The first year of the new millennium has been a year of great uncertainty. The Menzies Foundation, like many similar organisations, has been affected by a downturn in global economic performance that was compounded by the terrorist attacks in the United States on 11 September. Last year I reported that the Foundation had allocated its portfolio to three investment managers: Credit Suisse Asset Management ($6 million); JB Were Asset Management ($4 million); and Westpac Investment Management ($4.2 million). With an average return of around 10% in 2000 and some uncertainty in the financial markets, the Board agreed that expenditure in 2001 should not exceed $1 million. This budget was met with the expenditure for 2001 being $0.9 million.

However, in the difficult financial climate, all three investment managers suffered setbacks and their results, after fees, for the 12 months ending 31 December, 2001 were lower than forecast at the beginning of 2001: Credit Suisse (3.4%); JB Were (5.3%) and Westpac Investment Management (3.1%). Accumulated funds at the end of the financial year were $14.17 million (2000: $14.58 million). The operating deficit was $405,715 (2000: surplus $454,859). Although there were some signs of recovery by all three investment managers in the December quarter, the Board agreed it was prudent to reduce the budget for 2002 to $0.79 million. This reduction will mean that the Foundation is unable to commit funds to any new initiatives during the coming year, which will be one of consolidation of our financial position. The situation will be reviewed again towards the end of 2002 when plans are made for subsequent years.

In 2001 the Foundation’s regular activities have, nevertheless, proceeded well. They are of the same nature as previously – in scholarship and in medical science. Our postgraduate scholarship program continues strongly. The Sir Robert Menzies Memorial Scholarship in Law to the United Kingdom attracted 39 candidates of the highest calibre and I was privileged to again Chair the Selection Committee in 2001. Similarly, the Sir Robert Menzies Memorial Research Scholarship in the Allied Health Sciences received applications from thirty candidates. The Foundation expresses its gratitude to the interviewing panel which has had the task of selecting the top candidate from such diverse disciplines as psychology, social work, physiotherapy, nursing, occupational therapy and speech pathology. The Foundation is proud to be associated with the NH MRC/R G Menzies Fellowship as well as the R G Menzies Scholarship to Harvard in association with the Harvard Club and the Australian National University. This year funding of $25,000 per annum also commenced for the Menzies Foundation Fellowship at the Menzies Centre for Australian Studies, Kings College, London. In all, $170,484 was committed to the scholarship and fellowship program.

During the year, the Foundation was pleased to have each of the Directors of the two Menzies medical research centres attend one of our meetings and to make a presentation to our Board of Directors. Professors Terry Dwyer and Kerin O’Dea, Directors of the Menzies Centre for Population Health Research in Hobart and the Menzies School of Health Research in Darwin respectively, brought us up to date with their aims, achievements and future goals. Both centres have achieved international recognition in their respective fields of research and the Foundation is proud that they carry the Menzies name. Detailed reports from the two Directors appear later in this Annual Report and the Hobart centre outlines its proposed incorporation as the Menzies Research Institute Pty Ltd. We wish it well in its new endeavours.
This year marks the twentieth year that Clarendon Terrace has been home to the Menzies Foundation and it continues to serve us well as office accommodation for our Secretariat and meeting rooms for both the Foundation and outside groups such as the East Melbourne Group and the East Melbourne Historical Society. The Foundation also made the venue available this year to the Menzies Centre for Australian Studies and Deakin University who jointly convened a meeting entitled “The Liberals and Australian Foreign Policy” in September 2001. It was also particularly pleasing to see Clarendon Terrace used as the venue for the annual Menzies Memorial Scholars Association dinner. The three scholars (Ms Sarah Martin, Mr Oren Bigos and Ms Deborah Walsh) who received scholarships in law and the allied health sciences during 2001 were presented with a Menzies Medallion and, for the first time, the recipient of the Menzies Centenary Prize at Dimboola Memorial Secondary College, Ms Belinda Smith, was presented with a medallion. We were very pleased to also welcome Belinda’s grandmother, Mrs Frances Smith, who had travelled from Dimboola for the occasion.

