

ANNUAL REPORT 2011



Melbourne
College of Divinity

Qui est ex Deo verba Dei audit

ANNUAL REPORT 2011

prepared in accordance with *Melbourne College of Divinity Act 1910*,
The Financial Management Act 1994 (the Act), *Standing Directions* of the Minister
for Finance under the Act, and the *Financial Reporting Directions* of the Act.

for and on behalf of the Council:

Paul Beirne, Dean & CEO

14 March 2012



Report of the Council of the Melbourne College of Divinity, for the period
1 January to 31 December 2011, approved by the Council 14 March 2012

Melbourne College of Divinity,

21 Highbury Grove, Kew, VIC 3101 Australia

Telephone: +61 3 9853 3177 Facsimile: +61 3 9853 6695

email: admin@mcd.edu.au www.mcd.edu.au

Melbourne College of Divinity

Established by the Melbourne College of Divinity Act 1910

Affiliated with the University of Melbourne 1993

Qui est ex Deo verba Dei audit

LIST OF ACRONYMS AND ABBREVIATIONS

AHEGS	Australian Higher Education Graduation Statement
ALC	Australian Lutheran College
ALTC	Australian Learning and Teaching Council
APA	Australian Postgraduate Award
AUQA	Australian Universities Quality Agency
ASCED	Australian Standard Classification of Education
ASHER	Australian Scheme for Higher Education Repositories
BD	Bachelor of Divinity
BTheol	Bachelor of Theology
BURF	Better Universities Renewal Funding
CDTC	Committee of Deans of Theological Consortia
CTC	Catholic Theological College
CTS	Commercialisation Training Scheme
CWS	Coursework Studies
DDoGS	Council of Deans and Directors of Graduate Studies
DEEWR	Department of Education, Employment and Workplace Relations
DF&A (Reg)	Director, Finance and Administration (Registrar)
DIAC	Department of Immigration and Citizenship
DIISR	Department of Innovation, Industry, Science and Research
DMinStuds	Doctor of Ministry Studies
DTheol	Doctor of Theology
DEST	Department of Education, Science and Training
EFTSL	Effective Full Time Student Load
EIF	Education Investment Fund
FEE-HELP	Federal Education Entitlement - Higher Education Loan Program
GCTRE	Graduate Certificate of Teaching Religious Education
GDS	Graduate Destination Survey
Grad Dip Theol	Graduate Diploma in Theology
HDR	Higher Degree by Research
HEP	Higher Education Provider
HESA	Higher Education Support Act (2003)
HEW	Higher Education Worker
HOC	Heads of Colleges
HREC	Human Research Ethics Committee
IAF	Institutional Assessment Framework
IAP	Implementation Assistance Program
ICSPF	Institute for Christian Spirituality and Pastoral Formation
IGS	Institutional Grant Scheme
IPRS	International Postgraduate Research Scholarship
JRE	Joint Research Engagement
JTC	Jesuit Theological College
LIAM	Libraries of Institutions Associated with MCD
MCD	Melbourne College of Divinity
MDiv	Master of Divinity
MIF	Minimum Indicative Fees
MMin	Master of Ministry
MoU	Memorandum of Understanding
MTheol	Master of Theology
MTS	Master of Theological Studies
NHMRC	National Health and Medical Research Council
PG	Postgraduate
PSMEA	Public Sector Management and Employment Act (1998)
RQF	Research Quality Framework
RM&AC	Risk Management and Audit Committee
RTI	Recognised Teaching Institution
RTS	Research Training Scheme
SABC	The Salvation Army (Australia Southern) Booth College
SRE	Sustainable Research Excellence
SRP	Supervised Research Project
TAMS	Theological Academic Management System
TLC	Teaching and Learning Capital Fund
TCTS	Trinity College Theological School
UG	Undergraduate
UCTC	Uniting Church Theological College
UFT	United Faculty of Theology
VTAC	Victorian Tertiary Admissions Centre
YTU	Yarra Theological Union

Compliance Index

The annual report of **Melbourne College of Divinity** is prepared in accordance with:

FMA	<i>Financial Management Act 1994</i>
FRD	A-IFRS Financial Reporting Directions
SD	Standing Directions of the Minister for Finance issued under the <i>Financial Management Act 1994</i>
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ETRA 2006	<i>Education and Training Reform Act 2006</i>
PAEC	Decision of Public Accounts and Estimates Committee of Parliament
RUG	Victorian Government response to the Review of University Governance
ESOS	<i>Education Services for Overseas Students Act 2000</i>
DEST	Commonwealth Government Department of Education, Science and Training
DEEWR	Commonwealth Government Department of Education, Employment and Workplace Relations

No.	Clause	Disclosure	Page(s)
STANDING DIRECTIONS FOR THE MINISTER FOR FINANCE (SD)			
1	SD 4.2(g)	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the <i>Financial Management Act, 1994</i> .	6-47
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	53
3	SD 4.2(j)	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	1
4	SD 4.2(a)	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> • Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements • Financial Reporting Directions • Business Rules. 	49-72
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> • Balance Sheet • Statement of Recognised Income and Expense • Cash Flows Statement • Notes to the Financial Statements. 	49-72
6	SD 4.2(c)	Signed and dated statement by Accountable Officer stating that Financial Statements: <ul style="list-style-type: none"> • Present fairly the financial transactions during the reporting period and the financial position at end of the period • Were prepared in accordance with Standing Direction 4.2 (c) and applicable Financial Reporting Directions • Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements. 	73
7	SD 4.2(d)	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> • \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000 • \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000. 	49-72
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	74-75
9	SD4.5.5	Attestation on compliance with the Australian / New Zealand Risk Management Standard.	47



No.	Clause	Disclosure	Page(s)
A-IFRS FINANCIAL REPORTING DIRECTIONS (FRD)			
10	10	Disclosure Index	3-5
11	11	Disclosure of Ex-gratia Payments	n/a
12	07A	Early Adoption of Authoritative Accounting Pronouncements	n/a
13	17A	Long Service Leave Wage Inflation and Discount Rates	n/a
14	19	Private Provision of Public Infrastructure	n/a
15	21A	Responsible Person and Executive Officer Disclosure in the Financial Report	66
16	22B	Standard Disclosures in the Report of Operations	47
17	25	Victorian Industry Participation Policy in the Report of Operations	n/a
18	26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	n/a
19	102	Inventories	n/a
20	104	Foreign currency	n/a
21	106	Impairment of assets	n/a
22	107	Investment properties	n/a
23	109	Intangible assets	n/a
24	110	Cash Flow Statements	52
25	112A	Defined benefit superannuation obligations	n/a
26	113	Investments in Subsidiaries, Jointly Controlled Associates and Entities	n/a
27	114	Financial Investments	46, 51, 57,65
DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (DEEWR)			
28	FRD 22B DEEWR	Analysis of the achievement of the entity's operational and budget objectives for the financial year should include comparative analysis of indicators such as enrolments, graduations, student performance and satisfaction, staff profile, research performance and performance position.	33,34,39 38,39, 26-32
29	DEEWR	Information with respect to the governance and administrative structure of the university, specifically council members and occupants of senior officers.	16-24
30	DEEWR	Outline of student and staff grievance procedures and number of complaints made to and investigated by the Ombudsman.	39
31	DEEWR	Details of information available on institution's website, including locations of current and previous Annual Reports.	47
32	DEEWR	Compliance of Financial Statements with the <i>Financial Statement Guidelines for Australian Higher Education Providers for 2007</i> Reporting Period issued by DEEWR.	48-75

No.	Clause	Disclosure	Page(s)
FINANCIAL MANAGEMENT ACT 1994 (FMA)			
	FMA 1994	Financial Statements:	48-75
33	49(a)	• Contain such information as required by the Minister	
34	49 (b)	• Are prepared in a manner and form approved by the Minister	
35	49 (c)	• Present fairly the financial transactions of the department or public body during the relevant financial year to which they relate	
36	49 (d)	• Present fairly the financial position of the department or public body as at the end of that year	
37	49 (e)	• Are certified by the accountable officer in the manner approved by the Minister.	
GOVERNMENT RESPONSE TO THE REVIEW OF UNIVERSITY GOVERNANCE (RUG)			
38	RUG	Statement outlining that public funds allocated to the University have been allocated to the purposes specified by the Government or other public funding body. Statement is audited by the Auditor-General.	30-31 43-46 74-75
39	RUG	University Council's risk management strategy	35-36 54-55
40	RUG	Summary of financial performance of Associates and Commercial Ventures	45-46
EDUCATIONAL SERVICES FOR OVERSEAS STUDENTS ACT (2000) (ESOS)			
41	ESOS (National Code 2007 - Sections C & D)	Statement indicating compliance with ESOS Act 2000 and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (National Code 2007).	37
EDUCATION AND TRAINING REFORM ACT 2006 (ETR)			
42	ETRA 2006,s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in the preceding financial year.	41-43
DECISION OF PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE OF PARLIAMENT			
43	PAEC (December 1997)	Financial and other information relating to institution's international operations.	37, 47

Section A: Report of Operations



President's statement



2011 has been another highly significant year in the life and work of the Melbourne College of Divinity, its teaching, scholarship and research.

Following the celebration of its centenary in 2010 and the submission of its application to the Victorian Registration and Qualifications Authority for Specialised University status, MCD prepared for the accreditation panel's visit to the College and its constituent Recognised Teaching Institutions at the end of May. In its meetings with staff, students and stakeholders the panel addressed matters such as the federated structure of MCD, risk management, succession planning for academic staff, benchmarking, church financial support, and the promotion and rewarding of research. On 25 August the VRQA Board approved the application from the Melbourne College of Divinity to operate as a specialised university with the title "MCD University of Divinity". This would come into effect on completion of due parliamentary process in December 2011 to make MCD the first such institution in Australia.

In the course of the year a number of events have further enhanced and encouraged the Melbourne College of Divinity in its commitment to theological research and education.

In January the Australian Research Council published the results of the first Excellence in Research for Australia (ERA) evaluation of research undertaken between 2003 and 2008 and found the Melbourne College of Divinity's performance to be at world standard with a rating of 3 in the fields of "Philosophy and Religious Studies" and "Religion and Religious Studies".

In April the Memorandum of Understanding between Melbourne College of Divinity and Booth College, formerly the Salvation Army Training College, was revised to include teaching of the Bachelor of Theology.

In May the Melbourne College of Divinity signed a Mission-Based Compact with the Federal Government.

In June the MCD Council welcomed the first representative of the Lutheran Church of Australia to membership of the Council.

In November the MCD Staff Consultation Day addressed the implications for MCD of its admission to specialised university status and the challenges and opportunities this presents.

In 2011 the most significant event for the Melbourne College of Divinity has been its application for specialised university status and the positive outcome of this application. It marks a major step in the history of the

College, building as it does upon one hundred years of teaching and research in divinity and its associated disciplines. Melbourne College of Divinity now looks forward with renewed energy and commitment to its development as MCD University of Divinity. At its December 2011 meeting, the MCD Council changed the nomenclature of the College's two most senior positions, President and Vice-President, to Chancellor and Deputy Chancellor respectively, to reflect the College's change of status. Dr Graeme Blackman and Dr Andrew Menzies will fill these corresponding roles in 2012. Following an exhaustive selection process to appoint an inaugural Vice-Chancellor for MCD University of Divinity, Council held an extraordinary meeting in late December 2011 and at that meeting, appointed Dr Peter Sherlock to the position. Professor Sherlock will assume the role in mid-April 2012. University status will enable MCD with its unique ecumenical history and constitution to further advance theological education and to engage as a respected partner with other universities in the promotion of higher education and its contribution to the wellbeing of church and society.



Terry Curtin, President

Dean's statement



The year 2011 will be recorded in the annals of the Melbourne College of Divinity as one of the most important and formative years in the College's history, for it was in the 101st year of the MCD's history that this venerable institution changed its identity from a College to Australia's first Specialised University. This change followed five years of discussion, preparation and concerted effort at all levels of the College and its constituent colleges. A brief description of this process is as follows:

On November 18, 2006, the governing Council of the MCD convened a Summit to consider the possibility of applying for Specialised University status. The Summit drew together 70 MCD personnel as well as experts in the field of Higher Education and a broad range of representatives from the University sector. The Summit set guidelines to continue the Specialised University discussion for the immediate and long-term future. A second Summit was convened in December 2008 to outline a program of development for the College up to 2015, which included progression to Specialised University status. In August 2009, the MCD Council unanimously agreed to make an application to the Victorian Regulation and Qualifications Authority (VRQA) to become a 'university of specialisation', contingent on the Heads of the Constituent Churches and Religious Orders of MCD Colleges supporting the Application. They were consulted, and all unreservedly supported the Application. The decision to make an Application was also supported by the Heads of MCD Colleges, and an initial assessment process went through rigorous academic, quality assurance, financial and risk analysis and assessment by the MCD Council, Academic Board, Academic Audit Committee, Finance and Investment Committee and Risk Management and Audit Committee, which Committees are composed primarily of external members who are experts in their particular fields. In addition, the MCD administration employed an external Risk Consultant to undertake a comprehensive Organizational Risk Profile of the College which was presented to Council in June 2009.

In relation to preparing the Application, the MCD hired for three months an expert in the field of assembling Higher Education regulatory documents and engaged the services of two Higher Education advisors from Philips KPA, a company which specialises in the provision of consultancy services to the education industry, to ensure that all aspects of the Application were sufficiently detailed and appropriate. Finally, seven copies of the Application, which comprised 1000 pages and 110 appendices in CD Rom and hard copy formats, were submitted to VRQA on August 30, 2010. An additional 500 pages were submitted in January

2011 in response to VRQA's request for additional information.

The process of Assessment that followed was determined by Sections D, D7 and D8.8 of the *National Protocols for Higher Education Approval Processes* and Sections 16.1 to 16.11 and 18 of the *National Guidelines for Higher Education Approval Processes: Guidelines for establishing Australian Universities*. These Protocols and Guidelines were approved in October 2007 by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA). As their titles indicate, the National Protocols and National Guidelines were drawn up for the purpose of setting standards for, and regulating, Higher Education institutions throughout Australia. Section 18 of the Guidelines requires evidence that the institution 'delivers higher education qualifications (including Research Masters and PhDs or equivalent Research Doctorates) in one or two broad fields of study only and sets standards for those qualifications which are equivalent to Australian and international standards.

VRQA undertook a preliminary review of the documentation submitted by the MCD, and judging that the application should proceed, appointed an expert Assessment Panel to assess the MCD Application. The Panel consisted of a former Vice Chancellor of Australian Catholic University as Chair, a Vice Chancellor of a Victorian university, a former Deputy Vice Chancellor of a Victorian University and two senior academics in the field of specialisation from a NSW University and a Victorian University.

The Panel conducted a three-day site visit of the MCD on May 25-27, 2011. This involved conducting 11 group sessions over two of these days, and on another day, a site visit to each of the eight Melbourne-based Colleges and one Specialised Institution of the MCD (the Panel divided into two groups to conduct these site visits). The Chair of the Panel and another Panel member conducted a site visit of Australian Lutheran College on June 16. In all, 196 MCD office holders, internal and external Council, Board and Committee members, faculty and students were interviewed. The Panel also conducted group sessions with the Chairs of College Boards, and Principals of MCD Colleges.

The Panel drew up a Draft Report, which it submitted to the MCD to check for accuracy. Following the MCD Response to the Draft Report, the Assessment Panel submitted the Report to VRQA. The VRQA Board met on August 4, 2011 to ensure that all aspects of the National Protocols and National Guidelines had been adhered to, and that all sections of the Approval Process outlined on P5 of the National Guidelines had been followed. On August 9, the VRQA Higher Education Assessment Committee (HEAC) met to consider the Draft Report, the MCD Response and submissions made in the Public Consultation process. HEAC submitted its Report to the VRQA Board, and on Thursday August 25, the Chair of the VRQA Board contacted the Dean of the MCD to inform him that VRQA had approved the MCD to become a Specialised University, with no conditions attached.

On August 29, 2011 VRQA published a Notice of Approval in the Government Gazette for the MCD to operate as a Specialised University under the title, 'MCD University of Divinity'. On August 30, the Notice of Approval was presented to both Houses of Parliament by the Minister for Higher Education and Skills, The Hon. Peter Hall, MLC, where it remained for 18 sitting days of Parliament before becoming law.

The time between the MCD submitting an Application for Specialised University status and the presenting of the Notice of Approval in State Parliament was exactly one year. A senior representative of VRQA stated that the MCD 'had passed with flying colours an incredibly rigorous and robust test under the National Protocols and National Guidelines, which included a Peer Review exercise conducted by an Assessment Panel of Vice-Chancellor level university administrators and scholars in the field of specialisation'.

