths for both school leavers and mature aged students. A number of successful initiatives were implemented in 2004 and it is expected that further alternative pathways will be implemented in 2005.

The Centre took a leadership role in working with Academic Divisions to strengthen pathways between the University and Western Australian TAFE Colleges. A highly significant 'pathways' agreement was signed with the Challenger College of TAFE and was launched by the Honourable Alan Carpenter, Western Australian Minister for Education and Training late in 2004. It is anticipated that this agreement will see an increase in the number of TAFE pathways students being admitted to the University's undergraduate courses in 2005.

The Centre, while placing considerable emphasis on recruitment and admission of undergraduate students, also conducted a series of events as part of a postgraduate student recruitment campaign. These events included cocktail evenings and sundowners held on the South Street and Rockingham campuses, and in the Peel region.

Office of Policy and Planning

In 2004 the Office of Policy and Planning managed the submissions to the Australian Government for additional funded places and the Capital Development Pool (CDP). Murdoch received the highest number of additional places in Western Australia: 470 new places in 2005 rising to 1285 places in 2008. Of the new places allocated in 2005, 170 will be located in the University's Southern campuses of Rockingham and Peel. Murdoch also received \$2M in CDP funding for 2007, the highest level of funding provided in this funding round. This CDP grant will support the construction of a second building on the Peel campus.

The major change to funding arrangements for universities is the replacement of the operating grants from 2005 with the Commonwealth Grants Scheme (CGS). The CGS grants will be based on an agreement between the Australian Government and each university. In the CGS, funding will be adjusted based on changes to the student load in each cost cluster. As part of Murdoch University's response to these changes, the Office has played a pivotal role in the revision of the internal resource allocation models providing input to the Operating Budget of the University. This process commenced with substantial changes to the 2005 Operating Budget and will continue in 2005.

The Office undertook and coordinated the computation and analysis of data sets to provide the key performance indicators used in performance reporting by the University and its Schools and Divisions for a variety of purposes. The Office has also developed a Course/Unit Costing Model which provides detailed analysis of income and expenditure for individual units and courses. This will assist Schools and Divisions in academic planning and management and provide input to the central resource allocation planning of the University.



education

Pro Vice Chancellor (Academic)

Professor Jan Thomas

The continuance of the five star rating for Graduate Satisfaction published in the *2004 Good Universities Guide* and the successful application for the largest allocation of new government subsidised university places in WA completes another exciting year for Murdoch University.

Nursing students began their studies at Peel using the Challenger TAFE facilities adjacent to the first Murdoch building under construction at the Campus. Demand for nursing at Peel has been outstanding and the local community, corporate and government entities in the region have been tremendously supportive. Two new courses, Business and Life Sciences, were also successfully developed and approved to commence in 2005 at the Peel Campus.

Flexible teaching and learning strategies at Murdoch continued to move from strength to strength this year, with the implementation of innovative *iLecture* technology. This technology enables students to access the vast majority of external units in near real time via the Internet. Traditionally, external students received their lectures through mailing audiocassettes of the previous year's lectures. Through *iLecture*, students can now access their lecture via the Internet within 24 hours of the lecture being delivered on campus. The technology is also very popular with on-campus students who use *iLecture* for their revision programs and to catch up on classes they have been unable to attend.

The Tertiary Teaching Course was offered again in 2004, with a redesigned format. This six-month introduction to tertiary teaching for academic staff proved to be extremely successful. Satisfactory completion of this assessed course has now become a requirement of academic staff probation. This offering complements the vast range of academic staff development activities provided by the Teaching and Learning Centre.

Murdoch University sponsored and hosted the annual Teaching and Learning Forum in February 2004, attracting hundreds of delegates from local, national and international universities to Murdoch's South Street Campus. The two-day conference has developed a reputation for the exchange of high quality information about innovative teaching, learning strategies and scholarships. The conference provided another opportunity for our academic staff – some 60 in all - to participate in a development activity at a level that is rarely seen in Western Australia.

Murdoch University recognises that the complex tertiary learning environment is affected by many factors, including the need for diverse student support systems, administration, library resources, curriculum design and teaching quality. To this end, the university staff continued to extensively examine throughout 2004, everything that could affect the quality of Murdoch's learning environment. This examination has led to important innovations, and has directed focus for staff who continually work to improve this dynamic learning environment.

To provide quality contemporary education which empowers the students of today to live and work in the world of tomorrow

Strategic Plan 2003-07 - Goal 1

The *Graduate Attribute Project* was extraordinarily active during 2004. Staff within the Teaching and Learning Centre collaborated with academic staff around the University to map the curricula. The aim of this exercise was to ensure that students were able to achieve the Graduate Attributes outlined by the University. This worked in conjunction with the School Development Process, which provided powerful curriculum renewal through academics working with Teaching and Learning staff. Academic staff were encouraged to ensure that they had teaching strategies that provided students with opportunities to achieve the stated discipline learning outcomes and the attributes, and to provide suitable assessment techniques that measured these achievements. The University has a commitment to revise and renew these curricula regularly to ensure that the currency and quality of this aspect of the learning environment is as good as can possibly be achieved.

Murdoch has had exceptional growth in postgraduate coursework offerings, with 15 new awards being offered in 2004. The planning and approval for a further 33 awards was completed, which are due to commence in 2005. All Divisions now offer postgraduate awards by coursework. A long-term project has been initiated to identify postgraduate student needs and to provide an outstanding tailored learning environment for postgraduate students.

Quality Assurance of coursework and the learning environment continues through the external reviews of Schools and Offices initiated by Academic Council. Whilst these reviews of academic schools have been conducted for many years, 2004 saw the inclusion of administrative areas that influence the learning environment for students, thus ensuring an all-inclusive approach. Areas of the University that were reviewed in 2004 included library services, enabling and bridging courses, offshore offerings and a range of academic schools.

The formation of the Office of Central Student Administration in 2004, an area that is focused on the student administrative experience from the point of enrolment to graduation, saw an extensive improvement and streamlining of processes. This Office will ensure that administrative processes augment the teaching and learning experience for staff and students. This year also saw the refurbishment of the Student Services Centre, in order to guarantee that student needs can be dealt with in a timely, comfortable and confidential way.

Murdoch University believes that a student's first year experiences can affect their long-term learning engagement with the University. It is with this philosophy in mind that we have initiated a number of strategies to ensure that the first year experience is a positive one for coursework students. The project will be ongoing, with a focus on developing transition strategies for equity students. We will also work to improve the provision of learning opportunities for academically able students within a culturally sensitive environment.

Over the last 30 years, our university community has always valued education and 2004 has been an exciting year in this regard. We have reinforced our commitment to education, and we aim to continue to make considerable progress on projects that improve our outstanding record in providing a sustainable and high quality learning environment.



research

Pro Vice Chancellor (Research)

Professor Andris Stelbovics

Murdoch University has maintained its strong position in 2004 as one of Australia's top performing research universities as evidenced by its increased allocation of government funding for research. This is primarily allocated through two performance-based funding schemes, the Research Training Scheme (RTS) and the Institutional Grants Scheme (IGS). Together, these schemes embody the key operational and financial performance indicators for university research in Australia. They deliver research funding competitively across the entire higher education sector according to universities' relative success in research as measured by their ability to generate external research grant and contract income, complete higher degree research students, publish and attract students to enrol.

In 2004 Murdoch ranked 12th nationally, normalised for institution size, in research performance as measured by the allocation of the RTS and IGS as a proportion of the Commonwealth operating grant. Murdoch's RTS allocation of \$8.81M represented an increase of 2.84 per cent over 2003 and its IGS allocation of \$4.58M an increase of 7.67 per cent. Also Murdoch's allocation of Research Infrastructure Block Grant (RIBG), which is based on national competitive grant awards, was \$2.41M; an increase of 56 per cent over 2003.

In 2004 Murdoch's research profile has been further internationally recognised. Shanghai Jiao Tong University annually publishes¹ a highly respected ranking table of the top 500 world universities. Murdoch University is included in this list in 2004 as a result of its recent outstanding research performance.

Murdoch has reached this strong position through a process of

continuous adaptation and improvement in research and research training. Murdoch's particular competitive advantages that will ensure it continues to extend and improve on this research and research training performance include: a high percentage of research active staff (90 per cent); a high proportion of staff at academic level A and above with PhDs (67 per cent); and a research effort that spans a comprehensive range of fields but with concentration in a select few.

The research training performance of Murdoch deserves highlighting. The relative performance of Australian universities is assessed by the Postgraduate Research Experience Questionnaire (PREQ) report² of graduating research students in Australia published by the Graduate Careers Council of Australia. The 2004 PREQ report provides overall satisfaction scores for universities over three previous years. Of the seven indicators used, Murdoch was ranked first in three: for overall satisfaction, for thesis examination and for goals and expectations being met. Murdoch was also ranked second for skill development and third for supervision.

In 2004, Murdoch maintained six Areas of Research Strength (ARS) and two Areas of Emerging Research Strength:

- Agricultural and Veterinary Biotechnology and Bioinformatics
- Contemporary Asia
- Hydrometallurgy
- Social Change and Social Equity
- Technologies and Policies for Sustainable Development
- Ecosystems Management and Restoration
- Interactive Media Institute
- Learning, Leadership and Policy

These ARS are the focal point for Murdoch's research and research training and provide substantial interdisciplinary teams of highly productive researchers. Together they are responsible for attracting 80 per cent of the University's reportable research income.

Academy of Advanced Studies

In 2004 Murdoch established an Academy of Advanced Studies that gives recognition to the University's best performing individual researchers over the past three-year period. The membership is restricted to less than 10 per cent of the university-wide research community. The Academy members will provide research leadership across the University and act as spokespersons on research issues for the University.

Research Ethics

Murdoch ensures compliance with rigorous national and WA State Government specifications through the work of the Animal and Human Research Ethics Committees. This maintains the accreditation that allows 750 of Murdoch's research projects and teaching programs to continue.

Collaborative Research and Development

Murdoch's long-standing and successful linkages with the public and private sectors have facilitated high levels of business investment in research and development and the successful transfer of technology from Murdoch to industry.

Murdoch's linkages in industry focussed research and development were strengthened in 2004 through its success in the Cooperative Research Centre (CRC) Program.

Murdoch was a member of seven of the 16 CRCs in 2004 that received funding from the Commonwealth totaling \$130M of Commonwealth funding and equal matching funding from industry over a seven year period (see Table 1).

Commercialisation

The Murdoch Westscheme Enterprise Partnership (MWEPE) came into operation on 6 January 2004. MWEPE is a general partnership between Murdoch and Westscheme Ventures: a wholly owned subsidiary of Westscheme, Western Australia's largest non-government superannuation fund. MWEPE was established to invest into early stage research opportunities at Murdoch that have strong commercial potential. Westscheme Ventures

will contribute \$10M in funding to the Partnership over ten years and pay Murdoch an operating budget of \$2.5M over this period to manage the Fund on behalf of the Partners. Murdoch will contribute the Intellectual Property relating to Partnership funded projects and the Parties will hold equal shares in the Partnership. The Fund is the largest of its kind in Western Australia and has already established itself as a major driver of research and innovation at Murdoch.

A MWEPE Investment Manager was appointed through the University's wholly owned subsidiary Murdoch ILO Pty Ltd. In consultation with the Partnership's Commercial Manager and the Investment and Steering Committees, the Manager has overseen: (1) the formation of

the investment management team, including a highly lauded internship-program which matching financial support from the Government of Western Australia, (2) the development of an approved business plan and operating procedures; and (3) the identification, evaluation and investment into six out of a total of 24 projects in the first twelve months of operation.

A second significant commercial venture was the establishment of the University's commercial consulting company, MurdochLINK Pty Ltd, which was set up to promote and manage Murdoch's commercial consulting activities. The company will also endeavour to increase the income from consulting operations through the active promotion of Murdoch staff, expertise and facilities. MurdochLINK was established as a wholly owned subsidiary of Murdoch University.

MurdochLINK provides high quality research services tailored to industry needs in a professional and timely manner. MurdochLINK's inaugural General Manager, in consultation with the Board of Directors has lead the company through a successful start-up phase in 2004 with the Company meeting or exceeding all key performance indicators including top line revenues of over \$1M and bottom line profitability of 4 per cent. This is a significant achievement in its first year of operation. MurdochLINK is positioned to continue leveraging University expertise in the future with a strategic focus on developing Murdoch's profile and opportunities in the International Development Market. This is a large global market and represents a high growth opportunity for MurdochLINK.

Table 1: 2004 results Cooperative Research Centre Program

Successful CRCs 2004	\$Mil	Key Murdoch Staff	Status
CRC for an Internationally Competitive Pork Industry, Agriculture and Rural Based Manufacturing Sector	\$25.75	Dave Hampson, John Pluske	New
CRC for National Plant Biosecurity, Agriculture and Rural Based Manufacturing Sector	\$20.5	Mike Jones, Rudi Appels, Matt Bellgard	New
CRC Interactive Design	\$1.65	Duane Varan	Supplementary
CRC for Molecular Plant Breeding, Agriculture and Rural Based Manufacturing Sector	\$4.93	Rudi Appels, Matt Bellgard	Supplementary
CRC for Beef Genetic Technologies, Agriculture and Rural Based Manufacturing Sector	\$30	Dave Pethick	Re-funded
CRC for Sustainable Forest Landscapes, Agriculture and Rural Based Manufacturing Sector	\$26.6	Giles Hardy, Treena Burgess	Re-funded
Parker CRC for Integrated Hydrometallurgy Solutions, Mining and Energy Sector	\$20	Mike Nicol, Glenn Hefter, Peter May	Re-funded

¹ <http://ed.stju.edu/2004/top500list.htm>

² Post Graduate Research Experience Questionnaire 2003, Graduate Careers Council of Australia Ltd (2004) ISSN 1447-1094



regional engagement

Pro Vice Chancellor (Regional Development)

Professor Kateryna Longley

Murdoch University has made a strong commitment to regional growth in the Rockingham/Kwinana and Peel regions through the inclusion of a Regional Engagement goal in the 2003-2007 Strategic Plan. This goal has been embraced by staff and students from across the University and Murdoch has rapidly become the University of the Southwest region.

2004 was a very eventful and significant year for the consolidation and expansion of Murdoch's activities at the two regional campuses in the coastal cities of Rockingham and Mandurah, in one of the fastest growing regions in Australia.

There was outstanding support from local government, the community and industry for the regional campuses. Most significant were three regional Professorial positions, each funded by regional partners for three years, to provide leadership to academic programs and to develop research partnerships and projects directly relevant to the strategic needs of local communities and industry. The positions are: the City of Rockingham Chair in Education; the City of Mandurah Chair in Entrepreneurship and Business Innovation; and the Peel Health Campus Chair in Nursing. We are proud of this demonstration of local commitment to Murdoch University's role in the social and economic life of the region.

In Mandurah, on the site of the new Peel campus, the first intake of 39 students (25 full time places), most of them from the Peel region, embarked on our new Nursing degree, using the facilities of our partners Challenger TAFE, Mandurah Senior College and the Peel Health Campus. This degree has now achieved full accreditation. Once again, the support of our partners was critical to the successful launching of this course.

The first university building on the Peel campus site progressed to near completion during the year, with the support of two Federal Government Capital Development Pool grants, totalling \$4.5M, and a \$1M interest free loan from the City of Mandurah, which enabled us to accelerate the building program.

Late in the year a further sum of \$2M was granted from the Capital Development Pool in order to expand the capacity of the Peel campus to accommodate the large number of extra regional student places that were allocated to Murdoch for 2005 – 2009. The Peel campus was granted 105 new places in addition to the original 25 and this is expected to provide a population of approximately 490 places on the campus by 2008. In order to offer good study and career choices to regional students, Murdoch established two further new courses, in addition to Nursing, for the Peel campus: Entrepreneurship and Business Innovation and Life Sciences. Professional Accounting will be offered. All courses have been selected and designed with the needs and aspirations of the local communities in mind.

At the Rockingham campus the Teacher Education Course continued to attract many more qualified students than could be offered places. The announcement of the allocation of 65 extra new places, across a range of disciplines, including Teacher Education, to the Rockingham campus was therefore very welcome.

Challenger TAFE and Murdoch University have worked closely together, alongside Mandurah Senior College, to create attractive cross-sectoral articulations and pathways for students with a view to improving local retention and participation rates in education. An innovative outcome was the establishment of the 'Peel Careers Combo', a combined one-year TAFE/ Murdoch course available in a choice of several disciplines and providing a formal TAFE qualification as well as university entrance and advanced standing. The regional enabling course UniFocus continued to be run very successfully on both regional campuses and the Murdoch UniTrack program, offering regional year 12 students a university unit, continued to attract generous sponsorship support from industry and local and state government. The Rockingham Regional Library, a partnership between Murdoch University, the City of Rockingham and Challenger TAFE, continues to be a successful model of cross-sectoral collaboration, while the Murdoch Law School provides a high quality service to the people of Rockingham through the SCALES community legal service.

To engage with communities in the Rockingham-Kwinana and Peel Region and the sphere of influence of our campuses to build productive partnerships in order to expand community participation in lifelong learning, support the sustainable development of the region through relevant social and scientific research, and enrich the cultural life of the community

Strategic Plan 2003-07 - Goal 3

As part of its commitment to the young people of the region Murdoch has provided accommodation at the Rockingham campus for the Office of the Kwinana Industries and Education Partnership (KIEP). This is a well established collaborative venture between local secondary schools, Challenger TAFE and the Kwinana Industries Council, thus linking the University more closely with local schools and industry and providing major sponsorship for the innovative Real World Science Project.

Located within the Peel region the historic Fairbridge Village also has a commitment to helping local youth to reach their full potential. During this year Murdoch University signed a Memorandum of Understanding with Fairbridge with a view to developing research and educational opportunities together, especially on environmental issues.

Research relevant to the Peel/ Rockingham/ Kwinana region is now a major focus in the Strategic Plan as part of the Regional Engagement goal. Forming research partnerships with local organisations to identify and seek solutions for local problems and issues is recognised as a key component of successful engagement. Many regional projects are underway or being planned and from 2005 they will be identified and reported on separately.

Building relationships between the University and local people through key regional committees is seen as another means of ensuring that the University's vision is aligned with the strategic needs of local communities. Murdoch has representation on a wide range of government committees at local, state and federal government levels as well as local Boards and Strategic planning groups across the Rockingham/Kwinana/ Peel region. The community has been very positive and supportive, with a range of regional prizes and scholarships being established and fundraising drives taking place during 2004. Key support has also been provided by regional Councils and other major employers in the form of 6-month work placements for Murdoch students during the final year of their degree. There were 42 students placed in 2004, and over 90 % of students participating in this program are successful in obtaining employment, in many cases with the same employer.

The University's outstanding success in achieving new federally funded regional students places, securing federal government funds for the new Peel Campus buildings and partnering with the Peel Health Campus and the two City Councils to fund Professorial positions is a testament to the value of genuine regional engagement. It is the result of a growing number of effective and positive partnerships developed to assist with the successful development of the regions and to ensure access to educational facilities for all those who live there.



resource management

Pro Vice Chancellor (Resource Management)

Mr Ian Callahan

Commercial Services

The university has undertaken a master planning process for its South Street Campus in consultation with the community and all major stakeholders. A broadly accepted plan has now been published and is proceeding through formal regulatory approval processes. As well as considering the core university activities, the Master Plan also includes designated bush and wetland areas to be preserved for the future and areas for the University to undertake future commercial development.