In addition, the evening also provided me with an opportunity to present to Mr Mike Codd the Life Membership medallion and to thank him for his services to the Foundation. Mike, who retired on 24 November 2001, had been a Director of the Foundation since 1993 and Deputy Chairman and Treasurer since 1996. During 1997 and 1998 when our Chairman, Sir Ninian Stephen, was called overseas, Mike took on the role of Acting Chairman in his absence. He has also been of great assistance to me since I became Chairman of the Foundation and his experience and counsel will be missed.

The 2002 Australia Day Honours list brought welcome news for the Foundation with awards for two persons closely associated with us. Mr Ken Spencer, a Director of the Foundation since 1998 and the Chairman of our Finance Committee, received an AM “for service to the accountancy profession, particularly through the pursuit and development of an internationally accepted set of accounting standards” and Ms Sandra Mackenzie, the Foundation’s General Manager and a member of the Secretariat since its inception in 1979, received an OAM “for service to the community, particularly through the Sir Robert Menzies Memorial Foundation”. On behalf of the Foundation, I offer them both our warmest congratulations.

The Honourable Sir Daryl Dawson, AC, KBE, CB
Chairman
The Secretariat has continued to work extensively on the Menzies Virtual Museum setting the Robert Gordon Menzies time line in the context of Australian and world events. This major educational web site – which includes historic photographs, audio and film clips and 25,000 words of supporting text – is now in the testing phase before being publicly launched in mid-2002. Along the way we have become minor experts on the location, availability and cost of collections of images world wide. We do stay in close contact with the cultural program of the Museum of Victoria. As part of our agreement with Museum Victoria, the Menzies Virtual Museum will be linked by “hot buttons” to the Museum’s web site, thus making it available to schools locally and internationally. The Menzies Virtual Museum test site is accessible from the Foundation’s home page at www.vicnet.net.au/~menzies. We hope you will take the time to visit the site. It is of great general interest but also technically very sophisticated.

Despite the expectation on the Board that a change of fund managers would improve our investment income, 2001 proved to be a difficult year. Sir Daryl Dawson, in his Chairman’s Report, has detailed the outcome for 2001.

The Board had agreed in November 2000 that expenditure for 2001 should not exceed $1 million. In the event this was controlled to $900,000. There was an operating short fall of $406,000 which cannot continue indefinitely. The forecast expenditure has been set for 2002 at $790,000. The broad policy of new initiatives is still in place but some items have been deferred, to be restored when income improves. The organisation chart, on pages 20 and 21, has been revised to reflect the reality of our present situation. A major deferment was the Scholars Workshop/Symposium which is an important feature on our calendar and will hopefully be restored in 2003.

Our public image is improved by our series of sponsored public lectures. In 2001 three eminent international speakers – Lord Winston, Professor Christopher Mathias and Sir Philip Cohen – gave the Menzies Foundation Lectures. These are detailed elsewhere in the report.

It is twenty years since the Foundation restored Clarendon Terrace which had been in a state of disrepair for many years. As part of its “peppercorn lease” with the National Trust, the Foundation is responsible for the maintenance and care of this beautiful terrace which was built in 1857. After twenty years, many items such as security equipment, guttering and floor coverings, have reached their “use by date”. Replacement of the fire alarm system was a recent compelling and expensive issue. Fortunately, income from the tenancy in the northern terrace helps to maintain the building. In 2001 we welcomed new tenants – the Accurate Management Group and Silks Magazine. But our headquarters building continues to serve us well. Not only does it provide office accommodation for our Secretariat but the function rooms on the first floor provide excellent space for the Foundation’s meetings and symposiums. The ambience of the nearby Fitzroy Gardens adds greatly to many meetings held at Clarendon Terrace which was the setting this year for “The Liberals and Australian Foreign Policy” conference and for a very successful Menzies Memorial Scholars Association dinner.

I am also pleased to report that the building continues to be hired on a regular basis by the East Melbourne Group, the East Melbourne Historical Society and the East
Melbourne Community Bank Steering Committee for their meetings. This local use has made the building much more accessible to the community and has enhanced the local profile of the Foundation.