MCD University of Divinity began operations on January 1, 2012.

Other notable events in 2011

- A Mission-based Compact 2011-13 was signed with the Commonwealth Government, setting mutually agreed goals for the MCD for a three year period.
- On May 12, 2011, 326 students graduated at the Annual Conferral Ceremony, held at Wilson Hall, the University of Melbourne. Professor Richard James BSc MEd DEd FACEA, Pro Vice-Chancellor (Participation and Engagement), Director, Centre for the Study of Higher Education at the University of Melbourne gave the Graduation Address. The Revd Merrill Kitchen OAM BAppSc BTheol TheolM was made a Fellow of the Melbourne College of Divinity.
- On January 31, 2011 the Australian Research Council published the results of the first Excellence in Research for Australia (ERA) exercise in which the Melbourne College of Divinity's research performance was rated as being 'at world standard' in the field of Research: *Religion and Religious Studies*.
- The Strategic Planning, Finance and Investment, Academic Audit, Risk Management and Audit, and Regulations and Procedures Committees of Council met on regular occasions, in most cases exceeding the required number of meetings in the Committees' Terms of Reference. This was due mainly to the changes that the College is currently undergoing, as noted above.
- The MCD Strategic Plan and Operational Plan were revised by the Strategic Planning Committee to accord with the new Specialised University status, and to take advantage of recommendations made by the VRQA Assessment Panel to fine-tune the College's operations.
- In accordance with Goal 3 under Section 3: Development of the Strategic Plan, specifically:

To undertake the expansion of the MCD through increasing the number of Recognised Teaching Institutions which accord with the MCD's philosophy, ecumenicity and academic standards.

The MCD is about to incorporate two new RTIs into its federated structure in the immediate future. One of these institutions is located in New South Wales, which means a further expanding of the geographical boundaries of the MCD.



Paul Beirne, Dean and CEO

Establishment

The Melbourne College of Divinity (MCD) was constituted by an Act passed by the Parliament of the State of Victoria in December 1910, when the first members of the College were appointed. The College then represented the Church of England, Baptist, Congregational, Methodist and Presbyterian churches, and by co-optation the Churches of Christ. The Act was amended in 1956, 1972, 1979 and 1990 to enable the MCD to become a more comprehensive body and was thoroughly revised in 2005. As a Higher Education Provider (HEP) established by an Act of the Parliament of Victoria, the MCD is accountable to the Minister for Higher Education and Skills.

In 1993 the MCD was affiliated with the University of Melbourne, while retaining autonomy and degree conferring status. The Bachelor of Arts/ Bachelor of Theology double degree is available in association with Monash University.

In 2003, the then Commonwealth Department of Education, Science and Training included the MCD in the list of Table B Higher Education Institutions with two private Australian universities. This listing enabled the College to receive Federal funding for research, and access to the FEE-HELP scheme for all eligible MCD students.

In August 2010, the MCD submitted an application to be recognised as a Specialised University to the Victorian Registration and Qualifications Authority (VRQA). After an exhaustive process, VRQA approved the application and in December 2011, the State Parliament of Victoria passed into law that the MCD University of Divinity would begin operations from January 1, 2012.

The MCD is a complex organisation. Like other Australian universities, there is a central administration, together with academic committees responsible for the maintenance of educational standards across the institution. The member colleges and other teaching bodies, like the faculties of a university, engage in teaching and learning activities with students. However, the MCD is unlike most universities in that although the teaching colleges are independent, they do not grant degrees. The MCD model parallels that of Oxford or Cambridge colleges in relation to their particular university.

Today the MCD Council includes representatives of the Anglican, Baptist, Churches of Christ, Lutheran, Roman Catholic and Uniting churches, with The Salvation Army involved in MCD teaching programs, and membership of several MCD committees. A theologically diverse institution, the MCD is committed to ecumenical co-operation in theological education to enable each member institution to be true to its heritage and commitments, yet open to the enrichment of engagement with others. The opportunities created by such co-operation are available in few other places in the world.

Students, faculty, alumni and friends of the MCD are proud participants in a collaborative effort that has helped to achieve collectively what member colleges could not have accomplished individually.

Objectives, functions, powers and duties

The powers of the MCD derive from the MCD Act which established the College as a degree-granting educational body. The Council of the Melbourne College of Divinity authorises the granting of degrees, approves the introduction of, and changes to MCD regulations, and monitors the governance of the College in accordance with State and Federal regulations and compliance structures.

The functions and duties of the MCD are best summarised in terms of the Vision, Mission and Values statements:

Vision of the MCD

Recognised nationally and internationally, the Melbourne College of Divinity commits to pursuing the highest standards in teaching and research in Christian theology and ministry. The College offers scholars and students alike the opportunity to anchor their faith in understanding and in a spirit of dialogue to engage with other religious traditions and wider social contexts.

The MCD **Mission Statement** reads,

The *Melbourne College of Divinity* is an ecumenical provider of quality tertiary education in the field of Divinity and associated disciplines, with commitment to

- quality in teaching and research
- the understanding of faith in secular contexts, and
- the integrity of the Christian churches

Studies in Theology and Divinity involve reflection and knowledge (*logos*) about God (*theos*) or the divine. Key disciplines include Philosophy, Biblical Studies (including the Hebrew and Greek languages), Systematic Theology, Church History, Ethics, Liturgy, Pastoral Studies, Religious Education and other areas of Applied Theology such as Spirituality and Counselling. These studies endeavour to assist students to examine their own convictions and to integrate them with a rational view and lifestyle. This blend of objective and subjective learning has characterised the MCD since its inception.

The following **values** express this vision and mission:

- Critical enquiry and open dialogue in the exploration of truth
- Active engagement with local, national and global social contexts
- Recognition and respect for the traditions of the member churches in an atmosphere of mutuality and ecumenical cooperation
- Interdependence in the development of all learning activities
- Honest professional relationships between students and staff
- Freedom from all forms of discrimination
- A climate of respect and openness
- Enthusiasm, flexibility and innovation.

The **objectives** of the College are described in the MCD Act as:

- a) the pursuit of the highest standards in teaching and research in Divinity and associated disciplines¹
- b) the offering to scholars and students of Divinity the opportunity to anchor faith in understanding, and in a spirit of dialogue to engage with society
- c) to respect, encourage, challenge and inform students who come to the College to learn
- d) to respond to the academic needs of the churches, and to promote their integrity
- e) to address issues from a sound and reasoned theological viewpoint, and to offer society opportunities for dialogue with traditions and values that have been refined over the centuries
- f) to aid, by research and other appropriate means, the advancement and development of knowledge and its practical application to the churches, to wider academic and community life, and public policy
- g) to confer degrees, diplomas and certificates and other awards in Divinity and associated disciplines.

Services

MCD offers academic services to the Christian churches, to the academic staff and students, and to the wider community. Whether ministerial candidates or not, MCD students generally pursue learning for its own sake, and the learning mode of approach which characterises studies in Divinity is that of the humanities. The MCD thus serves its people, and the wider community, primarily through “dialogue with traditions and values that have been refined over the centuries” [MCD Objective (e)].

In seeking to meet College objectives, and fulfil the mission of the College in accordance with the established values, the MCD functions in closely interwoven ways:

- through the teaching offered at the MCD’s Recognised Teaching Institutions (RTIs), authorised by the Council
- with internationally recognised research by the academic staff located throughout the MCD at RTIs and Colleges, supported by the MCD Research Office
- through the Central Administration, providing the support, coordination, and facilitation of the administration of the College.

As the governing body of the MCD, the Council, in consultation with staff throughout the College, establishes the strategic direction of the institution. The RTIs are closely involved with the implementation, and their own operational management relevant to their individual goals. However, each objective represents a responsibility shared.

¹ ‘Associated disciplines’ are defined in the MCD Act as “studies in religion and ministry practice directly related to Divinity in its contemporary, historical, social and cultural contexts”.

In 2011 the following were member institutions of the MCD:

Australian Lutheran College (ALC)
104 Jeffcott Street,
North Adelaide SA 5006
(08) 8267 7400
email: alc@alc.edu.au
website: www.alc.edu.au

As the post-secondary education provider of the Lutheran Church of Australia, ALC is shaping tomorrow's pastors, teachers and church workers who will think imaginatively about issues that affect all of life in the church and the world. They are learning to think faithfully and vitally about life and faith in the light of biblical and church teaching, and be effective spiritual leaders, educators, and workers who bring life and renewal in the church and communities they serve.

ALC became a Recognised Teaching Institution of MCD on December 1, 2010.

Catholic Theological College (CTC)
278 Victoria Parade (PO Box 146),
East Melbourne 8002
(03) 9412 3333
email: ctc@ctc.edu.au
website: www.ctc.edu.au

CTC was established in 1972 by a group of dioceses and religious orders which agreed to act together as a confederated body in academic matters. This federation currently comprises the archdioceses of Melbourne and Hobart, the dioceses of Ballarat, Sandhurst and Sale, the Oblates of Mary Immaculate, the Salesians of Don Bosco, the Conventual Franciscan Friars, and the Dominican Friars. CTC is committed to the highest standards of teaching and research in philosophy and theology, within the Catholic tradition. It shares in the Church's mission to spread the Gospel, and provides academic formation for people committed to the pastoral service of the Church.

The Institute for Christian Spirituality and Pastoral Formation (ICSPF)
99 Studley Park Road, Kew 3101
(03) 9854 8110
email: smithm@mira.net
website www.icspf.edu.au

ICSPF coordinates MCD courses in Spirituality and Spiritual Direction, and collaborates with other centres of spiritual formation, particularly the WellSpring Centre, Ashburton, and the Campion Ignatian Spirituality Centre, Kew, in offering specialist Graduate Certificate and Diploma courses

in addition to the Master of Arts in Spirituality and Spiritual Direction.

The priorities of ICSPF include the study of the Christian tradition of spirituality, and providing opportunities for ongoing research and praxis in specific spiritual traditions. The Institute is supported by the Carmelite Library.

Stirling Theological College (STC)
44-60 Jacksons Road, Mulgrave 3170
(03) 9790 1000
email: admin@stirling.edu.au
website: www.stirling.edu.au

Stirling, the College of the National Conference of Churches of Christ in Australia, was established in 1907. The College is both evangelical and ecumenical in approach to theology and faith, and has a passion to receive and share the good news of God in Christ. Stirling delights in having Christians from different backgrounds to enrich the life of the community.

The Salvation Army (Australia Southern) Booth College (SABC)
313 Royal Parade, Parkville 3052
(03) 9347 0299
email: sabc@aus.salvationarmy.org
website: www.sabc.edu.au

Although the SABC ministry focuses on the training of Salvation Army officers, the MCD units are open for enrolment to anyone. The College seeks to prepare people who know God, know themselves, and know their mission. An integrated application of personal spiritual formation, structured educational grounding and focused skills development offers realistic and effective preparation for the lifelong learning process.

United Faculty of Theology (UFT)
29 College Crescent, Parkville 3052
(03) 9340 8890
email: admin@uft.edu.au
website: www.uft.edu.au

UFT is a co-operative venture in theological education involving three independent theological institutions using a common timetable who share staff and teaching facilities: the Jesuit Theological College (Roman Catholic), Trinity College Theological School (Anglican) and the Uniting Church of Australia (Synod of Victoria and Tasmania) Theological College.

UFT has provided ecumenically based education and research since 1969.

Some students are preparing for ordination or lay ministry. However, UFT also welcomes those wishing to pursue the study of theology without any necessary commitment to the Church or to its ministry.

Whitley College (WHT)
271 Royal Parade, Parkville, 3052
(03) 9348 8023
email: whitley@whitley.unimelb.edu.au
website: www.whitley.unimelb.edu.au

Whitley College is the Baptist College of Victoria and a residential college of the University of Melbourne. A wide range of theological studies are possible at Whitley, whose mission is to equip women and men for leadership in church and society.

Since 1891 Whitley has been a college marked by academic excellence, a strong sense of Christian purpose and a lively community.

Yarra Theological Union (YTU)
98 Albion Road (PO Box 79)
Box Hill 3128
(03) 9890 3771
email: admin@ytu.edu.au
website: www.ytu.edu.au

YTU is an institution arising from the cooperation of a number of provinces of religious institutes: Blessed Sacrament Congregation, Divine Word Missionaries, Discalced Carmelites, Franciscans (OFM), and Missionaries of the Sacred Heart, Pallottines, Passionists, and Redemptorists (Australia and New Zealand). As a centre of theological and ministerial education, YTU is initially concerned for students from the member institutes, and also accepts responsibility to provide such education for others. The ministerial aspect of the YTU program is not restricted to formation for priestly ministry.

Administrative structure

The MCD Act established the Council as the MCD governing body, advised by an Academic Board. Governing body: the Council (1 January – 31 December 2011):

Full Name	Position / Term ends	Mode of appointment	Years on Govern/g body	Expertise		Qualifications and/or relevant experience	Board Membership
				Finance	Commercial		
Terence Curtin	President 31 Dec 2012	Internal, appointed by the Roman Catholic Church	15	No	No	BEd (Melb), STL (Pontif Urban), STD (Greg)	Board Member, Greythorn Primary School Board, St Bridget's Parish; Greythorn Parish Council Member, St Bridget's Parish; Senate Member, Catholic Theological College; Academic Board Member, Catholic Theological College.
Graeme Blackman	Vice President 31 Dec 2014	External, appointed by the Anglican Church	21	Yes	Yes	BSc, BD, MTheol, PhD	Chairman, IDT Australia Ltd; Chairman, National Trust of Australia (Victoria); Chairman, Australian Council of National Trusts; Board Member, Medicines Australia Board Member, Benetas; Board Member, Trinity College University of Melbourne.
Sheila Bellamy	Council member, Honorary Treasurer 31 Dec 2012	External, appointed by Council	2	Yes	No	FCPA, DipFinMgt, BA, BEd, MCom, MBA, MEd, PhD	Pro Vice-Chancellor (Business), RMIT University; Board Member and Honorary Treasurer, Uniting Care Community Options; Member, UCA Assembly Reception of Ministers Committee; Board Member, UCA Centre for Theology and Ministry.
Paul Beirne	Dean and CEO Appointed until 31 March 2012	<i>Ex officio</i>	12	No	No	MA, MDiv, DMin, PhD	Council Member, the Australian and New Zealand Association of Theological Schools; Member, Council of Deans of Theology (Australasia).
Peter Carpenter	Council member 31 Dec 2014	External, appointed by the Roman Catholic Church	6	No	No	BEd, BA(Hons), MA, PhD	Emeritus Professor, Australian Catholic University; Member, Senate of the Catholic Theological College; Chairman, Mercy Health Human Research Ethics Committee.
John Henderson	Council member 29 June 2014	Internal, appointed by the Lutheran Church of Australia	1	Yes	No	BTh, MTh	Vice-President, the Lutheran Church of Australia; Member, Lutheran Church of Australia Commission on Theology and Interchurch Relations, and the Australian Roman Catholic/Lutheran Dialogue.
Michael Kelly	Chair, Academic Board Appointed until 31 Dec 2012	<i>Ex officio</i>	3	No	No	CSsR, BTheol, STM, MEd, PhD	Member Academic Board of Yarra Theological Union; Member Council of Institute of Christian Spirituality and Pastoral Formation; Executive Member Victorian Association of Theological Field Education; Treasurer Australian Catholic Theological Association; Executive Secretary ASIOC Committee.