The University is striving to develop a level of commercial income to supplement more traditional funding sources. This income would be used to reinvest in university facilities and services for the future. The University has been developing the St Ives Retirement Village on campus for several years as part of this goal. This year a significant new milestone was achieved with the commencement of construction of a new office complex (to house a divisional head office of a major Western Australian corporation) on the eastern side of the campus. This building will be completed late in 2005.

The Master Plan has set aside an area designated for future commercial development along the eastern boundary of the University. A variety of alternative proposals are being considered for future use of this area.

Construction of the new law building was completed and officially opened by the Vice Chancellor Professor John Yovich, the Dean of Law Associate Professor Chris Kendall, the Hon. Chief Justice David Malcolm and Sir Ronald Wilson in July 2004. The new facilities, which include a state-of-the-art Moot Court, are now being appreciated by staff and student alike. A new Chiropractic Techniques Facility was also opened during the year and is being hailed as a world leading facility. Further chiropractic facilities will be developed over the next year as students progress through this new course. Facilities to be developed over 2005 include a chiropractic clinic open to the general public.

Construction of Stage 1 of the new Peel Campus is nearing completion. The facilities have been constructed with the support of Commonwealth Development Grants of \$2.5M received to date and are due for completion in January 2005, just in time for the new academic year. Teaching at Peel in 2004 has been undertaken in facilities kindly made available by the Peel Health Campus and Challenger TAFE. Sharing of facilities and support services on the Peel Campus between the co-located University, TAFE and Senior College is an important part of providing appropriate and cost effective service delivery on the campus. The Peel Health Campus has furthered this co-operative approach to the broader community with the university teaching some of its practical nursing requirements using facilities at the local hospital located within the Peel Health Campus.

Human Resources

The University has agreed to new three year Enterprise Bargaining Agreements with academic and general staff. This agreement includes an extension of paid maternity leave to 26 weeks. This places Murdoch at the forefront of family friendly employment.

During the year a review of the Performance Development Review System (PDRS) was completed. There was a strong acceptance of the need to effect explicit links between the University's strategic direction and the performance goals of individual employees and departments. The revised system is being implemented across all university areas progressively over a 24 month period which commenced in July 2004.

In August 2004 the Leadership Development Framework was launched to provide a framework within which a range of development, training tools and activities can be delivered for people in, and aspirants to, leadership roles within the University. The framework is designed to support the University's new Performance Development Review System by not only providing structured training but also opportunities through facilitation, coaching and mentoring. The inherent flexibility of the framework allows for growth and change in offerings in response to the changing environment. It also allows for participants to actively contribute to the content of the Leadership Development Framework.

To achieve Murdoch University's strategic objectives by providing effective leadership and applying our human, financial and physical resources in a planned and accountable fashion

Strategic Plan 2003-07 - Goal 4

The University's human resources team and systems have been restructured during the year to offer more flexibility to respond to the changing environment. Changes include increasing the resources and skills available in the areas of salary packaging and industrial relations. System changes included automating various manual tasks, improving data collection procedures and streamlining key payroll and HR systems.

With the recent changes to Occupational Health and Safety and Workers Compensation legislation the University has completed a review of its processes. The University has increased its in house capabilities through the appointment of an Occupational Health and Safety Manager and Injury Management Officer to implement changes identified in the review and manage the ongoing process.

Equity and social justice principles are embedded in the University's Vision Statement, Defining Themes and Values. The Equity Plan for the years 2003 to 2007 encapsulates Murdoch's commitment to equity and social justice principles and reflects the integration of these principles into teaching, research and community engagement.

Objectives and strategies provided in the Equity Plan aim to increase access to and success in undergraduate programs for all people from DEST defined equity groups. These include: ensuring the integration of student equity considerations in all University academic planning and review; increasing numbers and retention and success rates of Indigenous students; and achieving institutional commitment to the University's vision and guiding principles in relation to equity and social justice across all areas of operation. Equity outcomes are efficiently monitored and strategies reviewed each year as appropriate to meet the University's equity performance targets.

Information Technology

Murdoch's Information Technology Systems have been progressively improved during the year to make them more robust. A major strategic review of all systems is currently underway which is likely to result in further development of systems over the next year.

During the year a process to consolidate and streamline the University's IT resources and skill base has been undertaken. Activities include the establishment of a centralised help desk and service facility and the establishment of processes to streamline the diversity of the University's computer fleet to improve efficiencies and purchasing power.

Changes to university funding models under the Federal Government's "Backing Australia's Future" initiatives has resulted in many changes to information collection and reporting requirements within the University's Student Management Systems. These changes have been of such magnitude that major alterations to the structure and functionality of the Student Management Systems have been required. Murdoch has worked collaboratively with ten other universities to scope and fund the required developments to meet the Federal Government's timetable. Further changes and development of the software's capabilities are required to meet future Federal Government information requirements. These changes are also linked to timetable milestones and future funding commitments by the Government.

The University has also upgraded its timetabling and room management software. In conjunction with other changes to timetabling parameters, the University is seeking to increase the effective utilisation of its existing facilities. To further enhance these initiatives some alteration to existing facilities has been occurring to improve the flexibility of these teaching areas.

To improve the University's purchasing performance a centralized purchasing group has been established. Its purpose is to oversee Murdoch's major contracts and consolidate the many different purchasing regimes that have historically existed within the University.



legal & governance

General Counsel

Mr John Pease

The University established the Office of Legal and Governance in January 2004. This marked the recognition by the University of the complexity of the legal and regulatory environment in which it exists today and the need to have a dedicated team that is in a position to service the University's requirements from both a legal and governance perspective.

The Office comprises 14 staff who have different specialty areas and provide advice to the University's Senate, Senior Executive and general and academic staff in relation to the following areas:

- Internal Audit and Risk Management
- Legal Services
- Records Management and Archiving
- University Secretariat (including University Company Secretariat)

Internal Audit and Risk Management

The Internal Audit and Risk Management function already existed within the University, to support high quality corporate governance. The Senate's Audit & Risk Management Committee monitors the activity of the Internal Audit team.

Consistent with best practice, the Director of Internal Audit has a direct, administrative reporting line to the General Counsel, and a functional reporting line to the Chair of the Audit & Risk Management Committee, so as to ensure independence. Locating the Internal Audit function within the Office of Legal & Governance also ensures that it is placed in an area where that independence is most certain to be recognised and promoted.

The Internal Audit team was successful in achieving their key performance indicators for 2004.

In early 2004 the Office of the Auditor General undertook a comprehensive review of six Offices of Internal Audit in the WA public sector and concluded that the University's Internal Audit team was well managed and effective and was also supported at high levels within the University. This conclusion reflected the favourable outcome from an independent Peer Review of the Office of Internal Audit in 2003.

The University also recognises the importance of risk management by having an appropriate policy and a dedicated Risk Management function.

The University has implemented a risk management plan that identifies a number of high level risks that impact on its capacity to achieve the goals agreed in its strategic plan. Each of these risks is managed by a designated officer or executive group via appropriate risk reduction strategies.

The University's Senior Executive Group and the Audit and Risk Management Committee are responsible for monitoring risk management issues and the risk management plan, and for reporting on outcomes to Senate.

During 2004, the University undertook the following risk management projects:

- revision of the initial strategic risk management plan for the University;
- provision of education sessions on risk management throughout the University in line with a timetable approved by the Audit and Risk Management Committee and the Senate;
- production of a risk register and detailed operational risk management plans throughout the University in line with a timetable approved by the Audit and Risk Management Committee and the Senate;
- drafting of an IT Business Continuity Plan by the IT Services Directorate;
- establishment of a Crisis Management Team and related policy;
- conducting a Physical Hazards review by the Office of Human Resources;
- drafting a risk management plan for offshore courses; and
- production of a risk management plan for the Student Guild's annual Triple Crown event.

Legal Services

The newly created Legal Services team drew together two existing staff, who previously provided legal advice primarily to the Division of Research and Development, together with the General Counsel, and they now service the overall needs of the University from a legal perspective.

In the short time that it has been in existence, the legal team has implemented a number of measures designed to ensure that the University manages its legal risk. These include: introducing policies requiring a legal sign-off prior to signing any contract, assuming central control and management for referring instructions to external lawyers and taking preliminary steps to establish a central contracts register for the University.

Records Management & Archives

The Records Management & Archives function plays an integral role in the management of the University's records - commonly referred to as the "corporate memory" of the University.

The role of the Records Management team is to ensure that full and accurate records of the University's activities are created, retained and made readily available to support the decision-making processes of the University. These records are

protected against arbitrary disposal to ensure they are available to meet administrative needs, as well as external accountability requirements including the scrutiny of parliament and the Auditor General and to be able to meet official requests for documentation by the FOI Commissioner and the Ombudsman. A small %age of records are selected for permanent preservation in the University Archives as a result of their administrative, financial, legal, research or historical value to the University.

Of particular significance in 2004 has been the work undertaken to produce the University's record-keeping plan in compliance with the *State Records Act 2000*. The record-keeping plan sets out the policies, procedures and activities that are or will be implemented to comply with the Act. The State Records Commission "cleared" the University's record-keeping plan on 18 November 2004 and the Records Management team will be occupied over the coming 12 months to meet further obligations of the Act before the record-keeping plan is formally approved.

The decision to include the Records Management & Archives function within the Office of Legal & Governance was a strategic choice given the increased level of organisational accountability expected by the *State Records Act 2000*.

Secretariat

The Secretariat continues to service the requirements of the University's Senate, its Academic Council and each of their various committees and working parties. It also provides invaluable governance advice to the Chancellor and other members of the Senate and Executive.

The Company Secretariat services the Senate's Resources Committee, together with the various corporate entities in which the University has an interest.

The year has been a challenging one for the Secretariat team, in particular with the need to ensure compliance with the Federal Government's National Governance Principles. Members of the team worked cooperatively with the other public universities in Western Australia to the extent that the Principles required legislative amendments, with the end result being a joint request for legislative amendments being presented to the State Minister for Education. The University was otherwise compliant with the Principles by the cut-off date of 31 August, which ensures its eligibility for increased Federal funding.

The University's initiative in establishing the Office comprising these four key functions, puts it in a strong position to ensure that it appropriately manages its governance, risk and legal issues moving forward. Creating the Office with the reporting lines and components that it has, augurs well for the future and sets the benchmark for the rest of the sector.

foundation

Murdoch University Foundation

Inspiring Achievement and Changing Lives – How you can make a difference

Murdoch University has a 30 year history of success in working with community minded individuals, businesses, government and community organisations to benefit the community through research, education and community projects. In 2003, the University set up the Murdoch University Foundation to increase such partnerships and encourage support for the mission of the University.

Gifts to the Murdoch University Foundation

The Murdoch University Foundation has been set up to help advance the strategic priorities of the University for the benefit of the community. The aim of the Foundation is to support specific programs and projects and develop an endowment by seeking donations from the public and corporate sector and, in the future, by generating profits from appropriate investment activities.

Gifts to the Foundation are tax deductible and can be used for a purpose that you designate or for the priorities of the University.

Murdoch Reputation

Murdoch University is one of Australia's most innovative universities with a strong focus on students and community engagement. Our graduates have given us a 5 star rating for student satisfaction more often than any other university in Australia. Murdoch also maintains a per capita research output that is amongst the highest in the nation.

As government support decreases while costs and the student population increase, the need for private support for education becomes more and more important. Murdoch University, in its quest to stay at the forefront of education and research, has many goals and aspirations for its students and community. You can help us to achieve these with your gift to the University.

What you can support

You can choose to make a gift to the Murdoch University Foundation for a specific purpose or allow the University to determine its area of greatest need when it receives your gift. This allows the University to consider the needs of the students, staff and community in determining how best to use your gift.

An unrestricted gift, because of its flexibility, allows the University to meet the unpredictable and constantly changing educational needs of the future.

The University also welcomes contributions or bequests to support:

- student prizes and scholarships
- cutting edge research
- endowment of lectureships or professorial positions
- equipment for laboratories
- library collections and resources including special access materials
- development of the University's campuses in Peel and Rockingham
- new buildings and facilities
- the University's art collection
- the work of the University's Vet Trust

Corporate Partnerships and Sponsorships

Murdoch University has a long history of innovative relationships with industry and business organisations from across Australia and overseas.

The University welcomes corporate sponsorship of a range of activities and programs and is committed to providing tangible benefits in return for sponsorship support. Sponsorship of the University also helps to ensure the development of talented and innovative graduates who will be of value to their future employers and helps to brand sponsoring businesses as employers of choice for the future.

All sponsorships at Murdoch are negotiated with a sincere commitment to benefit the sponsor and the community while providing support for the specific project being sponsored. Sponsorship benefits can include naming rights, access to University facilities and staff, logo acknowledgment, research support, sales and promotional opportunities and many others. Benefit packages are tailored to meet the marketing, corporate and strategic objectives of the sponsor.

Endowments – a gift that lasts

Endowments are special funds set up with an initial gift for a specific purpose. Endowment funds can be established through the Murdoch University Foundation and are managed in a way that protects the original value of the endowment capital, and ensures the original value rises annually to offset inflation. Your original gift stays intact and only the annual income is used. An endowment is an excellent way to help build the future while creating a lasting tribute in your name or in memory of someone special to you.

Chief Executive Officer - Murdoch University Foundation

Director of Development

Ms Vicky Dodds



Gifts In-kind

Gifts to Murdoch University can also be in the form of property, shares, artwork securities, equipment or other assets. These are still of great value to the University and can make a real difference to the benefits that the University offers to students and the community.

In-kind gifts may still be tax-deductible as donations to the Murdoch University Foundation, however, gifts of these types may be subject to different ATO tax rulings and each gift is considered with this in mind.

Bequests – Leaving a Gift in Your Will

Leaving a gift in your Will to Murdoch University is one of the most thoughtful ways to benefit the community through a gift for the future. Your gift shows forethought, planning and community commitment.

People from all walks of life leave gifts both large and small to the University, recognising the role it plays in assisting the community through education, research and community development. Leaving a gift in your Will is one way to make the type of gift that you may not be able to make during your lifetime.

Your gift to the University can take many forms including:

- cash or securities
- real estate
- life insurance policies
- life income plans, annuities or trusts
- cultural property such as books manuscripts and works of art

You can designate the purpose of your bequest or make a bequest without a designated purpose to assist with the University's priorities at the time.

Memorial Gifts – in Memory of that Special Person or Event

Murdoch University is proud to accept Memorial Gifts in memory of a special event or a person close to you. Your gift can be used in many ways to make a difference to the students and staff of the University and the wider community.

Your gift can be as simple as providing a tax-deductible donation of \$50 for the purchase of a book for one of the University's libraries to celebrate a graduation from Murdoch, through to the endowment of a Professorial position or a new building at the University to commemorate a loved one who valued education and youth development.

Murdoch University is very grateful to the many individuals who have provided Memorial Gifts over the last 30 years that have supported a range of prizes, scholarships, facilities and programs across the University.

Your Gift Will Make a Difference

You can be confident that your gift to the community through the Murdoch University Foundation will be used as you wish to enrich the learning environment, inspire staff and students and pursue and achieve excellence.

Whatever the size of your gift – it will make a difference!

To learn more about current University projects or to discuss how you might like to benefit the community and support the mission of the University, please contact Ms Vicky Dodds, Chief Executive Officer of the Murdoch University Foundation on (08) 9360 2894 or visit our website at www.foundation.murdoch.edu.au for more information.

characteristics of the student population

Summary Statistics

Student Enrolments

Level	2000	2001	2002	2003	2004
Higher Degree Research	705	710	730	777	825
Higher Degree Coursework	1,094	1,049	777	568	528
Other Postgraduate	650	754	926	1,007	921
Undergraduate	9,749	9,967	10,423	10,563	10,583
Non-Award	99	131	162	123	77
Total	12,297	12,611	13,018	13,038	12,934

Broad Field of Study	2000	2001	2002	2003	2004
Agriculture, Environmental and Related Studies	596	557	520	542	461
Creative Arts	932	1,017	1,100	1,090	1,106
Education	1,126	1,338	1,625	1,842	1,871
Engineering and Related Technologies	167	182	202	232	246
Health	426	442	532	638	828
Information Technology	737	880	1,059	1,007	842
Management and Commerce	2,995	2,820	2,457	2,103	2,098
Natural and Physical Sciences	1,324	1,382	1,407	1,440	1,456
Non-Award	99	131	159	123	77
Society and Culture	3,895	3,862	3,957	4,021	3,949
Total	12,297	12,611	13,018	13,038	12,934

Student Load (EFTSU)

Level	2000	2001	2002	2003	2004
Higher Degree Research	482	502	512	562	573
Higher Degree Coursework	1,022	942	492	319	288
Other Postgraduate	316	340	417	477	425
Undergraduate	7,115	7,189	7,555	7,772	7,748
Non-Award	42	33	36	30	21
Total	8,977	9,007	9,013	9,159	9,055

Broad Field of Study	2000	2001	2002	2003	2004
Agriculture, Environmental and Related Studies	404	355	356	357	294
Creative Arts	735	789	849	860	846
Education	705	799	992	1,153	1,214
Engineering and Related Technologies	109	127	139	167	188
Health	363	372	446	540	662
Information Technology	513	648	765	717	581
Management and Commerce	2,535	2,312	1,764	1,550	1,519
Natural and Physical Sciences	994	997	1,020	1,049	1,041
Non-Award	42	33	35	30	21
Society and Culture	2,579	2,575	2,646	2,738	2,689
Total	8,977	9,007	9,012	9,159	9,055

*: 31st August reporting date used for 1997 and beyond, 31st March for earlier years

Completions

Level	1999	2000	2001	2002	2003
Higher Degree Research	72	62	88	94	97
Higher Degree Coursework	230	380	528	338	252
Other Postgraduate	199	260	296	372	404
Undergraduate	2,072	2,184	2,311	2,380	2,303
Total	2,573	2,886	3,223	3,184	3,056

Broad Field of Study	1999	2000	2001	2002	2003
Agriculture, Environmental and Related Studies	157	122	188	154	156
Creative Arts	237	234	282	359	295
Education	236	279	255	333	396
Engineering and Related Technologies	30	24	32	45	19
Health	105	74	85	82	79
Information Technology	140	156	200	234	258
Management and Commerce	652	887	1,007	831	706
Natural and Physical Sciences	224	321	344	337	372
Society and Culture	792	789	830	809	775
Total	2,573	2,886	3,223	3,184	3,056

Staff - Full Time Equivalence (FTE)

Staff Function	2000	2001	2002	2003	2004
Teaching Only	114	125	120	126	108
Research Only	48	52	62	64	61
Teaching & Research	344	348	357	363	357
Other	23	28	34	24	27
Non-Academic	775	744	777	778	795
Total	1,304	1,297	1,350	1,354	1,348

Student Load (EFTSU) per Teaching Staff FTE

	2000*	2001*	2002*	2003*	2004*
Load/FTE Ratios	17.6	17.2	17.9	18.1	18.1

*Excludes offshore student load

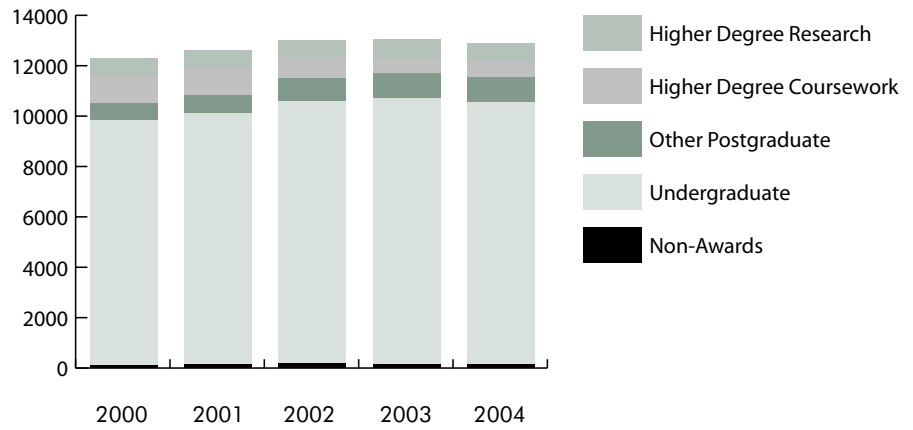
Offshore students to be deducted from load/fte ratio	939	852	463	302	438
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The tables 'Student Enrolments' and 'Student Load' refer to all students, including DEST-funded/HECS-paying, international fee-paying and domestic fee-paying.

