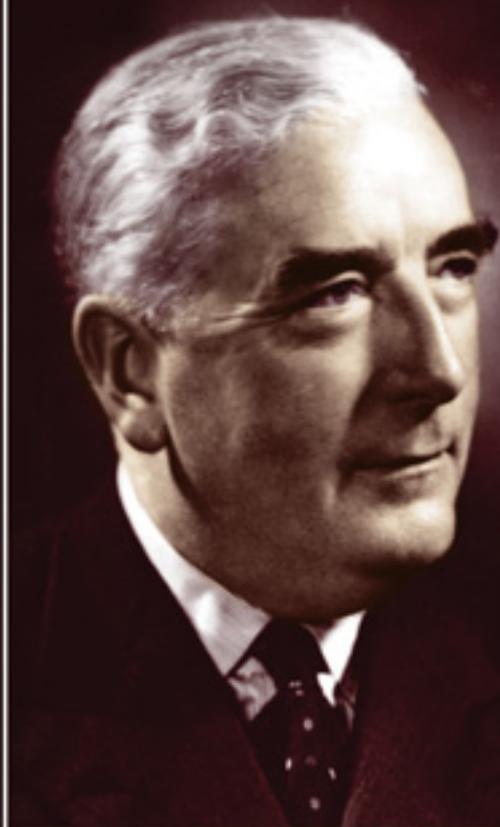


The Sir Robert Menzies

Memorial Foundation Limited

Annual Report



2005

To promote excellence in health research,
education and post graduate scholarship by Australians

THE SIR ROBERT MENZIES MEMORIAL FOUNDATION LIMITED

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The Sir Robert Menzies Memorial Foundation Limited

ABN 43 008 543 897

2005 Annual Report

The Sir Robert Menzies Memorial Trust was established in 1978 to develop appropriate forms of national memorial in honour of the Right Honourable Sir Robert Menzies, KT, AK, CH, FRS, QC, Prime Minister of Australia 1939-1941 and 1949-1966. Its first and principal memorial – the Menzies Foundation – was created in 1979.

This is the 27th Annual Report.



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“Through hard work and tireless commitment to organisation reform, the Menzies School of Health Research (Menzies) has flourished in the past five years and is now recognised as the institute at the forefront of Aboriginal and tropical health research in Australia. Menzies’ success in attracting competitive research funding under Professor O’Dea’s leadership has been exceptional. In 2004, the NHRMC grant income was a record \$10.6 million, which meant that for the third year in a row, MSHR had earned over 50% of the total NHMRC Aboriginal health research funding.”

In April 2006, Professor Jonathan Carapetis, a paediatric infectious diseases specialist from the University of Melbourne with a strong clinical and research background, will take up the position of Director. In 2005, we also welcomed a new Director to the Menzies Research Institute in Hobart. Professor Simon Foote has a strong research record from his work with the Walter and Eliza Hall Institute in genetics and in the susceptibility of infectious diseases such as malaria. The Foundation wishes them both well as they take up the reins of two of Australia’s leading research institutions.

Since its establishment in 1979, the Menzies Foundation has been responsible for creating memorials to honour Sir Robert Menzies. High on its list of achievements has been the creation of two Menzies health research centres - the Menzies School of Health Research (MSHR) in Darwin and the Menzies Research Institute in Hobart. In June 2005 I was privileged to attend a Symposium entitled “20:20 Vision: Facing health challenges of the next 20 years and celebrating 20 years of the Menzies School of Health Research” held at the Charles Darwin University. The Foundation’s inaugural Executive Director, Dr Eric Wigglesworth, our General Manager, Ms Sandra Mackenzie and Professor Simon Maddocks (currently the Chairman of the MSHR Board) also attended.

Following on from the success of the two centres in Darwin and Hobart, in February 2005 the Foundation called for “Expressions of Interest” to establish a new Menzies research centre. I am pleased to report that the selection process culminated in the funding of a new Centre, the Menzies Centre for Health Policy, which will be a joint venture of the Australian National University and the University of Sydney. The independent Centre will undertake research, provide teaching and education programs, and stimulate public debate on important questions of health policy. We look forward to its official opening by the Governor-General of Australia on 3 March, 2006. Further details regarding the purpose and proposed activities of the Centre are included at page 11 of this report.

During the two-day seminar, the Menzies Foundation’s role in the establishment of the School was acknowledged as well as its continuing role. It was gratifying to see that the School is known simply as “Menzies” by everyone associated with it and in the local community. The important role of the Indigenous health researchers was also apparent. It was clear from many of them who spoke at the Symposium that the leadership of the first two Directors of the MSHR - Professors John Mathews and Kerin O’Dea - had been crucial to their involvement and development and to the ultimate success of the School.

I would like to take this opportunity to pay tribute to Professor O’Dea who has resigned after a five year term as Director. Professor O’Dea’s contribution to research and knowledge in the Northern Territory was publicly acknowledged in the Northern Territory Parliament by the Minister for Health, the Hon Peter Toyne, MLA:



Signing a Memorandum of Understanding: Dr Joao Martins (Faculty of Public Health, Universidade de Paz, Dili), Assoc Professor Paul Kelly (MSHR) and Professor Kerin O’Dea (Director, MSHR).



The Hon Sir Daryl Dawson (left) with Professor Helen Garnett (Vice-Chancellor, Charles Darwin University) and Professor Simon Maddocks (Chairman of the MSHR Board) attended the symposium in Darwin: "20:20 Vision: Facing health challenges of the next 20 years and celebrating 20 years of the Menzies School of Health Research".

The funding of this exciting new Centre has been made possible by an improvement in our financial situation. The accumulated funds at 31 December were \$18.56 million compared with \$16.85 million at the end of 2004. In February 2005, funds totalling \$5.2 million invested in the Capital Growth Fund with Credit Suisse Asset Management were redeemed and divided equally between the BT Financial Group and Goldman Sachs JB Were Asset Management. The net returns of these two managed funds for the year ending 31 December were: BT Financial Group 16.19% and Goldman Sachs JB Were 15.38%. The \$3 million Federal Government Grant received in 2004 has been invested in a portfolio of Australian equities. The value of this portfolio at 31 December was \$3.49 million with \$0.32 million still to be invested in Australian equities.

In 2005, our core activities in the fields of health research, education and scholarship continued. Funding for the health research centres totalled \$369,795 and \$247,339 was expended on the various Menzies Scholarships and Fellowships. A total of \$78,393 was committed to other activities including the Menzies Oration on Higher Education, Museum Victoria, the Menzies Virtual Museum web site and the Menzies Memorial Scholars Association.

In November each year it is my pleasure to host a dinner at Clarendon Terrace in association with the Menzies Memorial Scholars Association. Clarendon Terrace provides a splendid setting in which to congratulate the year's new Menzies Scholars in Law

and the Allied Health Sciences and the winner of the Menzies Centenary Prize from the Dimboola Memorial Secondary College. The Scholars each receive a Menzies Meszaros medallion and it provides them with an opportunity to meet Scholars who have completed their studies. I was also pleased to be able to attend the last session of the Menzies Memorial Scholars Association meeting where four previous Menzies Scholars gave impressive presentations on their work, research and experiences as Menzies Scholars in Law or the Allied Health Sciences. The Foundation is proud of the achievements of the Menzies Scholars and the contribution they are now making to their various fields of endeavour in Australia and overseas.

At the close of the November Board Meeting we also welcomed back to the Foundation members of our Council who received an update on the year's activities. This year we were pleased to include Mrs Jean Trethewey and her husband Allan and to award Jean with Life Membership of the Foundation and the Menzies Meszaros Medallion for her valued service to the Foundation and the Menzies Research Institute in Hobart.

I take this opportunity to thank my fellow Directors and the Secretariat for their support and their dedication to the ongoing work of the Sir Robert Menzies Memorial Foundation and look forward to my continuing involvement.

*The Hon Sir Daryl Dawson, AC, KBE, CB
Chairman*



- Menzies Symposium and Joint Meeting - \$30,000
- Third Allied Health Sciences Scholarship - \$25,000
- Public Relations - \$10,000

These proposals are shown in a new organisation chart at pages 20 and 21.

A new Centre, the Menzies Centre for Health Policy (MCHP) has been established. After some discussions over the name, a short version has appropriately been selected. Health policy is the Cinderella of funding initiatives in Australia where independent health policy advice is sorely needed both by the Commonwealth and the States. The new Centre has received its first funding and a start up grant of \$50,000. It is a joint venture between the University of Sydney and the ANU and thus has two organisational nodes. We are anxious that "Chinese walls" are established sufficient to make the MCHP a coherent, single entity and not a virtual centre.

In this Annual Report and from the Chairman's comment, it can be seen that financially the Foundation is travelling well. In so far as our initiatives are limited by funding, the issue of the budget being cut down to "stalling speed" is now over.

Although there was a long and short term Strategic Plan approved by the Board in 1998, this was never fully implemented because of availability of funds. Indeed our base operations were restricted. In 2005, because of improved funding available, it was decided to re-visit the Strategic Plan and the strategic directions were approved by the Board at the November 2005 meeting with some minor qualifications. The underlying philosophy was recently succinctly expressed by Professor John McKenzie, Deputy Vice-Chancellor, Research, at the University of Melbourne:

"Failing to plan is planning to fail".

The Strategic Directions paper covered the mission and objectives of the Foundation to create, maintain and administer in perpetuity forms of non-political memorials to Sir Robert Menzies. Some initiatives suggested in the 1998 Strategic Plan had been deferred or put on permanent hold until the investment climate improved. The only initiative not previously agreed by the Board was the Menzies Innovation Grant.

The total extra cost of these initiatives would be \$170,000 in 2006 and \$220,000 in 2007 and 2008 and had been included in the budget:

- Menzies Innovation Grant - \$50,000
- New Menzies Centre (the Menzies Centre for Health Policy had been established and \$125,000 was included in the budget).
- Menzies Fellowship - \$50,000 in 2006 and \$100,000 in 2007 and 2008

Expressions of interest were called for and 39 notifications of intent received. After expert review, 11 applicants were asked for full applications. Administrative issues were often a key factor in deciding the short list. The Selection Panel was chaired by Mr Brian Doyle, Deputy Chairman of the Foundation, and the panel included Board members, the Secretariat and selected experts. Highly qualified and appropriate referees were used. The selection closely followed "best practice".

The Foundation's support of Museum Victoria ended in 2005. This grant commenced at a time when the Museum was financially strapped. Our support went into the Outreach Program and special web sites and more recently it helped the work of Mr John Kean, the present Thomas Ramsay Fellow. His project on McCoy's "Prodromus of the Zoology of Victoria" was associated with Museum Victoria's 150th Anniversary Year. The major aim of the website is to provide access and an historical context for the wealth of



This image of a Weedy Seadragon, created by colonial artist Ludwig Becker, is one of the 19th century zoological illustrations to feature on Museum Victoria's new website, "Caught and Coloured", produced with assistance from the Menzies Foundation.

zoological images, which are all fine examples of scientific illustration. The Prodrumus artists included such luminaries as Ludwig Becker, John James Wild, Arthur Bartholomew and Frederick Schoenfeld.