Full Name	Position / Term ends	Mode of appointment	Years on Govern/g body	Expertise		Qualifications and/or relevant experience	Board Membership
				Finance	Commercial		
Andreas Loewe	Council member 31 Dec 2013	Internal, appointed by the Anglican Diocese of Melbourne	1	No	No	BA (Hons) (Oxon), MA, MPhil (Oxon), PhD (Cantab.), F.R.Hist.S	College Chaplain and Gavan Lecturer in Theology, Trinity College; Member, Trinity College Council; Member, United Faculty of Theology Senatus; Board member, Council for Chaplains in Tertiary Education.
Andrew Menzies	Council member 4 May 2013	Internal, appointed by the Churches of Christ	2	No	No	BA, BMin, MMin, DMin	Principal, Stirling Theological College; Member, Stirling Theological College Board.
Robert John Morsillo	Council member 4 May 2013	External, appointed by the Baptist Union of Victoria	2	No	No	BSc, BD, Grad Dip Community Development, Dip Public Policy, MA (Communications)	Member, The Properties Corporation of the Churches of Christ; Senior Associate, FINSIA (Financial Services Institute of Australasia).
Christiaan Mostert	Council member 31 Dec 2013	Internal, appointed by the Uniting Church	16	No	No	BA, BA (Hons), MA, PhD	Professor of Systematic Theology, UCA Theological College; Member, Ormond College Council; Member, the Epworth Foundation Board of Management and the Epworth HREC.
Sue Norman	Council member 31 Dec 2012	External, appointed by the Uniting Church	6	Yes	Yes	BA, DipEd, B Bus, CPA, Advanced Diploma, Australian Institute of Company Directors	Director, Wesley Mission Victoria; Director and Chairperson, Uniting Housing Victoria.
Joel Plotnek	Council member 31 Dec 2012	External, appointed by the Churches of Christ	4	Yes	No	CPA, BBus, BTheol (Hons)	Member, The Properties Corporation of the Churches of Christ; Senior Associate, FINSIA (Financial Services Institute of Australasia)
Frank Rees	Council member 31 Dec 2012	Internal, appointed by the Baptist Union of Victoria	10	No	No	Dip Ed, BA (Hons), BD (Hons), MA, M Theol, PhD	Principal and Professor of Systematic Theology, Whitley College; Member, Council of the Baptist Union of Victoria; Member, Commission on Doctrine and Christian Unity, Baptist World Alliance.
William Uren 5j	Council member 31 Dec 2014	Appointed by Council	6	No	No	MA, BD, DipJuris, MLitt (Oxon), DUniv ACU	Rector, Newman College; Member, Newman College Council; Member, St. Mary's College Council; Member, Cabrini Health Board.

The Dean holds a salaried position; no *ex gratia* or other payments were made to Council members in relation to their duties as members of the governing body of the MCD during 2011. For 2011 Rev Dr Terry Curtin was elected President, Dr Graeme Blackman was elected Vice-President and Professor Sheila Bellamy was elected Honorary Treasurer at the Council meeting on 1 December 2010.

Indemnity

All MCD office holders and committee members are indemnified by the MCD Act Section 18B “against all actions or claims, whether such action or claim arises during or after the term of office of that member, in respect of any act or thing done or omitted to be done in good faith in the exercise or purported exercise of any of the powers or duty conferred or imposed upon the Council, committee or board or upon any member or members of the Council by or under this Act.”

This requirement is covered by the MCD insurance policy held with AON Risk Services Australia Ltd, which specifies up to \$10M (excess \$5,000) cover in respect of Professional Indemnity, the same cover for Directors’ and Officers’ Indemnity, \$1M (excess \$5,000) cover for Employment Practices Liability, \$100M (excess \$2,500 except Molestation \$50,000) for Public/Products Liability and \$100,000 (excess \$5,000) for Fiduciary Liability. These policies are renewed annually for the period 1 December to 30 November in the following year.

MCD senior officers

All MCD Central Administration staff are employed with a letter of appointment signed by the Dean, as well as an individual contract signed by both the Dean and the staff member. Individual contracts outline the remuneration and conditions of employment, which are in accordance with the Higher Education Industry-General Staff Award 2010 and the Higher Education Industry-Academic Staff Award 2010 for professional and academic staff respectively, and align generally with the University of Melbourne Collective Agreement 2010 and which include an additional 5% employer contribution to superannuation.

Dean

Professor Paul Beirne MA MDiv DMin PhD, Chief Executive Officer, exercises general oversight of the educational and administrative affairs of the College (MCD Regulation 1.1A).

Director, Finance and Administration (Registrar)

Dr Mark Lindsay BA(Hons) PhD GradDipTheol FRHistS is responsible for the research portfolio, including HDR students’ matters, supervisor training, research seminars, grants and scholarships, and reporting to DEEWR on research matters.

Director of Research

Dr Mark Lindsay BA(Hons) PhD FRHistS is responsible for the research portfolio, including HDR students matters, supervisor training, research seminars, grants and scholarships, and reporting to DEEWR on research matters.

Director of Coursework

Mr John Bartholomeusz BA DipEd GradDipComp DipBus, is responsible for all coursework studies, including records, policy implementation, and general administration.

Finance Manager

Ms Tricia Lewis BComm(Hons) is responsible for the administration of the finances of the Central Administration of the College, the MCD research funding and the implementation of funding policies established by the MCD Finance and Investment Committee.

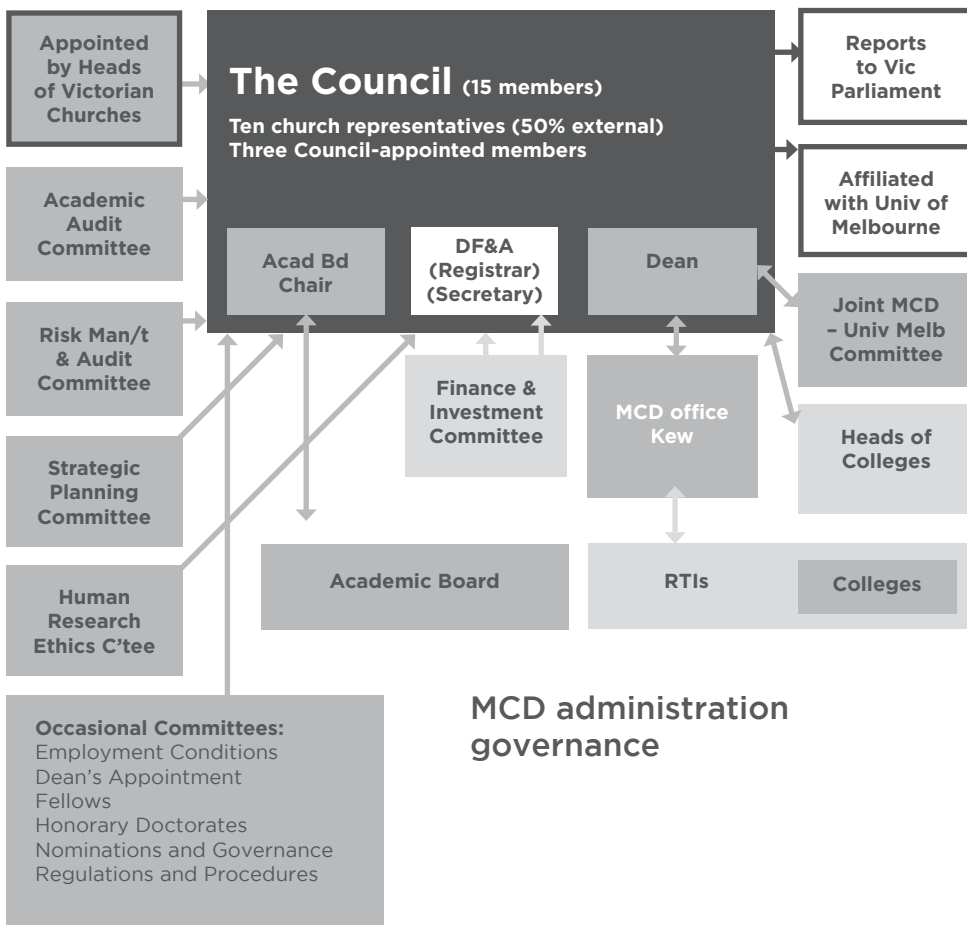
Quality and Compliance Manager

Ms Jit Li Au BSc PDM, manages the systems necessary to ensure MCD meets the compliance requirements of state and federal government agencies and maintains the MCD website.

MCD Council Committees

The Human Research Ethics Committee, the Academic Audit Committee, the Finance and Investment Committee, the Risk Management and Audit Committee, and the Strategic Planning Committee continued reporting to the Council. The H.F. Leatherland Committee, a joint body of the MCD and the Australian Academy of Liturgy, continues to meet annually to manage the Leatherland Trust funds.

In addition, the Dean’s Appointment, Regulations and Procedures, Capital Reserve Fund, Fellows, Honorary Doctorates, Employment Conditions, and Nominations and Governance Committees meet when necessary, and then report to Council. The following diagram illustrates this structure:



Meetings of Members

The number of meetings of the members of Council and of the Academic Board and Committees held during the year ended 31 December 2011, and the number of meetings attended by each member were:

Attendance Lists 2011

Council

Members	Meetings Attended	Meetings Held
Rev Dr Terry Curtin (Chair & President)	6	6
Prof Paul Beirne ¹	5	5
Prof Sheila Bellamy ¹	5	5
Dr Graeme Blackman	6	6
Emeritus Prof Peter Carpenter	3	6
Rev John Henderson ²	3	4
Rev Dr Michael Kelly ¹	1	2
Rev Dr Andreas Loewe ¹	4	5
Rev Dr Andrew Menzies	6	6
Mr Robert Morsillo	5	6
Rev Prof Christiaan Mostert ¹	4	5
Ms Sue Norman ¹	5	5
Mr Joel Plotnek ¹	1	2
Rev Dr Frank Rees ¹	4	5
Rev William Uren	5	6

Academic Board

Members	Meetings Attended	Meetings Held
Rev Dr Michael Kelly ¹ (Chair)	3	3
Prof Paul Beirne	5	6
Dr Frances Baker	5	6
Dr Mark Brett	5	6
Ms Eva Dabasy	4	6
Dr Janette Gray	1	4
Dr Peter Howard ³	0	3
Prof Anne Hunt	3	6
Dr Catherine McCahill	6	6
Prof Nilss Olekalns	0	6
Mr Jeffrey Reaney	5	6
Dr Peter Sherlock	6	6
Dr Sean Winter ⁴	2	6
In Attendance		
Dr Mark Lindsay, MCD Director of Research	4	6
Mr John Bartholomeusz, MCD Director of Coursework	5	6

Academic Audit Committee

Members	Meetings Attended	Meetings Held
Prof James McLaren (Chair)	5	5
Prof Paul Beirne	5	5
Rev Dr Michael Kelly ¹	2	5
Prof Constant Mews	3	5
Dr Anne Gardner	3	5
Mr Jeffrey Reaney	4	5

Strategic Planning Committee

Members	Meetings Attended	Meetings Held
Rev Dr Terry Curtin (Chair)	5	7
Prof Paul Beirne	7	7
Dr Graeme Blackman	7	7
Emeritus Prof Peter Carpenter	6	7
Rev Dr Frank Rees	5	7
Mr Jeffrey Reaney	7	7

Risk Management and Audit Committee

Members	Meetings Attended	Meetings Held
Mr Joel Plotnek (Chair)	3	4
Prof Paul Beirne	3	4
Rev Canon Dr Ray Cleary	2	4
Mr Stuart Gooley	3	4
Mr Ken Marshman	3	4
Mr Jeffrey Reaney	4	4

Finance and Investment Committee

Members	Meetings Attended	Meetings Held
Prof Sheila Bellamy (Chair)	8	8
Prof Paul Beirne	7	8
Mrs Tricia Lewis	8	8
Mr Francis Moore	8	8
Ms Sue Norman	7	8
Mr Jeffrey Reaney	8	8

Human Research Ethics Committee

Members	Meetings Attended	Meetings Held
Assoc Prof Rosalie Hudson (Chair)	4	4
Dr Mark Lindsay	4	4
Mr George Lopez	4	4
Ms Tunde Meikle	3	4
Dr Priscilla Robinson	4	4
Mrs Margaret Scarlett ⁶	1	3
Prof Fran McInerney	1	4

Regulations & Procedures Committee

Members	Meetings Attended	Meetings Held
Mr Jeffrey Reaney (Chair)	4	4
Mr John Bartholomeusz	4	4
Prof Paul Beirne	3	4
Dr Mark Brett ⁶	0	2
Rev Dr Michael Kelly ¹	1	1
Ms Jit Li Au	4	4
Dr Mark Lindsay	4	4
Dr James Potter	4	4

Employment Conditions Committee Capital Reserve Fund Committee

Members	Meetings Attended	Meetings Held
Revd Dr Terry Curtin (Chair)	1	1
Dr Mark Lindsay	0	1
Prof Paul Beirne	1	1
Mr Jeffrey Reaney	1	1

Members	Meetings Attended	Meetings Held
Revd Dr Terry Curtin (Chair)	1	1
Prof Paul Beirne	1	1
Dr Graeme Blackman	1	1
Prof Sheila Bellamy	1	1
Rev William Uren	1	1
Mr Jeffrey Reaney	0	1

Governance and Nominations Committee

Members	Meetings Attended	Meetings Held
Revd Dr Terry Curtin (Chair)	0	1
Prof Paul Beirne	1	1
Dr Graeme Blackman	1	1
Rev Dr Andrew Menzies	1	1

H.F Leatherland Committee

Members	Meetings Attended	Meetings Held
Rev Prof Robert Gribben (Chair)	1	1
Rev Tom Knowles	1	1
Dr Mark Lindsay	1	1

- 1 Leave of Absence granted.
Rev Dr Michael Kelly, member of the Council and Chair of the Academic Board, was on sabbatical for the second half of 2011).
- 2 Rev John Henderson began attendance of the Council on 29 June 2011, representing the Lutheran Church of Australia.
- 3 Dr Peter Howard resigned before the last Academic Board meeting of the year, and therefore was eligible only to attend 3 of the 6 meetings which were held.
- 4 Dr Sean Winter was overseas for several months in 2011.
- 5 Margaret Scarlett resigned before the last Human Research Ethics Committee meeting of the year, and therefore was eligible only to attend 3 of the 4 meetings which were held.
- 6 Dr Mark Brett, as Deputy Chair of the Academic Board, was invited to participate in two Regulations and Procedures Committee meetings in 2011.

Academic governance

The Academic Audit Committee reports to the MCD Council. It provides a 'quality conscience' for the MCD, ensuring consistency of attention to academic integrity and quality assurance across the College, including academic audits. The Committee consists of four persons external to the College, appointed by the Council, and one member appointed by the Academic Board, in addition to the Dean, the Director Finance and Administration (Registrar), and the Quality and Compliance Manager. All external members are persons recognised as having expertise in matters of academic quality assurance.

The Human Research Ethics Committee oversees the ethical conduct of research involving MCD researchers whose research includes research with human subjects. It reviews the ethics of research projects submitted by candidates for higher degrees by research and other awards of the College, or by other researchers the Council or Committee deems appropriate, and approves and monitors those projects. The Committee advises the Council and Academic Board regarding categories of research that merit ethical review and provides annual reports to the Council and to the *National Health and Medical Research Council*, through the *Australian Health Ethics Committee*.

Chairs of Examiners are appointed annually by the MCD Academic Board for each field of study; Humanities, Biblical Studies, Christian Thought and History, Theology: Mission and Ministry, and Ministry Studies. The Chairs of Examiners are responsible for the assessment of theses, and the moderation of coursework results, which are administered by the MCD Director, Finance and Administration (Registrar).

The Academic Board

The MCD Act established the Academic Board, which has two sub committees, Coursework Studies and Research. The Academic Board exercises oversight of academic programs and other academic affairs of the College and provides advice to the MCD Council on all such matters. It makes recommendations to the Council regarding instruction, studies, discipline, examinations, assessments, research, degrees, diplomas, certificates and other awards, and reports to the Council on all matters the Council submits to it. It prepares reports for the Council on proposals for regulations concerning courses of study before a regulation concerning a degree, diploma, certificate or other award is made, amended or revoked by the Council.

In accordance with the Act and the Regulations of the College, the Academic Board:

- determines the overall priorities and direction of teaching and research, as informed by the MCD Vision, Mission and Guiding Values Statement
- fosters and oversees academic relations between the MCD and other academic bodies
- establishes, oversees and reviews policies and procedures that promote academic excellence across the College
- ensures quality assurance in academic matters across the College, including compliance with statutory and legislative requirements
- advises the Council on the approval and review of Recognised Teaching Institutions
- conducts regular reviews of the awards of the College
- oversees the development and implementation of the MCD Learning and Teaching Management Plan, and of the MCD Research and Research Training Management Plan
- establishes, oversees and reviews academic policy and procedures, including admission to candidature, approval of credits and transfers, academic records, and academic grievances
- oversees the approval of teaching faculty and research supervisors
- oversees the approval of coursework units and research proposals
- oversees the appointment of examiners and the conduct of examinations
- certifies to the Council that the conditions prescribed for admission to degrees and awarding of diplomas and certificates of the College have been fulfilled, and on that basis recommends to the Council admission to those degrees and awarding of those diplomas and certificates
- through the Chair of the Academic Board, advises the Finance Committee on fees and payments associated with tuition, and on the dispersal of research funding
- oversees the award of academic scholarships and grants.