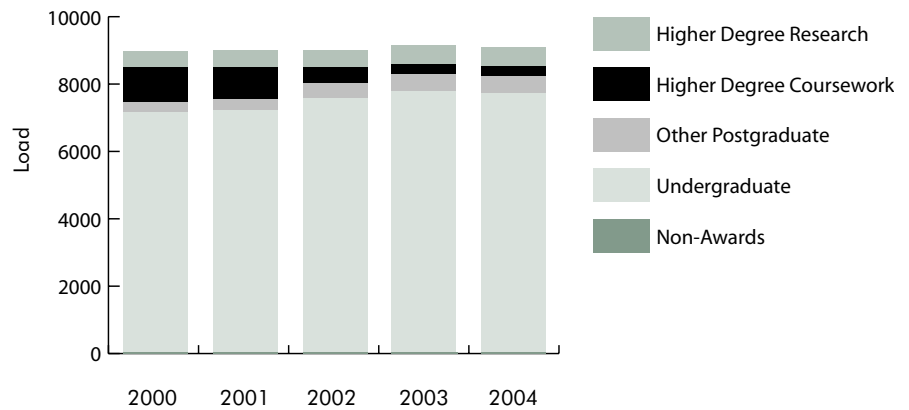
The downward trend in higher degree coursework load has continued into 2004, but appears to be leveling out. This decline has been compensated by growth in undergraduate load, with the result that total load has remained steady at around 9000.

However, there are prominent upward and downward trends at the field of study level: education, engineering and health have continued strong growth into 2004; the substantial decline in management and commerce appears to be leveling out; agriculture and environmental sciences, and information technology, have experienced significant decline in 2004.

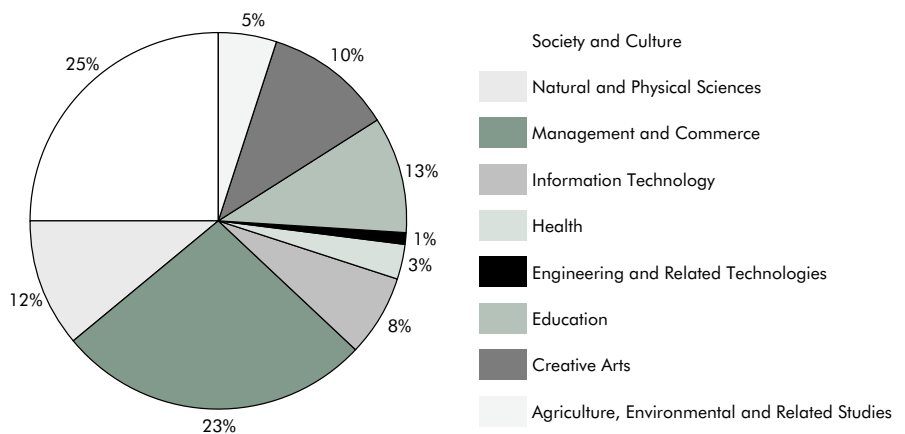
Enrolment by Year and Level



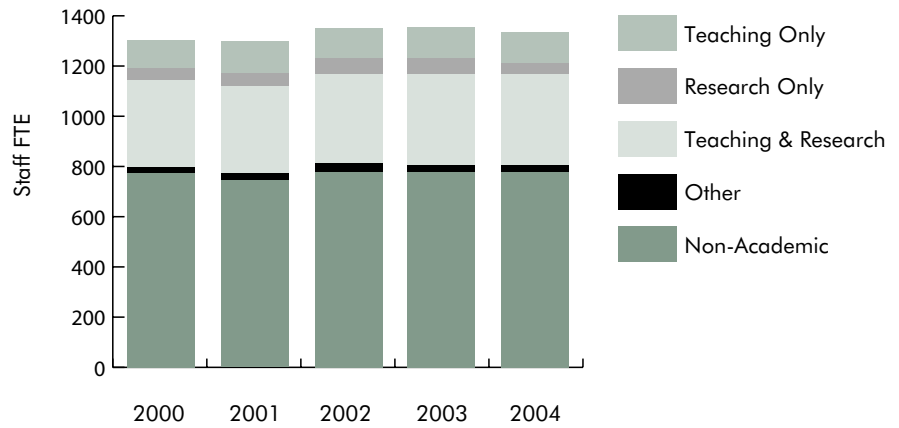
Load (EFTSU) by Year and Level



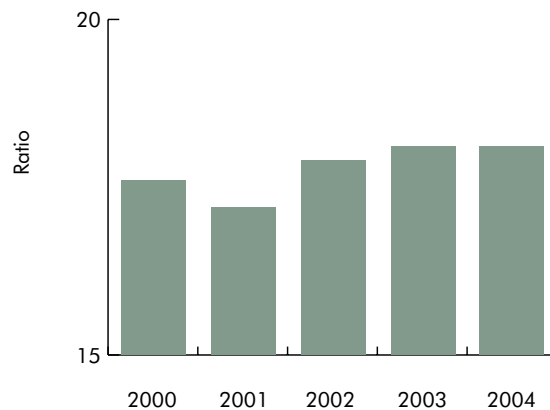
Completions by broad field of Education - 2002



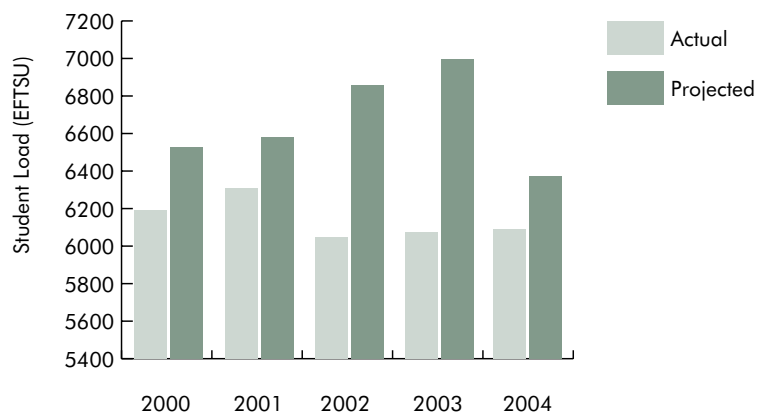
Staff FTE by Function and Year



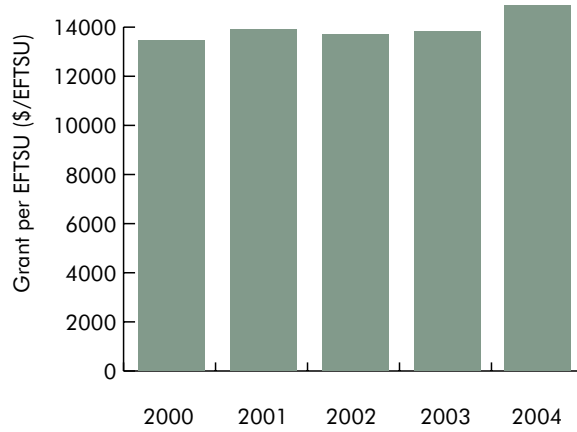
Student Load (EFTSU) Per Teaching Staff FTE



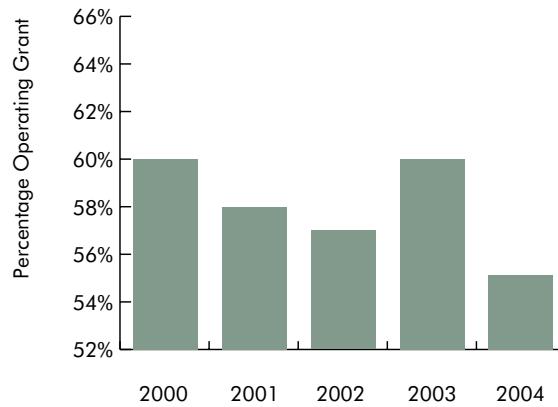
Target and Actual Operating Grant Load



Operating Grant Per Operating Grant load



Percentage Operating Grant of Total Income



Equity Student Statistics

Broad Field of Study	2000	2001	2002	2003	2004
Aboriginal & Torres Strait Islanders					
Agriculture, Environmental and Related Studies	4	3	3	2	3
Creative Arts	7	8	7	12	16
Education	8	21	29	33	28
Engineering and Related Technologies			1	2	1
Health	14	12	9	7	7
Information Technology	1	3	6	6	5
Management and Commerce	5	4	2	2	3
Natural and Physical Sciences	6	12	9	10	6
Society and Culture	106	119	132	97	82
Non-Award					1
Total	151	182	198	171	152
Female					
Agriculture, Environmental and Related Studies	333	295	265	270	246
Creative Arts	618	666	707	705	698
Education	912	1,066	1,281	1,458	1,427
Engineering and Related Technologies	24	32	39	38	48
Health	304	320	379	460	577
Information Technology	153	188	203	204	140
Management and Commerce	1,509	1,446	1,277	1,112	1,096
Natural and Physical Sciences	731	741	756	774	802
Non-Award	42	74	104	70	38
Society and Culture	2,562	2,580	2,613	2,651	2,604
Total	7,188	7,408	7,624	7,742	7,676
Rural					
Agriculture, Environmental and Related Studies	52	52	48	50	44
Creative Arts	36	29	31	40	42
Education	115	138	172	186	191
Engineering and Related Technologies	27	17	16	16	21
Health	62	51	49	53	78
Information Technology	44	35	46	41	37
Management and Commerce	96	88	90	87	91
Natural and Physical Sciences	106	107	80	94	107
Non-Award	4	7	35	26	13
Society and Culture	197	195	226	223	247
Total	739	719	793	816	871

Broad Field of Study	2000	2001	2002	2003	2004
Isolated					
Agriculture, Environmental and Related Studies	45	44	28	39	30
Creative Arts	27	20	20	23	19
Education	154	149	189	194	190
Engineering and Related Technologies	10	12	8	13	17
Health	18	15	16	19	18
Information Technology	28	26	24	27	27
Management and Commerce	32	28	18	32	39
Natural and Physical Sciences	63	52	47	57	54
Non-Award	4	1	3	2	1
Society and Culture	132	105	94	93	111
Total	513	452	447	499	506

Low Socio-Economic Status

Agriculture, Environmental and Related Studies	150	122	125	133	119
Creative Arts	133	148	166	160	151
Education	368	445	527	578	583
Engineering and Related Technologies	56	53	61	83	81
Health	91	83	85	91	110
Information Technology	170	187	224	206	195
Management and Commerce	368	376	335	320	309
Natural and Physical Sciences	296	272	277	281	291
Non-Award	18	26	50	42	17
Society and Culture	854	830	861	869	871
Total	2,504	2,542	2,711	2,763	2,727

Non-English Speaking Background

Agriculture, Environmental and Related Studies	12	8	9	11	10
Creative Arts	6	12	9	9	6
Education	6	8	11	17	15
Engineering and Related Technologies	2	9	11	12	9
Health	6	5	5	6	11
Information Technology	27	27	43	27	19
Management and Commerce	61	49	46	56	41
Natural and Physical Sciences	24	21	21	26	28
Non-Award	6	1	2	5	6
Society and Culture	46	40	49	54	53
Total	196	180	206	223	198

Broad Field of Study	2000	2001	2002	2003	2004
People with a Disability					
Agriculture, Environmental and Related Studies	14	13	11	17	19
Creative Arts	30	39	45	56	61
Education	36	56	69	90	104
Engineering and Related Technologies		5	7	13	10
Health	7	4	8	10	16
Information Technology	26	36	41	41	37
Management and Commerce	59	63	63	59	51
Natural and Physical Sciences	40	60	63	66	72
Non-Award	4	4	1	3	1
Society and Culture	230	280	288	318	324
Total	446	560	596	673	695

Summary (Percent of Population)

Total Student Enrolments	12,297	12,611	13,018	13,038	12,934
Aboriginal & Torres Strait Islanders	1.2%	1.4%	1.5%	1.3%	1.2%
Female	58.5%	58.7%	58.6%	59.4%	59.3%
Rural	6.0%	5.7%	6.1%	6.3%	6.7%
Isolated	4.2%	3.6%	3.4%	3.8%	3.9%
Low Socio-Economic Status	20.4%	20.2%	20.8%	21.2%	21.1%
Non-English Speaking Background	1.6%	1.4%	1.6%	1.7%	1.5%
People with a Disability	3.6%	4.4%	4.6%	5.2%	5.4%

Enrolments by female students continue to increase, and are approaching 60% of the student population. Participation by rural students and students with disabilities is also continuing the increasing trends in 2004.

Commonwealth Operating Grant and Load

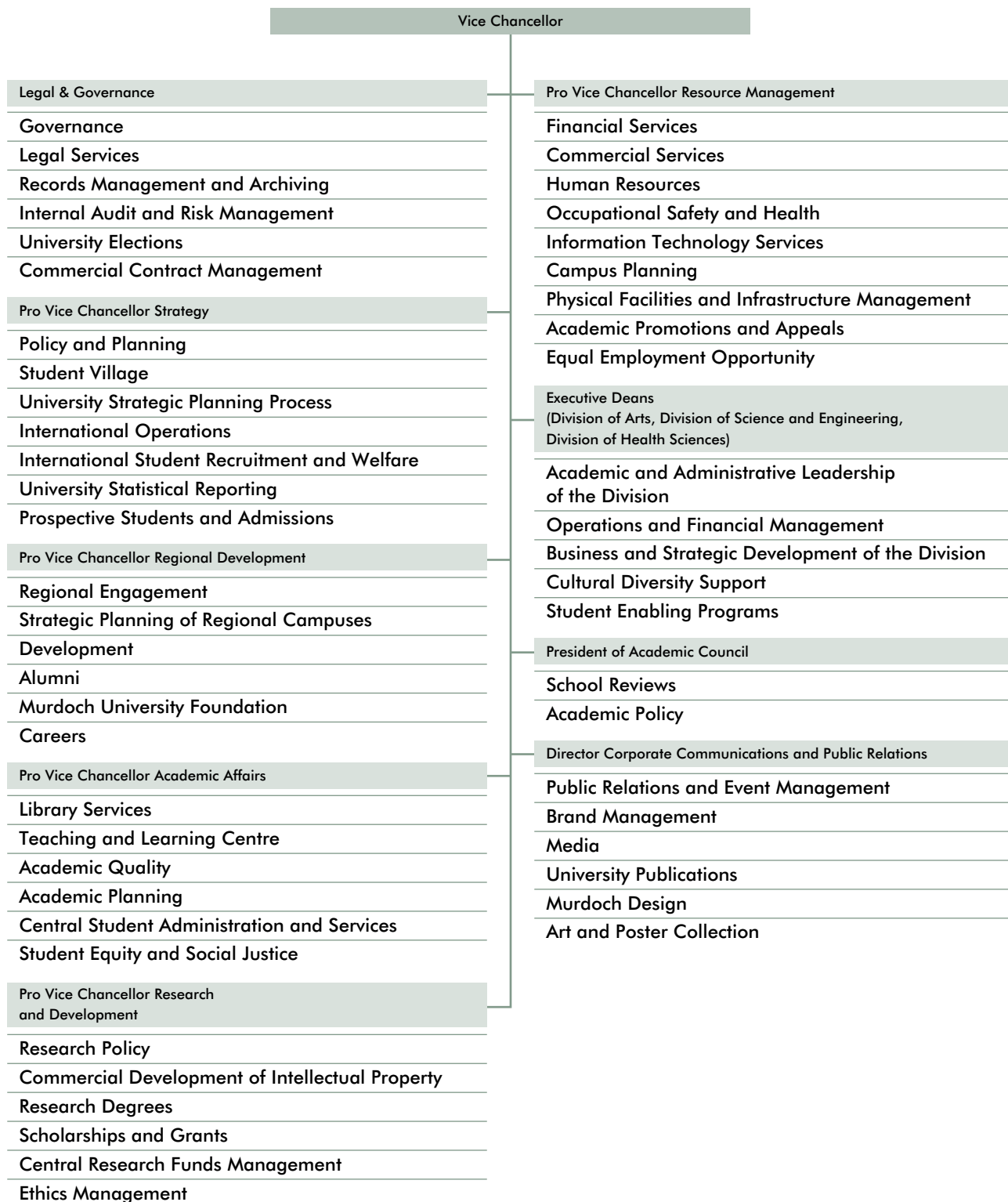
	2000	2001	2002	2003	2004
Operating Grant Load (EFTSU)					
Target	6,190	6,307	6,045	6,075	6,095
#Actual	6,526	6,581	6,857	6,626	6,374
Variance (EFTSU)	336	274	812	551	279
Variance (%)	5.43%	4.34%	13.43%	9.07%	4.58%
Undergraduate Target Load (EFTSU)					
Target	5,530	5,670	5,735	5,800	5,830
Actual	5,883	5,933	6,201	6,351	6,134
Variance (EFTSU)	353	263	466	551	304
Variance (%)	6.38%	4.64%	8.12%	9.50%	5.22%
Funding Sources					
Operating Grant (\$000)	82,051	87,469	91,758	96,714	100,679
Operating Grant (at 2003 prices) (\$000)	87,795	91,614	93,928	96,714	100,679
Outside Research Grants & Donations (\$000)	19,877	20,177	22,963	27,411	30,968
Operating Grant per EFTSU (at 2003 prices)	13,453	13,921	13,698	14,597	15,795
Total Commonwealth Grant as a Percentage of Total Income	60%	58%	57%	60%	53%
External Research Funding (at 2003 prices)					
Number of Competitive Research Grants	147	164	230	210	221
Value of Competitive Research Grants (\$000's)	7,147	6,988	8,820	10,467	9,965
Value of Non-Competitive Grants (\$000's)	13,842	13,816	13,871	15,463	20,411
Total Research Grants (\$000's)	20,988	20,804	22,691	25,930	30,376
Index	1.070007	1.047385	1.023648	1.000000	1.000000
Cost Adjustment Factor*	1.085211	1.108650	1.134358	1.161183	1.161183

*: from 2004 to 2006 Triennium Report interim pre-print release(Appendix A, pg 116)