In brief, the specifications for the website include approximately 100 original web-pages (of an average of 250 words per page), to be accompanied by 1000 images, and featuring a total of 170 different animal species from Victoria. The expected completion date for the "Caught and Coloured" website is June 2006. The project will turn out to be one of the most comprehensive websites on natural history illustration. It will also be another important example of the Museum's ongoing program, using online and digital technology, to help distribute its public programs to audiences who may not or cannot visit a physical venue. The website will include an appropriate acknowledgement of the support provided by the Menzies Foundation. Independent of the formal grant, Museum Victoria gave us generous help in establishing our own web sites but now the roles are reversed.

The marvellous cricket trophy by Stuart Devlin owned by the Foundation and on continuous loan to the

MCC Cricket Museum has been restored to its original use as a trophy for the match between the Prime Minister's XI and the visiting team of the year. Sandra Mackenzie and I attended this year's match won by the PM's XI against the West Indies. A reception was held the night before at The Lodge where the trophy was on display and admired by all. I was able to relate a little of the trophy's history and to present the Prime Minister and the ACT Cricket Association with a framed photograph of the inaugural match in 1951, also against the West Indies. Menzies had a politically indifferent year in 1951 and I commented that the cricket match was perhaps the highlight of his year.

Clarendon Terrace is an enduring icon of East Melbourne and we are fortunate to have this as our badging emblem. Most people remember the building even if they only passed by once. The building is 150 years old next year and it is in great shape but does need constant tender loving care and preventive maintenance.

*Professor John Coghlan, AO
Executive Director*



Executive Director, Professor John Coghlan, presents to the Prime Minister a framed copy of a photograph taken in 1951 of the inaugural Prime Minister's XI team. Justin Langer, Captain of the PM's XI team, looks on with others attending the reception held at The Lodge.

*Report prepared by Professor Bart Currie,
Interim Director*

2005 has been an eventful year for Menzies School of Health Research with the celebration of the MSHR's 20th anniversary, a change in leadership and strong research growth.

What began as an ambitious vision for a medical research institute in northern Australia, MSHR has grown to be one of Australia's foremost research and education institutions in Indigenous, remote and tropical health.

One of the highlights of the year was the 20:20 vision symposium. Speakers not only mapped the evolution of Indigenous and tropical health research in the north during the first 20 years of MSHR but also addressed the future health challenges for the north and neighboring countries - the escalating epidemic of chronic disease, the reemergence of infectious diseases, climate change and drug resistance.

The symposium brought together many of the talented past and present researchers, students and people associated with the organisation, including the founding Director Professor John Mathews, Professor Ian Gardner and Dr Andrew Laming. It also attracted Australia's leading population health experts with presentations from Professor Alan Lopez, Professor Tony McMichael, and Professor Paul Zimmet. The Menzies Foundation was well represented by the Chairman the Hon Sir Daryl Dawson, Dr Eric Wigglesworth, Ms Sandra Mackenzie and Professor Simon Maddocks.

During the symposium, the founding Director, Professor John Mathews reflected on MSHR over the years and made special mention of the unique partnership with the Northern Territory Government's Department of Health and Community Services and of the contribution of MSHR to building health expertise in the north through research, clinical learning and public health post-graduate education. He also spoke of the leadership that MSHR has shown in Indigenous health research, research ethics and translating research knowledge into improved health outcomes for Indigenous people.

Early in 2005 Professor Kerin O'Dea notified the MSHR Board that she would not seek reappointment as the Director. MSHR staff and colleagues farewelled Professor O'Dea at a reception at Government House, hosted by the Minister for Health, the Hon Dr Peter Toyne MLA in September and a more informal cocktail party in October. Under her leadership, MSHR has prospered with an exceptional record of attracting competitive research funding and with her strong advocacy of Indigenous health. Professor O'Dea will be a regular visitor to MSHR to continue her research on chronic diseases in Aboriginal communities.

While the broad thrust of the MSHR research program remains firmly focused on infectious diseases and population health issues, the research program is also expanding in the area of mental health, wellbeing and substance use issues in Aboriginal communities. New grants in this area include \$625,000 from NHMRC which build on recent work by Dr Sheree Cairney concerning recovery of brain damage with



Gabrielle Falls (MSHR), Professor John Mathews and Dr Eric Wigglesworth: Thanks to the achievements of its first two Directors – Professors John Mathews and Kerin O'Dea – the MSHR has gained both national and international recognition.

abstinence from petrol sniffing. A further study led by Dr Wendy Gunthorpe was awarded \$190,000 to look at the contribution of the psychosocial environment and spiritual well being to cardiovascular disease in Aboriginal youth.

MSHR applauds our Malaria team whose work in Indonesia has played a key role in changing World Health Organization global policy, with Artesunate replacing quinine as treatment of choice for severe malaria.

Our staff have continued to receive national recognition for their achievements. Worthy of special mention are:

- Dr Ngaire Brown, was awarded an Honorary Fellowship of the Royal Australian College of General Practitioners and the Australian Medical Association Women in Medicine Award for 2005.
- Dr Shelley Walton was awarded an NHMRC Career Development award to continue her work on the scabies mite.
- Dr Sheree Cairney was awarded an ABC Australian Academy of Science Media Fellowship for 2005.
- Dr Bart Currie won the inaugural Chief Minister's NT Research and Innovation Award for his melioidosis work, and
- Dr Alan Clough was awarded the 2005 Early Career Award by the Australian Professional Society on Alcohol and Drugs.

We look forward to the commencement of the new Director, Professor Jonathan Carapetis whose strong clinical and research background will ensure that MSHR research will be valued by Aboriginal people, the research community and health decision makers.

As Interim Director, I wish to extend my thanks to the Menzies Foundation and Professor Simon Maddocks, the current Chairperson of the MSHR Board, for the ongoing support of this unique research centre.

20 years of significant research outcomes:

- Established an Aboriginal Birth cohort of 686 Aboriginal babies from 1987, currently in the third wave of data collection.
- Improved quality of food in the communities' local stores following community based interventions.
- Designed a coordinated program for the prevention and treatment of rheumatic fever.
- Introduction of systematic pharmaco-therapy program to treat renal disease on the Tiwi Islands associated with marked improvements in blood pressure and stabilization of renal function.
- Excluded dogs as a reservoir of human scabies in remote communities, using DNA fingerprinting, enabling the focus of programs to be on prevention and treatment of scabies in children, rather than targeting the dogs.
- Development of national prevention and treatment guidelines for middle ear disease in Aboriginal children.
- Dramatic reductions in scabies and streptococcal skin sores resulting from a mix of clinical, public health community based interventions and laboratory initiatives leading to a stronger evidence base for practice.
- Halved the number of deaths in the NT from melioidosis following clinical studies of new treatments, combined with public health information on prevention and early diagnosis and treatment of melioidosis.
- Documented the harmful effects of kava, alcohol and petrol sniffing in remote Aboriginal communities and advocate for regulation to control the supply of kava and alcohol availability.
- Movement disorder on Groote Eylandt shown to be independent of manganese exposure and genetically diagnosed as Machado-Joseph disease.
- Identification and sequencing of the CLAG (cytoadherence) gene for malarial parasites.
- First Australian sequencing of the Chlamydia plasmid and the first Australian isolation of Chlamydia pneumonia.
- Compilation of National Data on Health Related Infrastructure in remote Aboriginal communities used as a key tool for policy makers and Indigenous leaders, planning services in remote Indigenous communities in the NT.
- Studies finding that it is possible to recover brain function after sustained abstinence from petrol sniffing.
- Development of clinical audit tools and a continuous quality improvement framework for Aboriginal health services, boosting the quality of care for people with chronic disease.
- Pioneered the culture of the causative organism of Donovanosis using chlamydial tissue culture techniques and the development of a new PCR technique for rapid diagnosis of Donovanosis.
- Study of the long-term trends in cancer mortality in NT Indigenous people and the identification of factors that are responsible for low cancer survival for Indigenous cancer patients.
- Analysis of the disparities between Indigenous people and other Australians treated in Australian public hospitals which has important implications for addressing the barriers to health care for Indigenous people.



Report prepared by Professor Simon Foote, Director

The past year has been one of significant change for the Menzies Research Institute, with the implementation of new governance arrangements and my appointment as Director. It has also been a year of optimism, with the Institute's growth strategy and progress with the new building project.

Council of the University of Tasmania introduced new governance arrangements for the Menzies Research Institute effective 1 December 2004, including a new Board. Council determined that the Institute should operate as a corporate entity established within the legal framework of the University rather than as a separate legal entity. Nevertheless, it intended that the governance relationship between the Institute and the University would largely mimic that which would occur if the Institute was a separate legal entity.

The Board is responsible for vision, strategy and general oversight of overall Institute performance, for which it is accountable. The Director is empowered to manage the operations of the Institute in conformity with agreed plans, policies and procedures, and is accountable to the Board for operational performance.

Being an Institute of the University of Tasmania, the undertakings of the Menzies Research Institute are aimed at achieving the goals, strategies and performance measures of the University under its EDGE (excellence, distinctiveness, growth and engagement) agenda.

The key priorities of the Board in 2005 were to recruit a new Director and to resolve the future structure, activities and direction of the Institute taking into consideration the Vice-Chancellor's

vision for the Institute, the objectives of the Institute, the University's EDGE agenda and the views of stakeholders.

I was delighted to be appointed Director of the Institute and commenced the appointment on a half-time basis in May 2005. I will be full-time in early 2006.

I would like to thank Associate Professor Alison Venn, the Institute's Deputy Director, for her commitment to the Institute and willingness to be Acting Director while the Director vacancy was filled. Associate Professor Venn provided excellent leadership and direction to the Institute over this period of time.

The matter of how health science research will be organised at the University of Tasmania has been the subject of discussion and consideration for several years. Different models have been proposed. In late 2004 it was determined that the Menzies Research Institute would be the core research institute for biomedical research.

A key priority of the Institute for the second half of 2005 was to progress this strategy. A plan for building health science research around the Institute has been developed and in principle agreement has been gained from various researchers and stakeholders for the strategy to be implemented. It is anticipated that research staff from the Faculty of Health Science and other areas of the University will join the Institute in 2006.

In supporting the strategy, the University has approved a proposal for \$5 million over five years to allow the Institute to employ five Fellows. We are looking for individuals to build additional research groups in areas of parallel interest to the current programs within the Institute and other health and medical programs within the University.

Each fellow will be awarded \$1 million (\$200,000 each year for five years) for research costs at the discretion of Fellows, which may include the salary costs of Fellows. At the end of the initial five-year period Fellows will be expected to secure sufficient on-going research funding to ensure financial independence.