Membership of the Academic Board comprises:

The Chairperson, and the Deputy Chairperson, appointed by the Council on the recommendation of the Academic Board

The MCD Dean and the MCD Director, Finance & Administration (Registrar) (*ex officio*)

The Chairs of the Coursework Studies Committee and the Research Committee

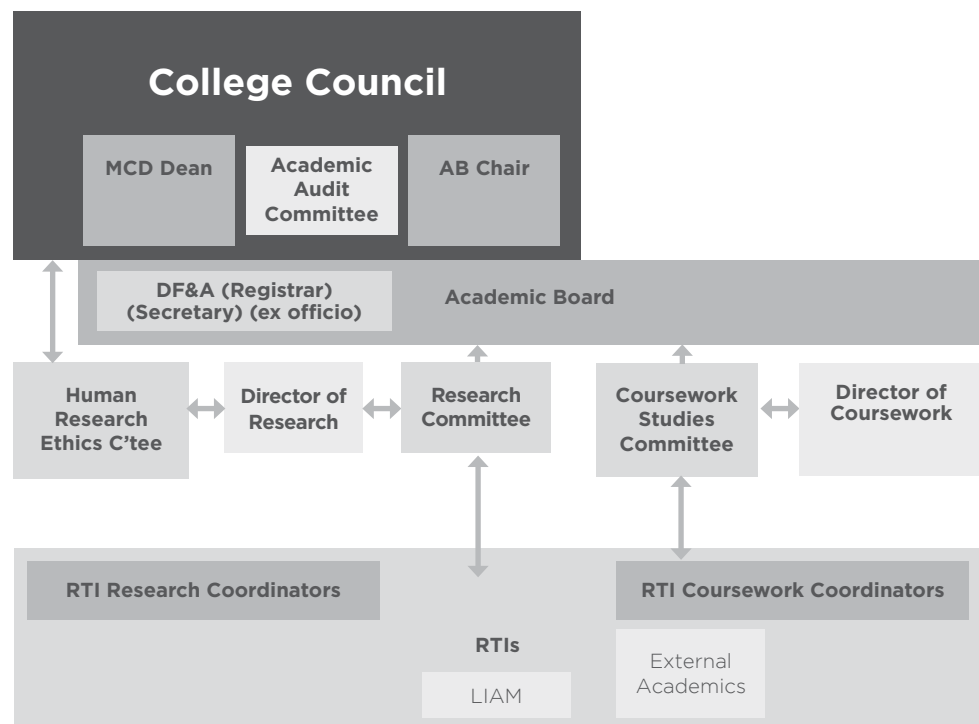
Three external members, co-opted by the Board

Three internal members, co-opted by the Board

One student member, co-opted by the Board

In attendance: MCD Director of Research and MCD Director of Coursework.

The following diagram illustrates the MCD academic governance.



MCD academic governance

Core business

The core business of the Melbourne College of Divinity is teaching, learning and research in Divinity and associated disciplines.

Awards

The College offers the following awards under the authority of the MCD Act:

	Theology	Ministry	Interdisciplinary
Diploma	Diploma in Theology ² Advanced Diploma in Theology ²	Associate Diploma in Ministry Diploma in Ministry Diploma in Ministry (Special) ¹ Advanced Diploma in Ministry Advanced Diploma in Ministry (Special) ¹	
Undergraduate	Bachelor of Theology Bachelor of Theology/ Bachelor of Arts (Monash) Bachelor of Theology (Hons)	Bachelor of Ministry	
Graduate	Graduate Certificate in Theology (Special) ³ Graduate Diploma in Theology (Special) ⁴ Graduate Diploma in Counselling	Graduate Diploma in Ministry	Graduate Certificate in Theology Graduate Diploma in Theology
	Master of Divinity Master of Divinity (Hons) Master of Theological Studies		
Postgraduate	Master of Arts (Special) ⁴		Master of Arts (Theology)
Research	Master of Theology Doctor of Theology	Master of Ministry Doctor of Ministry Studies	Master of Arts Doctor of Philosophy
Senior	Doctor of Divinity Doctor of Sacred Theology (<i>honoris causa</i>)		

1 Disciplines currently available as specialisations for the Diploma in Ministry and the Advanced Diploma in Ministry are: Pastoral Ministry, Philosophy and Social Justice.

2 Disciplines currently available as specialisations for the Diploma in Theology and the Advanced Diploma in Theology are: Counselling, Chaplaincy, Education, Pastoral Ministry, Philosophy, Social Justice and Youth Ministry.

3 Disciplines currently available as specialisations for the Graduate Certificate in Theology are: Educational Chaplaincy, Ignatian Spirituality, Liturgy, Pastoral Care, Religious Education, Spiritual Direction Supervision (Spiritual Direction) and Teaching Religious Education.

4 Disciplines currently available as specialisations for the Graduate Diploma in Theology (Special) and the Master of Arts (Special) are: Biblical Studies, Church History, Educational Chaplaincy, Faith Leadership, Liturgy, Ministry Studies, Missiology, Moral Theology, Pastoral Care, Philosophy, Religious Education, Social Justice, Spiritual Direction, Spirituality and Systematic Theology.

Research

Research: Overview

In 2011, the MCD continued its strong track record of producing high quality research, particularly through publications and conferences, and its higher degree by research programs. Despite strong competition from a growing number of public universities and private higher education providers, the MCD has remained one of the leading institutions for enrolments in higher degrees by research, in the fields of Theology, Divinity and Religious Studies, across the entire Australian higher education sector. The ERA outcomes, noted below, illustrate the strength of the MCD's research quality in the narrow field within which our academic staff operate.

A thriving research community continues to grow steadily at the MCD, building upon and enhancing the international reputation that has been established throughout the last one hundred years. That the MCD has been successful in gaining approval to operate as Australia's first specialised university is, in significant part, attributable to the history of high quality research which has been produced by academic staff and research students alike.

One of the major reasons for MCD's strong position is the Commonwealth funding for research it has received since 2002. In 2011, the MCD received funds from the Joint Research Engagement Scheme, Research Training Scheme, Australian Postgraduate Awards and International Postgraduate Research Awards. Systematic policy development and planning has supported the strategic and equitable disbursement of these funds, through the Grants and Scholarships Working Group of the MCD Research Committee. In 2011, MCD awarded 3 new APAs and 1 new IPRS, to fund a total of 10 APA students, and 4 IPRS students. (See also under Research Grants and Linkages.)

Personnel and Governance

MCD's research activity, including that undertaken by both academic staff and postgraduate research students, is overseen by the Director of Research, who works closely with the MCD Research Committee. In addition, the 7 Recognised Teaching Institutions (RTIs) of the MCD which conduct research have their own 0.2 FTE Research Coordinators, who collaborate with the Director of Research to encourage faculty and postgraduate research. This cooperation between the central MCD administration and the RTIs is crucial to maintaining the overall research profile.

The MCD Director of Research is a member of the Australian Council of Deans and Directors of Graduate Studies. Pleasingly, and by virtue of the MCD's approval to commence operations as a Specialised University from 1 January 2012, the MCD was granted full membership of DDoGS in September 2011.

The Director has been assisted by the Research Students' Support Officer, and the Repository Officer. In October 2011, the position of Research Students' Support Officer was renamed Research Services Officer, to better encompass the range of activities undertaken by that person. A new appointment was made in October, with the appointee commencing work in late November.

In December 2010, the MCD appointed Professor Bernard Muir FAHA as a research grant consultant. Professor Muir has worked throughout 2011 with academic staff and HDR students, particularly to advise on and shepherd competitive research grant applications. (See also under *Research Grants and Linkages*.)

Course Reviews

Following the comprehensive review of the Advanced Ministry Studies programs in 2009-2010, a review of the two research masters courses, the Master of Arts and the Master of Theology, was conducted in 2011.

Recommendations arising from that review include the simplification and standardisation of entry criteria, and the replacement of the Master of Arts with a Master of Philosophy (MPhil), as a more appropriate pathway to the PhD. This aligns with similar initiatives being undertaken at a number of other Australian universities.

In 2012, a review of the PhD and Doctor of Theology (DTheol) will be undertaken.

Negotiations with the Federal Government

In March, the MCD participated in roundtable discussions with representatives from DIISR and the ARC to finalise the mission-based compact between the MCD and the Commonwealth Government. In these negotiations, the role of research within the MCD's institutional profile was of key importance, particularly in the setting of agreed indicative targets for research activity between 2011-2013. As part of the Government's wider Research Workforce Strategy, the Director of Research has also been involved in sector-wide discussions with the Commonwealth Government on a review of the Research Training Scheme.

Report on Excellence in Research Australia (ERA)

After a successful submission for the 2010 ERA initiative, for which the MCD was given a rating of 3—performing at **world standard**—in its assessed Field of Research (2204), Religion and Religious Studies, the MCD has made steady progress in its preparations for ERA 2012. The Director of Research attended ERA preparation conferences and workshops with other DVC(R)s, run by DEEWR and the Council for Humanities, Arts and Social Sciences, to ensure that the MCD is strategically positioned for an excellent submission in 2012. As part of this preparation, the MCD appointed in October 2011 a new Research Services Officer, who has excellent experience in ERA submissions at a large public university.

The MCD is particularly determined to maximise its performance in ERA 2012, given that ERA results will begin to drive funding allocations from 2013.

Research Grants and Linkages

Funded research activity is central to the ability of MCD academic staff and HDR students to carry out their research projects. To this end, the Grants and Scholarships Working Group of the Research Committee met

four times during 2011 to allocate competitive research grants, in three major categories: seed funding for small research projects; conference travel grants; library research acquisitions. In all, \$120,000 was allocated throughout 2011. (See also below under *Faculty and HDR Student Research*.)

The MCD is also actively collaborating in research and research training programs with institutions throughout Australia and around the world, including in competitive research grant applications.

Under the guidance of Professor Muir, three members of academic staff submitted ARC Discovery Grant applications in the March 2011 round, for funding to commence in 2012. One other researcher submitted a Discovery Early Career Researcher Award (DECRA) application in the May 2011 round, for funding to commence in 2012. While none of these applications was ultimately successful, the MCD is aware that the first step in increasing our competitiveness is to boost the number of academic staff applying for research grants. To that end, the MCD has been encouraged by the growing interest in pursuing competitive research grants.

The MCD was named as a Collaborating Organisation in a successful ARC Linkage Project grant, for funding for three years from 2011-2013, for a project entitled *Imagining Poverty: conceptualising and representing poverty and the poor in mendicant inspired literature, preaching and visual art 1220-1520*. One member of academic staff is listed as a Chief Investigator and one MCD post-doctoral student is included as a research assistant for this project, in which the MCD is collaborating with Monash University, the University of WA, and the Dominican and Franciscan Friars. This is the first time that the MCD has been part of a successful ARC project. It is hoped that this participation will not only assist in unlocking a modest amount of Research Infrastructure Block Grant funding, but more importantly will help leverage other funded research projects.

The MCD has also continued to collaborate with:

- University of Melbourne: the MCD is affiliated by statute with the University of Melbourne; MCD research students and supervisors are able to access seminars and workshops that are run by the Melbourne School of Graduate Research; a number of MCD academic and administrative staff hold honorary research fellowships at the University, and some Melbourne staff act as co-supervisors for MCD research students
- Australian Catholic University: in September 2011, the MCD and ACU jointly sponsored a second annual Postgraduate Conference in Theology and Philosophy, that also included research students from Charles Sturt University, the Australian College of Theology, and the Sydney College of Divinity
- Christian Research Association, with which the MCD has been exploring the possibility of entering into a more formalised partnership
- International Syriac Language Project, incorporating: MCD, Cambridge University, Vrije Universiteit (Amsterdam), University of Münster, Catholic University of America, Bar Ilan University (Israel), Peshitta Institute Leiden

The MCD was the lead institution in a submission for Collaborative Research Network funding with the University of Melbourne, Monash

University, ACU and Charles Sturt University. The application was unsuccessful. However, each of the participating institutions has agreed to continue to explore collaborative projects with each other.

Research Performance

Table 1:

New Enrolments for HDRs 2009-2011

Beginning	Doctoral	Masters Research	Total
2009 (semester 1)	7	10	17
2009 (semester 2)	1	5	6
2009 (total)	8	15	23
2010 (semester 1)	3	2	5
2010 (semester 2)	6	7	13
2010 (total)	9	9	18
2011 (semester 1)	7	7	12
2011 (semester 2)	1	5	6
2011 (total)	8	12	20
Upgrading masters to doctorate 2011			0

Table 2:

Comparative Enrolment Numbers for HDRs, 2007-2011

		2007	2008	2009	2010	2011
MA	(P/T)	33	19	13	11	12
MA	(F/T)	2	10	5	9	5
MA	(Total)	35	29	18	20	17
MMin	(P/T)	8	4	3	n.a.	n.a.
MMin	(F/T)	0	1	1	n.a.	n.a.
MMin	(Total)	8	5	4	n.a.	n.a.
MTheol	(P/T)	36	26	22	16	12
MTheol	(F/T)	3	8	10	8	4
MTheol	(Total)	39	34	32	24	16
DMinStuds	(P/T)	23	16	15	10	7
DMinStuds	(F/T)	1	1	1	1	1
DMinStuds	(Total)	24	17	16	11	8
PhD	(P/T)	12	18	14	13	14
PhD	(F/T)	15	14	17	17	18
PhD	(Total)	27	32	31	30	32
DTheol	(P/T)	11	7	8	11	12
DTheol	(F/T)	13	10	7	8	11
DTheol	(Total)	24	17	15	19	23
Students	(Total)	157	134	116	104	96

Table 2a:

Comparative Enrolment by EFTSL for HDRs

Year	2007	2008	2009	2010	2011
EFTSLs	86.334	71.167	68.000	61.500	56.041

Table 3:
Higher Degree by Research completions 2010

Degree	Conferred 12 May 2011	
	Attending	In absentia
Master of Arts	3	2
Master of Theology	6	4
Master of Ministry	0	1
Doctor of Philosophy	6	0
Doctor of Theology	0	0
Doctor of Ministry Studies	3	0
Total (25)	18	7

There was a decline in the number of students enrolled in Higher Degrees by Research (HDRs), from 105 in 2010 to 102 in 2011. There was a corresponding decrease in EFTSLs in HDR programs from 2010 to 2011, reflecting the increasing popularity of part-time candidature. One reason for the decrease in enrolments in recent years has been the much improved completion rates of MCD research students. Between 2009-2011, a total of 80 students have been awarded higher degrees by research at the MCD conferral ceremonies, 31 of whom have been doctoral graduates. It has also been encouraging to note that the PhD program has continued to increase in popularity, more than doubling its enrolments since 2005.

Table 4:
Research funding: Industry Funding and Government Funding

MCD commenced reporting Industry Funding, through the Higher Education Research Data Collection (HERDC) in 2004, and consequently receiving the following funding.

Funding Category	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$	2008 \$	2009 \$	2010 \$	2011 \$
IGS	143,387	154,082	175,875	200,499	222,474	215,578	209,100	-	-
JRE	-	-	-	-	-	-	-	284,282	312,212
RTS	92,366	99,218	253,744	371,826	508,950	574,860	584,091	582,121	636,299
CTS	-	-	-	-	20,810	21,226	21,671	22,126	-
IAPS	-	-	-	-	26,275	52,634	53,572	22,473	-
ASHER	-	-	-	-	118,217	235,863	169,141	-	-
APA	87,568	153,071	184,898	174,634	173,942	151,098	142,157	172,427	257,728
IPRS	11,292	15,828	20,868	12,268	65,888	55,461	54,737	56,015	61,633
SRE	-	-	-	-	-	-	-	200,000	-
Total Govt. Research Funding	334,613	422,199	635,385	759,227	1,136,556	1,306,720	1,234,469	1,339,444	1,267,872
Industry Funding		1,009,907	1,518,336		2,035,968	1,867,899	1,785,404	1,711,144	1,923,315

Research funding: Industry Funding and Government Funding

The MCD has received Commonwealth Government funding for research since 2002, with a 393% increase in that funding for the period 2002-2011. Industry funding has been reported through the Higher Education Research Data Collection (HERDC) since 2004. The MCD's primary industry partners are the sponsoring churches and religious orders, and these institutions provided \$1,923,315 for research in 2011.

In consultation and with the cooperation of all the MCD member institutions, a process has been established to ensure compliance with the HERDC Guidelines and similarly to ensure that all industry funding received by the MCD is acknowledged and recognised appropriately on behalf of the industry partners. This funding enables the MCD to continue to foster and develop the quality of the research at the College and to improve the services offered to both staff and students in the pursuit of their research.

Faculty and HDR Student Research

MCD faculty members are very active in research and are supported in this by the MCD Research Office. In addition to the provision of study leave by the Recognised Teaching Institutions, the MCD disburses conference and small grants funds to faculty members for individual and team research projects. Conference travel grants are available also to Higher Degree by Research students. In total, 24 faculty and HDR students were funded to attend and present papers at conferences during 2011, and 8 faculty small grants were approved. All of the theological libraries associated with the MCD received significant funding from MCD research monies to support research acquisitions, to a total of \$43,933. Research supervisors are also funded for supervision responsibilities.