The Secretariat would like to take this opportunity to thank Mr Michael Codd, who retired from the Board on 24 November, 2001, for his enthusiastic support and encouragement.

It is with great sadness that I report the untimely death of Professor Christopher Silagy, AO on 13 December 2001 aged 41 years. Chris was the Sir Robert Menzies Memorial Scholar in Medicine to the United Kingdom for 1992. On his return to Australia he took an active interest in the work of the Foundation and the Menzies Memorial Scholars Association and in 1998 he convened the First Menzies Scholars Symposium on evidence-based health advice. Details of Chris’ remarkable achievements are outlined in an obituary later in this report.

In 2002, the Secretariat is looking forward to planning the Foundation’s Silver Jubilee activities in 2004 which will mark 25 years since the Menzies Foundation was established by the Sir Robert Menzies Memorial Trust in 1979.

Professor John Coghlan, AO
Executive Director

Professor John Coghlan, the Menzies Foundation’s Executive Director, welcomes the Hon Mark Birrell, MP to “The Liberals and Australian Foreign Policy” conference which was held at Clarendon Terrace.

The following obituary was written by Michael Kidd, Rowan Doig and Christopher Fairley (from the MBBS class of 1983) and is based on words Chris Silagy wrote in the last week of his life.

Chris Silagy, the son of Hungarian-born parents, was born in Melbourne and went to school at Wesley College where he was a long distance runner, a superb debater and a high-achieving scholar. In 1978 he enrolled in medicine at The University of Melbourne. His university friends recall that he was renowned for being hopeless at keeping secrets. In fact this was more about a desire for truth; an endearing quality which would command substantial respect in later life.

He graduated in 1983, with honours in all subjects, becoming an intern at the Royal Melbourne Hospital before moving to the Royal Children’s Hospital in 1985. He worked as a general practitioner in Eltham in 1986 while pondering his future career path. In 1987 he joined the Monash University Department of Community Medicine on an academic fellowship under the mentorship of Professor Neil Carson AO.

In 1989 Chris married Dr Jane Russell at Wesley College Chapel. Chris and Jane had been great friends since they were medical students together.

He received the Fellowship of The Royal Australian College of General Practitioners (RACGP) in 1989 and was appointed Senior Lecturer in Community Medicine at Monash. He was also Research Fellow in Social & Preventive Medicine, completing his PhD in 1992 and being made a Fellow of the Faculty of Public Health Medicine of The Royal Australian College of Physicians.

In 1991 Chris received the prestigious Sir Robert Menzies Memorial Scholarship in Medicine. He travelled to Oxford University where he became involved with the Cochrane Collaboration, named in honour of the late Archie Cochrane, a British medical researcher who contributed greatly to the development of epidemiology. Chris embraced and developed Cochrane’s philosophy and went on to become a key international figure in the emerging discipline of evidence-based medicine.

Chris returned to Australia after two years at Oxford to take up his appointment, at the extraordinary age of only 33 years, as Foundation Professor of General Practice at Flinders University. He brought the discipline of evidence-based medicine home with him and in 1994 was funded by the commonwealth to establish the Australasian Cochrane Centre. He was passionate in his belief of the need for an evidence-based approach to health care and advocated strongly in public for change and this was accentuated by his personal need for reliable information following his diagnosis with a non-Hodgkin’s lymphoma in 1997.

In February 1999 Chris and his family made their final move back to Melbourne where he had been appointed as Professor of Public Health and Foundation Director of the Monash Institute of Health Services Research. In 2000 he was appointed by Dr Michael Wooldridge to chair the board of the new National Institute of Clinical Studies.

Chris has an outstanding international research record especially on the application of clinical epidemiology to clinical practice and health care policy, as well as the prevention of cardiovascular disease and tobacco control.
He authored hundreds of contributions in medical journals, medical books and government reports. His prodigious outpouring of medical writing was a legacy of his super human drive and determination. While the rest of us slumbered, Chris was writing.