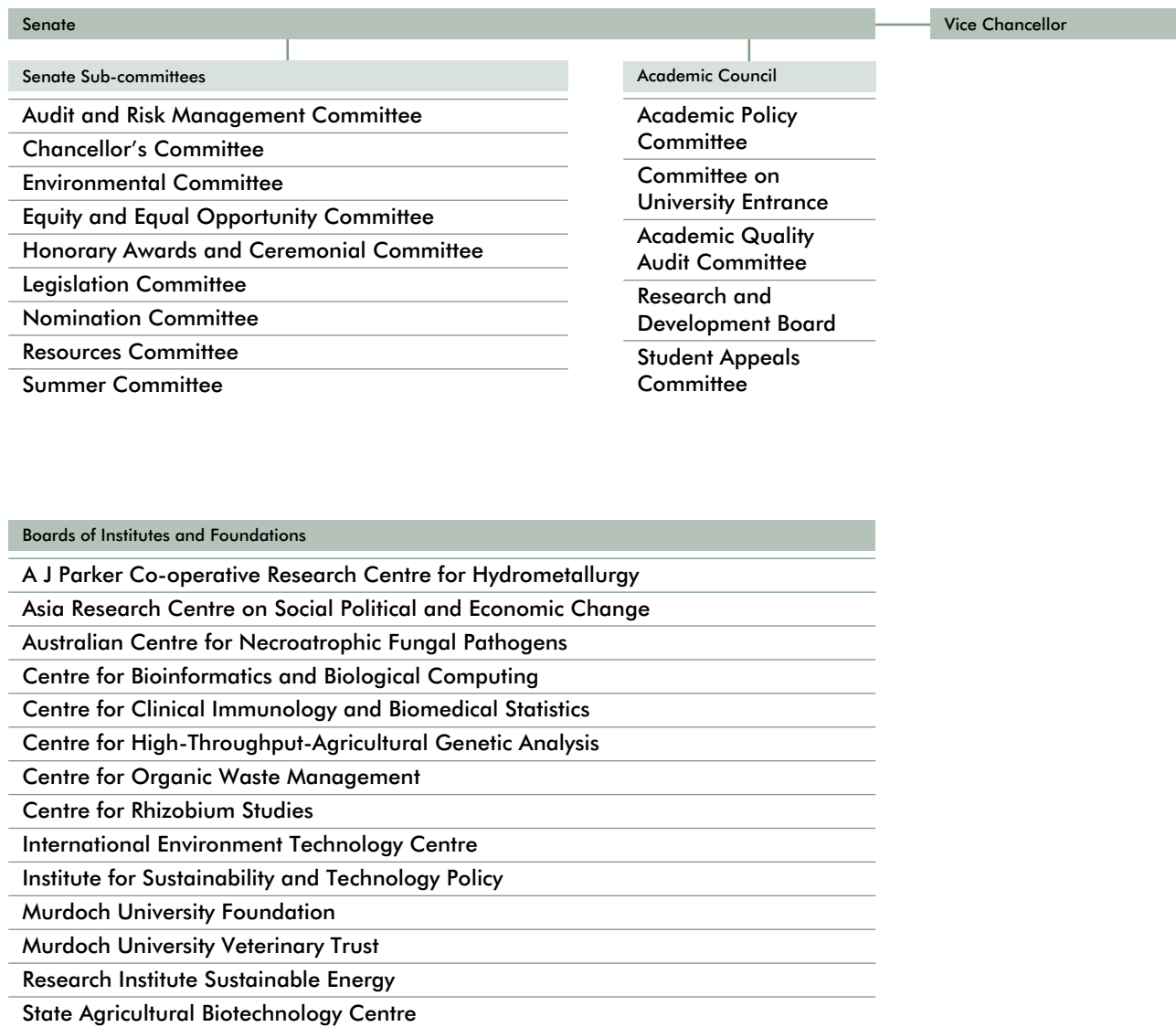
since 2003 the actual Operating Grant load (EFTSU) excludes RTS load



Organisational Chart



Governance Structure



Officers of the University

Visitor

**His Excellency
Lieutenant General John M Sanderson, AC
Governor of Western Australia**

Chancellor

Emeritus Professor Geoffrey Bolton
AO, CitWA, MA, DPhil, PhD, HonDLitt, HonDUniv, FRHistS,
FAHA, FASSA, FRSA

Pro-Chancellor

Judge Kate O'Brien
LLB(Hons), BJuris

Vice Chancellor

Professor John Yovich
BSc, BVMS(Hons), DipLargeAnimalSurg, MS, PhD,
Diplomate ACVS

Pro Vice Chancellor (Academic)

Professor Jan Thomas
BSc, BVMS, MVS, PhD, MACVSc

Pro Vice Chancellor (Research)

Professor Andris Stelbovics
BSc(Hons), PhD, FAIP

Pro Vice Chancellor (Resource Management)

Mr Ian Callahan
BCom, CA, ASIA

Pro Vice Chancellor (Regional development)

Professor Kateryna Longley
BA(Hons), DipEd, MA, PhD

Pro Vice Chancellor (Strategy)

Professor Gary Martin
MEd, MACE, AITD

General Counsel

Mr John Pease
LLM

University Secretary

Mr Andrew Bain
BA(Hons)

Senate as at 31 December 2004

Members Ex Officio
Chancellor
Emeritus Professor Geoffrey Bolton AO, CitWA, MA, DPhil, PhD, HonDLitt, HonDUniv, FRHistS, FAHA, FASSA, FRSA (to 24/11/2006)
Vice-Chancellor
Professor John Yovich BSc, BVMS(Hons), DipLargeAnimalSurg, MS, PhD, Diplomate ACVS
Nominee of the Director-General, Department of Education
Ms Margaret Banks AIT, TeachCert, GradDipSocSc
President of the Guild of Students
Ms Barbara Whelan (to 25/11/2005)
Members Appointed by the Governor
Ms Alison Gaines BA(Hons), MA (to 28/06/2005)
Dr Michael McCall AM, MB, BSc, DPhil, FRACP (to 18/05/2005)
Mr Malcolm Macpherson CertAcc, BSc (to 10/09/2006)
Pro Chancellor
Judge Kate O'Brien LLB(Hons), BJuris (to 15/05/2006)
Members Elected by the Academic Staff
Associate Professor Stuart Bradley BSc, PhD (to 9/11/2005)
Dr Jim Macbeth BCom, MA, PhD (to 28/10/2007)
Associate Professor Nick Costa BAGSc(Hons), PhD (to 25 September 2006)

Member Elected by non-academic staff
Ms Pat Allen BA(Hons) (20/4/2005)
Members Elected by and from amongst the students
Mr Malcolm Bradley (to 31/12/2005)
Mr Daniel Narbett (to 31/12/2005)
Member Appointed by the Governor upon the Nomination of the Premier
Mr Terry Budge BEc, AMP:ISMP, FAIM, FAIB, FAICD (to 31/5/2007)
Member Appointed by the Governor upon the Nomination of the Leader of the Opposition
Mr Garry Hunt PSM, BBus, FLGMA, FAIM, (to 26/5/2007)
Members Elected by Convocation
Ms Janice Bowra BSc, MBA, MAIOH (to 31/12/2005)
Ms Carolyn Jakobsen BA, BA(Hons) (to 31/12/2006)
Dr Melanie Strawbridge BSc(Hons), PhD (to 5/04/2005)
Members Co-opted by the Senate
Mr Richard Lester (to 22/05/2006)
Mr Robert Pett BA, MA(Econ) (to 31/12/2005)
The Rt Hon. Sir William Heseltine GCB, GCVO, AC, QSO, BA, Hon DUniv (to 24/7/2006)



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

MURDOCH UNIVERSITY PERFORMANCE INDICATORS FOR THE YEAR ENDED DECEMBER 31, 2004

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of Murdoch University are relevant and appropriate to help users assess the University's performance and fairly represent the indicated performance for the year ended December 31, 2004.

Scope

The University Senate's Role

The University Senate is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
March 23, 2005

key performance indicators

In 2003, the University launched its new Strategic Plan 2003 2007. This plan expands and reinforces the directions established by the University Senate. The Strategic Plan outlines four major goals, relating to teaching and learning, research, community engagement, and effective leadership. Each goal gives rise to a range of Key Strategies and Desired Outcomes: the extent to which these outcomes have been achieved can be assessed using appropriate key performance indicators (KPIs). Design and development of KPIs is subject to the availability of suitable data and the approval of the WA Auditor General. Such KPIs relating to the University core goals of teaching and learning and research are presented in this chapter. The University is currently assessing the feasibility of designing KPIs and implementing data systems that address the remaining goals in a manner consistent with the requirements of the WA Auditor General.

Teaching and Learning Outcome

Strategic Plan Goal A: To provide quality contemporary education which empowers the students of today to live and work in the world of tomorrow

Desired Outcome (i):

To maintain student satisfaction with the quality of teaching within the top 20 per cent of the Australian public universities, as measured by the Course Experience Questionnaire.

Desired Outcome (ii):

To maintain the rate of student satisfaction with the quality of teaching above 80 per cent, as measured by unit surveys.

Desired Outcome (iii):

To increase the percentage of graduates who demonstrate their commitment to lifelong learning by undertaking further study.

Desired Outcome (iv):

To increase the percentage of graduates who are able to gain their preferred employment to within 2 per cent of the state average.

Effectiveness Indicators

1. Perceived Quality of Teaching – Course Experience Questionnaire

The University participates in the annual national Course Evaluation Questionnaire conducted by the Graduate Careers Council of Australia (GCCA). The survey is administered to all graduates six months after the completion of their course. The 2003 survey had a response rate of 55 per cent. The survey asks graduates to rate their perceptions to twelve questions which cover two broad aspects of their recently completed course—good teaching and enhancement of generic skills. The third aspect of the CEQ scale is the overall satisfaction with the course. The scale used is a five-point scale ranging from 1—strongly disagree—to 5—strongly agree. Students who record scores of 3, 4 and 5 are defined as broadly agreeing with the statements.

	Year of Graduation											
	2000			2001			2002			2003		
	Percent Broadly Agree			Percent Broadly Agree			Percent Broadly Agree			Percent Broadly Agree		
CEQ Scale	Murdoch	WA	National	Murdoch	WA	National	Murdoch	WA	National	Murdoch	WA	National
Good Teaching	84.8	80.3	78.4	86.8	82.7	80.1	87.9	84.1	81.3	88.1	n/a	n/a
Generic Skills	88.3	87.6	86.5	90.2	89.7	87.5	90.9	90.3	88.1	90.3	n/a	n/a
Overall Satisfaction	93.0	89.5	89.4	93.3	90.9	89.4	92.4	90.9	89.6	92.4	n/a	n/a

n/a – State and National data for 2003 are not yet available from GCCA

Comment: The table shows that Murdoch University has received scores on the Good Teaching scale well above 80 per cent in each of the four years.

2. Student Evaluation of Units

The University conducted student evaluation surveys on each unit each time it was run until Semester 2, 2001, provided there were ten or more enrolled students. From Semester 2, 2001 the surveys have been conducted on 50 per cent of the units offered each semester, with the policy regarding the minimum number of students remaining the same.

This indicator is based on the students' response to the statement: "Overall I was satisfied with the quality of the unit" and is expressed as a percentage of the responses. The University continues to achieve its target for the quality of teaching.

	2000	2001	2002	2003	2004
Agreed or Strongly Agreed	86%	85%	86%	85%	87%
Response rate	60%	62%	60%	59%	55%

Comment: The table shows that University has maintained student satisfaction with teaching units at or above 85 per cent over the past five years based on a student response rate consistently above 55 per cent. These percentages are broadly in agreement with the GCCA survey outcomes shown in the previous KPI.

3. Graduate Study Outcomes

The University participates in the annual national Graduate Destination Survey conducted by the Graduate Careers Council of Australia (GCCA). The survey is administered to all graduates after the completion of their course.

The survey asks students about their employment and study status as at 30 April the year following their course completion. Mid year graduates are asked about their status as at 30 October.

The data presented below measure successful outcomes in terms of a graduate continuing to study.

Year of Graduation		Full Time Study	Part time Study	Not Studying	Total % Studying	Number of Respondents	Number Surveyed	Response Rate
1999	Murdoch	17.8%	11.1%	71.1%	28.9%	1,283	2,212	58.0%
	WA	22.4%				8,217	14,832	55.4%
	National	20.0%				90,056	155,269	58.0%
2000	Murdoch	17.6%	11.9%	70.5%	29.5%	1,332	2,391	55.7%
	WA	19.4%				7,849	14,950	52.5%
	National	20.4%				90,410	157,235	57.5%
2001	Murdoch	23.8%	12.4%	63.8%	36.2%	1,292	2,345	55.1%
	WA	24.3%				8,238	15,344	53.7%
	National	21.3%				95,626	172,613	55.4%
2002	Murdoch	21.6%	7.6%	70.8%	29.2%	1,257	2,441	51.5%
	WA	21.5%				10,717	19,867	53.9%
	National	20.0%				107,398	188,039	57.1%
2003	Murdoch	21.4%	9.7%	68.9%	31.1%	1,582	2,594	61.0%
	WA	20.5%				11,029	n/a	n/a
	National	20.7%				112,577	201,389	55.9%

n/a – State data for 2003 are not yet available from GCCA

Comment: Murdoch University has increased the percentage of graduates continuing full time study from 17.8 per cent in 1999 to 21.4 per cent in 2003. Murdoch had a higher percentage than the WA and National averages, a reversal from the trend prior to 2002.

4. Graduate Employment Outcomes

The percentage of graduates in their work mode of choice are those who are either employed full or part time and not seeking the alternate mode compared with graduates who want or have paid work at the time of the survey.

Year of Graduation		Full Time Employment	Part Time Employment	Unavailable for Employment	Unemployed	Total % in Employment	% Graduates in their work mode of choice
1999	Murdoch	52.9%	15.7%	4.8%	8.9%	68.6%	77.9%
	WA	53.6%	13.3%	4.3%	6.4%	66.9%	82.3%
	National	58.4%	12.0%	4.7%	4.9%	70.4%	86.2%
2000	Murdoch	55.0%	15.3%	4.1%	8.2%	70.3%	79.2%
	WA	56.7%	15.1%	2.8%	6.0%	71.8%	83.5%
	National	58.9%	12.2%	3.3%	5.2%	71.1%	85.8%
2001	Murdoch	44.7%	15.9%	6.1%	9.4%	60.6%	73.4%
	WA	50.8%	12.4%	5.1%	7.5%	63.2%	80.2%
	National	55.6%	12.9%	4.2%	5.9%	68.5%	83.6%
2002	Murdoch	49.0%	15.8%	3.0%	10.6%	64.8%	73.3%
	WA	53.1%	13.8%	3.9%	7.8%	66.9%	79.1%
	National	55.8%	13.0%	4.5%	6.4%	68.9%	82.3%
2003	Murdoch	46.2%	19.0%	4.2%	9.2%	65.2%	72.0%
	WA	54.1%	14.4%	2.8%	8.1%	68.5%	78.8%
	National	55.9%	13.7%	3.5%	6.2%	69.6%	82.2%

Comment: The percentage of Murdoch graduates achieving the mode of work of their choice has remained below both the State and national averages for the past five years. This is in contrast with the very high ratings in student satisfaction with teaching quality, and may be linked to differences in course, gender and age mix of the university relative to others.

Efficiency Indicators

5. Ratios of EFTSL per teaching staff FTE, successful EFTSL per teaching staff FTE

The ratios of EFTSL (Equivalent Full time Student Load) per teaching staff FTE and successful EFTSL per teaching staff FTE provide indicators of teaching efficiency.

A Staff FTE is an equivalent full time staff. Part-time staff are measured as a fraction of FTE according to the proportion of the working week for which they are employed. These units of measure allow for the fact that not all staff and students are full-time at the University. Academic Staff may be classified as 'Teaching Only', 'Teaching and Research', 'Research Only' or 'Other'. DEST defines these measures and classifications for the universities. Only academic staff associated with Academic Organisational Units and designated as 'Teaching Only' or 'Teaching and Research' have been included in this indicator. Successful load is the sum of all load with a passing result. Total load is a sum of load being undertaken by coursework students. The research load has been excluded from this calculation.

The data for this indicator are extracted from the DEST Student and Staff Data Collections. The load figures are as at 31 August.

	2000	2001	2002	2003	2004
Total Non-Research Load (EFTSL)	8,473	8,559	8,501	8,597	8,482
Successful Load (EFTSL)	7,222	7,361	7,125	7,313	7,138
Teaching Staff (FTE)	442	459	461	475	452
Total Load / Teaching Staff	19.2	18.6	18.4	18.1	18.8
Successful Load / Teaching Staff	16.3	16.0	15.5	15.4	15.8

Comment: The student load to teaching staff ratios in the period 2000 to 2004 are on a slightly downward trend indicating that the university has maintained academic staff levels relative to student numbers despite the growing pressures on university budgets.

6. Ratios of total operating and teaching related expenditure to total load (EFTSL)

Operating and teaching related expenditure, because it encompasses the provision of teaching and related services to all students, is defined as total University expenditure less research grant expenditure. The total equivalent full-time student load includes teaching and research training load. Comparable figures are provided for the four publicly funded universities in WA for four years.

The average expenditure per unit of EFTSL is dependent on and will vary according to the discipline mix taught by the university. Clinical sciences and laboratory based sciences are more expensive to teach than classroom based disciplines.

The data for this indicator are extracted from the DEST Student and Finance Collections, the other three universities' annual reports and Murdoch University's financial records. The total load figure is as at 31 August of each year. The comparative expenditure figures have been indexed to 2004 prices using the higher education cost adjustment factor.

	University	Total Load EFTSL	Teaching Related Expenditure (\$000)	Teaching Related Expenditure/ Total Load
2000	Curtin	18,546	292,355	\$15,764
	Edith Cowan	14,438	171,896	\$11,906
	Murdoch	8,977	125,521	\$13,982
	UWA	12,390	266,505	\$21,510
	Average			\$15,790
2001	Curtin	19,709	325,493	\$16,515
	Edith Cowan	14,886	178,569	\$11,996
	Murdoch	9,007	142,869	\$15,862
	UWA	12,846	279,927	\$21,791
	Average			\$16,541
2002	Curtin	20,886	323,709	\$15,499
	Edith Cowan	15,445	184,979	\$11,977
	Murdoch	9,012	142,460	\$15,808
	UWA	12,959	293,006	\$22,610
	Average			\$16,473
2003	Curtin	22,184	326,942	\$14,738
	Edith Cowan	15,889	192,821	\$12,135
	Murdoch	9,159	143,672	\$15,686
	UWA	13,592	326,567	\$24,026
	Average			\$16,647

Comment: Murdoch University has continued over the past four years to achieve the desired outcome of maintaining the ratio of teaching related expenditure to student load close to the state average. In 2002 and 2003 it has been within \$1000, closer to the state average than all other public WA universities, although Curtin has also been consistently close to the average. In contrast ECU has been about \$4,500 below the average and UWA is on a rising trend about \$7,400 above the average in 2003.

In part, these differences are attributable to course mix which for UWA includes relatively expensive courses such as medicine and dentistry. In part the differences relate to efficiency of course delivery. In the case of Murdoch, it is significant that the teaching cost per student is below average while the university has achieved high teaching quality outcomes as reported previously in this chapter.

Research Outcome

Strategic Plan Goal B: To contribute to the knowledge, well-being and sustainability of society by conducting high quality multidisciplinary research and development

Desired Outcome (i):

To increase research productivity as measured by the Research Funding allocation and rank.

Desired Outcome (ii):

To increase research income to \$40 million by 2007.

Desired Outcome (iii):

To increase the number of postgraduate research student completions per 10 staff FTE.

Desired Outcome (iv):

To maintain postgraduate research student time to completion for MPhil and PhD within 2 and 4 years.

Desired Outcome (v):

To maintain the rate of student satisfaction with the quality of supervision above 80 per cent as measured by the postgraduate research student surveys.

Effectiveness Indicators

7. Research Funding: A National Comparison

The desired outcome to increase research productivity as measured by the research funding allocation and rank demonstrates the University's high national standing in terms of research productivity. Research income per academic researcher is an indicator of a productive research culture and the ability of the University to increase its external funding base for research, and is a more appropriate measure for ranking than mere total funding.