In 2012, the guidelines for HDR conference travel will be revised, to allow funding for research students to undertake archival work in significant collections which are held interstate or overseas.

Various training and support seminars were held for faculty throughout the year, including a Research Supervisors Training Session. The Research Repository Officer also conducted on-site training to academic staff at the RTIs. Postgraduate and doctoral research seminars were held throughout the year, providing a forum in which HDR students were able to present their research to peers and faculty. In September, the MCD and the Australian Catholic University jointly sponsored a second annual Postgraduate Conference for Theology and Philosophy.

The funding provided through Commonwealth Government research funds is of significant assistance in strengthening the MCD research culture. The table below demonstrates the upward trend in research productivity of academic staff and HDR students, as measured by HERDC returns.



*Table 5:
Faculty Unweighted Research Publications, 2005-2010*

2005	2006	2007	2008	2009	2010
33	41	46.06	57.18	59.5	52

Human Research Ethics Committee

The MCD HREC met 4 times in 2011 and considered 14 new applications. Of those 14 applications, 3 research proposals went before the meetings of the full Committee for approval of ethical clearance. The remaining applications were for projects substantially based on the published works and/or other material in the public domain and thereby required ethical notification, but not clearance. There was 1 application in 2011 that was denied ethical approval, with a request for revision and resubmission.

Coursework

MCD offers a wide variety of undergraduate and postgraduate courses. The Coursework Studies Committee reports and makes recommendations to the Academic Board on the Bachelor of Theology, the Bachelor of Ministry, the Associate Diploma in Ministry, the Diploma in Ministry and the Advanced Diploma in Ministry, the Diploma in Theology and the Advanced Diploma in Theology, the Graduate Certificate and Graduate Diploma in Theology, the Graduate Diploma in Counselling, Master of Divinity, Master of Theological Studies and Master of Arts (coursework mode) degrees and the Graduate Diploma in Ministry, including the monitoring of the teaching and examination of these awards.

The Director, Finance and Administration (Registrar), on behalf of the Chairs of Examiners, reported that examinations for the year 2011 had been conducted in accordance with the Regulations and Procedures of the College.

Enrolment Statistics

The following table lists undergraduate enrolments for 2011

Undergraduate Coursework	Part-time	Full-time	Total students	Total EFTSL	Total units
Ass Dip Min	37	1	38	12.625	101
DipMin	58	10	68	23.000	183
Dip Theol	88	1	89	13.875	111
Adv Dip Min	41	24	65	39.375	315
B Min	4	17	21	10.150	89
B Theol	266	160	426	219.280	1758
B Theol (Hons)	4	3	7	2.875	22
Total	498	216	714	321.180	2579

The following table lists postgraduate coursework enrolments for 2011

Postgraduate Coursework	Part-time	Full-time	Total students	Total EFTSL	Total units
Grad Cert	143	6	149	40.572	318
Grad Dip Theol	270	13	283	93.392	549
Grad Dip Couns	1	0	1	0.167	1
Grad Dip Min	6	0	6	1.500	9
MA (Theol)	54	8	62	21.170	122
MDiv	90	21	111	51.635	309
MTS	66	30	96	42.411	244
Total	630	78	708	250.847	1552

The following table lists Higher Degree by Research enrolments for 2011

Postgraduate Research	Part-time	Full-time	Total students	Total EFTSL
MA	12	5	17	8.083
MTheol	12	4	16	7.458
DMinStuds	7	1	8	3.250
PhD	14	18	32	22.750
DTheol	12	11	23	14.500
Total	57	39	96	56.041

MCD Student Enrolment Summary 2011

	Coursework	Research
Full Time	294	39
Part Time	1128	57
Total	1422	96

Total number of students 1,518

Conferral Ceremony

The annual ceremony at which the College confers degrees and awards diplomas and certificates was held on May 12, 2011 in Wilson Hall, the University of Melbourne.

The graduation address was delivered by Professor Richard James, Pro Vice-Chancellor (Participation and Engagement) and Director, Centre for the Study of Higher Education, the University of Melbourne.

The number of awards conferred was as follows:

Associate Diploma in Ministry	14
Diploma	20
Advanced Diploma	18
Bachelor of Theology	74
Bachelor of Theology (Hons)	3
Graduate Certificate	63
Graduate Diploma	68
Master of Divinity	14
Master of Divinity (Hons)	2
Master of Theological Studies	28
Master of Ministry	1
Master of Arts (Theology)	13
Master of Arts	5
Master of Theology	10
Doctor of Ministry Studies	3
Doctor of Philosophy	6
Doctor of Theology	0
Doctor of Sacred Theology	0
Total	342

Future initiatives

The following initiatives are planned in relation to MCD University of Divinity:

- To appoint a Chancellor, Deputy Chancellor and Vice-Chancellor in early 2012
- Under the direction of Council and in cooperation with State Government legislators, to make appropriate changes to the MCD Act (1910) to incorporate the change of title to the institution and to its senior officeholders
- To embed MCD University of Divinity within the University sector
- To maximise federal funding for research, both in terms of Research Block Grants such as Sustainable Research Excellence, Joint Research Engagement, Australian Postgraduate Awards, International Postgraduate Research Scholarships, Research Training Scheme, and particularly in terms of remaining an eligible institution for submissions to the Australian Research Council
- To lift the institution to the next level of excellence academically, administratively, and structurally, without denigrating what we have done, or are doing. It is important for the Institution to keep aiming upwards, and being recognised as a specialised university will require a lift in expectations, precisely because it will generate an increased external expectation of what we do and who we are
- To recruit national and international scholars and students to MCD University of Divinity, and to establish relations with reputable

overseas universities and research institutions

How MCD University of Divinity plans to support these initiatives

- Ensure that the Strategic Planning Goals and Annual Operational Plan are sustainable and achievable
- Continue to collaborate in cooperative research projects with the University of Melbourne, Monash University, Australian Catholic University, and other appropriate universities and Higher Education Providers, as well as with the Christian Research Association
- Establish international links and exchange programs with leading overseas universities
- Successfully nominate lecturers for ALTC Excellence in Teaching Citations
- Continue judicious expansion of the Institution to incorporate like-minded theological colleges
- Continue to train and recruit world class teachers and researchers in Divinity and its related disciplines
- Work in close cooperation with MCD University of Divinity's 'industry partners', the Christian churches, to educate and train highly qualified ministers of religion and laity
- Continue the excellent tradition of community engagement by faculty and students in a wide variety of settings

Risk Management

The Risk Management and Audit Committee met four times in 2011. In addition, a combined meeting of the Risk Management and Audit Committee and the Finance and Investment Committee took place on March 3 to consider the 2010 Financial Accounts and Statements prepared for the Auditor.

On considering the Financial Accounts and Statements, the auditor stated that no adjustments were required to significant figures.

In addition to considering any risks associated with the change of status to that of a Specialised University, the Committee undertook the following tasks:

- The Committee received reports from the Director, Finance & Administration (Registrar) in relation to meetings of the MCD Occupational Health & Safety Committee, which incorporated reports of Occupational Health & Safety provisions at MCD Recognised Teaching Institutions. The Committee also reviewed the minutes of OH&S Committee meetings and assessed the adequacy of management's response
- The Committee received a report on the Higher Education Research Data Collection (HERDC) Audit, the MCD Managing Change Policy, and reviewed responses from RTIs in relation to MCD Financial Alert Protocols
- The Dean and the Director, Finance & Administration (Registrar) conducted a review and updating of the MCD Risk Matrix with the assistance of a member of the Risk Management and Audit

Committee with experience and expertise in this area

- The Committee also received progress reports from the Director, Finance & Administration (Registrar) in relation to the finalisation of MCD central administration staff contracts to accord with the provisions of the Fair Work Act
- The Committee worked closely with the Finance and Investment Committee and RTI Business Managers to ensure the immediate and long-term financial viability of the College as it proceeded toward Specialised University Status

Support services

Occupational health and safety

Each MCD member institution is responsible for the development and application of an Occupational Health and Safety Policy. Each RTI audit provides the opportunity for member institutions to review the safety of the buildings, the provision of access for all people, and the awareness of staff regarding occupational health and safety issues.

All occupational health and safety issues at MCD Kew Central Administration, including access and potential hazards, are monitored regularly by the MCD Occupational Health and Safety Committee.

All furniture at the MCD Kew Office meets OH&S requirements, including desks, seating, heating/cooling, lighting and computers. All staff have LCD monitors for their computers.

No occupational health and safety incidents were reported in 2011 at the MCD Central Administration office. An extensive refurbishment of the premises and surrounds during 2011 eliminated several hazards that had the potential to affect staff.

Provision for disabled students and staff

Facilities at the MCD Kew Office accommodate people with movement disabilities. Where required, student business is conducted on the ground floor, and meetings are transferred to a meeting room in the neighbouring church facility when necessary.

In the member institutions, students with special needs are asked prior to enrolment to consult with the Dean concerned, so that they can be accommodated as far as possible.

Recordkeeping

The comprehensive student records database TAMS (Theological Academic Management System) is reviewed regularly. All member institutions use TAMS as their primary student records database. A contract was signed in 2011 with the State Library of Victoria, by which certain MCD historical records will be housed at the State Library. MCD will, however, retain ownership of the records.

MCD: the people

Student support

Student support is primarily a matter for the RTIs and their constituent colleges, who continue to create communities of scholarship for students and staff. Feedback from MCD internal audits show a high degree of student satisfaction, facilitated not only by community events but class sizes usually less than 20, and academic staff who take considerable interest in promoting a climate of learning. Each RTI Handbook includes a section informing students of their rights.

Most of the international students the MCD enrolls are recommended and sponsored by a church or similar body in their own country, and the students have support from a church or similar community in Australia during their stay. Few MCD international students are under 30 years of age and most are effectively postgraduates in terms of their theological education. Pastoral and academic support is offered to all international students in accordance with the standards set down by the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (National Code 2007). Each RTI provides support for their coursework international students. Supervisors and MCD administration staff deliver support for international students enrolled in higher degrees by research. MCD Research Office maintains regular communication with all of its HDR international students, inviting them to research seminars, postgraduate student information days and other networking opportunities. Every RTI has put in place arrangements for tutoring students who need to improve their English language skills.

MCD is compliant with the requirements of the Education for Overseas Students Act 2000 and the National Code 2007. MCD Central Administration is responsible for processing international student admissions, reporting to government authorities and making timely ESOS payments.

Workplace data and staffing

All MCD member institutions employ staff independently, while MCD Central Administration employs the staff based at the office in Kew. In 2011 there was 13 staff employed at Kew, equivalent to 12.06 fulltime. Each staff member receives a Letter of Appointment, describing the terms and conditions of their appointment, which specifies a probationary period of three calendar months. Consistent employment contracts were signed by all staff from 1 January 2011, in which conditions and remuneration generally follow the HEW or academic



staff levels of the University of Melbourne Collective Agreement 2010, with an additional 5% employer contribution to superannuation. Each staff member at the Central Administration completes a regular annual review, managed by the Dean or the Director, Finance and Administration (Registrar).

All other MCD staff, including teaching, administrative, library and support staff, are employed by the MCD RTIs. There are also external research supervisors with no institutional relationship to the colleges. The College continues to address the issue of staff succession planning.

The MCD is not an entity in the public sector; however, no situations arose during 2011 which would have brought MCD employees into conflict with the principles of conduct for public sector employees set down in the PSMEA.

Academic Staff

MCD academic staff are employed by the RTIs of the College. No person, including external HDR supervisors, who is not employed by a RTI of the MCD, is permitted to teach, supervise, examine for any MCD award, or for any unit which contributes to an MCD award, without the approval and permission of the Academic Board.

Of the 113 academics who held full-time or fractional appointments within the RTIs in 2011, 68 held Doctorates, while 25 held Masters degrees or the equivalent.

There are numerous avenues by which academic staff are encouraged to interact with each other and with the MCD Central Administration, and to provide feedback. Each November, the Dean of the MCD convenes a Staff Consultation Day, while Chairs of Examiners organise Field meetings for academic staff in the respective discipline groups. In addition, there are regular departmental meetings in each RTI, and key academic staff are active on the MCD Academic Board, the two Committees of the Board, as well as various other MCD working groups.

The recruitment, review and development of faculty are the responsibility of teaching colleges, each of which currently provides for an annual review and study leave. The MCD Central Administration does not advise on staff recruitment, since the Colleges seek to employ staff on the basis of their own needs, and those of their supporting bodies. As is common throughout the Higher Education sector, succession planning was discussed actively in 2011, not least as one consequence of MCD's application for Specialised University status.

MCD academic staff are strongly encouraged to be research active, and a large number of faculty members were funded by the MCD Grants and Scholarships Working Group to undertake research projects, or speak at major international academic conferences.

MCD Faculty Profile

Age	31-40	41-50	51-60	61-70	71-80	Over 80
Bachelor	3	2	3			
Postgraduate/ Graduate Diploma	1	2	1	1		
Master	1	2	6	14	2	
Doctor	2	10	21	24	10	1
Other Degrees		1		2		
No Information				3	1	
Total	7	17	31	44	13	1

Grievances

The MCD Grievance Policies, and Harassment Policies and Procedures as approved by DEEWR, are listed on the MCD website and are also made available at RTI and College administration offices.

In 2011 no staff or student grievances were referred to the Ombudsman.



Other statements of compliance

Publications and promotion

During 2011 the MCD continued to be the primary sponsor of the peer reviewed international journal *Pacifica: Australasian Theological Studies*.

MCD faculty and staff prepare and publish annually a list of publications, which meet the DEEWR definition of research.

The regular process of keeping member churches and the wider public informed about courses, enrolments and public lectures continued, with publicity initiated both from the Central Administration and from each RTI. As the public portal, the MCD website is the foundation of all aspects of the promotion of the College, the academic programs, the personnel, regulations, procedures and special events. Four editions of the MCD eLetter were emailed during 2011, in addition to a Research Newsletter each quarter.

To support their own individual promotional activities, each MCD member institution produces a wide range of brochures and publications. The MCD website links Central Administration with all the member institutions and each one to the other.

Environmental performance

The staff and member institutions of the MCD are very cognisant of environmental issues, and are committed to living as stewards of God's creation. This commitment is reflected in the way buildings are designed and used for teaching and for research. The MCD operates as a network of member institutions with the Central Administration Office occupying leased premises, which were extensively refurbished in 2011. The MCD recognises that some buildings raise challenges for improving environmental performance. The Central Administration continues to monitor use of paper, the disposal of recyclable waste, and the process of providing an office environment conducive to harmonious and productive results.

Fees

Non-academic fees levied by MCD during 2011 were \$150 for graduands attending the Conferral ceremony, the application fee for international students and for those applying for the Graduate Diploma in Counselling and the Graduate Diploma in Spiritual Direction was \$180. In accordance with the relevant DEEWR ruling regarding the latter these are the only two approved courses for which application fees were charged.

Fees for 2011 were increased by 10%. Payments to RTIs, supervisors and libraries increased in line with the fee increases.

Permission was granted by DEEWR to continue charging international students fees that are below the required “minimum indicative fees” (MIF).

Tuition Fees for 2011

Undergraduate awards (Associate Diploma of Ministry, Diploma of Ministry, Advanced Diploma of Ministry, Bachelor of Theology)

Tuition	\$981	per 15 point unit
	\$654	per 10 point unit
	\$327	per 5 point unit

Graduate awards (Graduate Certificates, Graduate Diplomas, Master of Theological Studies, Master of Divinity, and Master of Arts in Theology)

Tuition	\$1308	per 15 point unit
	\$872	per 10 point unit
	\$436	per 5 point unit

Masters Degrees by Research (Master of Theology, Master of Arts, Master of Ministry)

Fulltime	\$2616	per semester
----------	--------	--------------

Doctorates (Doctor of Philosophy, Doctor of Ministry Studies, Doctor of Theology)

Fulltime	\$5054	per semester
----------	--------	--------------

Other fees for 2011

The application fee for Conferral was \$150 for *in persona*.