He also worked as a general practitioner for 13 years and in 1998 received the Rose-Hunt Medal from the RACGP for his exceptional contribution to Australian General Practice.

Chris was involved in many national and international committees and research activities, far too many to list here. Importantly he chaired the International Cochrane Collaboration from 1996-1998, a role that required his presence at research centres and meetings all around the globe.

He was also an inspirational teacher and orator and a great mentor to many researchers and colleagues who came to rely on his extraordinary wisdom and insight and who enjoyed the experience of working with a man of such remarkable talent.

He also found time to serve the community for almost 20 years through the Scout Association of Australia, holding posts of Branch Commissioner for Scouts in Victoria and National Commissioner for Youth Program. Among many other community activities, Chris was also a Patron of Cancer Aid.

For the last five years of his life, Chris had a public battle with non-Hodgkin’s lymphoma. His strength, wisdom and unflagging enthusiasm and drive during these difficult times were an inspiration.

He managed to combine all this activity with a strong and devoted commitment to his family. He was immensely proud of the achievements of Jane and his four young sons. Chris often remarked on the strength and wonderful support he received from Jane. They had a great marriage based on a great friendship.

In the 2000 Queen’s Birthday honours list, at the age of 39, Chris was made an Officer in the Order of Australia (AO) for service to medicine, particularly in the areas of research and education, and in developments in the field of evidence-based medicine, an award of which he was immensely proud. Over the subsequent 18 months, as his body started to fail him but his mind remained razor-sharp, he took on an appropriate mantle as a senior figure in Australian health care.

In the end, his battle with lymphoma was lost. Knowing that his death was imminent, Chris approached his last 24 hours, as he said his final farewells to his beloved family members and friends, with the same remarkable courage, care and concern that had characterised his life.

Chris Silagy was a truly great Australian. He is being mourned by the great many people whose lives he touched and influenced and inspired in Australia and overseas. His vision and legacy will live on in so many ways.

Chris is survived by his wife, Jane, his four sons, Andrew, 11, Michael, 9, Nicholas, 8, and Benjamin, 6, his parents, Marian and Les, and his brother, Geoffrey.
In 2001, the Menzies Foundation sponsored three Menzies Foundation Lectures, all given by eminent international scientists.

**How Biochemistry can Transform the Economy**  
Professor Sir Philip Cohen, FRS, University of Dundee

The first Menzies Foundation Lecture on 24 April, 2001 was held in conjunction with the 11th International Conference on Second Messengers and Phosphoproteins.

Sir Philip Cohen is Professor of Biochemistry, University of Dundee. In 1984 he became one of the eighteen Royal Society Research Professors, the position that he holds today. He is also Director of the Medical Research Council Protein Phosphorylation Unit and Director of the Wellcome Trust Building at the University of Dundee. Professor Cohen has received numerous international awards and honours for his work on protein phosphorylation in which he is a world leader and is a Fellow of the Royal Society of London and the Royal Society of Edinburgh. He was knighted in the Queen’s 1998 Birthday Honours List for his service to science. Professor Cohen has been an editor for many scientific journals and his own research is highly cited.

**Science and Ethics in the 21st Century**  
Professor Lord Winston, Imperial College School of Medicine, London

The second Menzies Foundation Lecture was held in conjunction with ScienceNOW! on 22 August, 2001. The lecture entitled “Science and Ethics in the 21st Century” was given by Professor Lord Robert Winston and followed by panel and audience discussion. Lord Winston is Professor of Fertility Studies at the Imperial College School of Medicine in London. He has researched into various aspects of human reproduction and founded the first NHS In-Vitro Fertilisation (IVF) Programme. He is currently developing techniques to make IVF treatment more affordable and accessible. Created a Life Peer in 1995, he comments on a wide range of medical, ethical and scientific issues in Parliament, scientific journals and the media.