The Menzies Institute had a successful year in 2005 with a number of scientific achievements and over \$2 million in competitive grant income. Highlights included:

- The National Health and Medical Research Council announced that our multiple sclerosis research was one of the ten most successful health and medical

research studies in the funding period 1999 to 2003. The research that was carried out in Tasmania in collaboration with researchers from three interstate research organisations identified two gene regions that may be responsible for causing multiple sclerosis;

- Results from a study by Professor Anne-Louise Ponsonby and colleagues found that the sleeping environment of infants, in particular the type of bedding with which a baby sleeps, is associated with wheezing and asthma in children at seven years of age. These results were published in the American Journal of Public Health;
- Research led by Professor Graeme Jones found that bone marrow lesions in the knee were strongly associated with pain, independently of other factors including defects in the cartilage and radiographic knee osteoarthritis. This finding provides new insight into prevention and management of knee pain;
- An analysis of early findings from the large scale Childhood Determinants of Adult Health study confirmed that obese children were much more likely to be obese as adults than healthy weight children, but also found that the majority of obese young adults at follow-up were a healthy weight in childhood. The findings highlight the importance of obesity prevention efforts beyond the childhood years;
- The Institute was awarded a grant from the Australian Research Council to carry out dyslexia research; and

- I was awarded over \$500,000 as a Howard Hughes Medical Institute International Research Scholar for my malaria research.

It has been confirmed that our new building will now be constructed on the existing site of the Menzies Research Institute and the adjacent parcel of land, 'Hollydene', in Campbell Street. The Building is a co-location project that will accommodate the Menzies Research Institute and significant elements of the University's Faculty of Health Science, including Medicine and Pharmacy. It is anticipated that the building will be ready for occupation before the start of University teaching in February 2008.

As the new building will be constructed at our current Liverpool Street site, there is a need to temporarily relocate for the construction period. Leased premises have been secured at 199 Macquarie Street in the Hobart CBD. At this stage, staff from the Liverpool Street building will re-locate in May 2006.

The Menzies Research Institute has a solid funding base, and ongoing support and commitment from the Menzies Foundation, Tasmanian Government and the University of Tasmania. The new Board has brought a strong set of capabilities and has quickly developed into a very effective team. We have a committed team of quality researchers and support staff carrying out excellent research. I am confident we are equipped to further expand our research and to increase our collaborative links throughout Australia and the world.



(Left-right): Jean Trethewey, Foundation Directors Ross Illingworth and Edwina Menzies, Allan Trethewey and Associate Professor Alison Venn. Mrs Trethewey was welcomed back to Clarendon Terrace to be awarded Life Membership of the Foundation and receive the Menzies Meszaros Medallion in recognition of her valued service to the Foundation and the Menzies Research Institute in Hobart.

The Menzies Centre for Health Policy was established in 2005 through a competitive grant from the Sir Robert Menzies Memorial Foundation. The Centre is a joint venture between two of Australia's leading universities, the Australian National University and the University of Sydney. The Co-Directors are Professor Stephen Leeder and Mr Robert Wells.

The Menzies Centre for Health Policy aims to provide the Australian people with a better understanding of their health system and what it provides, so that they can contribute to the formation of health policy and thus enhance the accountability of policy-makers.

The Centre will undertake research, provide teaching and education programs, and stimulate public debate on important questions of health policy. It will draw together multidisciplinary teams from such fields as health system and policy analysis, clinical care, public health, economics, data analysis and public communication, administration and service provision.

Research programs will include:

- health systems
- database analyses
- approaches to health policy-making
- national health policy issues
- governance
- equity in relation to health service provision
- the future of health and the health workforce
- prevention and management of serious and continuing illness
- policies that support the translation of research into practice.

The Menzies Centre for Health Policy is non-partisan and dedicated to bringing independent and fresh perspectives to health policy debates.

Health/Public Health Policy Issues

The Centre will:

- provide expert commentary on policy issues for the public and technical media;
- work with governments and others in policy development;
- establish international networks and build a public understanding of the global context of Australian health policy.

Education and Training

- sponsor higher degree coursework and PhD programs; and
- offer short courses for policy-makers.

Research Profile

- determine the needs of patients with serious and continuing illness, and set policy to meet those needs;
- examine health service financing arrangements from the perspectives of equity and efficiency; and
- determine the health workforce needs in relation to likely future population needs for health care.

Encouragement of Public Debate

- hold an annual Sir Robert Menzies Health Policy lecture;
- promote and inform public debate on health policy to assist Australia in establishing health care priorities in terms of affordability, access, equity, safety and quality of services, outcomes for patients and efficiency of resource allocation;
- sponsor regular seminars, lectures and education programs.

The Menzies Centre for Health Policy will also be involved in development of the Graduate Certificate in Health Policy. The graduate course will extend the professional skills of students, providing essential tools for successful health policy leadership. Students will study the health policy environment, including the institutions, interests and issues that shape contemporary policy-making. They will learn to develop and implement health policy, acquire an understanding of the political and economic context of policy development and influence the forces of change.

On 3 March 2006 the Menzies Centre for Health Policy will be formally launched at Old Parliament House, Canberra, by His Excellency Major General Michael Jeffery, Governor-General of the Commonwealth of Australia. The inaugural Menzies Health Policy Lecture will be delivered by Mr Andrew Podger, former Secretary of the Federal Department of Health. His subject will be "A Model Health System for Australia".

In April 2006, the Centre will host its first seminar entitled "Reforming the Australian Health System: Policy and Politics". The keynote speaker will be Dr Dan Fox, President, Milbank Memorial Fund, USA.

Directors

Professor Stephen Leeder, AO



Professor Stephen Leeder

Professor Leeder is Co-Director of the Menzies Centre for Health Policy. He is also Director of the Australian Health Policy Institute and Professor of Public Health and Community Medicine at the University of Sydney.

Professor Leeder has overseen the implementation of new medical graduate educational programs and the formation of an extensive rural education network for medical students. He was also involved in founding the new medical school at Newcastle, NSW and has served on state and federal health committees.

His research interests include asthma and cardiovascular disease. In 2003-04 Professor Leeder worked at Columbia University assessing the impending effects of heart disease and stroke on developing economies. His research interests include asthma and cardiovascular disease. In 2003-04 Professor Leeder worked at Columbia University assessing the impending effects of heart disease and stroke on developing economies.

Mr Robert Wells



Robert Wells

Robert Wells is Co-Director of the Menzies Centre for Health Policy and the Executive Director of the College of Medicine and Health Sciences at ANU. A former First Assistant Secretary at the Department of Health and Ageing, Mr Wells has been involved in research policy, Commonwealth/State relations, health workforce, rural health programs, safety and quality and programs for better management of major diseases.

He managed the Commonwealth's health workforce programs, chaired the Medical Training Review Panel and represented the Commonwealth on a number of national workforce committees. Mr Wells chaired a number of working parties on national medical registration and specialist medical training and has represented Australia internationally on medical workforce matters.

Form Of Bequest

The Menzies Foundation's funds consist of the income from its investments, supplemented by some private donations and bequests. The following simple form of bequest may be adapted for use by persons intending to benefit The Menzies Foundation by their wills:

"I GIVE to the Sir Robert Menzies Memorial Foundation Limited of 210 Clarendon Street, East Melbourne to be applied for the purposes of the Foundation the sum of..... (or part or all of the residue of my estate) free of all duty and I DIRECT that the receipt of the Executive Director be accepted as a sufficient discharge for the same."

Report prepared by Professor Carl Bridge, Director

The Menzies Centre for Australian Studies moved into its splendid new premises on the fourth floor of the Australia Centre on the corner of Melbourne Place and The Strand at the end of July. Professor Carl Bridge was Head. Dr Ian Henderson was lecturer in Literature and Film and Dr Catherine Kevin was Lecturer in Australian History.

Ms Jacki Keys completed work as the Menzies Foundation Fellow for 2004-5 on an electronic database of all printed Australian studies material in British libraries which was launched at the National Library of Australia in April 2005 as the Southern Cross Research Finder. There were seven research students. Five students were enrolled in all or part of the taught MA. In the BA courses there were 36 students enrolled for Australian Literature and Film and 19 for History.

The 2005 Menzies Lecture was given by Mr Robert Thomson, the editor of *The Times* on 'Does the newspaper have a future?' and the Trevor Reese Memorial Lecture by Dr Jennifer MacLeod, University of Edinburgh, on 'Battle of the Nations: Remembering Gallipoli'.

The following conferences and symposia were held:

- 'The Digger and the Larrikin Live On', with the Imperial War Museum;
- 'The Reading Problem', with the Institute for English Studies, University of London, and the University of Reading;
- 'Talking Australian Art', the 2005 Lincoln Dialogue;
- 'The Politics of Friendship III' and 'The Australian Diaspora in Britain, 1901-2001', both Menzies-Monash conferences; and

- 'Branding Cities and Urban Borders' with UTS and Middlesex University.

There were 24 research seminars, seven Menzies-Monash Seminars on Issues in Public Policy, and nine literary readings and book launches.

Professor Bridge and Dr David Dunstan, National Centre for Australian Studies, Monash, won a research grant of \$82,572 from the Monash Institute for the Study of Global Movements for their project on 'Australian Communities in Britain since 1901'.

Distinguished visitors to the Centre included:

- The Hon. Richard Alston, Australian High Commissioner to the UK;
- The Hon. John Bannon, Master, St Mark's College, University of Adelaide;
- Professor Geoffrey Bolton, Chancellor, Murdoch University;
- Professor Hilary Carey, Keith Cameron Professor of Australian History, University College Dublin;
- Sir Roger Carrick, former British High Commissioner to Australia;
- Professor John Coghlan, Executive Director, The Menzies Foundation;
- Mr Grahame Cook, Deputy Secretary, DEST;
- Dr Geoffrey Garrett, CEO of CSIRO;
- Professor Anthony Low, former Vice-Chancellor, ANU;
- Professor Anthony Milner, Dean of Asian Studies, ANU;
- Dr Peter Shergold, Secretary to the Department of Prime Minister and Cabinet, Canberra; and
- Dr Anne Summers, journalist and writer.



The Menzies Centre for Australian Studies has moved to new premises in the Australia Centre, London.



Mr Alec Menzies, grandson of Sir Robert, presented the Menzies Foundation Medal to the 2005 Menzies Orator, Professor Peter McPhee.

Sir Robert Menzies considered that his contribution to the development of Universities might prove to be amongst the most lasting of his achievements for Australia. In recognition of this vision and in order to strengthen the role of higher education in Australia, the University of Melbourne and the Foundation established in 1991 the Sir Robert Menzies Oration on Higher Education.

The theme for the Oration is higher education policy and practice in Australia both in view of its national importance and also because of Sir Robert's attachment to both the extension of higher education and the wise development of it. The intention is for each Oration to be a contribution to intellectual debate in Australia.