Payments for 2011

To MCD Kew (UG fee)	\$142	per 15 point UG unit
To RTIs for teaching	\$872	per 15 point unit
	\$581	per 10 point unit
	\$291	per 5 point unit
To libraries	\$65.40	per 15 point graduate unit, with \$98.10 minimum per graduate student
5%		of research fees, theses less than 40,000 words
7.5%		of research fees, theses of 40,000 words or more
To Masters' supervisors	\$589	per semester (part-time minor thesis, up to 4 sem)
[Minor - 30% of tuition]	\$1177	per semester (full-time minor thesis, up to 2 sem)
[Major - 35% of tuition]	\$687	per semester (part-time major thesis, up to 4 sem)
	\$1373	per semester (full-time major thesis, up to 2 sem)
To doctoral supervisors	\$1327	per semester (part-time, up to 12 semesters)
[35% of tuition]	\$2653	per semester (full-time, up to 6 semesters)
Note: payment to supervisors is augmented over tuition by 50% from Research Committee funding, which is dependent on DIISR funding.		
To examiners	\$131	(1/10 PG unit fee: 6,000 word essay)
	\$163	(1/8 PG unit fee: Panels, 10-12,000 word essays)
	\$327	(1/4 PG unit fee: 25-30,000 word theses)
	\$436	(1/3 PG unit fee: 40-50,000 word theses)
	\$654	(1/2 PG unit fee: 80-100,000 word theses)
	\$218	(1/6 PG unit fee: doctoral Oral Defence)

The following table indicates the fee for each award for 2011, the payments to RTIs, supervisors and libraries.

MCD tuition fees 2011:

TUITION FEES AND PAYMENTS 2011						
MCD Award	Full-time 2011 fee	Total cost of the award	Paid to RTIs	Paid to supervisor (+ 50% supplement from Research Funds)	Paid to Library (total)	Paid to examiners
BTheol	\$7,848	\$23,544	\$20,136			
BTheol (Hons)	\$5,886	\$29,430	\$25,170			
Dip Min	\$7,848	\$15,696	\$13,424			
Adv Dip Min	\$7,848	\$23,544	\$20,136			
BTheol/DipMin	\$7,848	\$31,392	\$26,848			
BTheol/ AdvDipMin	\$7,848	\$35,316	\$30,204			
GradCert	\$3,924	\$3,924	\$2,616		\$196	
Grad Dip Theol	\$7,848	\$7,848	\$5,232		\$392	
GradDipCouns	\$7,848	\$9,810	\$5,232	\$1,962	\$392	
GradDipMin	\$8,502	\$8,502	\$5,232		\$392	
MTS	\$6,540	\$13,080	\$8,720		\$654	
MDiv	\$7,848	\$23,544	\$15,696		\$1,172	
MA(Theol)	\$5,232	\$7,848	\$5,232		\$392	
MA: 2 units, minor thesis	\$5,232	\$7,848	\$1,744	\$2,344	\$392	\$654
MA: major thesis	\$5,232	\$7,848	\$0	\$4,119	\$589	\$872
MMin	\$5,232	\$7,848	\$872	\$2,344	\$392	\$654
MTheol: 2 units, minor thesis	\$5,232	\$7,848	\$1,744	\$2,344	\$392	\$654
MTheol: major thesis	\$5,232	\$7,848	\$0	\$4,119	\$589	\$872
DMinStuds	\$10,108	\$30,353	\$3,488	\$10,613	\$1,516	\$1,744
PhD	\$10,108	\$30,324	\$0	\$15,918	\$2,274	\$1,962
DTheol	\$10,108	\$30,324	\$0	\$15,918	\$2,274	\$1,962

Providing the eligibility criteria are met, all MCD students are eligible for FEE-HELP Funding. Austudy is available to students who meet the eligibility criteria, including designated courses. Research students may be eligible for assistance for Research Training Scheme funds, Australian Postgraduate Awards and International Postgraduate Research Scholarships; specific criteria apply to each type of funding.

In 2011 the annual tuition fees paid by a full-time overseas student were \$8,248 for undergraduate and postgraduate coursework degrees; \$8,248 for masters research degrees and \$10,508 for doctoral research degrees.

Financial

The MCD Central Administration manages funds for the Central Administration only. The MCD RTIs employ their own staff and similarly manage their own finances. The main budget responsibility of the MCD Finance and Investment Committee relates to the budget of the Central Administration and does not include the budgets of the member



institutions. The Finance Manager, working with the Finance Department, is responsible for the collection of fees for postgraduate courses, managing FEE-HELP, and all payments which support the academic and research programs of the institution. The financial administration of the MCD, including the preparation and monitoring of the budget, is the responsibility of the Honorary Treasurer and the Director, Finance and Administration (Registrar), working with the Finance and Investment Committee, which reports to the MCD Council. The Committee met ten times during 2011 including one meeting with the auditors together with the Risk Management and Audit Committee and two meetings with Business Managers of the Recognised Teaching Institutions. The Finance Manager prepares the budget and all papers necessary for these two committees to meet their obligations.

In order to improve communication on a broad range of common issues the Finance and Investment Committee continued to meet twice a year with the RTI Business Managers, in May and November 2011. Strict compliance to DIISR and DEEWR guidelines and procedures and the involvement of the RTI Business Managers in this process, has resulted in wider understanding of not only the operations of each of the member institutions' finances, but also of the reporting mechanisms and obligations to the Federal Government.

In 2011 the MCD received research funding from DIISR and funding to award six additional Australian Postgraduate Awards and one additional International Postgraduate Research Scholarship. All such funds were allocated according to the DIISR guidelines of each scheme, which was subsequently reported to DIISR.

MCD received \$527,000 in 2009 from the Teaching and Learning Capital Fund of the Federal Government. These funds were recognised as income in the 2009 Financial Statements and transferred to a Reserve for expenditure in 2010 and 2011. The first approved project to be undertaken in 2010 was the establishment of a wireless internet network throughout the MCD. The second approved project was the renovation and refurbishment of the building occupied by the MCD Central Administration; building works commenced in November 2010 and were completed by mid 2011.

All public funds allocated to MCD have been applied to the purposes specified by the Government or other public funding body and MCD has complied with all reporting requirements.

Assisted by comprehensive management accounting reports prepared monthly for the Finance and Investment Committee and the Council,

the Dean and the Director, Finance and Administration (Registrar) monitored the expenditure of the MCD Central Administration. In 2011 ongoing employment expenses increased by 15.4% other expenses increased by 18.9%.

The MCD Central Administration has funds invested with the Uniting Church in Australia Growth Fund. The market value of these investments was \$593,158 at 31 December 2011 compared to \$707,795 at 31 December 2010.

The 2011 audited financial statements record a surplus of \$90,209. This surplus is arrived at after recognising significant non-operating items. These items are the decrease in the market value of investments (\$128,098) and Australian Government grants (\$77,210) which were received in 2011 but have not yet been spent. \$127,723 was recorded as expenditure in 2011 but the funding sources were received in previous years; this includes \$50,183 from the Teaching and Learning Capital funds for costs associated with MCD Kew renovations (excluding capitalised expenditure) and \$63,040 for research expenditure from the Sustainable Research Excellence funds received in 2010. If these items are excluded from the reported surplus, the underlying result from MCD operations would equate to a surplus of \$268,860 which represents 5.1% of the total income from fees and Government grants.

The income retained by MCD from tuition fees increased by 22% in 2011. The Finance and Investment Committee has established a Working Group to review the structure of fees and the payments to RTIs. The Working Group includes the members of the Finance and Investment Committee and two RTI Business Managers and it will report to the MCD Council in 2012.

The Council of Deans of Theology (Australasia) received a competitive grant from the Australian Learning and Teaching Council for the Undergraduate Curriculum Design Project. MCD is the lead institution and is responsible for the administrative aspects of the funding with \$74,943 received in 2010 and \$75,057 received in 2011.

No events have occurred subsequent to December 31, 2011 that would require adjustment to, or disclosure in, the financial report.

The MCD does not conduct any consultancy services, or any other commercial activities.

The MCD has no commercial dealings, other than those necessary to conduct the regular operations of the College.

No member of the Council has a pecuniary interest in any company or

institution with which the MCD has a financial or business relationship.

The MCD has no controlled entities, operates no commercial ventures and has no associate institutions involving the MCD in financial relationships.

As detailed elsewhere in this report, MCD participated in discussions with DIISR and the Australian Research Council to finalise a Mission-based Compact with the Commonwealth Government for 2011- 2013; in 2011 there was a comprehensive assessment process by VRQA of the application by MCD to operate as a Specialised University.

The following table summarises the financial results for 2011 with comparative information for the preceding five years.

REVENUE FROM CONTINUING OPERATIONS	2011	2010	2009	2008	2007	2006
Australian Government Grants	1,267,872	1,439,444	1,234,769	1,306,720	1,136,556	835,127
Australian Government Capital Grants	-	-	527,000	339,000	-	-
FEE-HELP	2,432,759	2,166,549	1,823,203	1,420,752	1,229,934	960,724
Fees	1,574,198	1,327,048	1,115,975	920,800	976,735	916,637
Investment Income	155,788	124,236	65,821	105,712	84,970	62,087
Industry funding (in accounts from 2007)	1,901,020	1,711,144	1,785,404	1,822,340	1,985,693	
Other revenue***	105,561	185,875	27,973	204,392	110,164	18,140
Victorian Government Financial Assistance		100,000				
Total Revenue	7,437,198	7,054,296	6,580,145	6,119,716	5,524,052	2,792,715

EXPENSES FROM CONTINUING OPERATIONS	2011	2010	2009	2008	2007	2006
Employee benefits and oncosts	1,135,998	988,751	975,534	915,275	680,186	562,197
Payroll Tax (back dated to October 1, 2005)	28,451	20,306	61,201	-	-	-
Depreciation and amortisation	36,105	15,297	17,163	16,723	14,287	16,297
Repairs and maintenance	3,247	2,177	3,441	8,198	14,453	4,820
Bad and doubtful debts	14,879	-	4,776	10,507	5,741	1,730
Industry funding (in accounts from 2007)	1,901,020	1,711,144	1,785,404	1,822,340	1,985,693	
Special Expenditure, Government Grants (excluding capitalised items)*	64,683	99,517	118,000	221,000	-	-
Other expenses	4,034,508	3,862,491	3,061,033	2,795,917	2,084,274	2,004,200
Total Expenses	7,218,891	6,699,683	6,026,552	5,789,960	4,784,634	2,589,244

Operating result before tax	218,307	354,613	553,593	329,756	739,418	203,471
Change in fair value of investments**	(128,098)	24,508	150,488	(321,777)	(298,687)	97,414
Income tax expense	-	-	-	-	-	-
Total comprehensive income attributable to members of the Melbourne College of Divinity	90,209	379,121	704,081	7,979	440,731	300,885

*In the Financial Statements the capital grants are included in Australian Government Grants. The expenditure is included in Other expenses. Of the \$527,000 received in 2009, \$163,153 was spent in 2010, leaving \$363,847 to be spent in 2011 and 2012; the renovations expenditure has been capitalised.

**In the Financial Statements the Change in fair value of investments is included in Other revenue and Other expenses.

***Other revenue in 2011 includes the second of two annual payments of \$75,057 of a competitive grant from the Australian Learning and Teaching Council to the Council of Deans of Theology (Australasia) for a project which is being administered by MCD; the expenditure is listed in Other expenses and \$40,128 is recorded as a reserve which will be spent in 2012.

Superannuation liabilities

Staff employed by the MCD administration are covered by the superannuation scheme of their choice: in 2011 these schemes included LUCRF, Unisuper, HESTA, Macquarie Investment Management Ltd, CARE and Australian Super. Contributions are made by the MCD at 5% above the minimum required by legislation: in 2011 the MCD made contributions at the level of 14% of gross salary for each employee.

The total cost to the MCD for superannuation during 2011 was **\$127,188**. During 2011 no loans were made by the MCD to any superannuation scheme.

Compliance with legislation

No applications were made by, or relating to, the MCD Central Administration under the Freedom of Information Act 1982 during 2011.

An extensive refurbishment project began at MCD's Kew premises in November 2010 and was completed in 2011. All building works have been undertaken in accordance with all relevant statutes, regulations, by-laws and requirements of Commonwealth, State, and local Council, and in accordance with DEEWR policies.

No actions or operations in relation to the Whistleblowers Protection Act 2001 took place during 2011 in relation to the MCD, nor were any disclosures required by that Act made.

In 2011 there was no occasion which brought the MCD into breach with either the National Competition Policy, or the policy statement on competition policy issued by the Victorian Government.

There were no Industrial Relations actions or disputes in relation to both the State and Federal Legislation.

Consistent with the requirements of the Financial Management Act 1994, if applicable, the MCD has prepared material on the following items, details of which are available upon request:

- statement regarding declarations of pecuniary interest
- shares held beneficially by senior officers as nominees of a statutory authority or subsidiary
- staff overseas visits

The College attests to compliance with the Australian/New Zealand Risk Management Standards.

On publication, a PDF copy of this and all previous MCD Annual Reports, in addition to statements on all MCD Regulations and Course Guidelines and Policies, are available on the MCD website www.mcd.edu.au

Enquiries regarding details of the above should be addressed to:

Mr Jeffrey Reaney

Director, Finance and Administration (Registrar)

MCD University of Divinity

21 Highbury Grove

KEW VIC 3101 Australia

directoradminfin@mcd.edu.au

Tel: +61 3 9853 3177

Section B: Financial Statements



The MCD Financial Statements for calendar year 2011 have been prepared using the guidelines supplied by DEEWR. They have been scrutinised by the Finance and Investment Committee and the Risk Management and Audit Committee of the College, and audited in accordance with the MCD Act.

Melbourne College of Divinity Annual Financial Report

31 December 2011

Contents	Page
Financial Report	
Statement of Comprehensive Income	50
Statement of Financial Position	51
Statement of Changes in Equity	52
Statement of Cash Flows	52
Notes to the Financial Statements	53
Certification	73
Auditor's Report	74

Note: all figures are expressed in the nearest dollar.

Statement of Comprehensive Income

For the year ended 31 December 2011

	Notes	2011 \$	2010 \$
REVENUE FROM CONTINUING OPERATIONS			
Australian Government financial assistance			
Australian Government grants	4	1,267,872	1,439,444
FEE-HELP	4	2,432,759	2,166,549
State and Local Government financial assistance	5	–	100,000
Fees and charges	6	1,574,198	1,327,048
Investment revenue	7	155,788	124,236
Industry Funding	1(g)	1,901,020	1,711,144
Other revenue	8	105,493	103,588
Total revenue from continuing operations		7,437,130	6,972,009
Other investment income	7	(128,098)	24,508
Other income	8	68	82,287
Total revenue and income from continuing operations		7,309,100	7,078,804
EXPENSES FROM CONTINUING OPERATIONS			
Employee related expenses	9	1,164,449	1,009,057
Depreciation and amortisation	10	36,105	15,297
Repairs and maintenance	11	3,247	2,177
Loss on disposal of assets		–	429
Industry Funding	1(g)	1,901,020	1,711,144
Other expenses	12	4,114,070	3,961,579
Total expenses from continuing operations		7,218,891	6,699,683
OPERATING RESULT BEFORE INCOME TAX		90,209	379,121
Income tax expense	13	–	–
Operating result from continuing operations		90,209	379,121
Operating result after income tax for the year		90,209	379,121
Operating result attributable to minority interest		–	–
Operating result attributable to members of the Melbourne College of Divinity	23(b)	90,209	379,121
Total comprehensive income		90,209	379,121
Total comprehensive income attributable to minority interest			
Total comprehensive income attributable to members of the Melbourne College of Divinity		90,209	379,121

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

Statement of Financial Position

As at 31 December 2011

	Notes	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	14	2,728,692	2,238,314
Receivables	15	80,646	680,868
Other financial assets	16	593,158	707,795
Other non-financial assets	17	68,640	49,112
Total current assets		3,471,136	3,676,089
Non-current assets			
Property, plant and equipment	18	378,794	116,503
Total non-current assets		378,794	116,503
Total assets		3,849,930	3,792,592
LIABILITIES			
Current liabilities			
Trade and other Payables	19	769,985	888,969
Borrowings	20	-	-
Provisions	21	216,839	175,145
Other liabilities	22	45,366	1,904
Total current liabilities		1,032,190	1,066,018
Non-current liabilities			
Provisions	21	37,882	36,925
Total non-current liabilities		37,882	36,925
Total liabilities		1,070,072	1,102,943
Net assets		2,779,858	2,689,649
EQUITY			
Reserves	23 (a)	1,039,798	1,433,387
Retained surplus	23 (b)	1,740,060	1,256,262
Total equity		2,779,858	2,689,649

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

Statement of Changes in Equity

For the year ended 31 December 2011

	Reserves	Retained Surplus	Total
Balance at 1 January 2010	1,316,884	993,644	2,310,528
Total comprehensive income		379,121	379,121
Transfer to reserves	116,503	(116,503)	–
Balance at 31 December 2010	1,433,387	1,256,262	2,689,649
Balance at 1 January 2011	1,433,387	1,256,262	2,689,649
Total Comprehensive income	–	90,209	90,209
Transfers to Reserves	(393,589)	393,589	
Balance at 31 December 2011	1,039,798	1,740,060	2,779,858

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 31 December 2011

	Notes	2011 \$	2010 \$
Cash flows from operating activities			
Australian Government Grants		4,250,111	3,861,022
State Government Grants		–	110,000
Non Government Grants		93,113	82,469
Industry Funding		2,662,235	1,866,530
Receipts from student fees and other customers		1,628,816	1,388,392
Dividends received		34,998	31,696
Interest received		127,981	64,192
Payments to suppliers and employees (inclusive of goods and services tax)		(5,414,189)	(5,028,880)
Industry Funding		(2,662,235)	(1,866,530)
GST recovered/paid		81,405	24,824
Net cash inflow (outflow) from operating activities	29	802,235	533,715
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		–	14,050
Payments for property, plant and equipment		(298,396)	(105,245)
Payments for investments		(13,461)	(11,839)
Net cash inflow (outflow) from investing activities		(311,857)	(103,034)
Net increase (decrease) in cash and cash equivalents		490,378	430,681
Cash and cash equivalents at the beginning of the financial year		2,238,314	1,807,633
Cash and cash equivalents at the end of the year	14	2,728,692	2,238,314

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

Notes to the Financial Statements 31 December 2011

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

This financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, the Melbourne College of Divinity Act 1910, the Financial Management Act 1994 and the requirements of the Department of Education, Employment and Workplace Relations.