Block research funding consists of the Research Training Scheme (RTS), Research Infrastructure Block Grants (RIBG) and the Institutional Grants Scheme (IGS) provided by the Australian Government. This is a key indicator of research performance because it is allocated according to the comparative research performance of Australian universities as follows.

Block funding scheme	Research income	Higher degree research student load	Higher degree completions	Publications
RTS	40%	–	50%	10%
IGS	60%	30%	–	10%
RIBG	100% ¹	–	–	–

¹ In the case of the RIBG, the relevant income is nationally competitive research income only.

The source of this information is the program guidelines for RTS, IGS and RIBG available on the DEST website.

The data driving the above funding allocations are published in the annual DEST Higher Education triennial reports. These are weighted and averaged, except for student load, over the two most recent years for which data are available. Student load is the figure for the most recent year.

The block research funding indicator is tabulated and all publicly funded Australian universities ranked according to block research funding per academic researcher.

Research Funding Allocations per FTE Research Staff 2001–2004

	Rank 2001	Rank 2002	Rank 2003	Rank 2004	Block Research Allocation RTS+IGS+RIBG 2004	Research Active Staff FTE 2004	Funds / FTE 2004
University of Adelaide	4	4	2	1	57,305,469	1,215	47,165
University of Sydney	3	2	3	2	103,289,516	2,324	44,445
University of Melbourne	2	3	4	3	107,068,925	2,442	43,845
University of Western Australia	5	6	5	4	56,801,237	1,348	42,137
University of New South Wales	6	5	6	5	81,034,651	1,972	41,093
University of Tasmania	8	9	8	6	27,560,988	679	40,591
University of Queensland	7	7	7	7	96,409,764	2,533	38,061
Murdoch University	14	14	11	8	15,802,902	466	33,912
Flinders University	13	12	10	9	21,538,819	646	33,342
University of Wollongong	9	8	9	10	21,610,808	662	32,645
University of New England	12	10	13	11	14,434,566	477	30,261
Monash University	11	13	15	12	69,169,225	2,426	28,512
Macquarie University	10	11	12	13	20,743,442	762	27,222
Charles Darwin University	17	15	14	14	3,849,552	142	27,110
University of Newcastle	15	17	17	15	23,146,934	899	25,747
James Cook University	16	16	16	16	14,278,875	579	24,661
Australian National University	19	18	18	17	50,581,416	2,053	24,638
Australian Maritime College ¹	1	1	1	18	540,551	22	24,571
La Trobe University	18	19	19	19	22,744,280	1,002	22,699
Curtin University of Technology	23	23	21	20	18,529,017	926	20,010
Griffith University	21	21	20	21	21,092,297	1,090	19,351
Swinburne University of Technology	22	22	24	22	7,675,545	429	17,892
University of Technology, Sydney	20	20	23	23	15,384,404	861	17,868
University of Western Sydney	31	29	28	24	13,143,565	762	17,249
Southern Cross University	28	27	26	25	4,529,373	266	17,028
University of Canberra	24	24	22	26	4,979,638	293	16,995
Royal Melbourne Institute of Technology	25	26	25	27	18,113,836	1,066	16,992
Queensland University of Technology	26	25	27	28	16,536,260	994	16,636
Victoria University	32	31	31	29	7,867,955	510	15,427
Deakin University	30	30	30	30	12,791,069	848	15,084
University of South Australia	29	28	29	31	13,252,169	900	14,725
University of Ballarat	34	33	33	32	1,734,707	149	11,642
Charles Sturt University	35	34	32	33	5,204,016	454	11,463
Central Queensland University	33	32	34	34	4,188,311	370	11,320
Edith Cowan University	36	35	35	35	5,995,067	530	11,311
University of Southern Queensland	37	36	36	36	3,656,856	387	9,449
University of Notre Dame Australia	27	37	37	37	251,060	32	7,846
University of the Sunshine Coast	39	38	38	38	746,639	101	7,392
Australian Catholic University	38	39	39	39	1,749,322	355	4,928
TOTAL					985,333,026	33,972	29,004

¹ Large relative changes in staff numbers or classification can cause substantial shifts in ranking. For example, the change in the Australian Maritime College's ranking is almost entirely due to a doubling of reported research staff numbers.

Comment: This KPI shows the research intensity of a university, that is, the intensity of nationally and internationally competitive research activity within the university. The table shows that Murdoch University has steadily increased its competitive position in research amongst Australian universities over the past four years. It has risen from fourteenth to eighth position with only six of the Group of Eight universities and the University of Tasmania now ranking higher.

8. Research Income per 10 Research Staff FTE

The broadest indicator of research performance is research income. The University has therefore targeted it for improved performance. The following indicators present the total research income and research income per 10 staff FTE.

The data for these indicators are extracted from the DEST Staff Data Collections and the University's financial records.

The Research Income per 10 Staff FTE gives a productivity perspective on this outcome. Only academic staff level B and above associated with Academic Organisational Units and designated as 'Research Only' or 'Teaching and Research' have been included in this indicator. A rolling three year staff average has been used.

	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual
Research Income (\$000's)	19,615	19,863	22,167	25,929	30,376
Research Staff (FTE)	329	339	351	362	367
Research Income per 10 Staff FTE	\$596,215	\$585,937	\$631,822	\$716,271	\$827,684

Comment: Research income has grown by over 50 per cent in the past four years while the income per FTE of staff has grown by 38 per cent over the same period. The trend evident in research income growth and research related initiatives currently under consideration give confidence that the University will achieve the target of \$40 million by 2007.

9. Higher Degree by Research Completions per 10 Research Staff FTE

Yet another indicator of research strength is activity in training new researchers. The number of research students is provided in the summary statistics section of the Annual Report.

The data for this indicator are extracted from the DEST Student and Staff Data Collections. Due to the unresolved status of research students results at the time the Annual Report is prepared this indicator will be one year in arrears. There is a steady upward trend, showing consolidating strength in this area.

Degree Type	1999	2000	2001	2002	2003
Research Staff (FTE)	322	329	339	351	362
Masters by Research Completions	3	6	11	5	9
Doctorate by Research Completions	66	58	77	90	88
Masters Completions per 10 Staff	0.1	0.2	0.3	0.1	0.25
Doctorate Completions per 10 Staff	2.0	1.8	2.3	2.6	2.43
Total Completions per 10 Staff	2.1	1.9	2.6	2.7	2.7

Comment: Research degree completions per 10 research active academic staff FTE has increased from around 2.0 in 1999-2000 to 2.7 in 2002-2003, suggesting a significant improvement over the past four years.

Efficiency Indicator

10. Number of publications per 10 Staff FTE

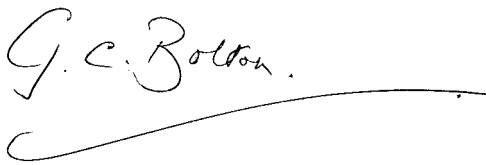
Another indicator of research productivity is the number of publications per 10 research staff FTE, based on data extracted from the DEST Research Publications and Staff Data Collections. The numbers of publications are adjusted to remove the contribution of non-Murdoch staff: for example, if a publication is co-authored by one Murdoch staff member with a collaborator who is not on Murdoch's staff, the publication is included with a weighting of 0.5. The Research Publications data collection date of 30 June makes it necessary to report the results in the next year's annual report.

Publication Category	1999	2000	2001	2002	2003
Research Staff (FTE)	322	329	339	351	362
Books and Monographs	7.8	11.8	9.5	12.7	9.2
Refereed Journal Articles and Book Chapters	278.0	348.3	326.5	315.9	345.2
Published Conference Papers	66.0	76.8	69.7	87.7	109.0
Books & Monographs per 10 Staff	0.2	0.4	0.3	0.4	0.3
Refereed Journal Articles & Book Chapters per 10 Staff	8.6	10.6	9.6	9.0	9.5
Published Conference Papers per 10 Staff	2.1	2.3	2.1	2.5	3.0

Comment: The trend in refereed articles and chapters per 10 staff FTE has been steady around 9.5 for the past five years. There appears to be an increasing trend in published conference papers per 10 staff FTE.

certification of performance indicators

We hereby certify that the 2004 key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess Murdoch University's performance, and fairly represent the performance of Murdoch University for the year ending 31 December 2004.

A handwritten signature in black ink that reads "G. C. Bolton." followed by a long, sweeping horizontal flourish.

G C Bolton

Chancellor

A handwritten signature in black ink that reads "J V Yovich" in a stylized, cursive script.

J V Yovich

Vice Chancellor

16 March 2005

statement of expenditure

Section 175 ZE of the Electoral Act 1907 requires the University to include a statement in the Annual Report setting out details of expenditure incurred by the University and certain classes of organisations.

The expenditure incurred by the University during the 2004 financial year was as follows:

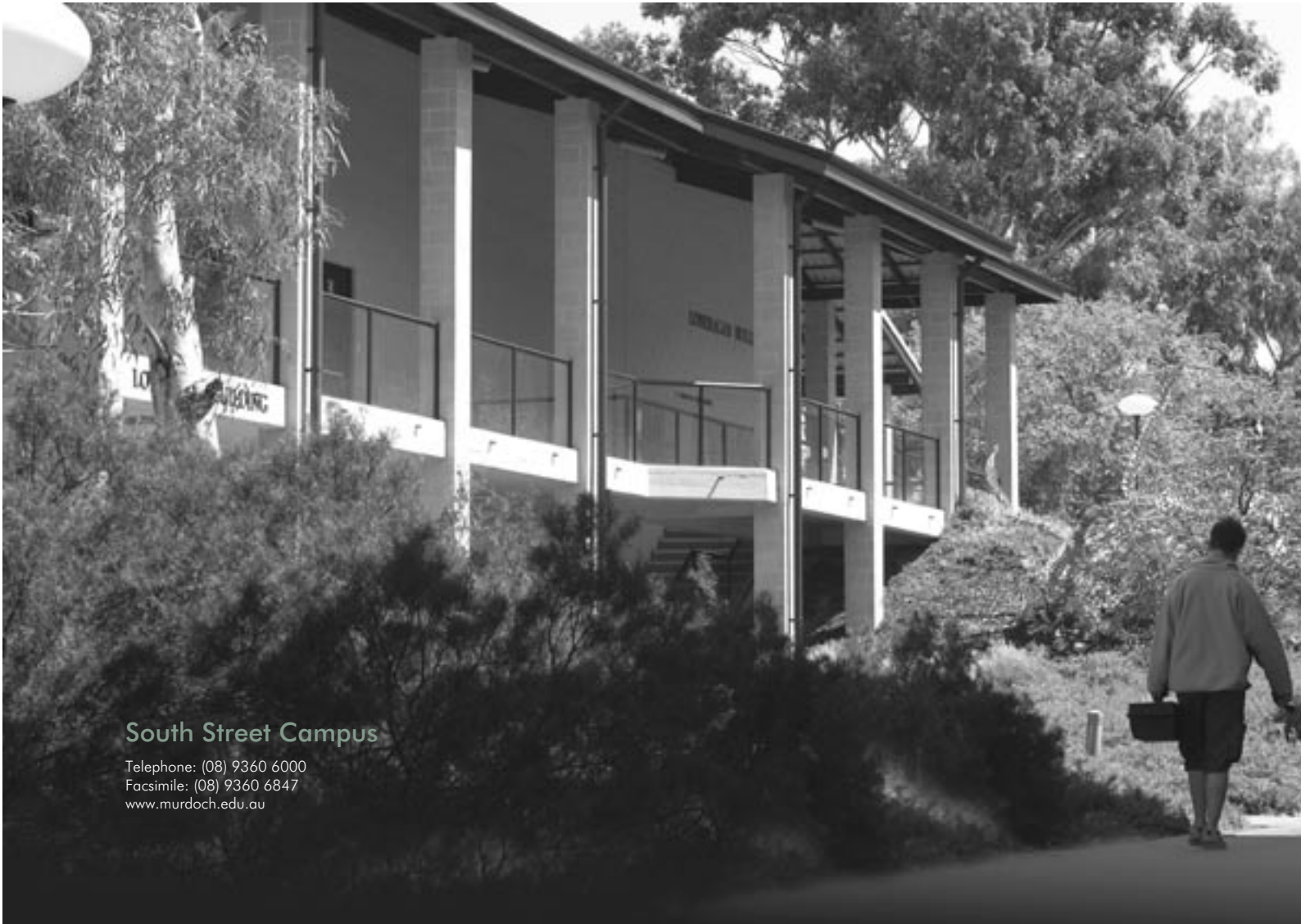
The total amount of the expenditure was \$469,913.

Agencies and organisations are not named where the expenditure was less than \$2,000 for the year, but the expenditure has been included in the total figure.

The classes of organisation, the names of the organisations within the class and the total expenditure for the class was as follows:

	\$
(a) Advertising Agencies	14,271
Adsigns	
Character Print	
Salmark Promotions	
(b) Direct Mail Organisations	59,124
Lasermail Pty Ltd	
(c) Media Advertising Organisations	396,218
Community Newspapers Group Ltd	
Media Decisions WA	
Price Advertising	
West Australian Newspapers	
Marketforce Productions	
Red Wave Media Ltd	
(d) Market Research Organisations	300

murdoch university campuses



South Street Campus

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Facsimile: (08) 9360 6847
www.murdoch.edu.au



Rockingham Campus

Telephone: (08) 9360 7070
Rockingham Area Telephone: 9553 7070
Facsimile: (08) 9360 7077
www.murdoch.edu.au



Peel Campus

Telephone: (08) 9582 5501
Facsimile: (08) 9582 5515
www.murdoch.edu.au

contacts and services

Prospective Students' and Admissions Centre

(Domestic Students)

Telephone: 1 300 MURDOCH
Facsimile: (08) 9360 6491
Web: choose.murdoch.edu.au

Murdoch International

(International Students)

Telephone: +61 3 9627 4809
Facsimile: 9310 5090
email: internat@murdoch.edu.au

Office of Corporate Communications and Public Relations

(Including Media Contacts)

Telephone: (08) 9360 7658
Facsimile: (08) 9310 4233
email: K.Jones@murdoch.edu.au

Office of Development

Telephone: (08) 9360 2894
Facsimile: (08) 9360 7657
email: V.Dodds@murdoch.edu.au

Alumni, Careers and Employment Centre

Telephone: (08) 9360 6668
Facsimile: (08) 9360 2676
email: alumni@murdoch.edu.au
email: careers@murdoch.edu.au

Murdoch University Foundation

Telephone: (08) 9360 2894
Facsimile: (08) 9360 7657
email: V.Dodds@murdoch.edu.au

Research and Development

Telephone: (08) 9360 6858
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email: D.A.Smith@murdoch.edu.au

Murdoch LINK

(Commercial Consultancy Service)

Telephone: (08) 9360 7681
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Murdoch University Academic Divisional Offices

Division of Arts

Telephone: (08) 9360 2420
Facsimile: (08) 9360 6958
email: arts@murdoch.edu.au

Division of Health Sciences

Telephone: (08) 9360 7294
Facsimile: (08) 9360 2296
email: J.Daniell@murdoch.edu.au

Division of Science and Engineering

Telephone: (08) 9360 2822
Facsimile: (08) 9360 2296
email: M.Bateman@murdoch.edu.au

murdochuniversity

annual report 2004
financial report

for the year ended 31 december 2004

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MURDOCH
UNIVERSITY
PERTH, WESTERN AUSTRALIA

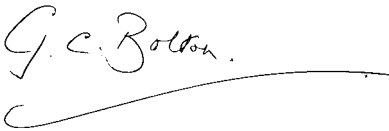
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certification of financial statements

The accompanying financial statements of Murdoch University and the accompanying consolidated financial statements have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 31 December 2004 and the financial position as at 31 December 2004.

At the date of signing we are not aware of any circumstance that would render the particulars included in the financial statements misleading or inaccurate.



G C Bolton

Chancellor



J V Yovich

Vice Chancellor



I C Callahan

Principal Accounting Officer

25 February 2005



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**MURDOCH UNIVERSITY
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2004**

Audit Opinion

In my opinion,

- (i) the controls exercised by Murdoch University provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the University and the consolidated entity at December 31, 2004 and their financial performance and cash flows for the year ended on that date.

Scope

The University's Senate's Role

The University's Senate is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows of the University and the consolidated entity and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON
AUDITOR GENERAL
March 23, 2005

report by the members of the senate

Members

The following persons were members of the Murdoch University Senate during the whole of the year and up to the date of this report:

Emeritus Professor Geoffrey Bolton (Chancellor)	Member since 1999
Judge Kate O'Brien (Pro Chancellor)	Member since 2000
Professor John Yovich (Vice Chancellor)	Member since 2002
Pat Allen	Member since 2000
Margaret Banks	Member since 2001
Janice Bowra	Member since 2003
Malcolm Bradley	Member since 2002
Professor Stuart Bradley	Member since 2002
Terry Budge	Appointed 1 June 2004
Dr Sally Cawley	Member since 2000, term expired May 2004
Associate Professor Nick Costa	Member since 2003
Alison Gaines	Member since 1999
John Gillam	Member since 2002, resigned August 2004
Associate Professor Ken Harrison	Member since 2000, term expired August 2004
The Rt Hon Sir William Heseltine	Member since 2000
Garry Hunt	Appointed 27 May 2004
Carolyn Jakobsen	Member since 2002
Richard Lester	Member since 2000
Dr Jim Macbeth	Member since 2000
Malcolm Macpherson	Member since 1997
Dr Michael McCall	Member since 1996
Mat Menzel	Member since 2003
Daniel Narbett	Appointed 1 January 2005
Robert Pett	Member since 1997
Alisha Ryans-Taylor	Member since 2000, term expired December 2004
Dr Melanie Strawbridge	Member since 2002
Barbara Whelan	Appointed 29 November 2004

report by the members of the senate

Meetings of Members

The numbers of meetings of the members of the Murdoch University Senate and of each Senate committee held during the year ended 31 December 2004, and the numbers of meetings attended by each member were:

Member	Senate Meetings		Meetings of Committees															
	A	B	Audit & Risk Management		Chancellor's		Environmental		Honorary Awards and Ceremonial		Legislation		Resources		Summer		Equity & EEO	
			A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Emeritus Professor Geoffrey Bolton (Chancellor)	8	6			4	4			2	2								
Judge Kate O'Brien (Pro-Chancellor)	8	5	4	4	4	4			2	1	7	6						
Professor John Yovich (Vice-Chancellor)	8	8					5	3	2	2	7	6	8	6	1	1	1	-
Pat Allen	8	8							2	2			8	7				
Margaret Banks	8	5															1	1
Janice Bowra	8	7	4	4							7	7						
Malcolm Bradley	8	8	4	4			5	3	1	1	7	5	8	7			1	-
Professor Stuart Bradley	8	7											8	7				
Terry Budge	5	3																
Dr Sally Cawley	3	2															1	1
Associate Professor Nick Costa	8	8							2	2					1	1		
Alison Gaines	8	6			4	4												
John Gillam	5	3											5	5				
Associate Professor Ken Harrison	6	6																
The Rt Hon Sir William Heselline	8	8	4	4	4	2							8	8				
Garry Hunt	5	5											5	3				
Carolyn Jakobsen	8	5					5	3									1	1
Richard Leslie	8	5																
Dr Jim Macbeth	8	8																
Malcolm Macpherson	8	6			4	2			2	-					1	1		
Dr Michael McCall	8	6			4	2	5	5										
Mat Menzel	8	8									7	5						
Daniel Narbeth	-	-																
Robert Pett	8	6			4	3										8	6	
Alisha Ryans-Taylor	8	7					5	3										
Dr Melanie Strawbridge	8	6					5	2										
Barbara Whelan	-	-							1	1								

A = Number of meetings held during the time the member held office or was a member of the committee during the year

B = Number of meetings attended

Note: The Senate also has a Nominations Committee, however, no meetings were held during the year.

report by the members of the senate

Principal Activities

During the year the principal continuing activities of the consolidated entity consisted of higher education, research, consultancy and other commercial operations supporting or ancillary to University activities.