Previous Menzies Orators have been:

- 2004 Professor Stephen Leeder,
The University of Sydney
- 2003 Professor Alan Gilbert,
The University of Melbourne
- 2002 Dr Bernard Shapiro,
McGill University
- 2001 Dr John Hood,
The University of Auckland
- 2000 Professor Sir Alec Broers,
The University of Cambridge
- 1999 Sir Guy Green,
Governor of Tasmania
- 1998 Lord Dearing,
The University of Nottingham

- 1997 Professor Wang Gungwu,
The National University of Singapore
- 1996 Professor Sir Stewart Sutherland,
The University of Edinburgh
- 1995 Professor Brian Wilson,
The University of Queensland
- 1993 Professor Henry Rosovsky,
Harvard University
- 1992 Professor Emeritus Peter Karmel,
Australian National University
- 1991 Professor David Penington,
The University of Melbourne

The Oration is presented annually at the University of Melbourne in conjunction with a higher degree graduation ceremony. The choice of this University as the venue for the Oration recognises the eminent role played by Sir Robert as its Chancellor from 1967 to 1972 and a Menzies Foundation medal, specially struck by the Royal Australian Mint, is presented to each Orator.

The 2005 Oration entitled "Faces in the Crowd? The 'Melbourne Experience' past, present, future" was delivered by Professor Peter McPhee, Deputy Vice-Chancellor (Academic), University of Melbourne. The full text of Professor McPhee's Oration is available at the Menzies Foundation's web site at www.menziesfoundation.org.au.

The Foundation was represented by Mr Brian Doyle, Deputy Chairman, Professor John Coghlan, Executive Director and Ms Sandra Mackenzie, General Manager.

Sir Robert Menzies Memorial Scholarships in Law

The Sir Robert Menzies Memorial Trust in London, with the support of the Foreign and Commonwealth Office and of the Sir Robert Menzies Memorial Foundation in Australia, offers to Australians post-graduate scholarships in law for tenure at universities in the United Kingdom.

There were 37 applications for the law scholarships available this year. One application was returned because the candidate had not completed his law degree at the time of application. The remaining applications were forwarded to a panel for ranking with the six most highly ranked candidates invited for interview in Melbourne on 14 October, 2005.

The Selection Committee was the Hon Sir Daryl Dawson (Chairman), the Hon Justice Susan Kenny (Federal Court and Menzies Scholar), Professor Michael Bryan (University of Melbourne) and Mr Peter West (the British Consul-General representing the Foreign and Commonwealth Office). Ms Sandra Mackenzie was Secretary to the Committee.

The Sir Robert Menzies Memorial Scholarships in Law were awarded to Ms Aruna Sathanapally, Mr Ben Spagnolo and Mr James Upcher.

Ms Aruna Sathanapally holds the degrees of BA and LLB from the University of NSW (2005) and was placed 1/317 in her graduating class. During her academic career Aruna gained four prizes including the University Medal. She has applied to take the degree of BCL/MPhil at Oxford for two years.

Mr Ben Spagnolo holds the degrees of BA (H1) and LLB (H1) from the University of Western Australia (2005) and was placed 1/174 in his graduating class. During his academic career Ben gained 24 prizes including the Frank Edward Parsons Prize and the HCF Keall Prize. He has applied to take the degree of BCL/MPhil at Oxford for two years.

Mr James Upcher holds the degrees of BA (H1) and LLB (H1) from the University of Tasmania (2003) and was placed 1/137 in his graduating class. During his academic career James gained five prizes including the University Medal and has seven publications. He has applied to take the degree of DPhil at Oxford to study for three years. The Menzies Scholarship will apply to the final two years of study only.

Sir Robert Menzies Memorial Research Scholarships in The Allied Health Sciences

The Sir Robert Menzies Memorial Research Scholarship in the Allied Health Sciences commenced in 1987 with the purpose of stimulating postgraduate research in allied health disciplines such as physiotherapy, psychology, occupational therapy, nursing, and speech pathology. The scholarship has been so successful that the Foundation decided, as part of its 25th Anniversary initiatives, to award two scholarships annually (commencing in 2005). The value of the Scholarship is \$25,000 p.a. for each of two years.

This research scholarship is open to graduates in any of the health sciences who have enrolled for a PhD in an Australian University and who have completed the first stage of their doctoral program. As in previous years, the Foundation is grateful for the support of



Menzies Scholars for 2005: Andy Chien, Aruna Sathanapally, Leanne Hassett and Ben Spagnolo pictured at Clarendon Terrace after presentation of their Menzies Meszaros Medallions.

the final selection committee and the assessors who are nominated by the respective disciplines to grade the applications in terms of topic, relevance and methodology.

In 2005 the scholarship attracted a field of 29 candidates and the disciplines included physiotherapy, speech pathology, psychology, optometry and nutrition. In addition to the grading by the discipline assessors, the academic qualifications and publication record of each candidate as well as the scientific validity of the various projects were carefully considered.

Four candidates were invited to attend for interview in Melbourne on 25 August, 2005. The interview panel consisted of Professor John Coghlan (Chair), Professor Jennifer Boldero (University of Melbourne), Professor Alison Perry (La Trobe University) and Professor Robyn O'Hehir (Monash University and previous Menzies Scholar). Ms Sandra Mackenzie was Secretary to the Committee.

The Sir Robert Menzies Memorial Scholarships in the Allied Health Sciences for 2006-2007 have been awarded to Mr Andy Chien and Mrs Leanne Hassett.

Mr Andy Chien holds the degree of BPhysiotherapy with First Class Honours from the University of Queensland (2003). During his academic career Andy gained the Dean's Commendation for High Achievement on two occasions and has two publications.

His PhD project entitled "Identification of minor neuropathy in whiplash associated disorders" will be carried out at the University of Queensland. The pathophysiology underlying whiplash pain and persistent symptoms remains unclear and the lack of understanding of the mechanisms is an important factor preventing the development of effective treatment strategies.

Mrs Leanne Hassett holds the degrees of MHSc (Neuro Physio) (2002) and BAppSc (Physio) from the University of Sydney (1996). Leanne has four publications.

Her PhD project entitled "Fitness training in Traumatic Brain Injury" will be carried out at the University of Sydney. It will determine the effectiveness of fitness training for people with TBI and validate a field test for cardiorespiratory fitness. This project will make a substantial contribution toward evidence-based rehabilitation for people with TBI.

Robert Gordon Menzies Scholarship To Harvard



Katie M Connolly

The Harvard Club of Australia, the Australian National University and the Sir Robert Menzies Memorial Foundation jointly sponsor the Robert Gordon Menzies Scholarship to Harvard University. The Scholarship is administered by the ANU.

Applications for the RG Menzies Scholarship to Harvard were considered by the Selection Committee, which included Renee Leon and James McLachlan. The Committee interviewed selected candidates and the 2006 Scholarship was awarded to Ms Katie M Connolly.

Katie holds a Bachelor of Arts from the University of Queensland and was awarded a Dean's Commendation for High Achievement. Katie completed her honours year at the University of Melbourne.

Katie has been admitted to the Master of Public Policy program at the John F. Kennedy School of Government where she will specialize in International Trade and Finance.

NHMRC/RG Menzies Fellowship



Dr Adrian Liston

In 1996, the Foundation made the inaugural contribution of \$50,000 per annum to the National Health and Medical Research Council's (NHMRC) CJ Martin/Neil Hamilton Fairley Fellowships with one of the Fellowships to become known as the NHMRC/RG Menzies Fellowship. These Fellowships are available for postgraduate medical study at approved overseas institutions with tenure for up to four years.

Two years are spent in the overseas country followed by two years back in Australia. The Foundation has also made available a supplementation of \$5,000 for each of the four years of the award for activities associated with the NHMRC/RG Menzies Fellowship, e.g. conference travel.

The 2005 NHMRC/RG Menzies Fellowship was awarded to Dr Adrian Liston from the Division of Immunology and Genetics at the John Curtin School of Medical Research, ANU. Adrian will take up his Fellowship in 2006 at the Department of Immunology, School of Medicine, University of Washington. His proposed study is "Genetic characterisation of factors affecting generation of Foxp3+ regulatory T cells".

Sir Robert Menzies had an abiding passion for cricket and cricket is therefore a natural item in any Menzies remembrance program. The Menzies Foundation has therefore been involved in various cricket activities since its inception in 1979.

Five Menzies Memorial Cricket Matches between Victoria and the England XI have been held and after each match the winning team was awarded the Menzies Memorial Trophy. Designed by Stuart Devlin, the trophy is on permanent display in the Melbourne Cricket Club Museum and depicts eleven cricketers in various aspects of the game.

In the future, the trophy will be provided for the Prime Minister's XI matches. On 2 December, 2005 the trophy was presented by the Prime Minister, the Hon John Howard, MP to Justin Langer, Captain of the PM's XI following his team's victory over the West Indies XI.

The Foundation also provides a medallion for the man-of-the-match which was awarded on this occasion to West Indies batsman, Ramnaresh Sarwan.

At the Prime Minister's reception at The Lodge the previous evening, the Foundation's Executive Director, Professor John Coghlan, presented framed copies of a photograph taken in 1951 of the inaugural Prime Minister's XI team to the Prime Minister and to the President of the ACT Cricket Association, the Hon John Gallop.

Last year, as part of the Menzies Foundation's 25th Anniversary celebrations, the Foundation joined with Cricket Australia in establishing a Sir Robert Menzies Scholarship for cricket. Mr Paul Sheahan, a former Director of the Menzies Foundation and currently a member of our Council, agreed to be the Foundation's nominee on the Selection Panel. The scholarship is awarded to a talented young athlete (male or female) who has been selected for an Australian Institute of Sport Cricket Scholarship. The inaugural award was made to George Bailey, a batsman and medium pace bowler from Tasmania. The award for 2005/2006 will be announced in March 2006.



The Menzies Memorial Trophy: Justin Langer receives the Stuart Devlin designed trophy from the Prime Minister, the Hon John Howard.



the Scholars Association, I wish to acknowledge the tireless support of Sir Daryl Dawson and the Board, Professor John Coghlan, Ms Sandra Mackenzie, Ms Pam Shearman and Mrs Glenis McDonald. Their support is always present, and is very much appreciated.

Professor Robyn O'Hehir
MMSA President

Menzies Centenary Prize, Dimboola

This prize was initiated by the Foundation in 1994 in association with the Dimboola Memorial Secondary College to mark the centenary of Sir Robert's birth in Jeparit. The award is a contribution of \$3,000 to the first year of tertiary study and is funded jointly by the MMSA and the Foundation.

The prize for 2005 was awarded to Alison Dumesny. The winner of the College's 2004 Year 12 Scholastic Award, Alison achieved an ENTER score of 91.60 in the VCE. She was an exemplary member of the college community for six years encompassing sporting programs, student leadership and student representation. Alison deferred her University degree in podiatry until 2006.