**Living with Spinal Cord Injuries**  
Professor Christopher Mathias, Institute of Neurology, University College, London

The third Menzies Foundation Lecture for 2001 was held in Sydney on 3 September, 2001 in conjunction with the Prince of Wales Medical Research Institute’s conference on “Spinal Cord Injury – Mechanisms of Spinal Autonomic Reflexes and their Plasticity”. The public lecture was entitled “Living with Spinal Cord Injuries”. Professor Mathias is a Professor of Neurovascular Medicine and an internationally renowned neurologist. His research is on the role of the autonomic nervous system in health and disease with the main focus on neural and neurohormonal control of the circulation in man. Professor Mathias has a special interest in patients with cardiovascular autonomic disorders (in particular postural hypotension), a variety of neurological disorders (such as Parkinson’s disease) and medical disorders involving the autonomic nervous system (diabetes mellitus and amyloidosis). He has co-edited, with Sir Roger Bannister, the 3rd edition of “Autonomic Failure: A Textbook of Clinical Disorders of the Autonomic Nervous System.”
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. Publication of each Oration is also an objective.

Previous Menzies Orators have been:

1991  Professor David Penington  
*The University of Melbourne*

1992  Professor Emeritus Peter Karmel  
*Australian National University*

1993  Professor Henry Rosovsky  
*Harvard University*

1995  Professor Brian Wilson  
*The University of Queensland*

1996  Professor Sir Stewart Sutherland  
*The University of Edinburgh*

1997  Professor Wang Gungwu  
*The National University of Singapore*

1998  Lord Dearing  
*The University of Nottingham*

1999  Sir Guy Green  
*Governor of Tasmania*

2000  Professor Sir Alec Broers  
*University of Cambridge*

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 tenth Oration entitled “The Research-led University – Reflections from New Zealand” was delivered by Dr John Hood, Vice-Chancellor of the University of Auckland, on 11 October, 2001. Dr Hood emphasised the complexities of universities today. Their international standing, he stated, requires numerous and diverse responses to the demands their local and international communities are making of them. The quality of these responses has major implications for that standing and for national competitiveness.

The Foundation was represented by its Chairman, The Hon Sir Daryl Dawson and by Mr Alex Menzies, Grandson of Sir Robert, who presented the Menzies Foundation Medal to Dr Hood.
NH MRC/RG Menzies Fellowship

In 1996, the Foundation made the inaugural contribution of $50,000 per annum to the National Health and Medical Research Council's (NH MRC) CJ Martin/Neil Hamilton Fairley Fellowships with one of the Fellowships to become known as the NH MRC/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 NH MRC/RG Menzies Fellowship, e.g. conference travel.

The 2001 NH MRC/RG Menzies Fellowship was awarded to Ms Marie Estcourt. Ms Escourt has been a PhD student at the Division of Immunology and Cell Biology, John Curtin School of Medical Research. Her thesis entitled "Prime-boost immunization and the nature of the induced immune response" was submitted in November 2001. Ms Estcourt will take up her Fellowship at the Institute of Molecular Medicine, Radcliff Hospital, Oxford University in March 2002. Her proposed course of study is “Analysis of CD8 T cell memory generation following cell mediated vaccination strategies”.

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 one or two post-graduate scholarships in law for tenure at universities in the United Kingdom.

There were 39 applications for the two law scholarships that were available this year. Three applications were returned because the candidates had not completed their law degree at the time of application.

Thirty one candidates held their law degree with First Class Honours or its equivalent and references were taken up for this group. Their applications were then forwarded to a panel for ranking. The seven most highly ranked candidates were invited for interview in Melbourne on 19 October, 2001. The Selection Committee was the Hon Sir Daryl Dawson (Chairman), the Hon Justice Susan Kenny (Menzies Scholar in Law 1985), Professor Gillian Triggs (University of Melbourne) and Mr Ray Terry, the Deputy British Consul-General, representing the Foreign and Commonwealth Office.