Compliance with IFRSs

The financial statements and notes of the Melbourne College of Divinity comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards (IFRSs).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Melbourne College of Divinity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

b) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Melbourne College of Divinity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

All fixed assets are depreciated over their useful lives commencing from the time the asset is held ready for use.

c) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the current provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

d) Revenue recognition

Fees and income are recognised as revenue on an accruals basis.

Tuition fees for all MCD postgraduate students are paid to the MCD administration, which pays the Recognized Teaching Institutions and HDR supervisors.

Fees for MCD undergraduate students using the FEE-HELP loan scheme are paid by DEEWR to the MCD, which pays the amounts less the capitation fee to the Recognized Teaching Institutions.

As a consequence, in the Income Statement, and in Note 6,

a) Only capitation fees are recognised as revenue for MCD undergraduate students, (excluding upfront fee-paying UFT students), but

b) Total tuition fees for upfront fee-paying domestic MCD postgraduate students and for upfront fee-paying UFT undergraduate students are recognised as revenue.

Note 1. Summary of Significant accounting policies (continued)

Dividend revenue is recognised when the College has established that it has a right to receive a dividend.

Interest revenue is recognised on an accruals basis.

All revenue is stated net of the amount of Goods and Services Tax (GST).

e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

f) Bad and doubtful debts

Bad debts are written off as they arise. If a provision for bad and doubtful debts has been recognised in relation to a debtor, write-off for bad debts is made against the provision. If no provision for bad and doubtful debts has previously been recognised, write-offs for bad debts are charged as expenses in the Income Statement.

g) Industry funding

MCD submits annually the Higher Educational Research Data Collection.

This includes funding for research received from Colleges, Churches and religious communities for approved research activities at MCD. This is reported as Industry and Other Research income.

MCD must provide an Audit Certificate which certifies as correct the research income included in the Research Income Return for the category of Industry and Other Research Income.

It is a requirement of DIISR that all research income must be consistent with the Higher Education Provider's financial statements.

All the industry funding received or receivable by MCD is recorded in the financial accounts of MCD and the corresponding distribution of this funding is also recorded.

In 2011 this is an amount of \$1,901,020 (2010 \$1,711,144). Amounts receivable and payable from/ to respective colleges, churches and religious communities as at 31 December 2011 are disclosed in notes 15 and 19 respectively.

h) Grants and Contributions

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date the unused grant or contribution is disclosed in notes 23 and 30. The notes also disclose the amount of unused grant or contribution from prior years that was expended during the current year.

Note 2. Financial risk management

The Melbourne College of Divinity's activities expose it to a variety of financial risks, as follows:

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

b) Credit risk

Credit risk arises when there is the possibility of the College's debtors defaulting on their contractual obligations resulting in financial loss to the College. The College measures credit risk on a fair value basis and monitors risk on a regular basis.

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

The College does not engage in high risk hedging for its financial assets.

Currently the College does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no event to indicate that any of the financial assets are impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

c) Liquidity risk

Liquidity risk arises when the College is unable to meet its financial obligations as they fall due. The College operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of resolution. It also

Note 2. Financial risk management (continued)

continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The College's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of available-for-sale financial investments.

d) Market risk

The College's exposures to market risk are primarily through interest rate risk, foreign currency and other price risks relating to financial markets. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Interest rate risk

Exposure to interest rate risk might arise primarily through the College's financial assets. Minimisation of risk is achieved by diversification of investments in cash and managed fund investments.

The College's exposure to interest rate risk is set out in the Table 31.2.

Other price risk

The College is exposed to other price risk relating to its investments in managed funds as disclosed in Note 16. This includes price risks from market indices in Australian and International share markets. In order to ensure that the College's investment portfolio works effectively towards achieving its financial objectives, the Finance and Investment Committee receives regular reports from institutions with whom funds are invested and reviews the position to ensure the best possible investment options for the College.

Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the College believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from the Reserve Bank of Australia):

A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates; and

A parallel shift of +10% and -10% in financial market rates from year-end rates.

e) Net Fair Values

The aggregate net fair values of financial assets and liabilities are not expected to be significantly different from each class of asset and liability as disclosed and recognised in the Balance Sheet as at 31 December 2011.

Note 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The MCD Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of employee provisions and depreciation of property, plant and equipment.

Note 4. Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes

	Notes	2011	2010 \$
(a) Commonwealth Grants Scheme and Other Grants	30.1		
Australian Higher Education Graduation Statement		–	100,000
Total Commonwealth Grants Scheme and other Grants		–	100,000
(b) Higher Education Loan Programs	30.2		
FEE-HELP		2,432,759	2,166,549
Total Higher Education Loan Programs		2,432,759	2,166,549
(c) Scholarships	30.3		
Australian Postgraduate Awards		257,728	172,427
International Postgraduate Research Scholarship		61,633	56,015
Total Scholarships		319,361	228,442
(d) DIISR Research	30.4		
Joint Research Engagement Program		312,212	284,282
Research Training Scheme		636,299	582,121
Implementation Assistance Programme		–	22,473
Australian Scheme for Higher Education Repositories		–	–
Commercialisation Training Scheme		–	22,126
Sustainable Research Excellence in Universities		–	200,000
Other		–	–
Total DIISR Research Grants		948,511	1,111,002
(e) Voluntary Student Unionism			
Total VSU		–	–
(f) Other Capital Funding	30.5		
Better Universities Renewal Funding		–	–
Teaching and Learning Capital Fund		–	–
Total Other Capital Funding		–	–
(g) Australian Research Council			
(i) Discovery			
Total Discovery		–	–
(ii) Linkages			
Total Linkages		–	–
(iii) Networks and Centres			
Total Networks and Centres		–	–
(h) Other Australian Government financial assistance			
Total other Australian Government financial assistance		–	–
Total Australian Government financial assistance		–	–
Reconciliation			
Australian Government grants [a + c + d + e + f + g + h]		1,267,872	1,439,444
HECS-HELP – Australian Government payments		–	–
Other Australian Government loan programmes [FEE-HELP]		2,432,759	2,166,549
Total Australian Government financial assistance		3,700,631	3,605,993
(i) Australian Government Grants received – cash basis			
CGS and Other DEEWR Grants		–	100,000
Higher Education Loan Programmes		2,982,239	2,388,174
Scholarships		319,361	228,442
DIISR research		948,511	1,111,002
Other Capital Funding Funding		–	–
Total Australian Government Grants received – cash basis		4,250,111	3,827,618
OS-Help (Net)		–	–
Total Australian Government funding received – cash basis		4,250,111	3,827,618

Note 5. State and Local Government financial assistance

	Notes	2011 \$	2010 \$
Specialist University Application		-	100,000
Total State and Local Government financial assistance		-	100,000

Note 6. Fees and charges

	Notes	2011 \$	2010 \$
Course fees and charges			
Fee-paying overseas students		274,952	227,434
Fee-paying domestic postgraduate students		990,425	875,128
Fee-paying domestic undergraduate students		215,314	170,235
Total course fees and charges		1,480,691	1,272,797
Other fees and charges			
Conferral and Other fees		26,007	25,751
Building Improvement Contribution		30,000	-
RTI's Affiliation and Application fees		37,500	28,500
Total other fees and charges		93,507	54,251
Total fees and charges		1,574,198	1,327,048

Note 7. Investment revenue and income

	Notes	2011 \$	2010 \$
Interest		120,789	92,540
Dividends		34,998	31,696
Total investment revenue		155,787	124,236
Change in fair value of financial assets designated as at fair value through profit & loss		(128,098)	24,508
Total other investment income		(128,098)	24,508
Net investment income		27,689	148,744

Note 8. Other revenue and income

	Notes	2011 \$	2010 \$
Other revenue			
Donations and bequests		19,886	28,645
Non-Government Grants		85,607	74,943
Total other revenue		105,493	103,588
Other income			
Centenary Conference & Functions		68	82,287
Total other income		68	82,287

Note 9. Employee benefits and on costs

	Notes	2011 \$	2010 \$
Non-academic			
Salaries		890,262	795,160
Contribution to superannuation and pension schemes:			
Funded		124,118	109,245
Payroll tax		28,451	20,306
Worker's compensation		12,473	9,609
Long service leave expense		28,232	32,634
Annual leave (movement in provision)		27,248	15,716
Other		53,665	26,387
Total non-academic		1,164,449	1,009,057
Total employee related expenses		1,164,449	1,009,057
Deferred employee benefits for superannuation		-	-
Total employee related expenses, including deferred employee benefits for superannuation		1,164,449	1,009,057

Note 10. Depreciation and amortisation

Depreciation			
Buildings		-	-
Plant and equipment		36,105	15,297
Total depreciation		36,105	15,297
Total depreciation and amortisation		36,105	15,297

Note 11. Repairs and maintenance

Buildings		-	-
General Maintenance		3,247	2,177
Total repairs and maintenance		3,247	2,177

Note 12. Other expenses

	Notes	2011 \$	2010 \$
Scholarships, grants and prizes		564,254	483,247
Non-capitalised equipment		929	959
Advertising, marketing and promotional expenses		7,200	995
Professional Services		71,362	31,957
Insurances		11,954	11,597
Bad & Doubtful Debts		14,879	-
Printing and stationery		28,776	27,930
Undergraduate Expenses		1,077,574	1,031,311
Rental, hire and other leasing fees		27,210	26,354
Telecommunications		9,423	11,056
Travel		7,085	6,917
Supervision and Examination		318,785	285,196
Graduate Diploma & certificates		728,469	647,766
Masters Coursework		483,759	449,715
Masters Research		102,176	59,536
Conferences		53,560	37,900
Library Funding		221,197	205,213
Conferral Expenses		16,485	19,247
Teaching & Learning Capital Fund		50,183	99,517
Commercialization Training Scheme		-	67,533
Specialist University Application		10,684	109,349
Curriculum Development Project		85,756	34,855
Sustainable Research Excellence Project		63,040	29,313
Donations & Bequests		10,385	20,950
Centenary Conference & Functions		-	96,390
Other		148,945	166,776
Total other expenses		4,114,070	3,961,579

Note 13. Income tax

The Melbourne College of Divinity is exempt from income tax under Items 1.2 and 1.4 of section 50.5 of the Income Tax Assessment Act 1997.

Note 14. Cash and cash equivalents

	Notes	2011 \$	2010 \$
Cash at bank and on hand		680,416	557,236
Deposits at call		2,048,276	1,681,078
Total cash and cash equivalents		2,728,692	2,238,314
(a) Reconciliation to cash at the end of the year			
The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:			
Balances as above		2,728,692	2,238,314
Less: OS-HELP balances		-	-
Less: Bank overdrafts		-	-
Balance per statement of cash flows		2,728,692	2,238,314
(b) Cash at bank and on hand			
These bank accounts earn interest at rates between 0.1% and 4.75%		680,416	557,236
(c) Deposits at call			
The deposits are bearing floating interest rates of approximately 6.125% (2010 - 4.75%). These deposits are at call.		2,048,276	1,681,078
(d) OS-HELP Balance			
The Melbourne College of Divinity receives no OS-HELP monies.		-	-

Note 15. Receivables

	Notes	2011 \$	2010 \$
Current			
Student fees		44,575	27,512
Less: Provision for impaired receivables		12,040	12,040
		32,535	15,472
Industry Funding (see Note 1g)		-	605,352
Other Debtors		48,111	60,044
Total current receivables		80,646	680,868
Total receivables		80,646	680,868

Impaired receivables

The Melbourne College of Divinity has recognised a loss of 14,879 (2010: \$nil) in respect of bad and doubtful trade receivables during the year ended 31 December 2011. The loss has been included in 'other expenses' in the income statement.

Note 16. Other financial assets

	Notes	2011 \$	2010 \$
Current			
Fair value through profit or loss		593,158	707,795
Total current other financial assets		593,158	707,795
Total other financial assets		593,158	707,795

Changes in fair values of other financial assets at fair value through profit or loss are recorded in other income in the income statement (note 7 Investment Income).

Note 17. Other non-financial assets

	Notes	2011 \$	2010 \$
Current			
Prepayments		68,640	49,112
Total current other non-financial assets		68,640	49,112
Total other non-financial assets		68,640	49,112

Note 18. Property, plant and equipment

	Construction in progress	Freehold land	Freehold buildings	Plant and equipment	Leasehold improvements	Leased plant & equipment	Library	Other plant and equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2010									
- Cost	-	-	-	235,102	-	-	-	-	235,102
- Valuation	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	(194,068)	-	-	-	-	(194,068)
Net book amount	-	-	-	41,034	-	-	-	-	41,034
Year ended 31 December 2010									
Opening net book amount	-	-	-	41,034	-	-	-	-	41,034
Exchange differences	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-	-	-
Additions	-	-	-	41,609	63,636	-	-	-	105,245
Assets included in a disposal group classified as held for sale and other disposals	-	-	-	(14,479)	-	-	-	-	(14,479)
Depreciation charge	-	-	-	(15,297)	-	-	-	-	(15,297)
Closing net book amount	-	-	-	52,867	63,636	-	-	-	116,503
At 31 December 2010									
- Cost	-	-	-	251,999	63,636	-	-	-	315,635
- Valuation	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	(199,132)	-	-	-	-	(199,132)
Net book amount	-	-	-	52,867	63,636	-	-	-	116,503

Note 18. Property, plant and equipment (continued)

	Construc- tion in progress	Freehold land	Freehold buildings	Plant and equipment	Leasehold improve- ments	Leased plant & equipment	Library	Other plant and equip- ment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 31 December 2011									
Opening net book amount	-	-	-	52,867	63,636	-	-	-	116,503
Exchange differences	-	-	-	-	-	-	-	-	-
Revaluation surplus	-	-	-	-	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-
Additions	-	-	-	11,245	287,151	-	-	-	298,396
Assets classified as held for sale and other disposals	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	-	(15,628)	(20,477)	-	-	-	(36,105)
Closing net book amount	-	-	-	48,484	330,310	-	-	-	378,794
At 31 December 2011									
- Cost	-	-	-	263,242	350,788	-	-	-	614,030
- Valuation	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	(214,758)	(20,478)	-	-	-	(235,236)
Net book amount	-	-	-	48,484	330,310	-	-	-	378,794

Note 19. Trade and other Payables

	Notes	2011 \$	2010 \$
Current			
Creditors & Accruals		769,985	283,617
Industry Funding, see note 1g		-	605,352
Total current payables		769,985	888,969
Non-current		-	-
Total non-current payables		-	-
Total payables		769,985	888,969

Note 20. Borrowings

	Notes	2011 \$	2010 \$
Financing arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Credit standby arrangements			
Bank overdrafts		20,000	20,000
Unused at balance date			
Bank overdrafts		20,000	20,000

Note 21. Provisions

	Notes	2011 \$	2010 \$
Current			
Employee benefits			
Annual leave		124,116	96,868
Long service leave		77,489	50,214
Study Leave		15,234	28,063
Total current provisions		216,839	175,145
Non-current			
Employee benefits			
Long service leave		37,882	36,925
Total non-current provisions		37,882	36,925
Total provisions		254,721	212,070
(a) Movements in provisions			
Movements in each class of provision during the financial year, other than, centenary provisions are set out below:			

2011	Annual Leave	Study Leave	Long Service Leave	Total \$
Current				
Carrying amount at start of year	96,868	28,063	50,214	175,145
Additional provisions recognised	27,248	-	27,275	54,523
Unused amounts reversed	-	(12,829)	-	(12,829)
Carrying amount at end of year	124,116	15,234	77,489	216,839