President's Report

The Menzies Memorial Scholars Association enjoyed a number of changes during 2005. Our contribution to the Website was enhanced with updated biographies for many of our members, and the new "Menzies Scholars Online Community" was inaugurated during the year. I hope that Menzies Scholars Online will offer our Alumni the opportunity for easier communication, and the opportunity to propose ideas for future exciting events. Some of our Association members were again involved in identifying and selecting Menzies Scholars during the year, and Professor Simon Maddocks and I were also engaged in selecting the successful bid for designation as the new Menzies Centre for Health Policy. The Scholars Association joins everyone associated with the Menzies Foundation in wishing the Co-Directors, Professor Stephen Leeder and Mr Robert Wells, every success in this venture.

In 2005 the Association piloted a new seminar style format for the Annual Scholars meeting, which featured a number of interesting presentations by members. For the 2005 meeting, we were addressed by Mr Oren Bigos, Mr Albert Dinelli, Dr Deborah Walsh and Dr Kerry Proctor. The Menzies Brief was a highly successful way to highlight achievements and important events for our Menzies family.

At the end of 2005 I retired as President of The Association. I thank James McLachlan for his support as Secretary/Treasurer during the year and welcome the new President, Ms Frances Williams, and Secretary/Treasurer, Dr Deborah Walsh, to their roles. Personally, and on behalf of



Alison Dumesny, the 2005 Menzies Centenary Prize winner, received her Menzies Meszaros Medallion at the Annual Dinner in the presence of her parents, Christine and Doug Dumesny.

The development of the Foundation's web sites is an ongoing task for the Secretariat. Ms Pam Shearman of Shearman Office Support is the "Web Manager" and in addition to maintaining the Foundation's general web site and the Menzies Virtual Museum, has this year overseen the design and implementation of the Menzies Scholars' Online Community. This password protected facility will provide interactive communication between all Menzies Scholars throughout Australia and the world.

Since the launch of the Menzies Virtual Museum in 2002, productive collaborations have developed between the Secretariat and the John Curtin Prime Ministerial Library (JCPML) in Perth. One example is the JCPML web site "Leading Australia in World War Two – Robert Menzies and John Curtin". The site will be an important educational resource and, on its completion in early 2006, will be linked to the Menzies Virtual Museum site. The web site will complement the exhibition called "My Melancholy Duty: Menzies and Curtin in the Second World War" staged at Old Parliament House, Canberra. The educational material associated with this exhibition included references to the Menzies Virtual Museum Website. The Foundation's General Manager, Sandra Mackenzie attended the launch of the exhibition on 2 August, 2005.

Through her links with JCPML, Sandra was also invited to write a paper for the refereed Journal

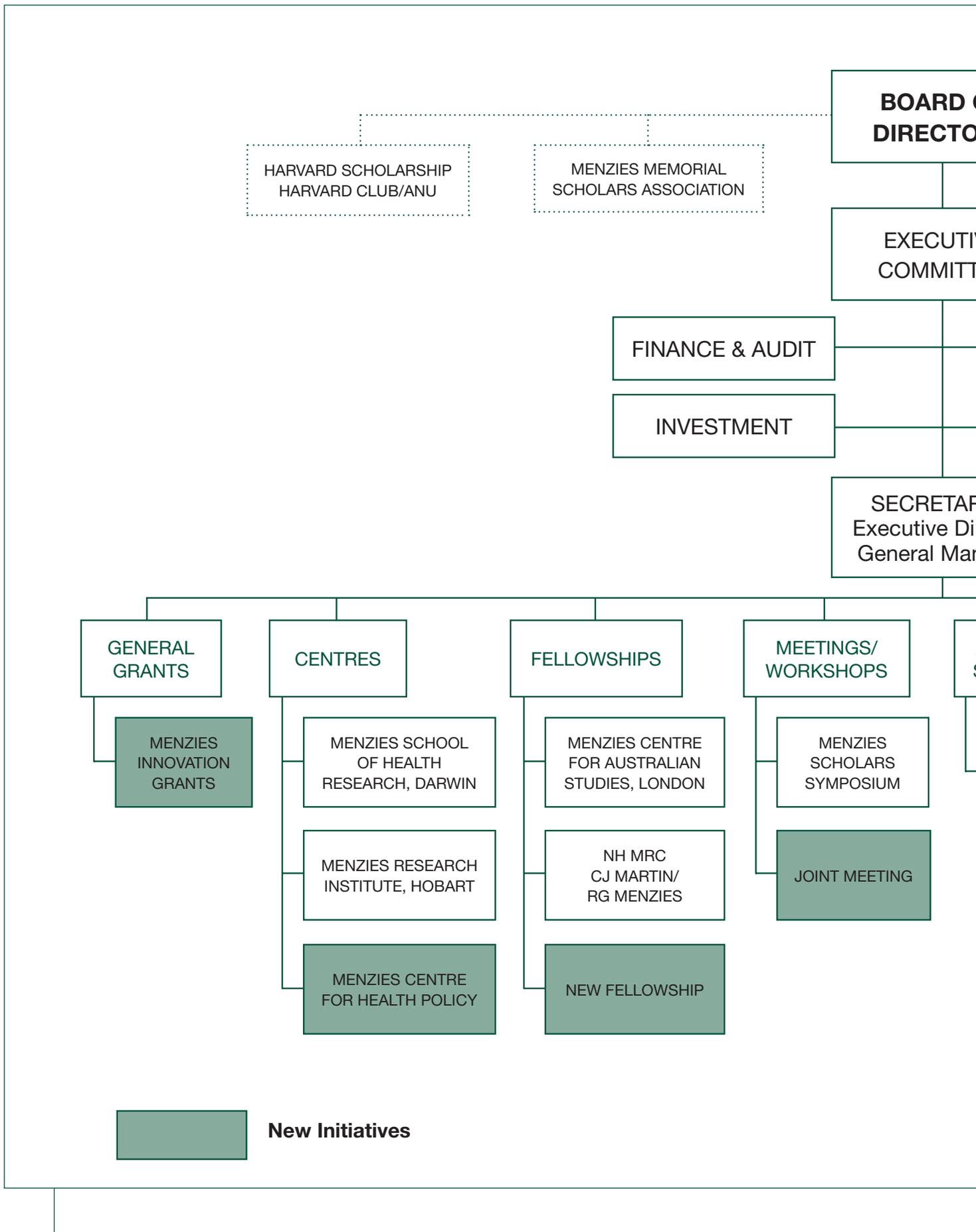
"Australian Academic & Research Libraries" in its special edition (Vol.36, No. 1, March 2005) on conventional Prime Ministerial Libraries. Her paper "The Menzies Foundation: an unconventional memorial" outlines the alternative memorials established by the Menzies Foundation including the creation of the Menzies Virtual Museum.

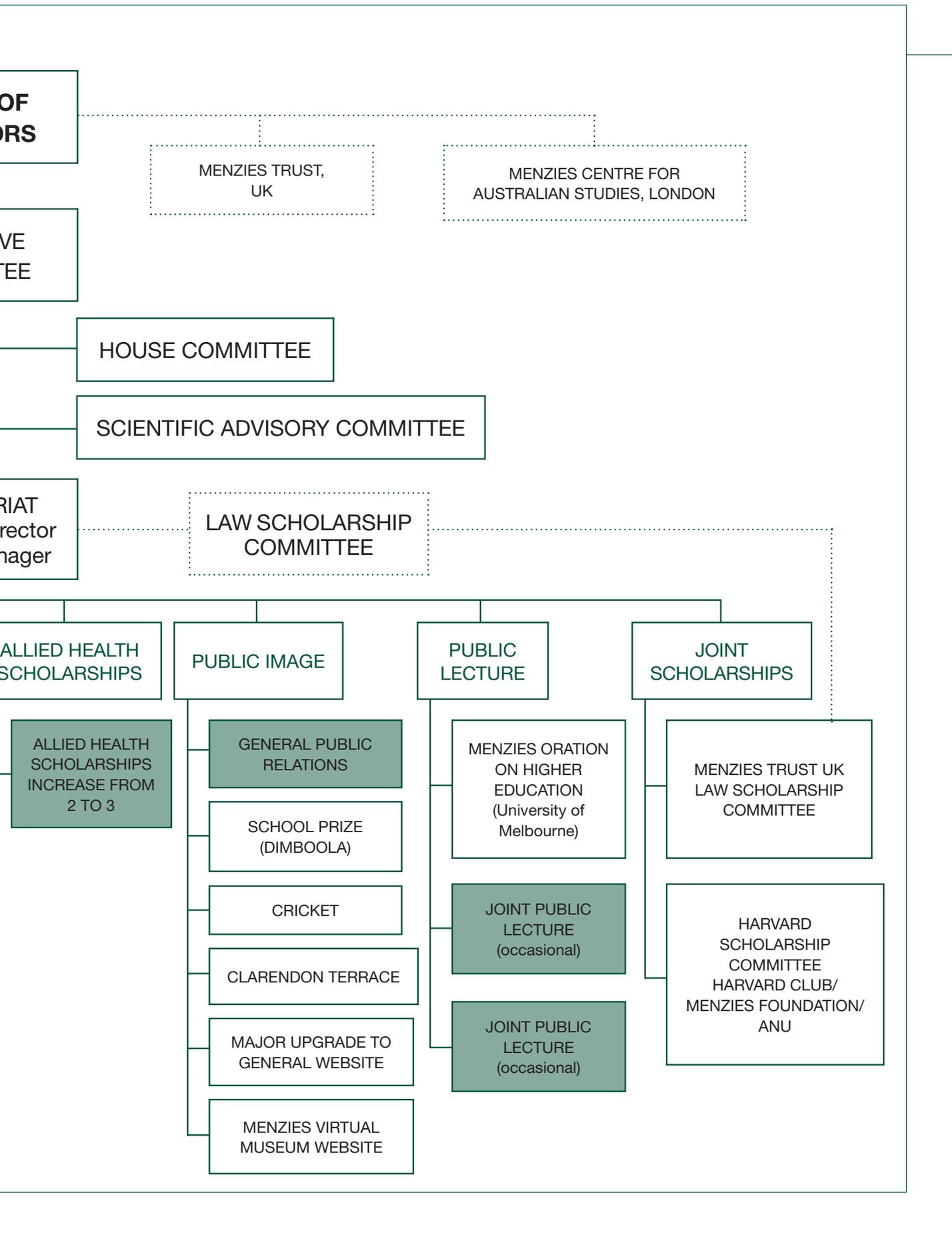
The web statistics for the Menzies Virtual Museum site continue to show a consistent number of visitors. Again the statistics indicate that school children are visiting the site at certain times during school term (March and May) with lower numbers during holidays and at weekends. The Forgotten People speeches are currently the most frequently viewed pages on the site.