The Sir Robert Menzies Memorial Scholarships in Law were awarded to Mr Oren Bigos and Ms Sarah Martin. Mr Bigos holds the degrees of LLB with First Class Honours (1999) and BComm (1997) from Monash University where he was placed first in his graduating class of 360 and awarded the Supreme Court Prize. Mr Bigos will take up his two year scholarship at Oxford University where he will study for the BCL/MPhil commencing in October 2002.
Ms Sarah Martin holds the degrees of BA and LLB with First Class Honours (2000) from the University of Melbourne where she was placed second in her graduating class of 297. Ms Martin will take up her two year scholarship at Oxford University where she will study for a BCL/MPhil commencing in October 2002.

In 2001 the scholarship attracted a field of 30 candidates and the disciplines included physiotherapy, speech pathology, psychology, nursing, human movement studies, occupational therapy, social work, nutrition, population health and orthoptics. 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 are carefully considered.

Four candidates were invited to attend for interview in Melbourne on Wednesday, 22 August, 2001. The interview panel consisted of Professor John Coghlan (Chair), Professor Alison Perry (La Trobe University) and Dr Susan Paxton (University of Melbourne).

The Scholarship was awarded to Ms Deborah Walsh who holds the degree of Master of Social Work from La Trobe University. Ms Walsh’s PhD project is entitled “The level, extent and nature of domestic violence in pregnancy” and is being carried out in the Department of Social Work, University of Melbourne.

**Robert Gordon Menzies Scholarship to Harvard**

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 Australian National University.

Mr Nicholas Vines, a music student and composer from Sydney, has been awarded the 2001 R G Menzies Harvard Scholarship. Mr Vines will study for a PhD in Music specialising in composition at the Harvard Graduate School of Arts and Sciences. Former Menzies Scholars in Law, Messrs James McLachlan and Simon Hannaford, were the Menzies Foundation representatives on the Selection Committee.

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**Sir Robert Menzies Memorial Research Scholarship in the Allied Health Sciences**

This research scholarship, which is valued at $24,000 per annum for each of two years, 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 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.
President's Report

My report on behalf of the Menzies Memorial Scholars Association begins with sadness. On 13 December, 2001 the Menzies Memorial Scholars Association lost an esteemed Member with the death of Professor Christopher Silagy, AO, aged 41 years. Chris took an active interest in the work of the Association and convened the First Menzies Scholars Symposium on evidence-based health advice in 1998. His remarkable achievements in such a short life time have been documented in an obituary earlier in this Annual Report. The Menzies Memorial Scholars Association joins with the Menzies Foundation in expressing its condolences to his wife Jane and sons Andrew, Michael, Nicholas and Benjamin.

The Menzies Memorial Scholars Association held its 12th Annual Meeting at Clarendon Terrace on 22 November 2001. The Association now includes all recipients of Menzies Scholarships in Allied Health Sciences, Law, Medicine, Engineering, the NH & MRC/RG Menzies Fellowship and during 2001-2002 an invitation to join the Association was issued to the RG Menzies Harvard Scholars. This means the Association has a substantial number of members in a wide range of organisations throughout Australia. The scholars contribute to the memory of Sir Robert Menzies by their involvement in the community and directly by displaying their certificates of membership and recently struck medal in their places of work. More directly, the scholars continue to sponsor the Sir Robert Menzies Centenary Prize at Dimboola Memorial Secondary College and have encouraged the closer association of the recipient with the Menzies Foundation. This has been done by a member of the Scholars Association presenting the prize in Dimboola in late December and the recipient now attending the Association's Annual Dinner. The Annual Scholars Symposium was not held in 2001 but plans were made for a 2003 Symposium.

The president and secretary/treasurer of the Association continue to be ex officio members of the Foundation’s Board and aim to represent the views of the Association, and the scholars, directly to the Board. It is to the credit of the Foundation that such opinions are sought and allow direct input of the scholarship recipients to the decisions being made about the conduct and award of the scholarships.