There were no significant changes in the nature of the activities of the consolidated entity during the financial year.

Review of Operations

The consolidated entity operations derived revenue of \$188.5M for 2004 (\$175.1M in 2003), an increase of 7.7 per cent over the prior year.

The revenue growth is a combination of improved Commonwealth Government Financial Assistance (\$3.1M), additional State and Local Government support (\$1.9M), growth in consultancy and research income (\$3.8M) and the realisation of franking credits on dividends received (\$5.1M).

The consolidated entity operations derived a profit before tax of \$11.6M (2003 \$8.6M) for the year, an increase of 34.3 per cent.

The consolidated entity profit result and the stand alone University profit result differ primarily due to the dividend of \$11.8M paid by a group entity to the University, which eliminated on consolidation.

The profit result is heavily influenced by the timing of research grants awarded to the University. The receipt of grants and the incurring of expenditure relating to those grants do not often match which can cause significant timing differences between years in the recording of revenue and expenses. This has the capacity to distort profit results from year to year. The University was awarded a significant grant of \$7.1M in December 2004 which is recorded as revenue of the University. Expenses relating to this grant will not be incurred until future years. The timing of the awarding of this grant has had a significant impact on the profit result recorded for 2004.

In addition the profit result has been significantly influenced by the receipt of \$5.1M during the year relating to franking credits on dividends received. The \$5.1M effectively relates to tax paid by group entities on operating results over more than just the 2004 year.

A comprehensive review of the operations of the consolidated entity and the results of those operations is contained in the Vice Chancellor's Report and the Report on Operations included in the University's Annual Report.

Changes in State of Affairs

In the opinion of the Members of the Senate, there were no significant changes in the state of affairs of the consolidated entity during the financial year under review.

Subsequent Events

There were no events subsequent to the reporting date that have a material effect on the financial statements for the reporting period.

Future Developments

The consolidated entity will continue to pursue its primary activities of higher education and research. It will further continue to identify commercial activities that provide opportunities for the consolidated entity to expand.

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental and Occupational Health

The consolidated entity's operations are subject to various environmental regulations under both Commonwealth and State legislation, which sets the minimum requirement the consolidated entity must meet.

The University has an Environmental Committee, which considers environmental issues on the University's campuses.

The University also has an Occupational Health and Safety Committee which considers regulatory and other obligations in relation to health and safety.

The University is currently progressing on an Asbestos Management Plan and has several projects underway to decrease asbestos on campus.

report by the members of the senate

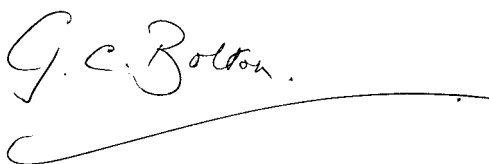
Insurance of Officers

During the financial year, the consolidated entity has paid insurance premiums of \$59,550 in respect of directors' and officers' liability, for current and former directors and officers, including executive officers and secretaries of controlled entities.

Insurance premiums relate to:

- costs and expenses incurred by the relevant directors and officers in defending proceedings; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

This report is made in accordance with a resolution of the members of the Senate.

A handwritten signature in black ink that reads "G. C. Bolton". The signature is written in a cursive style and is positioned above a long, thin horizontal line that extends across the width of the signature.

Emeritus Professor G C Bolton

Chancellor

Perth, Western Australia
25 February 2005

statement of financial performance

for the year ended 31 december 2004

	Note	Consolidated		University	
		2004	2003	2004	2003
		\$000's	\$000's	\$000's	\$000's
Revenues from ordinary activities					
Commonwealth Government financial assistance					
Commonwealth Government grants	2	69,385	69,263	69,385	69,263
Higher education contribution scheme					
- Student contributions		4,129	3,801	4,129	3,801
- Commonwealth payments	2	27,166	24,275	27,166	24,275
Commonwealth loan programs	2	1,944	1,887	1,944	1,887
State and Local Government financial assistance	3	5,366	3,507	5,366	3,507
Fees and charges	4	30,919	30,553	30,919	30,553
Investment income	5	1,808	1,317	1,450	1,259
Consultancy and contract research	6	19,853	16,047	19,853	16,047
Other revenue	7	27,948	24,456	30,846	13,762
Total revenue from ordinary activities		188,518	175,106	191,058	164,354
Expenses from ordinary activities					
Employee benefits and on costs	8	102,103	93,251	101,864	93,243
Depreciation	9	9,848	10,066	9,843	10,060
Repairs and maintenance	10	7,260	3,519	7,260	3,519
Borrowing costs	11	293	220	293	220
Bad and doubtful debts	12	(267)	605	(267)	605
Other expenses	13	57,680	58,807	56,817	57,859
Total expenses from ordinary activities		176,917	166,468	175,810	165,506
Profit/(Loss) from ordinary activities before income tax		11,601	8,638	15,248	(1,152)
Income tax expense	15	(2,416)	(4,250)	-	-
Profit/(Loss) from ordinary activities after income tax	28	9,185	4,388	15,248	(1,152)
Net decrease in reserves	27	(1,117)	(15,240)	(1,117)	(15,240)
Total changes in equity other than those directly resulting from transactions with owners as owners		8,068	(10,852)	14,131	(16,392)

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

statement of financial position

as at 31 december 2004

	Note	Consolidated		University	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Current assets					
Cash assets	16	8,127	22,033	6,481	19,936
Receivables	17	14,906	8,309	14,928	8,743
Other financial assets	18	16,654	11,776	12,939	11,776
Inventories	19	851	997	850	997
Other non-financial assets	20	1,303	1,004	1,281	979
Total current assets		41,841	44,119	36,479	42,431
Non-current assets					
Receivables	17	1,955	1,925	1,955	1,925
Other financial assets	18	10	10	10	10
Property, plant and equipment	21	299,654	297,758	299,636	297,736
Total non-current assets		301,619	299,693	301,601	299,671
Total assets		343,460	343,812	338,080	342,102
Current liabilities					
Payables	22	2,860	2,712	2,565	2,650
Interest bearing liabilities	23	462	6,020	462	16,733
Non-interest bearing liabilities	24	1,000	-	1,001	-
Provisions	25	12,877	10,958	12,320	9,572
Other liabilities	26	7,373	13,043	7,207	12,494
Total current liabilities		24,572	32,733	23,555	41,449
Non-current liabilities					
Interest bearing liabilities	23	3,865	4,351	3,865	4,351
Provisions	25	2,434	2,348	2,434	2,348
Total non-current liabilities		6,299	6,699	6,299	6,699
Total liabilities		30,871	39,432	29,854	48,148
Net assets		312,589	304,380	308,226	293,954
Equity					
Reserves	27	140,287	141,263	140,287	141,263
Retained surplus	28	172,302	163,117	167,939	152,691
Total equity		312,589	304,380	308,226	293,954

The Statement of Financial Position should be read in conjunction with the accompanying notes.

statement of cash flows

for the year ended 31 december 2004

	Note	Consolidated		University	
		2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Cash flows from operating activities					
Commonwealth Government					
Teaching and learning		38,657	44,840	38,657	44,840
HECS and other loan programs		29,355	26,162	29,355	26,162
Scholarships		1,912	1,592	1,912	1,592
DEST research		15,803	14,733	15,803	14,733
ARC grant - Discovery		1,264	1,575	1,264	1,575
ARC grant - Linkages		2,933	3,045	2,933	3,045
Other Commonwealth		1,945	2,512	1,945	2,512
State and local Government		5,541	3,332	5,541	3,332
HECS - Student payments		4,129	3,801	4,129	3,801
Receipts from student fees and other customers		72,777	69,379	64,645	58,417
Dividends received		-	-	11,835	-
Interest received		1,618	1,385	1,260	1,327
Payments to suppliers		(58,231)	(54,316)	(57,613)	(53,140)
Payments to employees		(99,969)	(91,693)	(99,749)	(93,064)
Borrowing costs		(372)	(220)	(372)	(619)
Income taxes paid		(3,264)	(4,250)	-	-
Net cash provided by operating activities	29	14,098	21,877	21,545	14,513
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		249	255	249	255
Payments for property, plant and equipment		(18,330)	(18,222)	(18,329)	(18,222)
Proceeds from investments		-	15,090	-	9,867
Payments for investments		(4,878)	-	(1,163)	-
Net cash used in investing activities		(22,959)	(2,877)	(19,243)	(8,100)
Cash flows from financing activities					
Proceeds of borrowings		1,000	905	1,001	11,797
Repayment of borrowings		(6,044)	(412)	(16,757)	(412)
Loan advances paid		(1)	-	(1)	-
Net cash provided by / (used in) financing activities		(5,045)	493	(15,757)	11,385
Net Increase/(Decrease) in Cash Held		(13,906)	19,493	(13,455)	17,798
Cash at the Beginning of the Reporting Period		22,033	2,540	19,936	2,138
Cash at the End of the Reporting Period	30	8,127	22,033	6,481	19,936

The 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 2004

1 Statement of significant accounting policies

The following accounting policies have been adopted in the preparation of the Murdoch University financial statements. Unless otherwise stated these policies are consistent with those adopted in the preceding year.

General statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act 1985 and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

(a) Financial effects of changes to Commonwealth payment arrangements for 2005 grant year

Background

Payment to universities in respect of programs under the Higher Education Funding Act 1988 (HEFA) are made on the second and last Thursdays of each month. In the recent past, the first payment in respect of a grant year (equalling 8 per cent of the total recurrent funding for that year) had been made at the end of December of the previous year.

Funding for most programs under HEFA ends on 31 December 2004 while most new programs under the Higher Education Support Act 2003 (HESA) commence on 1 January 2005. Continuing the current practice of making the first payment in December 2004 for the 2005 grant year would mean that Commonwealth payments would be made in respect of programs that are yet to commence and that these payments have been treated by majority of universities as revenue for 2004. This has considerable accountability implications for the Australian Government Department of Education, Science and Training (DEST) in administering and accounting for the program payments.

Higher Education Providers (HEPS) (even those within the same State) have not treated the early payment uniformly and the payment has been treated in at least three different ways – as revenue when it is received, as an advance (a liability), and part as revenue and the other as liability. Such varied treatment creates a lack of transparency and distorts both the Commonwealth funding and the HEPS' financial year results.

DEST has announced changes to payment arrangements whereby all recurrent payments in respect of a grant year will be made in that year. For the 2005 grant year, the first payment will be made in January 2005 instead of December 2004.

The changes to payment arrangements will mean, that from the 2005 reporting period, the financial statements of all higher education providers will reflect the Commonwealth financial assistance in respect of a grant year in a consistent manner.

Financial effects on Murdoch University for 2004

Changes to the payment arrangements outlined above will have no financial impact on 2004 or 2005 revenue, as Murdoch University records grant income received under HEFA on an accrual basis. As a result, the December 2003 payment has been included as 2004 revenue and the January 2005 payment will be recorded as 2005 revenue. However, the timing of the cash flows has been affected. The impact of the changes on the Statement of Cash Flows is a reduction in cash inflows of \$8.3M for the year ended 31 December 2004.

(b) Principles of consolidation

Controlled entities

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

Outside interests in the equity and results of the entities that are controlled by the University are shown as a separate item in the consolidated financial statements.

notes to and forming part of the financial statements

for the year ended 31 december 2004

1 Statement of significant accounting policies (continued)

(b) Principles of consolidation (continued)

Associates

Associates are those entities, other than partnerships, over which the consolidated entity exercises significant influence and which are not intended for sale in the near future.

In the consolidated financial statements, investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity's equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of financial performance from the date significant influence commences until the date significant influence ceases. Other movements in reserves are recognised directly in consolidated reserves.

Joint venture entities

In the consolidated financial statements, investments in joint venture entities, including partnerships, are accounted for using equity accounting principles. Investments in joint venture entities are carried at the lower of the equity accounted amount and recoverable amount.

The consolidated entity's share of the joint venture entity's net profit or loss is recognised in the consolidated statement of financial performance from the date joint control commenced until the date joint control ceases. Other movements in reserves are recognised directly in consolidated reserves.

Transactions eliminated on consolidation

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

(c) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Grant and other contributions revenue

Grant income is recognised on an accrual basis. Operating and capital expenditure associated with the grant income is expensed or capitalised once incurred by the consolidated entity. This has the capacity to distort profit results from year to year as revenue and expenditure will not match.

Donations, gifts and other non-reciprocal contributions are recognised as revenue when the University obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value.

Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Sale of non-current assets

The gross proceeds of non-current asset sales are recognised as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Dividends

Dividend revenue is recognised net of any franking credits.

Revenue from distributions from controlled entities is recognised by the parent entity when they are declared by the controlled entities. As the University is a tax exempt entity, the University is entitled to claim the franking credits associated with the dividend from the taxation authority.

(d) Valuation of non-current assets

Fair value

Classes of non-current assets including land, buildings and artworks, measured at fair value are revalued with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from fair value at reporting date. Independent valuations are obtained at least every three years.

Land has been determined on the basis of current use land value for the Murdoch University campus and market land value for all other land.

Buildings are valued at estimated current replacement costs less accumulated depreciation.

Artworks are valued at market value.

Revaluation increments, on a class of assets basis, are recognised in the asset revaluation reserve except that amounts reversing a decrement previously recognised as an expense are recognised as revenue. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

notes to and forming part of the financial statements

for the year ended 31 december 2004

1 Statement of significant accounting policies (continued)

(d) Valuation of non-current assets (continued)

Cost

Equipment is capitalised as an asset for items costing more than \$5,000.

The net book value of library books is based on the cost of acquisitions for three years to the end of the current financial year. The University has adopted a "rolling depreciation" methodology for library books, whereby acquisitions in the fourth year preceding the reporting year are charged to depreciation.

Other fixed assets are presented at historical cost less depreciation where appropriate.

(e) Investments

Controlled entities

Investments in controlled entities are carried in the University's financial statements at the lower of cost and recoverable amount.

Associates

In the University's financial statements, investments in unlisted shares of associates are carried at the lower of cost and recoverable amount.

Other

The University holds shares in companies acquired or received in exchange for the University's support of specific operations. The values of these shares are not recorded in the financial statements as the amount is insignificant and the determination of the market value is not reliable.

(f) Acquisition of assets

All assets acquired, including property, plant and equipment, are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

(g) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation of computer and other equipment has been calculated on the straight-line method.

The depreciation rates used are as follow:

	2004	2003
Computer Equipment	25%	25%
Other Equipment	12.5%	12.5%
Buildings	2%	2%
Plant	5%	5%
Motor Vehicles	16.67%	-

Artworks are considered as heritage assets and are anticipated to have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of works of art.

The basis for depreciation and the depreciation rates are reviewed annually.

(h) Inventories

Inventories are valued at the lower of cost or net realisable value with provisions being made for obsolescence where considered necessary.

(i) Employee entitlements

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Long service leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities.

Superannuation plan

The University contributes to defined benefit and defined contribution superannuation plans. Contributions are recognised as an expense as they are made.

The University makes superannuation contributions on behalf of eligible staff to the UniSuper Award Plus and UniSuper DBP/ICP plans. The assets and liabilities of the UniSuper plans are disclosed in that entity's financial statements.

notes to and forming part of the financial statements

for the year ended 31 december 2004

1 Statement of significant accounting policies (continued)

(j) Leased Assets

The University has no assets subject to finance leases.

The University has entered into a number of operating lease arrangements for equipment and motor vehicles. Lessors effectively retain all risks and benefits incidental to ownership of the items held under the operating lease. Equal instalments of the lease payments are charged to the statement of financial performance over the lease term, as this is representative of the pattern of benefits to be derived from the lease property.

(k) Receivables

Trade debtors are initially recorded at the amount of contracted sales proceeds. A provision for doubtful debts is recognised to the extent that recovery of outstanding debts is less than likely.

(l) Payables

Creditors are recognised as amounts to be paid in the future for goods and services received, whether or not billed before balance date.

(m) Interest bearing liabilities

Loans are recognised at their principal amount, subject to set-off arrangements. Interest expense is accrued at the contracted rate.

(n) Borrowing costs

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

(o) Taxation

The consolidated entity adopts the income statement liability method of tax effect accounting. The University is tax exempt.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different

periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt, or if relating to tax losses when realisation is virtually certain.

(p) Good and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the 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 taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(q) Comparative figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

(r) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(s) Impact of adopting International Financial Reporting Standards (IFRS)

As directed by the Financial Reporting Council, the Australian Accounting Standards Board (AASB) is adopting International Financial Reporting Standards (IFRS) through the issue of Australian equivalents to IFRS (AEIFRS) for application to reporting periods beginning on or after 1 January 2005. The adoption of AEIFRS will be first reflected in the Murdoch University Consolidated Group's financial statements for the year ended 31 December 2005.

The transitional rules for IFRS adoption require the restatement of comparative financial statements using AEIFRS except for AASB 132 "Financial Instruments: Disclosure and Presentation" and AASB 139 "Financial Instruments: Recognition and Measurement".

notes to and forming part of the financial statements

for the year ended 31 december 2004

1 Statement of significant accounting policies (continued)

(s) Impact of adopting International Financial Reporting Standards (IFRS) (continued)

Most adjustments required on transition to IFRS will be made retrospectively against opening retained earnings as at 1 January 2004.

In 2003, a Joint University Steering Committee and Working Group was established for the management and facilitation of IAS implementation within the Western Australian University sector. Further to this, a Murdoch University IFRS project team was established to manage the transition to AEIFRS. The project team consists of senior financial personnel who are overseen by the Pro Vice Chancellor – Resource Management. The project team has prepared a detailed timetable for managing the transition and to date has identified accounting policy changes that will be required. In some cases, choices of accounting policies are available, including elective exemptions under AASB 1 "First-time adoption of Australian Equivalents to International Financial Reporting Standards."

A number of key differences have been identified to date, including the following significant impact areas for the Murdoch University Consolidated Group:

Property, plant and equipment – AASB 116

AEIFRS AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" provides an option to recognise assets at transition, at either cost/ deemed cost or fair value. Deemed cost may be used to adopt the cost basis of measurement for assets that were previously measured at fair value.

The following measurement basis has been elected for first-time adoption and subsequent measurement for all Murdoch University Consolidated Group property, plant and equipment classes:

Asset Class	Measurement on First Time Adoption	Subsequent Measurement	Depreciation
Artworks	Fair Value	Fair Value	No
Buildings	Fair Value	Fair Value	2%
Computing equipment	Cost	Cost	25%
Other equipment	Cost	Cost	12.5%
Land	Fair Value	Fair Value	No
Motor vehicles	Cost	Cost	16.67%
Plant	Deemed Cost	Cost	5%

Plant originally recognised at fair value will utilise the AASB 1 deemed cost option for subsequent measurement at cost. Prior revaluations within the revaluation reserve will be transferred to opening retained surplus as at 1 January 2004. The potential financial impact has not as yet been quantified.

Impairment of assets – AASB 136

AASB 136 requires non-current assets at cost and fair value, including intangible assets not yet available for use, to be assessed for impairment at balance sheet date for both profit and non-profit entities.

For the University and the consolidated entity, impairment will be measured on the assets recoverable amount, being the greater of:

- a) Fair value less selling costs; and
- b) Depreciated replacement cost.

Where the carrying amount exceeds its recoverable amount (impairment loss), the asset is written down to the recoverable amount.