For visitors logging into the Menzies Foundation's general web site, www.menziesfoundation.org.au, the most popular months are March and April (before the Allied Health Sciences Scholarship applications are lodged) and June and July (before the Law Scholarship applications are lodged). A survey of 37 applicants for the Law Scholarship has shown that the majority found out about the scholarship through the Internet. Only one applicant had seen the newspaper advertisement. This knowledge will result in a cost saving on press advertising in the future.



Bannerhead of the web resource "Menzies and Curtin in World War Two" produced by the John Curtin Prime Ministerial Library in collaboration with the Menzies Foundation.





**The Sir Robert Menzies
Memorial Foundation Limited
(A Company Limited by Guarantee)**

ABN 43 008 543 897

Financial Report – 31 December 2005

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This financial report covers The Sir Robert Menzies Memorial Foundation Limited as an individual entity.

The Sir Robert Menzies Memorial Foundation Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

The Sir Robert Menzies Memorial Foundation Limited
210 Clarendon Street
East Melbourne VIC 3002

A description of the nature of the company's operations and its principal activities is included in the directors' report on pages 23-24.

Directors' Report

Your directors present their report on the The Sir Robert Menzies Foundation Limited ("the Foundation") for the year ended 31 December 2005.

Directors

The following persons were directors of the Foundation during the whole of the financial year and up to the date of this report:

The Hon Sir Daryl Dawson, AC, KBE, CB (Chairman)
Mr BJ Doyle (Deputy Chairman and Secretary)
Mr B Jamieson (Treasurer)
Mr CPH Kiefel
Associate Professor DAF Morgan
Ms BG Gibson
Professor S Maddocks
Mr JL McLachlan
Professor RE O'Hehir
Ms EC Menzies
Mr RA Illingworth
The Hon Sir Guy Green, AC, KBE

Principal activities

The Foundation's principal activities are the development and support of "Menzies" medical, scientific and educational institutions, scholarships, fellowships and lectureships. No change in the nature of the Foundation's activities occurred during the year.

Dividends

No dividends are paid. The Foundation is prohibited by its Memorandum and Articles of Association from making any distribution to its members.

Review of operations

The surplus from ordinary activities of the Foundation for the year was \$1,710,365 (2004: \$4,427,315). A detailed review of operations is included in a separate report by the Chairman of the Foundation and which forms part of this Annual Report. The operating expenses were in line with the budget approved by the Board at the commencement of the year.

Significant changes in the state of affairs

The Foundation's investment strategy designed to generate income to meet the Foundation's operational commitments whilst improving the Foundation's capital base. Investment income improved and the Foundation was able to continue with its major projects during 2005. Funding for a new Menzies Centre for Health Policy commenced. All funds invested with Credit Suisse Asset Management were redeemed on 1 February 2005 and divided equally between BT Financial Group and Goldman Sachs JB Were Asset Management.

Matters subsequent to the end of the financial year

The directors are not aware of any matter or circumstance which has arisen since the end of the year that has significantly affected or may significantly affect:

- (i) the Foundation's operations in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the Foundation's state of affairs in future financial years.

Likely developments and expected results of operations

The Foundation will continue with its principal activities as indicated under "Principal Activities" above, these being, in the opinion of the Board, appropriate forms of national memorial to Sir Robert Menzies.

Directors' benefits

No director of the Foundation has received or become entitled to receive a benefit by reason of a contract made by the Foundation or a related body corporate with the director or with a firm of which the director is a member, or with an entity in which the director has a substantial financial interest.

Meetings of Directors

The number of meetings of the Foundation's board of directors held during the year ended 31 December 2005, and the number of meetings attended by each director were:

| | Board of Directors Meetings | |
|--------------------------|------------------------------------|------------------------|
| | Number Held | Number Attended |
| The Hon Sir Daryl Dawson | 3 | 3 |
| Brian J Doyle | 3 | 2 |
| Belinda G Gibson | 3 | 3 |
| Charles PH Kiefel | 3 | 2 |
| Simon Maddocks | 3 | 3 |
| James L McLachlan | 3 | 1 |
| David AF Morgan | 3 | 1 |
| Robyn E O'Hehir | 3 | 3 |
| Edwina C Menzies | 3 | 2 |
| Ross A Illingworth | 3 | 2 |
| Brian Jamieson | 3 | 3 |
| The Hon Sir Guy Green | 3 | 2 |

Investment and Finance Committee Meetings

| | Number Held | Number Attended |
|--------------------|--------------------|------------------------|
| John P Coghlan | 7 | 6 |
| Charles PH Kiefel | 7 | 6 |
| Ross A Illingworth | 7 | 6 |
| Brian Jamieson | 7 | 6 |

Information on Directors

Information on directors' qualifications and experience is outlined in the annual report.

Environmental Regulation

The company complies with all significant environmental regulations.

Insurance Officers

A premium was paid during the year in respect of liability insurance for officers of the Foundation.

Auditor

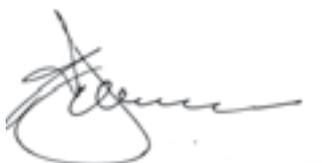
PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

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



The Hon Sir Daryl Dawson
Chairman

Melbourne 3 March 2006



Brian Jamieson
Director

Melbourne 3 March 2006



PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331L
MELBOURNE VIC 3001
DX 77
Website: www.pwc.com/au
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

Auditors' Independence Statement

As lead auditor for the audit of The Sir Robert Menzies Memorial Foundation Limited for the year ended 31 December 2005, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Sir Robert Menzies Memorial Foundation Limited during the period.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'S L Jeraj', written in a cursive style.

S L Jeraj
Partner

Melbourne
8 March 2006

Income Statement

For the year ended 31 December 2005

| | Notes | 2005 \$ | 2004 \$ |
|--|-------|------------------|------------|
| Revenue from continuing activities | 2 | 2,829,483 | 5,263,726 |
| Expenses from ordinary activities | | | |
| Menzies health research centres | | (369,795) | (200,000) |
| Scholarships and fellowships | | (247,339) | (208,897) |
| Other memorial activities | | (78,393) | (74,239) |
| Salaries and salary on-costs | | (201,933) | (189,574) |
| 25th anniversary activities | | (3,759) | (22,961) |
| Other expenses from ordinary activities | | (217,899) | (143,740) |
| Surplus from ordinary activities | | 1,710,365 | 4,427,315 |
| Net surplus | | 1,710,365 | 4,427,315 |
| Total increase in accumulated funds | | 1,710,365 | 4,427,315 |

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

Balance Sheet

For the year ended 31 December 2005

| | Notes | 2005 \$ | 2004 \$ |
|--------------------------------|-------|-------------------|------------|
| Current assets | | | |
| Cash assets | 4 | 365,701 | 1,451,647 |
| Receivables | 5 | 169,004 | 75,641 |
| Investments | 6 | 18,126,163 | 15,388,245 |
| Other | 7 | 26,586 | 15,954 |
| Total current assets | | 18,687,454 | 16,931,487 |
| Total assets | | 18,687,454 | 16,931,487 |
| Current liabilities | | | |
| Payables | 8 | 37,009 | 19,079 |
| Provisions | 9 | 82,226 | 54,104 |
| Total current liabilities | | 119,235 | 73,183 |
| Non-current liabilities | | | |
| Provisions | 10 | 3,497 | 3,947 |
| Total non-current liabilities | | 3,497 | 3,497 |
| Total liabilities | | 122,732 | 77,130 |
| Net assets | | 18,564,722 | 16,854,357 |
| Accumulated Funds | | 18,564,722 | 16,854,357 |

Statement of Changes in Equity

For the year ended 31 December 2005

| | 2005 \$ | 2004 \$ |
|---|-------------------|------------|
| Accumulated Funds at the beginning of the financial year | 16,854,357 | 12,427,042 |
| Net surplus | 1,710,365 | 4,427,315 |
| Accumulated Funds at the end of the financial year | 18,564,722 | 16,854,357 |

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

Statement of Cash Flows

For the year ended 31 December 2005

| | Notes | 2005 \$ | 2004 \$ |
|---|-------|--------------------|-------------|
| Cash flows from operating activities | | | |
| Receipt of Federal Government grant | | - | 3,000,000 |
| Receipts from trade and other debtors (inclusive of goods and services tax) | | 315,483 | 218,965 |
| Funds invested in shares in listed companies | | (1,401,118) | (1,676,393) |
| Payments to creditors, employees, fellowships and similar (inclusive of goods and service tax) | | (829,200) | (906,460) |
| Funds withdrawn from investments | | 785,000 | 720,000 |
| Interest received | | 43,889 | 65,112 |
| Net cash (outflow)/inflow from operating activities | 21 | (1,085,946) | 1,421,224 |
| Net (decrease)/increase in cash held | | (1,085,946) | 1,421,224 |
| Cash at the beginning of the financial year | | 1,451,647 | 30,423 |
| Cash at the end of the financial year | 4 | 365,701 | 1,451,647 |

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

Notes to the Financial Statements

31 December 2005

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.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Statement of Compliance

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the consolidated financial statements and notes of The Sir Robert Menzies Memorial Foundation comply with International Financial Reporting Standards (IFRSs).

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

These financial statements are the first The Sir Robert Menzies Memorial Foundation Limited financial statements to be prepared in accordance with AIFRSs. AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of The Sir Robert Menzies Memorial Foundation Limited until 31 December 2004 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS. When preparing The Sir Robert Menzies Memorial Foundation Limited 2005 financial statements, management has reviewed accounting, valuation and consolidation methods applied

in the AGAAP financial statements to ensure compliance with AIFRS. There are no material differences at the date of transition between AGAAP and AIFRS.

Early adoption of standard

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

Historical cost convention

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.

(a) Fixed assets

Fixed assets purchased are written off in the year of acquisition. Refer also note 12.

(b) Taxation

The Foundation is exempt from taxation under Section 50-5 of the Income Tax Assessment Act 1997. Under legislative changes which came to effect on 1 July 2000 the Foundation is entitled to a refund of dividend imputation credits which arise on the Foundation's investments.

(c) Investments

Investments of the Foundation are recorded at market value as at the reporting date.

Realised and unrealised gains and losses arising from changes in the fair value of the financial asset through profit or loss category are included in the income statement in the period.

(d) Revenue recognition

Operating revenue includes interest income, dividends, donations, profit on sale of investments, unrealised gains/losses on recognition of investments at market value and rental income from Clarendon Terrace. Amounts disclosed as revenue are net of taxes paid.

Government and other grants are recognised when received from government or other institutions.

Donations and contributions are brought to account on a cash received basis, whereas all other revenue and expense items are accounted for on an accrual basis.

(e) Employee entitlements

(i) Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(f) Cash

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(g) Trade creditors

These amounts represent liabilities of goods and services provided to the company prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(h) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

Notes to the Financial Statements (cont.)