			Long Service Leave	Total \$
Non-current				
Carrying amount at start of year			36,925	36,925
Additional provisions recognised			957	957
Transferred to Current Liabilities			-	-
Carrying amount at end of year			37,882	37,882

Note 22. Other Liabilities

	Notes	2011 \$	2010 \$
Current			
Fees in Advance		45,366	1,904
Total current other liabilities		45,366	1,904

Note 23. Reserves and retained surpluses

The College has set aside reserves for funding received for which future expenditure is expected as follows:

	Notes	2011 \$	2010 \$
(a) Reserves			
Building Fund Reserve, to enable the College to establish its own building.		278,762	312,617
Movements			
<i>Building Fund Reserve</i>			
Balance 1 January		312,617	289,724
Transfer (to)/from retained earnings		(33,855)	22,893
Balance 31 December		278,762	312,617
Reserves			
Scholarships Grants Reserve, funding through Australian Postgraduate Awards & Endeavour International Postgraduate Research Scholarships.			
		204,738	179,011
Movements			
<i>Scholarships Grants Reserve</i>			
Balance 1 January		179,011	168,438
Transfer from retained earnings		25,727	10,573
Balance 31 December		204,738	179,011
Reserves			
DIISR Research Grants Reserve, funding through Joint Research Engagement Program, Research Training Scheme, Commercialisation Training Scheme, & Australian Scheme for Higher Education Repositories and Sustainable Research Excellence			
		411,619	437,824
Movements			
<i>DIISR Research Grants Reserve</i>			
Balance 1 January		437,824	331,722
Transfer from retained earnings		(26,205)	106,102
Balance 31 December		411,619	437,824
Reserves			
Other Capital Funding : funding through the Teaching and Learning Capital Fund			
		19,241	363,847
Movements			
<i>Other Capital Funding</i>			
Balance 1 January		363,847	527,000
Transfer from retained earnings		(344,606)	(163,153)
Balance 31 December		19,241	363,847
Reserves			
Other Special Projects: funding through Australian Higher Education Graduation Statement and Australian Learning and Teaching Council			
		125,438	140,088
Movements			
<i>Other Capital Funding</i>			
Balance 1 January		140,088	-
Transfer from retained earnings		(14,650)	140,088
Balance 31 December		125,438	140,088
Total Reserves		1,039,798	1,433,387
(b) Retained surplus			
Movements in retained surplus were as follows:			
Retained surplus at 1 January		1,256,262	993,644
<i>Net operating result for the year</i>		90,209	379,121
<i>Add/Less transfer from/to BF Reserves</i>		33,855	(22,893)
<i>Less transfer to Scholarships Grants Reserves</i>		(25,727)	(10,573)
<i>Add/Less transfer from/to DIISR Research Reserve</i>		26,205	(106,102)
<i>Add transfer from Other Capital Funding Reserve</i>		344,606	163,153
<i>Add/Less transfer from/to Other Special Projects Reserve</i>		14,650	(140,088)
Retained surplus at 31 December		1,740,060	1,256,262

Note 24. Key management personnel disclosures

(a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of the Melbourne College of Divinity during the financial year:

Terence Curtin (President), Graeme Blackman, Sheila Bellamy, Paul Beirne (Dean and CEO), Peter Carpenter, John Henderson, Michael Kelly, Andreas Loewe, Andrew Menzies, Robert John Morsillo, Christiaan Mostert, Sue Norman, Frank Rees and William Uren.

(b) Other key management personnel

During the financial year Paul Beirne was the key management person, holding authority and responsibility for planning, directing and controlling the activities of the Melbourne College of Divinity.

(c) Remuneration of Board Members

	Notes	2011 \$	2010 \$
Income paid or payable, or otherwise made available, to Board Members by the entity and related parties in connection with the management of affairs of the entity:		-	-
		Number	
Remuneration of Board Members			
Nil to \$9,999		14	14
\$10,000 to \$19,999		-	-
Remuneration of Executives			
Remuneration of executive officers			
\$150,000 to \$159,999		-	1
\$160,000 to \$169,999		1	-
(d) Key management personnel compensation			
Short-term employee benefits		141,560	132,575
Post-employment benefits		21,279	20,157
		162,839	152,732

Note 25. Remuneration of auditors

	Notes	2011 \$	2010 \$
1. Audit services			
Fees paid to <i>UHY Haines Norton</i>			
Audit and review of financial reports and other audit work		14,225	10,450
Fees paid to related practices of <i>UHY Haines Norton</i>		-	-
Total remuneration for audit services		14,225	10,450

Note 26. Contingencies

At the date of this report there are no contingent liabilities.

Note 27. Subsequent Events

Since the end of the financial year, there have been no significant subsequent events that would materially affect the financial statements.

On 29 August, 2011, VRQA published a Notice of Approval in the Government Gazette for the MCD to operate as a Specialised University under the title, 'MCD University of Divinity'; this was formally approved by the Parliament of Victoria on 8 December, 2011. MCD University of Divinity began operations on 1 January, 2012.

Note 28. Commitments

	Notes	2011 \$	2010 \$
(a) Capital commitments			
As at 31 December 2011, MCD had outstanding capital commitments of \$nil (2010 \$242,249).			
(b) Lease commitments			
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities payable:			
Within one year		27,240	26,424
Later than one year but not later than five years		108,960	–
Later than five years		81,720	–
		217,920	26,424

The above commitment relates to the lease of the College's premises. The College exercised its second option to renew the lease of its premises for a further 8 years from 1 January 2012. There is a further option of 5 years available under the terms of the lease. The annual lease is subject to annual CPI increases.

Note 29. Reconciliation of operating result after income tax to net cash inflow from operating activities

	Notes	2011 \$	2010 \$
Operating result for the year		90,209	379,121
Depreciation and amortisation		36,105	15,297
Net (gain)/ loss on sale of non-current assets		–	429
Fair value (gains)/loss on other financial assets at fair value through profit or loss		128,098	(24,508)
Provision for Annual Leave		27,248	15,716
Provision for Long Service Leave		28,232	32,634
Provision for Study Leave		(12,829)	12,277
Provision for Centenary		–	(20,000)
Decrease (Increase) in trade debtors		600,222	223,182
Decrease (Increase) in other operating assets		(19,528)	(36,303)
Increase (decrease) in trade creditors		(118,984)	(13,869)
Increase (decrease) in other operating liabilities		43,462	(50,261)
Net cash inflow (outflow) from operating activities		802,235	533,715

Note 30. Acquittal of Australian Government financial assistance

		MCD			
		Australian Higher Education Graduation Statement		Total	
	Notes	2011 \$	2010 \$	2011 \$	2010 \$
30.1 Commonwealth Grants Scheme and Other DEEWR Grants					
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		-	100,000	-	100,000
Net accrual adjustments		-	-	-	-
Revenue for the period	4(a)	-	100,000	-	100,000
Surplus / (deficit) from the previous year		100,000	-	100,000	-
Total revenue including accrued revenue		100,000	100,000	100,000	100,000
Less expenses including accrued expenses		(14,500)	-	(14,500)	-
Surplus / (deficit) for reporting period		85,500	100,000	85,500	100,000
30.2 Higher Education Loan Programmes					
	Notes	FEE-HELP		Total	
		2011 \$	2010 \$	2011 \$	2010 \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		2,982,239	2,388,174	2,982,239	2,388,174
Net accrual adjustments		(549,480)	(221,625)	(549,480)	(221,625)
Revenue for the period	4(b)	2,432,759	2,166,549	2,432,759	2,166,549
Surplus / (deficit) from the previous year		-	-	-	-
Total revenue including accrued revenue		2,432,759	2,166,549	2,432,759	2,166,549
Less expenses including accrued expenses		2,432,759	2,166,549	2,432,759	2,166,549
Surplus / (deficit) for reporting period		-	-	-	-

Note 30. Acquittal of Australian Government financial assistance (continued)

		MCD					
		Australian Postgraduate Awards		International Postgraduate Research Scholarships		Total	
Notes		2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	257,728	172,427	61,633	56,015	319,361	228,442
	Net accrual adjustments	-	-	-	-	-	-
	Revenue for the period	257,728	172,427	61,633	56,015	319,361	228,442
	Surplus / (deficit) from the previous year	82,318	91,250	96,693	77,188	179,011	168,438
	Total revenue including accrued revenue	340,046	263,677	158,326	133,203	498,372	396,880
	Less expenses including accrued expenses	244,235	181,359	49,399	36,510	293,634	217,869
	Surplus / (deficit) for reporting period	95,811	82,318	108,927	96,693	204,738	179,011
30.4 DIISR Research							
		Joint Research Engagement Program		Research Training Scheme		Implementation Assistance Project	
Notes		2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	312,212	284,282	636,299	582,121	-	22,473
	Net accrual adjustments	-	-	-	-	-	-
	Revenue for the period	312,212	284,282	636,299	582,121	-	22,473
	Surplus / (deficit) from the previous year	-	-	294,650	175,550	-	-
	Total revenue including accrued revenue	312,212	284,282	930,949	757,671	-	22,473
	Less expenses including accrued expenses	312,212	284,282	584,816	463,021	-	22,473
	Surplus / (deficit) for reporting period	-	-	346,133	294,650	-	-
	Surplus to be carried forward	-	-	346,133	294,650	-	-

Note 30. Acquittal of Australian Government financial assistance (continued)

		MCD			
		Australian Scheme for Higher Education Repositories		Commercialisation Training Scheme	
	Notes	2011 \$	2010 \$	2011 \$	2010 \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		-	-	-	22,126
Net accrual adjustments		-	-	-	-
Revenue for the period	4(d)	-	-	-	22,126
Surplus / (deficit) from the previous year		-	100,365	10,400	55,807
Total revenue including accrued revenue		-	100,365	10,400	77,933
Less expenses including accrued expenses		-	100,365	-	67,533
Surplus / (deficit) for reporting period		-	-	10,400	10,400
Surplus to be carried forward		-	-	10,400	10,400
		MCD			
		Sustainable Research Excellence		Total	
	Notes	2011 \$	2010 \$	2011 \$	2010 \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		-	200,000	948,511	1,111,002
Net accrual adjustments		-	-	-	-
Revenue for the period	4(d)	-	200,000	948,511	1,111,002
Surplus / (deficit) from the previous year		132,774	-	437,824	331,722
Total revenue including accrued revenue		132,774	200,000	1,386,335	1,442,724
Less expenses including accrued expenses		77,688	67,226	974,716	1,004,900
Surplus / (deficit) for reporting period		55,086	132,774	411,619	437,824
Surplus to be carried forward		55,086	132,774	411,619	437,824

*Sustainable Research Excellence grant \$29,313 expensed and \$37,913 treated as a prepayment, totalling \$67,226.

Note 30. Acquittal of Australian Government financial assistance (continued)

30.5 Other Capital Funding		Teaching and Learning Capital Fund		Total	
	Notes	2011 \$	2010 \$	2011 \$	2010 \$
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)		-	-	-	-
Net accrual adjustments		-	-	-	-
Revenue for the period	4(d)	-	-	-	-
Surplus / (deficit) from the previous year		363,847	527,000	363,847	527,000
Total revenue including accrued revenue		363,847	527,000	363,847	527,000
Less expenses including accrued expenses		344,606	163,153	344,606	163,153
Surplus / (deficit) for reporting period		19,241	363,847	19,241	363,847
Surplus to be carried forward		19,241	363,847	19,241	363,847

*Teaching and Learning Capital Fund \$50,183 expensed and \$294,423 capitalised, totalling \$344,606.

Note 31. Financial instruments

Table 31.1: Interest rate exposure and maturity analysis of financial assets

\$									
	Weighted average effective interest rate	Carrying amount	Interest rate exposure			Past due by			
			Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 Month	1-3 months	3 months - 1 year	1-5 years
2011	%								
Cash and cash equivalents	4.50	2,728,692		2,728,332	360				
Receivables	-	80,646			80,646	80,646			
Other financial assets at fair value	-	593,158			593,158				
Total Financial Assets		3,402,496		2,728,332	674,164	80,646			
2010									
Cash and cash equivalents	4.00	2,238,314		2,237,954	360				
Receivables	-	680,868			680,868	680,868			
Other financial assets at fair value	-	707,795			707,795				
Total Financial Assets		3,626,977		2,237,954	1,389,023	680,868			

Note 31. Financial instruments (continued)

The following table discloses the contractual maturity analysis for the College's financial liabilities:

Table 31.2: Interest rate exposure and maturity analysis of financial liabilities

\$									
	Weighted average effective interest rate%	Nominal amount	Interest rate exposure			Maturity dates			
			Fixed interest rate	Variable interest rate	Non-interest bearing	Less than 1 Month	1-3 months	3 months - 1 year	1-5 years
2011									
Payables	-	769,985			769,985	769,985			
Total Financial Liabilities	-	769,985			769,985	769,985			
2010									
Payables	-	888,969			888,969	888,969			
Total Financial Liabilities	-	888,969			888,969	888,969			

Table 31.3 discloses the impact on net operating result and equity for each category of financial instrument held by the College at year-end as presented to key management personnel, if the above movements were to occur.

Table 31.3: Market risk exposure

\$									
	Carrying amount	Interest rate risk				Other price risk			
		-1% (100 basis points)		+1% (100 basis points)		-10%		+10%	
		Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
2011									
Financial assets:									
Cash and cash equivalents	2,728,692	(27,287)	(27,287)	27,287	27,287				
Receivables	80,646	-	-	-	-	-	-	-	-
Other financial assets at fair value	593,158					(59,316)	(59,316)	59,316	59,316
Financial liabilities:									
Payables	769,985	-	-	-	-	-	-	-	-
Total increase/(decrease)		(27,287)	(27,287)	27,287	27,287	(59,316)	(59,316)	59,316	59,316

14 March 2012

FINANCIAL STATEMENTS FOR YEAR ENDING:

31 December 2011

Certification

In our opinion:

The attached financial statements of the Melbourne College of Divinity present fairly the financial performance for the year ended 31 December 2011 and the financial position as at 31 December 2011.

The attached financial statements and notes comply with the Financial Management Act 1996 and with Accounting requirements in International Financial Reporting Standards (IFRS), Australian Accounting Standards (AAS) and AASB standards and other necessary reporting requirements, including the requirements of the Department of Education, Employment and Workplace Relations, Financial Reporting Directorate, Funding Directorate and Business Rules.

At the date of this certification, there are reasonable grounds to believe that the MCD University of Divinity will be able to pay its debts as and when they fall due, and the amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended and Melbourne College of Divinity has complied fully with the requirements of applicable legislation, contracts, agreements and various programmatic guidelines that apply to the Australian Government financial assistance identified in these financial statements.

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

Dr George L. Wickham (AM)
Chairman
14 March 2012

Paul Noel Payne
Chair & CEO
14 March 2012

Mrs Tina Lewis
Finance Manager
14 March 2012

**INDEPENDENT AUDITOR'S REPORT
 TO THE MEMBERS OF MELBOURNE COLLEGE OF DIVINITY**

Report on the financial report

We have audited the accompanying financial report of Melbourne College of Divinity (the College), which comprises the Balance Sheet as at 31 December 2011, and the Comprehensive Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Certification on behalf of the Council.

Members' responsibility for the financial report

The members of the Council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Melbourne College of Divinity Act 1910* and the *Financial Management Act 1994*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Liability limited by a scheme approved under Professional Standards Legislation.

Level 8, 607 Bourke Street
 Melbourne, Vic 3000
 GPO Box 1735
 Melbourne, Vic, 3001

t + 61 3 9629 4700
f + 61 3 9629 4722
e mail@melb.uhyhn.com.au
w www.uhyhn.com.au

Chartered Accountants:
 Harold Lourie
 Richard J Lindner
 Rodney H Hutton

ABN 48 259 373 375
 Adam G Roberts
 Joella F Gould

An association of independent firms in Australia and New Zealand and a member of UHY, an international association of independent accounting and consulting firms

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MELBOURNE COLLEGE OF DIVINITY**

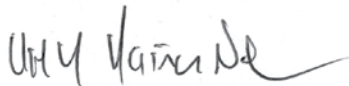
Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

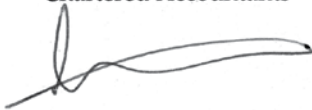
Auditor's opinion

In our opinion:

- a. the financial report of Melbourne College of Divinity is in accordance with the *Melbourne College of Divinity Act 1910*, including:
 - (i) giving a true and fair view of the College's financial position as at 31 December 2011 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory professional reporting requirements in Australia.



UHY Haines Norton
Chartered Accountants



A G Roberts
Partner

Melbourne

Dated this 19th day of March 2012