Opening balance transition has identified an impairment loss of \$722,000 for the following asset classes 'at cost':

a)	Motor Vehicle Assets	\$419,000
b)	Other Assets	\$303,000

The impairment loss and associated depreciation adjustments will be recorded against the opening retained surplus.

Employee benefits – AASB 119

In accordance with AASB 119, surpluses and deficits in the defined benefit superannuation plans sponsored by the University are to be recognised in the statement of financial position and statement of financial performance.

However, the University contributes to a multi-employer defined benefit superannuation plan. The standard recognises that in a multi-employer plan, it may not be possible to identify a specific share of the underlying financial position and performance of the plan with sufficient reliability for accounting purposes. In these circumstances, the University will be entitled to account for their participation in the plan as if it were a defined contribution plan.

notes to and forming part of the financial statements

for the year ended 31 december 2004

Consolidated		University	
2004	2003	2004	2003
\$000's	\$000's	\$000's	\$000's

2 Commonwealth Government financial assistance

(including HECS and other Commonwealth loan programs)

(a) DEST - Teaching and Learning

Operating Grant excluding HECS, PELS and BOTPLS	45,528	45,806	45,528	45,806
Total DEST - Teaching and Learning	45,528	45,806	45,528	45,806

(b) HECS and other Commonwealth student loan programs

HECS - Commonwealth payments	27,166	24,275	27,166	24,275
PELS	1,865	1,873	1,865	1,873
BOTPLS	79	14	79	14
Total HECS and other Commonwealth loan programs	29,110	26,162	29,110	26,162

(c) Scholarships

Australian Postgraduate Awards	1,404	1,345	1,404	1,345
International Postgraduate Research Scholarships	254	247	254	247
Commonwealth Education Costs Scholarships	86	-	86	-
Commonwealth Accommodation Scholarships	168	-	168	-
Total Scholarships	1,912	1,592	1,912	1,592

(d) DEST - Research

Institutional Grants Scheme	4,580	4,262	4,580	4,262
Research Training Scheme	8,814	8,587	8,814	8,587
Research Infrastructure Block Grants	2,409	1,884	2,409	1,884
Total DEST - Research	15,803	14,733	15,803	14,733

(e) Australian Research Council

(i) Discovery

Project	1,154	1,544	1,154	1,544
Fellowships	83	-	83	-
Indigenous Researchers Development	27	31	27	31
Total Discovery	1,264	1,575	1,264	1,575

(ii) Linkages

Special Research Initiatives				
Infrastructure	-	1,041	-	1,041
International	29	22	29	22
Projects	2,904	1,982	2,904	1,982
Total Linkages	2,933	3,045	2,933	3,045

notes to and forming part of the financial statements

for the year ended 31 december 2004

Consolidated		University	
2004	2003	2004	2003
\$000's	\$000's	\$000's	\$000's

2 Commonwealth Government financial assistance (continued)

(including HECS and other Commonwealth loan programs)

(f) Other Commonwealth Government financial assistance

Research projects	1,945	2,512	1,945	2,512
Total other Commonwealth Government financial assistance	1,945	2,512	1,945	2,512
Total Commonwealth Government financial assistance	98,495	95,425	98,495	95,425
Reconciliation				
Commonwealth Government grants	69,385	69,263	69,385	69,263
HECS - Commonwealth payments	27,166	24,275	27,166	24,275
Commonwealth loan programs [PELS and BOTPLS]	1,944	1,887	1,944	1,887
Total Commonwealth Government financial assistance	98,495	95,425	98,495	95,425

3 State and Local Government financial assistance

Research Grants - State Government	4,633	2,883	4,633	2,883
Research Grants - Local Government	138	150	138	150
Other - State Government	285	241	285	241
Other - Local Government	310	233	310	233
Total State and Local Government financial assistance	5,366	3,507	5,366	3,507

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
4 Fees and charges				
Course fees and charges				
Fee-paying overseas students	21,609	20,468	21,609	20,468
Continuing education	96	75	96	75
Fee-paying domestic postgraduate students	40	1,591	40	1,591
Fee-paying domestic undergraduate students	745	67	745	67
Fee-paying domestic non-award students	204	65	204	65
Other domestic course fees and charges	310	126	310	126
Total course fees and charges	23,004	22,392	23,004	22,392
Other fees and charges				
Amenities and service fees	1,062	1,124	1,062	1,124
Late fees	81	60	81	60
Licence and facilities fees	342	1,025	342	1,025
Parking fees	615	547	615	547
Rental charges	871	625	871	625
Student accommodation	2,063	2,019	2,063	2,019
Other fees and charges	2,881	2,761	2,881	2,761
Total other fees and charges	7,915	8,161	7,915	8,161
Total fees and charges	30,919	30,553	30,919	30,553

5 Investment income

Bank bills and deposits	1,808	1,317	1,450	1,259
Total investment income	1,808	1,317	1,450	1,259
Restricted Investment Income				
Bank bills and deposits	565	427	513	427
Total restricted investment income	565	427	513	427
Unrestricted Investment Income				
Bank bills and deposits	1,243	890	937	832
Total unrestricted investment income	1,243	890	937	832
Total investment income	1,808	1,317	1,450	1,259

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
6 Consultancy and contract research				
Consultancy	842	738	842	738
Contract research (*)	18,943	15,206	18,943	15,206
Other contract revenue	68	103	68	103
Total consultancy and contract research	19,853	16,047	19,853	16,047

* - Included in the 2004 balance is a grant to the value of \$7 million recognised on the accrual basis in accordance with the University's accounting policy. The grant relates to research that is to be carried out and expenditure incurred in the 2005 financial year.

7 Other revenue

Dividends received	-	-	11,835	-
Donations and bequests	1,063	1,482	1,063	1,482
Scholarships and prizes	161	145	161	145
Proceeds from sale of unregistered assets	6	39	6	39
Service and consulting charges	2,028	1,998	2,454	1,998
Trading income	17,682	18,566	8,319	8,032
Other revenue	7,008	2,226	7,008	2,066
Total other revenue	27,948	24,456	30,846	13,762

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
8 Employee benefits and on costs				
<i>Academic:</i>				
Salaries	37,180	37,102	37,180	37,102
Superannuation	5,615	5,417	5,615	5,417
Payroll Tax	2,662	2,965	2,662	2,965
Workers Compensation	248	244	248	244
Long service leave	2,063	(89)	2,063	(89)
Other	2,132	1,975	2,132	1,975
Total Academic	49,900	47,614	49,900	47,614
<i>Non-academic:</i>				
Salaries	41,002	37,212	40,803	37,204
Superannuation	5,218	4,755	5,201	4,755
Payroll Tax	2,772	2,472	2,759	2,472
Workers Compensation	259	234	256	234
Annual leave	764	228	756	228
Long service leave	1,560	(77)	1,560	(77)
Other	628	813	629	813
Total Non-academic	52,203	45,637	51,964	45,629
Total employee benefits and on costs	102,103	93,251	101,864	93,243

9 Depreciation

Buildings	3,293	3,577	3,293	3,577
Plant	61	23	61	23
Computer equipment	1,007	1,482	1,007	1,482
Other equipment	2,538	2,738	2,533	2,732
Motor vehicles	262	-	262	-
Library books	2,687	2,246	2,687	2,246
Total depreciation	9,848	10,066	9,843	10,060

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
10 Repairs and maintenance				
Buildings and grounds	5,876	2,641	5,876	2,641
Other	1,384	878	1,384	878
Total repairs and maintenance	7,260	3,519	7,260	3,519
11 Borrowing costs				
Interest paid	466	619	466	619
Less: Interest capitalised	(173)	(399)	(173)	(399)
Total borrowing costs expensed	293	220	293	220
12 Bad and doubtful debts				
Doubtful debts*	(267)	605	(267)	605
Total bad and doubtful debts	(267)	605	(267)	605
* - The negative bad and doubtful debts in 2004 is representative of a reversal in the provision for doubtful debts.				
13 Other expenses				
Amenities and services fees	1,059	1,057	1,059	1,057
Scholarships, grants and prizes	6,594	5,803	6,594	5,803
Non-capitalised equipment	2,971	2,484	2,970	2,484
Administrative expenses	9,789	10,996	9,589	10,996
Advertising, marketing and promotional expenses	1,628	1,715	1,626	1,715
Consulting, insurance, fees, taxes and legal expenses	11,309	11,589	10,778	11,589
General consumables	4,274	4,027	3,944	3,745
Occupancy costs	3,068	2,513	3,068	2,513
Minimum lease payments on operating leases	1,305	1,101	1,305	1,101
Telecommunications	979	873	971	873
Travel and related staff development and training	5,289	5,599	5,218	5,599
Carrying amount of assets sold	332	367	332	367
External services and supplies	8,543	9,504	9,018	9,026
Other expenses	540	1,179	345	991
Total other expenses	57,680	58,807	56,817	57,859

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
14 Sale of assets				
Proceeds from sale of assets				
Property, plant and equipment	249	255	249	255
Carrying amount of assets sold				
Property, plant and equipment	(332)	(367)	(332)	(367)
Net loss on sale of assets	(83)	(112)	(83)	(112)
15 Income tax				
Prima facie income tax expense calculated at 30% (2003: 30%) on the profit from ordinary activities	2,457	2,925	-	-
Decrease in income tax expense due to: Income tax (over) / under provided in prior year	(41)	1,325	-	-
Income tax expense attributable to profit from ordinary activities	2,416	4,250	-	-
Income tax expense attributable to profit from ordinary activities is made up of:				
Current income tax expense	2,457	2,925	-	-
(Over) / under provision in prior year	(41)	1,325	-	-
	2,416	4,250	-	-
16 Cash assets				
Current				
Cash at bank and on hand	6,627	22,033	4,981	19,936
Bank short term deposits	1,500	-	1,500	-
Total cash assets	8,127	22,033	6,481	19,936

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
17 Receivables				
Current				
Gross Debtors	15,471	9,180	15,493	9,614
less Provision for Doubtful Debts	(735)	(1,040)	(735)	(1,040)
	14,736	8,140	14,758	8,574
Loans receivable	170	169	170	169
Total current receivables	14,906	8,309	14,928	8,743
Non-current				
Loans receivable	900	900	900	900
Other	1,055	1,025	1,055	1,025
Total non-current receivables	1,955	1,925	1,955	1,925
Total receivables	16,861	10,234	16,883	10,668

18 Other financial assets

Current				
Bank bills and deposits	16,654	11,776	12,939	11,776
Total current other financial assets	16,654	11,776	12,939	11,776
Non-current				
Shares in associates - at cost	-	-	-	-
Shares in other entities - at cost	10	10	10	10
Total non-current other financial assets	10	10	10	10
Total other financial assets	16,664	11,786	12,949	11,786
Unrestricted other financial assets				
Bank bills and deposits	7,982	2,358	4,267	2,358
Shares in Associated Entities	10	10	10	10
Total unrestricted other financial assets	7,992	2,368	4,277	2,368
Restricted other financial assets (*)				
Bank bills and deposits	8,672	9,418	8,672	9,418
Total restricted other financial assets	8,672	9,418	8,672	9,418
Total other financial assets	16,664	11,786	12,949	11,786

* - Amounts classed as restricted other financial assets relate to funds within accumulated surpluses that are to be expended primarily on specific research projects.

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004	2003	2004	2003
	\$000's	\$000's	\$000's	\$000's

19 Inventories

Current

Bookshop - at cost	373	520	373	520
Veterinary Hospital - at cost	477	476	477	477
Other - at cost	1	1	-	-
Total Inventories	851	997	850	997

20 Other non-financial assets

Current

Prepayments	1,303	1,004	1,281	979
Total other non-financial assets	1,303	1,004	1,281	979

21 (a) Property, plant and equipment

Land

- at independent valuation (December 2003)	-	95,480	-	95,480
- at Murdoch valuation (December 2004)	95,480	-	95,480	-
Total land	95,480	95,480	95,480	95,480

Buildings - at valuation

- at independent valuation (December 2003)	-	164,623	-	164,623
- at Murdoch valuation (December 2004)	167,457	-	167,457	-
Total buildings	167,457	164,623	167,457	164,623

Buildings under construction - at cost

	13,100	15,052	13,100	15,052
Total land and buildings	276,037	275,155	276,037	275,155

Plant at deemed cost

	2,039	1,212	2,039	1,212
less Accumulated depreciation	(132)	(71)	(132)	(71)
Total plant	1,907	1,141	1,907	1,141

Computing equipment - at cost

	13,596	13,883	13,596	13,883
less Accumulated depreciation	(11,960)	(12,284)	(11,960)	(12,284)
Total computing equipment	1,636	1,599	1,636	1,599

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
21(a) Property, plant and equipment <small>(continued)</small>				
Other equipment - at cost	31,996	30,043	31,963	30,011
less Accumulated depreciation	(23,548)	(21,374)	(23,533)	(21,364)
Total other equipment	8,448	8,669	8,430	8,647
Motor vehicles - at cost	1,657	1,569	1,657	1,569
less Accumulated depreciation	(240)	-	(240)	-
Total motor vehicles	1,417	1,569	1,417	1,569
Artworks				
- at independent valuation (January 2004)	1,867	-	1,867	-
- at Murdoch valuation (December 2003)	-	1,529	-	1,529
Total artworks	1,867	1,529	1,867	1,529
Library books - at cost	11,029	10,342	11,029	10,342
less Accumulated depreciation	(2,687)	(2,246)	(2,687)	(2,246)
Total library books	8,342	8,096	8,342	8,096
Total property, plant and equipment	299,654	297,758	299,636	297,736

Valuation of land and buildings

Land, buildings and artworks are measured on a fair value basis, being the amount for which the assets could be exchanged between knowledgeable and willing parties in an arm's length transaction, having regard to the highest and best use of the asset for which other parties would be willing to pay. The valuations determined by Murdoch, take into account the prior year valuations, additions and disposals during the year, depreciation of buildings during the year and market movements. The valuations determined by the independent valuer, being the Valuer General's Office, are on the basis of values for existing use.

notes to and forming part of the financial statements

for the year ended 31 december 2004

21 (b) Property, plant and equipment

	Land	Buildings	Buildings under construction	Plant	Computing Equipment	Other Equipment	Motor Vehicles	Artworks	Library Books	Total
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's

Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year are set out below.

Consolidated - 2004

Carrying amount at start of year	95,480	164,623	15,052	1,141	1,599	8,669	1,569	1,529	8,096	297,758
Additions	-	4,577	6,313	827	1,048	2,387	418	-	2,933	18,503
Disposals	-	-	(5,260)	-	(4)	(70)	(308)	-	-	(5,642)
Transfers to Buildings	-	-	(3,005)	-	-	-	-	-	-	(3,005)
Transfers from Buildings under construction	-	3,005	-	-	-	-	-	-	-	3,005
Revaluation increment / (decrement)	-	(1,455)	-	-	-	-	-	338	-	(1,117)
Depreciation	-	(3,293)	-	(61)	(1,007)	(2,538)	(262)	-	(2,687)	(9,848)
Carrying amount at end of year	95,480	167,457	13,100	1,907	1,636	8,448	1,417	1,867	8,342	299,654

University - 2004

Carrying amount at start of year	95,480	164,623	15,052	1,141	1,599	8,647	1,569	1,529	8,096	297,736
Additions	-	4,577	6,313	827	1,048	2,386	418	-	2,933	18,502
Disposals	-	-	(5,260)	-	(4)	(70)	(308)	-	-	(5,642)
Transfers to Buildings	-	-	(3,005)	-	-	-	-	-	-	(3,005)
Transfers from Buildings under construction	-	3,005	-	-	-	-	-	-	-	3,005
Revaluation increment / (decrement)	-	(1,455)	-	-	-	-	-	338	-	(1,117)
Depreciation	-	(3,293)	-	(61)	(1,007)	(2,533)	(262)	-	(2,687)	(9,843)
Carrying amount at end of year	95,480	167,457	13,100	1,907	1,636	8,430	1,417	1,867	8,342	299,636

Consolidated

University

2004	2003	2004	2003
\$000's	\$000's	\$000's	\$000's

22 Payables

Current

Trade creditors	2,860	2,712	2,565	2,650
Total Payables	2,860	2,712	2,565	2,650

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004	2003	2004	2003
	\$000's	\$000's	\$000's	\$000's

23 Interest bearing liabilities

Current

Western Australian Treasury Corporation*	462	6,007	462	6,007
Related party - Murdoch Retirement Services Pty Ltd	-	-	-	10,726
Other	-	13	-	-
Total current interest bearing liabilities	462	6,020	462	16,733

Non-current

Western Australian Treasury Corporation*	3,865	4,351	3,865	4,351
Total non-current interest bearing liabilities	3,865	4,351	3,865	4,351

Total interest bearing liabilities	4,327	10,371	4,327	21,084
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* - The loans from Western Australian Treasury Corporation are as follows:

- Equine facility loan of \$1,413,817 which is unsecured, interest bearing at a fixed rate of 6.14% and repayable in semi-annual instalments by July 2009.
- Law building loan of \$478,622 which is unsecured, interest bearing at a fixed rate of 5.93% and repayable in quarterly instalments by October 2018.
- Student Village loan of \$2,434,980 which is unsecured, interest bearing at a weighted average rate of 6.88% and repayable in quarterly instalments by October 2018.

24 Non-interest bearing liabilities

Current

City of Mandurah*	1,000	-	1,000	-
Related party - Murdoch Retirement Services Pty Ltd	-	-	1	-
Total non-interest bearing liabilities	1,000	-	1,001	-

* - The loan from the City of Mandurah is unsecured, interest free and repayable on or before 1 March 2005

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
25 Provisions				
Current				
Employee benefits:				
Annual Leave	3,241	2,465	3,235	2,478
Long Service Leave	9,011	7,094	9,011	7,094
Other	74	-	74	-
Current tax liability	551	1,399	-	-
Total current provisions	12,877	10,958	12,320	9,572
Non-current				
Employee benefits:				
Long Service Leave	2,434	2,348	2,434	2,348
Total non-current provisions	2,434	2,348	2,434	2,348
Total provisions	15,311	13,306	14,754	11,920

The present values of employee entitlements not expected to be settled within twelve months of reporting date have been calculated using the following weighted averages:

Assumed rate of increase in wage and salary rates	2%	2%	2%	2%
Discount rate	5%	5%	5%	5%
Settlement term (years)	10	10	10	10

Number of employees

Full time equivalent academic	454	470	454	470
Full time equivalent non academic	726	707	714	697
Full time equivalent casual	180	180	180	180
Total number of employees	1360	1357	1348	1347

26 Other liabilities

Current

Grants and fees in advance	3,215	10,170	3,059	9,621
Other creditors and accruals	4,158	2,873	4,148	2,873
Total other liabilities	7,373	13,043	7,207	12,494

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Asset Revaluation Reserve	139,723	140,840	139,723	140,840
Motor Vehicle Reserve	564	423	564	423
Total reserves	140,287	141,263	140,287	141,263

Movement during the year:

(a) Asset Revaluation Reserve

Balance at beginning of year	140,840	156,080	140,840	156,080
Net Revaluation Increment / (Decrements):				
Land	-	(7,825)	-	(7,825)
Buildings	(1,455)	(7,415)	(1,455)	(7,415)
Artwork	338	-	338	-
Balance at end of year	139,723	140,840	139,723	140,840

(b) Motor Vehicle Reserve

Balance at beginning of year	423	536	423	356
Transfer to/(from) Reserve	141	(113)	141	67
Balance at end of year	564	423	564	423

28 Retained surplus

Balance at beginning of year	163,117	158,729	152,691	153,843
Net operating result from ordinary activities	9,185	4,388	15,248	(1,152)
Balance at end of year	172,302	163,117	167,939	152,691

notes to and forming part of the financial statements

for the year ended 31 december 2004

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
29 Reconciliation of profit / (loss) from ordinary activities to net cash flows provided by operating activities				
Profit / (loss) from ordinary activities after income tax	9,185	4,388	15,248	(1,152)
Non-cash items:				
Depreciation	9,848	10,066	9,843	10,060
Asset write offs	50	199	50	200
Murdoch Retirement Services units disposed	5,260	5,929	5,260	5,929
Movement in motor vehicle reserves	141	(113)	141	67
Items classified as investing / financing activities				
Loss on sale of assets	83	112	83	112
Interest paid capitalised	(173)	(399)	(173)	(399)
Changes in Assets and Liabilities:				
(Increase)/Decrease in receivables	(6,596)	(496)	(6,184)	(937)
(Increase)/Decrease in other non-financial assets	(299)	1,051	(302)	1,062
(Increase)/Decrease in other receivables	(30)	(1,025)	(30)	(1,025)
(Increase)/Decrease in inventories	146	(257)	147	(257)
Increase/(Decrease) in payables	148	1,442	(85)	1,447
Increase/(Decrease) in other liabilities	(5,670)	(461)	(5,287)	(657)
Increase/(Decrease) in provisions	2,005	1,441	2,834	63
Net cash provided by operating activities	14,098	21,877	21,545	14,513

30 Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and bank accepted bills and deposits.