31 December 2005

| | 2005 | 2004 |
|--|------------------|------------------|
| | \$ | \$ |
| Note 2. Revenue | | |
| Revenue from Operating Activities | | |
| Net Investments Income | 763,286 | 619,243 |
| Marked-to-market adjustment of investments at year end | 1,743,678 | 1,431,528 |
| Rent | 35,880 | 35,600 |
| Parking | - | 200 |
| Donations | 6,790 | 30,890 |
| Publication sales | 56 | 35 |
| Room hire | 1,098 | 1,468 |
| Government Grant | - | 3,000,000 |
| Imputation tax credit refund | 234,806 | 79,650 |
| Interest | 43,889 | 65,112 |
| Revenue from ordinary activities | 2,829,483 | 5,263,726 |

Note 3. Surplus from ordinary activities

Surplus from ordinary activities includes the following specific net losses and expenses

Net Loss

| | | |
|--|-------|--------|
| Net loss on disposal and withdrawal of investments | 9,601 | 81,630 |
|--|-------|--------|

Expenses

| | | |
|---|--------|---------|
| Doubtful debt provision (reversal) | - | (5,481) |
| Increase (decrease) in provisions for employee entitlements | 27,672 | (7,168) |

Note 4. Current assets – Cash assets

| | | |
|------------------|----------------|------------------|
| Commercial Bills | - | 1,070,000 |
| Cash on hand | 100 | 100 |
| Cash at bank | 365,601 | 381,547 |
| | 365,701 | 1,451,647 |

Note 5. Current assets – Receivables

| | | |
|------------------------------------|----------------|---------------|
| Trade debtors | 3,130 | 1,629 |
| Less: provision for doubtful debts | - | - |
| Net trade debtors | 3,130 | 1,629 |
| Investment income receivable | 125,913 | 65,409 |
| Other receivables | 39,961 | 8,603 |
| | 169,004 | 75,641 |

Notes to the Financial Statements (cont.)

31 December 2005

Note 6. Current assets – Investments

The existing investments consist of the Wholesale Active Balanced Fund, run by BT Financial Group; investments managed by Goldman Sachs JB Were Asset Management and an Independent Australian Shares portfolio run by the Foundation based on the recommendations of independent advisers. All funds invested in the Capital Growth Fund with Credit Suisse Asset Management were redeemed on 1 February 2005 and divided equally between BT Financial Group and Goldman Sachs JB Were Asset Management.

| | 2005 | 2004 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Marketable securities (market value) | | |
| The aggregate market values of tradeable investments and those listed on a prescribed stock exchange are: | | |
| Shares in listed companies | 3,498,155 | 1,796,762 |
| Units in managed share funds | 3,308,208 | 2,214,682 |
| Units in fixed interest securities funds | 4,013,287 | 2,287,635 |
| Units held in property trusts | 858,378 | 410,981 |
| Units held in wholesale active balanced fund | 6,448,135 | 3,468,929 |
| Units held in capital growth fund | - | 5,209,256 |
| Total investments (at market value) | 18,126,163 | 15,388,245 |

Marketable securities (at cost)

The aggregate cost of tradeable investments and those listed on a prescribed stock exchange are:

| | | |
|--|-------------------|-------------------|
| Shares in listed companies | 2,912,728 | 1,676,393 |
| Units in managed share funds | 2,516,347 | 1,825,444 |
| Units in fixed interest securities funds | 3,946,582 | 2,233,376 |
| Units held in property trusts | 690,698 | 292,320 |
| Units held in wholesale active balanced fund | 5,535,859 | 3,242,535 |
| Units held in capital growth fund | - | 5,449,559 |
| Total investments (at cost) | 15,602,214 | 14,719,627 |

Note 7. Current assets – Other

Prepayments

| | | |
|--|--------|--------|
| | 26,586 | 15,954 |
|--|--------|--------|

Note 8. Current liabilities – Payables

| | | |
|------------------------------|---------------|---------------|
| Trade creditors and accruals | 37,009 | 15,000 |
| Other | - | 4,079 |
| | 37,009 | 19,079 |

Note 9. Current liabilities – Provisions

| | | |
|-----------------------|---------------|---------------|
| Employee entitlements | 82,226 | 54,104 |
| | 82,226 | 54,104 |

Notes to the Financial Statements (cont.)

31 December 2005

Note 10. Non-current liabilities – Provisions

| | 2005 | 2004 |
|-----------------------|--------------|-------|
| | \$ | \$ |
| Employee entitlements | 3,497 | 3,947 |
| | 3,497 | 3,947 |

Note 11. Remuneration of directors

No directors or related entities have received or become entitled to receive remuneration in connection with the management of affairs of the Foundation for the 2005 and 2004 financial year.

Note 12. Non-current assets – Property, plant and equipment

Premises occupied by the Foundation since 1980 are leased for 45 years from the National Trust. The Foundation has no residual right to the freehold property. However, the Foundation has the first right of refusal of purchase if the Trust decides to sell.

The directors consider the valuation of the property and leasehold improvements to be \$3,020,000 based on an independent insurance valuation by Jeffrey Tempny on behalf of Edward Rushton Pty Limited in September 2004. This valuation was on the basis of Reinstatement with New Value for insurance purposes and is performed periodically every two years.

As described in note 1(a), fixed assets including leasehold improvements are written off in the year of acquisition.

Note 13. Remuneration of auditors

| | 2005 | 2004 |
|---|---------------|--------|
| | \$ | \$ |
| Remuneration for audit of the financial reports of the Foundation: | | |
| Audit of the company - PricewaterhouseCoopers Australia firm | 18,000 | 13,000 |
| Remuneration for other services - PricewaterhouseCoopers Australia firm | - | - |
| | 18,000 | 13,000 |

Notes to the Financial Statements (cont.)

31 December 2005

Note 14. Commitments for expenditure

| | 2005 | 2004 |
|---|----------------|---------|
| | \$ | \$ |
| Expenditure commitments which have not been provided for in the financial report include: | | |
| Payable no later than one year: | | |
| Grants: Institutions | 375,000 | 262,000 |
| Scholarships and other educational | 305,000 | 250,000 |
| | 680,000 | 512,000 |
| Payable later than one year, not later than two years: | | |
| Grants: Institutions | - | - |
| Scholarships and other educational | 100,000 | 100,000 |
| | 100,000 | 100,000 |
| Payable later than two, not later than five years: | | |
| Grants: Institutions | - | - |
| Scholarships and other educational | - | - |
| | 780,000 | 612,000 |

The above represents the Foundation's formal commitment to institutions and scholarship holders as approved by the Board at its 25 November 2005 meeting. The Board's intention is currently to provide the scholarships on an ongoing basis and continue grants to the Menzies School of Health Research, Menzies Research Institute and Menzies Centre for Health Policy. However, the above information excludes any future costs associated with the scholarships and grants to the Menzies School of Health Research, the Menzies Research Institute and the Menzies Centre for Health Policy which may subsequently be committed.

Note 15. Employee entitlements

Provision for employee entitlements

| | | |
|-----------------------|---------------|--------|
| Current (note 9) | 82,226 | 54,104 |
| Non-Current (note 10) | 3,497 | 3,947 |
| | 85,723 | 58,051 |

Employee numbers

| | Number | Number |
|--|--------|--------|
| Number of employees at the end of the financial year | 3 | 3 |

Aggregate employee entitlements include entitlements measured at present values of future amounts expected to be paid based on a 3% per annum projected weighted average increase in salary rates. Present values are calculated using a weighted average rate of 5.6% based on government guaranteed securities with similar maturity terms.

Notes to the Financial Statements (cont.)

31 December 2005

Note 16. Segment information

The Foundation operates as a charitable organisation primarily within Australia and derives its revenue principally from donations and investment income.

Note 17. Share capital

The company is limited by guarantee which means the Foundation was formed on the principle of having the liability of its members limited by the Memorandum of Association to the respective amounts that the members undertake to contribute to the property of the company if it is wound up.

Note 18. Dividends

No dividends have been paid or declared during the year and no dividends are proposed. The Foundation is prohibited by its Memorandum and Articles of Association from making any distribution to its members.

Note 19. Superannuation plans

The Foundation contributes to various superannuation plans for its employees and they are entitled to benefits on retirement, disability or death. All superannuation funds are defined contribution funds. The contributions are made subject to an award and are legally enforceable. Employees contribute to the plan at various percentages of their wages and salaries.

Note 20. Related parties

Directors

The names of persons who were directors of the Foundation at any time during the financial year are as follows:

The Hon Sir Daryl Dawson, Mr BJ Doyle, Mr B Jamieson, Mr CPH Kiefel, Associate Professor DAF Morgan, Ms BG Gibson, Professor S Maddocks, Mr JL McLachlan, Professor RE O'Hehir, Ms EC Menzies, Mr RA Illingworth and the Hon Sir Guy Green.

Remuneration of Directors

Information on remuneration of directors is disclosed in note 11.

Transactions with Directors and Director-related Entities

There were no transactions with directors or director related entities during the financial year.

Note 21. Reconciliation of surplus from ordinary activities to net cash flow from operating activities

| | 2005 | 2004 |
|---|--------------------|-------------|
| | \$ | \$ |
| Surplus from ordinary activities | 1,710,365 | 4,427,315 |
| Changes in operating assets and liabilities: | | |
| (Increase)/decrease in receivables | (93,363) | 1,579 |
| (Increase) in investments | (2,737,918) | (2,969,199) |
| (Increase) in prepayments | (10,632) | (834) |
| Increase/(decrease) in employee entitlements | 27,672 | (7,168) |
| Increase/(decrease) in trade and other creditors | 17,930 | (30,469) |
| Net cash inflows (outflows)/inflows from operating activities | (1,085,946) | 1,421,224 |

Note 22. Explanation of transition to Australian Equivalents IFRS

When preparing The Sir Robert Menzies Memorial Foundation Limited 2005 financial statements, management has reviewed accounting, valuation and consolidation methods applied in the AGAAP financial statements to ensure compliance with AIFRS. There are no material differences at the date of transition between AGAAP and AIFRS.

Directors Declaration

For the year ended 31 December 2005

In the directors' opinion:

- (a) the financial statements and notes set out on pages 22 to 34 are in accordance with the *Corporations Regulations 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's financial position as at 31 December 2005 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



The Hon Sir Daryl Dawson
Chairman



Brian Jamieson
Director

03 March 2006



Independent audit report to the members of The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)

PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331L
MELBOURNE VIC 3001
DX 77
Website: www.pwc.com/au
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

Audit opinion

In our opinion, except for the effects of such adjustments, if any, on the financial statements, as might have been determined to be necessary had the limitation referred to in the qualification paragraph not existed, the financial report of The Sir Robert Menzies Memorial Foundation Limited:

- gives a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of The Sir Robert Menzies Memorial Foundation Limited as at 31 December 2005, and of its performance for the year ended on that date, and
- is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, and the Corporations Regulations 2001.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for The Sir Robert Menzies Memorial Foundation Limited ("the Foundation"), for the year ended 31 December 2005.

The directors of the Foundation are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.