Cash at bank and on hand	6,627	22,033	4,981	19,936
Bank accepted bills and deposits	1,500	-	1,500	-
Balance per the statement of cash flows	8,127	22,033	6,481	19,936

31 Remuneration of auditor

\$ \$ \$ \$

The total fees paid and payable to the Office of the Auditor General for the financial year are as follows:

Auditing of financial reports (excluding GST)	114,000	109,500	105,500	98,500
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notes to and forming part of the financial statements

for the year ended 31 december 2004

Consolidated		University	
2004	2003	2004	2003
\$000's	\$000's	\$000's	\$000's

32 Commitments

(a) Capital commitments

Estimated future expenditure on approved building projects at the reporting date, but not recognised as liabilities, payable:

Within one year	12,643	6,594	12,643	6,594
Total capital commitments	12,643	6,594	12,643	6,594

(b) Lease commitments

Commitments relating to non-cancellable operating leases on equipment and motor vehicles at the reporting date, but not recognised as liabilities, payable:

Within one year	841	150	841	150
Later than one year but not later than 5 years	660	1,520	660	1,520
Total lease commitments	1,501	1,670	1,501	1,670

33 Contingent liabilities

There were no contingent liabilities at reporting date.

34 Events subsequent to reporting date

There were no events subsequent to the reporting date that have a material effect on the financial statements for the reporting period.

35 Equipment losses and bad debt losses

Theft and default	28	78	28	78
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Losses through theft and default

Where appropriate, reports were made to the police and insurance claims submitted where the value exceeded the excess on the University's insurance policy.

Bad debt write-offs

Bad debts written off during the year	-	2,335	-	2,335
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notes to and forming part of the financial statements

for the year ended 31 december 2004

Consolidated		University	
2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's

36 Remuneration of Senior Officers and Senate Members

(a) Remuneration of Senior Officers

The total of fees, salaries, superannuation and other benefits received or due and receivable for the financial year by Senior Officers of the University

1,598	1,701	1,598	1,701
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The number of senior officers other than senior officers reported as members of the Senate, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$50,001 - \$60,000	1	-	1	-
\$70,001 - \$80,000	1	1	1	1
\$110,001 - \$120,000	2	-	2	-
\$140,001 - \$150,000	1	-	1	-
\$150,001 - \$160,000	-	1	-	1
\$160,001 - \$170,000	1	-	1	-
\$170,001 - \$180,000	2	1	2	1
\$180,001 - \$190,000	1	2	1	2
\$190,001 - \$200,000	1	1	1	1
\$200,001 - \$210,000	1	-	1	-
\$220,001 - \$230,000	-	1	-	1
\$250,001 - \$260,000	-	1	-	1
\$260,001 - \$270,000	-	1	-	1

(b) Remuneration of Members of Senate

The total of fees, salaries, superannuation and other benefits received or due and receivable for the financial year by Members of Senate

426	357	426	357
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The number of Members of Senate whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$350,001 - \$360,000	-	1	-	1
\$420,001 - \$430,000	1	-	1	-

The Vice Chancellor is the only member of Senate who receives fees, salaries, superannuation and other benefits. All other Members of Senate serve in an honorary capacity.

notes to and forming part of the financial statements

for the year ended 31 december 2004

Note	2004 Actual \$000's	2004 Estimate \$000's	2004 Variance \$000's	2003 Actual \$000's	Actual Variance \$000's
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37 Explanatory statement

The following compares estimates and actual results for the financial year and actual revenue and expenses from ordinary activities for the financial year and immediately preceding financial year. The explanatory statement reports significant variations.

Revenues from ordinary activities

Commonwealth Government financial assistance

Commonwealth Government grants		69,385	65,982	3,403	69,263	122
Higher education contribution scheme						
- Student contributions	(a)	4,129	3,000	1,129	3,801	328
- Commonwealth payments	(b)	27,166	25,274	1,892	24,275	2,891
Commonwealth loan programs		1,944	1,800	144	1,887	57
State and Local Government financial assistance	(c)	5,366	2,533	2,833	3,507	1,859
Fees and charges	(d)	30,919	27,914	3,005	30,553	366
Investment income	(e)	1,808	742	1,066	1,317	491
Consultancy and contract research	(f)	19,853	13,848	6,005	16,047	3,806
Other revenue	(g)	27,948	23,675	4,273	24,456	3,492
		188,518	164,768	23,750	175,106	13,412

Expenses from ordinary activities

Employee benefits and on costs	(h)	102,103	94,076	8,027	93,251	8,852
Depreciation		9,848	10,548	(700)	10,066	(218)
Repairs and maintenance	(i)	7,260	1,693	5,567	3,519	3,741
Borrowing costs	(j)	293	240	53	220	73
Bad and doubtful debts	(k)	(267)	-	(267)	605	(872)
Other expenses		57,680	55,201	2,479	58,807	(1,127)
		176,917	161,758	15,159	166,468	10,449

notes to and forming part of the financial statements

for the year ended 31 december 2004

37 Explanatory statement (continued)

Variations between actuals and estimates for 2004 and actuals for 2004 and 2003.

(a) Student contributions

The variance to budget is due to a higher than expected number of students who paid HECS fees upfront rather than via deferment.

(b) Commonwealth payments

The variance between 2004 and 2003 is a combination of a reallocation between the Operating Government Grant and HECS funding between 2004 and 2003 as per the advice received from the Department of Education, Science and Training coupled with the receipt of additional funding in 2004 for the additional HECS places the University received.

(c) State and Local Government financial assistance

State Government grants exceeded budget and were significantly higher than 2003 due to a more successful round of funding applications than anticipated.

(d) Fees and charges

The variance to budget is due to a higher number of international fee paying students than budgeted for along with unbudgeted income from commercial ventures.

(e) Investment income

In 2004 there were more funds available for investing than originally anticipated as compared to 2003 and interest rates were higher than expected.

(f) Consultancy and contract research

Research revenue was significantly higher than budget and 2003 actual due to a particularly successful year in applications for funding.

(g) Other revenue

The variance against budget and 2003 is due to the receipt of an unbudgeted franking credit refund in 2004.

(h) Employee benefits and on costs

The variance to budget and 2003 actual is a combination of an increase in expenditure on casual staffing, increased long service leave provisioning and an unbudgeted salary increase to all general and academic staff as part of the new Enterprise Bargaining Agreement.

(i) Repairs and maintenance

The budget to actual variance for 2004 is due to items originally included as part of the capital budget which have been treated as expenses. Between 2004 and 2003 the variance is due to an increase in the amount of capital maintenance works primarily due to a higher number of office relocations, refurbishments and general improvements to buildings.

(j) Borrowing costs

Borrowing costs were higher than budgeted in 2004, and higher than the costs incurred in 2003 due to the introduction of the new law building loan.

(k) Bad and doubtful debts

No budget was made for doubtful debts in 2004. The variance between the actual in 2004 and 2003 is due to debts previously provided for which have now been settled.

notes to and forming part of the financial statements

for the year ended 31 december 2004

38 Financial instruments

(a) Net fair value of financial assets and liabilities

The carrying amounts of all the University's financial assets and liabilities approximate their net fair values.

(b) Interest rate risk exposures

The following tables provide comparative interest rate risks to the consolidated entity for 2004 and 2003.

	Floating interest rate	Fixed interest maturing		Non-interest bearing	Total	Weighted average interest rate
	\$000's	1 year or less \$000's	Over 5 years \$000's	\$000's	\$000's	%
2004						
Financial assets						
Cash	6,589	1,500	-	38	8,127	4.8
Receivables	900	150	-	15,811	16,861	7.9
Other financial assets	-	16,654	-	10	16,664	5.5
Financial liabilities						
Interest bearing liabilities	2,434	-	1,893	-	4,327	6.6
Employee entitlements	-	-	-	14,760	14,760	-
Payables	-	-	-	2,860	2,860	-
2003						
Financial assets						
Cash	22,033	-	-	-	22,033	3.9
Receivables	900	150	-	9,184	10,234	7.9
Other financial assets	-	11,776	-	10	11,786	4.8
Financial liabilities						
Interest bearing liabilities	2,632	-	7,739	-	10,371	6.2
Employee entitlements	-	-	-	11,907	11,907	-
Payables	-	-	-	2,712	2,712	-

(c) Credit risk exposures

The University's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets indicated in the Statement of Financial Position. The University's credit risk is spread over a significant number of parties and is concentrated primarily in Australia.

notes to and forming part of the financial statements

for the year ended 31 december 2004

39 Segment information

The University operates predominantly in the Australian higher education industry providing full-time and part-time degree courses as well as non-award courses to local and fee paying overseas students. The University also manages the operations of the St Ives Retirement Village.

Industry

	Revenue		Results		Assets	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Higher Education	179,440	164,572	3,449	(1,113)	338,512	341,762
Murdoch Retirement Services Pty Ltd	9,078	10,534	5,736	5,501	4,948	2,050
	188,518	175,106	9,185	4,388	343,460	343,812

Geographical

The entity operated predominantly in Australia during the years 2004 and 2003.

40 Investments in controlled entities

Name of entity	Principal activities	Country of incorporation	Class of shares	Ownership interest		Operating result		Contribution to operating result	
				2004 %	2003 %	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Parent entity									
Murdoch University		Australia	-	-	-	-	-	-	-
Controlled entities									
Murdoch Investments Pty Ltd	Investment	Australia	Ordinary	100	100	-	-	-	-
Murdoch Retirement Services Pty Ltd	Property	Australia	Ordinary	100	100	5,736	5,501	5,736	5,501
The University Company Pty Ltd	Investment	Australia	Ordinary	100	100	-	(2)	-	(2)
MS Biotechnology Pty Ltd	Dormant	Australia	Ordinary	57	57	-	-	-	-
Murdoch Link Pty Ltd	Consulting	Australia	Ordinary	100	100	36	-	36	-
Murdoch ILO Pty Ltd	Consulting	Australia	Ordinary	100	100	4	-	4	-
Murdoch Ventures Pty Ltd	Investment	Australia	Ordinary	100	100	-	-	-	-
Paragen Pty Ltd	Research	Australia	Ordinary	62.5	62.5	(5)	(289)	(3)	(180)

notes to and forming part of the financial statements

for the year ended 31 december 2004

41 Investments accounted for using the equity method

(a) Investments in associates

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost by the University. Information relating to the associates is set out below.

Name and Principal Activities

Murdoch College Properties Pty Ltd: 45% ownership and voting rights.

The entity leases the land designated for Murdoch College from the University. It carries the loan to build the College and leases this building and the land to Murdoch College Inc.

	Consolidated	
	2004 \$000's	2003 \$000's
Results attributable to associate		
Share of loss from ordinary activities before related income tax	(1)	(4)
Share of income tax (expense) / benefit	-	(4)
Share of loss from ordinary activities after related income tax	(1)	(8)
Share of retained deficit at beginning of year	(78)	(70)
Share of retained deficit at end of year	(79)	(78)

Summary of the performance and financial position of the associate

The aggregate deficit, assets and liabilities of the associate is:

Loss from ordinary activities after related income tax expense	(2)	(18)
Total Assets	6,893	7,302
Total Liabilities	(7,072)	(7,476)

As the audit of Murdoch College Properties Pty Ltd is yet to be finalised, the 2004 information above is based on unaudited financial information. The balances disclosed in this note do not have a material impact on the financial statements of Murdoch University.

notes to and forming part of the financial statements

for the year ended 31 december 2004

41 Investments accounted for using the equity method (continued)

(b) Investments in joint ventures

Details of interest in joint venture entities are as follows:

Name and Principal Activities

Murdoch Westscheme Enterprise Partnership

50% ownership and voting rights through its subsidiary Murdoch Ventures Pty Ltd

The principal activity of the entity is to identify research output at Murdoch University and other research facilities and institutions that have the potential to be progressed by research discovery to commercialisation.

Consolidated	
2004	2003
\$000's	\$000's

Results attributable to the entity

The consolidated entity's share of the joint venture entity's results is as follows:

Revenues from ordinary activities	2	-
Expenses from ordinary activities	(133)	-
Loss from ordinary activities before related income tax	(131)	-
Income tax (expense) / benefit	-	-
Loss from ordinary activities after related income tax	(131)	-
		-
Retained deficit at beginning of year	-	-
Retained deficit at end of year	(131)	-

notes to and forming part of the financial statements

for the year ended 31 december 2004

41 Investments accounted for using the equity method (continued)

(b) Investments in joint ventures (continued)

Consolidated	
2004	2003
\$000's	\$000's

Statement of financial position

The consolidated entity's share of the joint venture entity's assets and liabilities is as follows:

Current assets	86	-
Non-current assets	63	-
Total Assets	149	-
Current liabilities	34	-
Non-current liabilities	-	-
Total liabilities	34	-

As the partnership has a 30 June year end, the 2004 information above is based on unaudited financial information. The balances disclosed in this note do not have a material impact on the financial statements of Murdoch University.

notes to and forming part of the financial statements
for the year ended 31 december 2004

42 Acquitment of Commonwealth Government financial assistance (University only)
42.1 DEST - Teaching and Learning

	Operating Grant		Total	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programs)	38,657	44,840	38,657	44,840
Net accrual adjustments	6,871	966	6,871	966
Revenue for the period	45,528	45,806	45,528	45,806
Surplus / (deficit) from the previous year	-	-	-	-
Total revenue including accrued revenue	45,528	45,806	45,528	45,806
Less expenses including accrued expenses	(45,528)	(45,806)	(45,528)	(45,806)
Surplus / (deficit) for the reporting period	-	-	-	-

42.2 HECS and other Commonwealth Loan Programs

	HECS (Commonwealth payments only)		PELS		BOTPLS		Total	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programs)	27,166	24,275	2,110	1,873	79	14	29,355	26,162
Net accrual adjustments	-	-	(245)	-	-	-	(245)	-
Revenue for the period	27,166	24,275	1,865	1,873	79	14	29,110	26,162
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	27,166	24,275	1,865	1,873	79	14	29,110	26,162
Less expenses including accrued expenses	(27,166)	(24,275)	(1,865)	(1,873)	(79)	(14)	(29,110)	(26,162)
Surplus / (deficit) for the reporting period	-	-	-	-	-	-	-	-

notes to and forming part of the financial statements

for the year ended 31 december 2004

42 Acquitment of Commonwealth Government financial assistance (University only) (continued)

42.3 Scholarships

	Australian Postgraduate Awards Pre-2002		Australian Postgraduate Awards Post-2002		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Total	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programs)	198	552	1,206	793	254	247	86	-	168	-	1,912	1,592
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	198	552	1,206	793	254	247	86	-	168	-	1,912	1,592
Surplus / (deficit) from the previous year	-	-	205	75	-	-	-	-	-	-	205	75
Total revenue including accrued revenue	198	552	1,411	868	254	247	86	-	168	-	2,117	1,667
Less expenses including accrued expenses	(198)	(552)	(952)	(663)	(254)	(247)	(82)	-	(166)	-	(1,652)	(1,462)
Surplus / (deficit) for the reporting period	-	-	459	205	-	-	4	-	2	-	465	205

42.4 DEST Research

	Institutional Grants Scheme		Research Training Scheme		Research Infrastructure Block Grants		Total	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programs)	4,580	4,289	8,814	8,711	2,409	1,733	15,803	14,733
Net accrual adjustments	-	(27)	-	(124)	-	151	-	-
Revenue for the period	4,580	4,262	8,814	8,587	2,409	1,884	15,803	14,733
Surplus / (deficit) from the previous year	-	233	-	461	-	-	-	694
Total revenue including accrued revenue	4,580	4,495	8,814	9,048	2,409	1,884	15,803	15,427
Less expenses including accrued expenses	(4,580)	(4,495)	(8,814)	(9,048)	(2,409)	(1,884)	(15,803)	(15,427)
Surplus / (deficit) for the reporting period	-	-	-	-	-	-	-	-

notes to and forming part of the financial statements

for the year ended 31 december 2004

42 Acquittal of Commonwealth Government financial assistance (University only) (continued)

42.5 Australian Research Council Grants

	Discovery										
	Projects			Fellowships			Indigenous Research Development			Total	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	
Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programs)	1,154	1,544	83	-	27	31	1,264	1,575	-	-	
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	
Revenue for the period	1,154	1,544	83	-	27	31	1,264	1,575	-	-	
Surplus / (deficit) from the previous year	811	740	-	-	11	-	822	740	-	-	
Total revenue including accrued revenue	1,965	2,284	83	-	38	31	2,086	2,315	-	-	
Less expenses including accrued expenses	(1,277)	(1,473)	(82)	-	(31)	(20)	(1,390)	(1,493)	-	-	
Surplus / (deficit) for the reporting period	688	811	1	-	7	11	696	822	-	-	

42.6 Linkages

	Special Research Initiatives									
	Infrastructure			International			Projects			Total
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Financial assistance received in CASH during the reporting period (total cash received from the Commonwealth for the Programs)	-	-	-	1,041	29	22	2,904	1,982	2,933	3,045
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the period	-	-	-	1,041	29	22	2,904	1,982	2,933	3,045
Surplus / (deficit) from the previous year	-	-	139	2	25	31	1,064	533	1,228	566
Total revenue including accrued revenue	-	-	139	1,043	54	53	3,968	2,515	4,161	3,611
Less expenses including accrued expenses	-	-	(139)	(904)	(11)	(28)	(2,634)	(1,451)	(2,784)	(2,383)
Surplus / (deficit) for the reporting period	-	-	-	139	43	25	1,334	1,064	1,377	1,228

notes to and forming part of the financial statements

for the year ended 31 december 2004

43 Related parties

Responsible persons and specified executives

Disclosures relating to members and specified executives are set out in note 36.

Wholly-owned group

Ownership interests in controlled entities are set out in note 40.

Aggregate amounts included in the determination of operating result from ordinary activities that resulted from transactions with related parties:

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Dividends received				
Wholly owned entity	-	-	11,835	-

Aggregate amounts receivable from, and payable to, each class of related parties at balance date:

	Consolidated		University	
	2004 \$000's	2003 \$000's	2004 \$000's	2003 \$000's
Current receivables				
Wholly owned entities	-	-	111	-