Independent audit report to the members of The Sir Robert Menzies Memorial Foundation Limited (A Company Limited by Guarantee)

PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331L
MELBOURNE VIC 3001
DX 77
Website: www.pwc.com/au
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Foundation. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Foundation's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

PricewaterhouseCoopers

S L Jeraj
Partner

Melbourne
8 March 2006

Patron:

His Excellency Major General Michael Jeffery, AC, CVO, MC (Rtd)
Governor-General of the Commonwealth of Australia

BOARD OF DIRECTORS (as at 31st December, 2005)

The Hon Sir Daryl Dawson AC, KBE, CB Chairman
Mr B J Doyle Deputy Chairman & Secretary
Mr B Jamieson Treasurer

Mr C P H Kiefel
Associate Professor D A F Morgan

Ms B G Gibson
Professor S Maddocks

Mr J L McLachlan
Professor R E O'Hehir

Ms E C Menzies
Mr R A Illingworth

The Hon Sir Guy Green, AC, KBE, CVO

THE HON SIR DARYL DAWSON AC, KBE, CB

LLB(Hons) (Melb), LLM (Yale)
Chairman

Director and Chairman since 1998

Adjunct Professor, Monash University; Professorial
Fellow, University of Melbourne.

QC 1971; Solicitor-General for Victoria, 1974-1982;
Justice of the High Court of Australia, 1982-1997;
Non-permanent Judge, Court of Final Appeal, Hong
Kong 1997-2003.

BRIAN J DOYLE

LLB(Tas), BCL(Oxon)
Solicitor

Deputy Chairman

Director and Secretary since 1993

Consultant: Clayton Utz, Melbourne.

Director: Fédération Internationale des Communautés
de l'Arche.

CHARLES P H KIEFEL

FCA, FAICD, BComm(NSW)

Investment Management

Director since 1986

Chairman: Military Superannuation and Benefits
Board of Trustees No.1; Chairman: Hyperion
Asset Management (a member of the Wilson
HTM Investment Group); Wilson HTM Charitable
Trust. Non-Executive Director: Pharmaxis Limited;
Universal Biosensors Pty Ltd; Wilson HTM Funds
Management Limited; Turner Investment Partners

Pty Ltd. Advisory Board member of Pacific Equity
Partners II Private Equity Fund; Review Board member
of the CHAMP II Private Equity Fund. Principal and
Director: The Principals Funds Management Limited;
The Principals Commercialisation Fund Limited
and The Principals Cornerstone Fund Limited.
Consultancies: Turner Investment Partners Inc (USA),
LSV Asset Management (USA); KFT Investments.
Former Managing Director - Corporate Finance, ANZ
Investment Bank.

DAVID A F MORGAN

BSc(Med), MB BS, FRACS, FRCS Ed(Orth), FAOA

Associate Professor in Orthopaedic Surgery

Director since 1989

Sir Robert Menzies Memorial Scholar 1985

Director: Queensland Bone Bank. Chairman: Advisory
Panel on Device Tracking to TDEC, Therapeutic
Goods Administration, Commonwealth Department
of Health and Aged Care. Immediate Past President:
MedicoLegal Society of Queensland. Fellow:
Australian Orthopaedic Association. Chairman:
Medical Advisory Committee, Brisbane Private
Hospital, Brisbane. Member: Girdlestone Society;
Clinical Advisory Committee for Transplantation
Services in Queensland; Management Committee,
National Joint Registry. Expert Adviser: Medicare
Services Advisory Committee, Commonwealth
Department of Health and Aged Care. Member:
Medical Devices Evaluation Committee (MDEC),
Therapeutic Goods Administration, Commonwealth
Department of Health and Aged Care.

BELINDA G. GIBSON

BEc, LLB(Hons)(Sydney), LLM(Hons)(Cantab)

Solicitor

Director since 1990

Sir Robert Menzies Memorial Scholar 1983

Partner: Mallesons Stephen Jaques, Sydney.

SIMON MADDOCKS

BAGSci (Hons), PhD, MAIAST, MAICD

Chief Scientist, South Australian Research &
Development Institute

Affiliate Professor, University of Adelaide

Director since 1993

Sir Robert Menzies Memorial Scholar 1987

Director and Chairman: Governing Board, Menzies

School of Health Research, Darwin; Member: Society for Reproductive Biology; Endocrine Society of Australia; Endocrine Society (UK); Society for Reproduction and Fertility (UK); Australian Society of Immunology; Society for the Study of Reproduction (USA); Australian Institute of Agricultural Science and Technology; Australian Institute of Company Directors.

JAMES L McLACHLAN

BSc, LLB (UNSW), LLM (Cantab)
Director since 1995
Sir Robert Menzies Memorial Scholar, 1988
Consultant, Sport and Media Management
Council Member: Sydney Peace

ROBYN E O'HEHIR

BSc, MBBS(Hons), FRACP, PhD, FRCP, FRCPath
Professor of Medicine (Allergy and Clinical Immunology and Respiratory Medicine) and Conjoint Professor of Pathology and Immunology, Monash University
Director, Department of Allergy, Immunology and Respiratory Medicine, The Alfred Hospital, Melbourne
Director since 2002
Sir Robert Menzies Memorial Scholar 1986
President: The Menzies Memorial Scholars Association 2004-2005
Secretary/Treasurer: The Menzies Memorial Scholars Association 2002-2003.
Board Member: Asthma Victoria. Program Director: Melbourne node of the Co-operative Research Centre for Asthma and Airways, Australia. Member: Australasian Society for Clinical Immunology and Allergy; Australian Society for Immunology; Thoracic Society of Australia and New Zealand; British Society for Allergy and Clinical Immunology. Associate Editor: International Archives of Allergy and Immunology. Editorial Board Member: Clinical and Experimental Allergy.

EDWINA C MENZIES

BA/LLB
Solicitor
Director since 2003
Partner, Deacons. Board Member: Predictive Mineral Discovery CRC; Canberra Stadium. Member: Law Society of the ACT.

ROSS A ILLINGWORTH

BBus (HR), GAICD, CFP
Stockbroker

Director since 2003
Senior Vice President Investments with Citigroup Wealth Advisors.
Non-Executive Director of Equity Trustees Limited.
Member: Greater Melbourne Foundation and Lord Mayor's Charitable Fund (Investment Committee); The Howard Florey Institute (Corporate and Major Gifts Committee).

BRIAN JAMIESON

FCA, MAICD
Accountant
Director since 2004
Non-Executive Director: Sigma Company Limited; HBOS Australia, Oxiana Limited; Tattersalls Limited,
Director: Bionic Ear Institute; CARE Australia.
Previously Chairman, Chief Executive Officer and Managing Partner of KPMG Melbourne.
Formerly Deputy Chairman of Committee for Melbourne.

THE HON SIR GUY GREEN AC KBE CVO

LLB (Hons) (Tas)
Director since 2004
Chief Justice of Tasmania 1973-1995; Governor of Tasmania 1995-2003; Administrator of the Commonwealth of Australia on several occasions.
Chairman: Ten Days on the Island; Chairman of Trustees Tasmanian Museum and Art Gallery; National President: The Order of Australia Association; Board Member: Menzies Research Institute; Chairman: Steering Committee International Antarctic Institute.

About The Menzies Foundation

The Sir Robert Menzies Memorial Trust was formed in 1978 and its public appeal raised \$6.2 million. The funds were invested and a non-political, not-for-profit organisation called the Sir Robert Menzies Memorial Foundation was established in 1979. Since then, the Menzies Foundation has expended over \$20 million from its investment income on a program that includes:

- the establishment of the Menzies School of Health Research
- the establishment of the Menzies Research Institute
- the establishment of the Menzies Centre for Health Policy
- the creation of the Menzies Virtual Museum web site, www.menziesvirtualmuseum.org.au;
- the funding of post-graduate scholarships in the fields of medicine, allied health sciences and law;
- the sponsorship of grants, seminars and lectures on public health related themes;
- the sponsorship of the Sir Robert Menzies Oration on Higher Education;
- support for the Menzies Centre for Australian Studies in London;
- support for the Menzies Memorial Scholars' Association;
- the restoration and maintenance of "Clarendon Terrace", East Melbourne.

"Clarendon Terrace"

In 1981 the Menzies Foundation entered into an agreement with the National Trust of Australia (Victoria) regarding "Clarendon Terrace", East Melbourne. Under the agreement, the Foundation met the bulk of the cost of the restoration of the heritage listed building at 208-212 Clarendon Street and, in return, the National Trust agreed to lease Clarendon Terrace to the Foundation for a term of 45 years at a peppercorn rent. The Foundation is responsible for the maintenance of the building, the cost of which is met through the sub-rental of the northern terrace. The central and southern terraces have been amalgamated into a single unit. The Foundation's administrative offices are housed on the ground level whilst the upper floor has been developed into meeting rooms for the Foundation and for hire to similar, outside organisations.

Built in 1857-58, Clarendon Terrace (pictured on the back cover) was one of the first dwellings constructed in Clarendon Street. Its architectural importance stems from the fine Corinthian portico supported by four giant columns. This feature, which is extremely rare in Victoria, gives the building the distinctive and striking facade.



BOARD OF DIRECTORS

The Hon Sir Daryl Dawson, AC, KBE, CB Chairman
Mr B J Doyle Deputy Chairman & Secretary
Mr B Jamieson Treasurer
Ms B G Gibson
The Hon Sir Guy Green, AC, KBE
Mr R A Illingworth
Mr C P H Kiefel
Professor S Maddocks
Mr J L McLachlan
Ms E C Menzies
Associate Professor D A F Morgan
Professor R E O’Hehir

COUNCIL MEMBERS

Mr B G Atkinson, AM
Professor M I Bullock, AM
Mr M H Codd, AC
The Rt Hon Sir Zelman Cowen, AK, GCMG, GCVO
Mr P G F Henderson, AC
Mr R J Hornsby
Dr T H Hurley, AO, CBE
Professor S R Leeder, AO
Professor R Porter, AC
Mr A P Sheahan
The Rt Hon Sir Ninian Stephen, KG, AK, GCMG,
GCVO, KBE
Mrs J M Trethewey, OAM
Sir William Vines, AC, CMG
Professor P L Waller, AO
Mr R J White, AO
Dr E C Wigglesworth, AM

THE SECRETARIAT

Executive Director (Part time):

Professor John Coghlan, AO, DSc, HonMD (NSW)

General Manager (Full time):

Ms Sandra Mackenzie, OAM, BA, BLitt(Hons)

Web Site Manager (Part time):

Ms Pam Shearman, Shearman Office Support

All correspondence should be addressed to the Executive Director at:

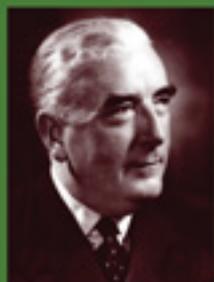
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210 Clarendon Street
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The Sir Robert Menzies
Memorial Foundation Limited



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