The "Menzies Brief" continues to be an important mechanism for informal communication between the members of the Menzies Memorial Scholars Association and, with the increasing numbers of these members, provides a means for communicating with an increasingly diverse group of people. Harnessing the talents of this group has in the past produced the Scholars Symposia, assistance to students from Dimboola College, assistance with the selection of candidates for scholarships, advice to the Board and support for new and continuing scholars both in Australia and overseas. Continuing with these roles and expanding to provide a broader role for the returned scholars, is the work of the next few years. These projects will be carried forward by the new President of the Menzies Memorial Scholars Association, Mr Simon Hannaford, and the new Secretary/Treasurer, Professor Robyn O’Hehir. As retiring president, I have appreciated the enormous assistance of the Foundation’s Secretariat – Professor John Coghlan, Ms Sandra Mackenzie and Mrs Glenis McDonald - as well as the encouragement and support of the Foundation Board.

The Menzies Memorial Scholars Association continues to grow in diversity, number and breadth of individuals who have been fortunate enough to be associated with the Menzies Foundation through the scholarships. The number of areas for involvement of the scholars in the Association continues to grow, the number of groups of Menzies Scholars has increased and I leave my term as President of the Association confident that the work of the scholars will continue to expand their role within the Foundation, assisted by the Secretariat and members of the Board.

Associate Professor William Rawlinson
President
Sir Robert Menzies Centenary Prize

In 1994, as a mark of Sir Robert’s contribution to education, the Foundation created an annual Sir Robert Menzies Centenary Prize at the Dimboola Memorial Secondary College, i.e. the college closest to Sir Robert’s birthplace of Jeparit. The criteria for the award were developed jointly with the College Council and make special reference to academic excellence and community service. The award is for a senior student who is proceeding to tertiary study and is a contribution of $2,000 to the first year of study. This cost is met jointly by the Menzies Memorial Scholars Association and the Menzies Foundation.

This year the Prize was awarded to Belinda Smith, a pupil at Dimboola Memorial Secondary College from 1995 to 2000. Academically, Belinda excelled throughout her secondary education, winning many scholastic awards and achieving an ENTER score of 94.70 in 2000. She has gone on to tertiary study at Melbourne University, undertaking a degree in Bachelor of Arts/Science and is a resident of Janet Clarke Hall. Belinda was active in all aspects of college life including leadership roles, debating, sport, music, fundraising for the college and charity and took part in a student exchange program to Germany as well as a Mentoring Program and a Rural University Experience Program.

Miss Belinda Smith (centre) and her grandmother, Mrs Frances Smith (left), are welcomed to the Menzies Memorial Scholars Association dinner at Clarendon Terrace by the Foundation’s General Manager, Ms Sandra Mackenzie.
The Sir Robert Menzies Memorial Fellowship

In 1996, the Foundation made the inaugural contribution of $50,000 per annum to the National Health and Medical Research Council's (NH MRC) CJ Martin/Neil Hamilton Fairley Fellowships with one of the Fellowships to become known as the NH MRC/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 NH MRC/RG Menzies Fellowship, e.g. conference travel.

The 2001 NH MRC/RG Menzies Fellowship was awarded to Ms Marie Escourt. Ms Escourt has been a PhD student at the Division of Immunology and Cell Biology, John Curtin School of Medical Research. Her thesis entitled "Prime-boost immunization and the nature of the induced immune response" was submitted in November 2001.

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President’s Report

My report on behalf of the Menzies Memorial Scholars Association begins with sadness. On 13 December, 2001 the Menzies Memorial Scholars Association lost an esteemed Member with the death of Professor Christopher Silagy, AO, aged 41 years. Chris took an active interest in the work of the Association and convened the First Menzies Scholars Symposium on evidence-based health advice in 1998. His remarkable achievements in such a short life time have been documented in an obituary earlier in this Annual Report. The Menzies Memorial Scholars Association joins with the Menzies Foundation in expressing its condolences to his wife Jane and sons Andrew, Michael, Nicholas and Benjamin.

The Menzies Memorial Scholars Association held its 12th Annual Meeting at Clarendon Terrace on 22 November 2001. The Association now includes all recipients of Menzies Scholarships in Allied Health Sciences, Law, Medicine, Engineering, the NH & MRC/RG Menzies Fellowship and during 2001-2002 an invitation to join the Association was issued to the RG Menzies Harvard Scholars. This means the Association has a substantial number of members in a wide range of organisations throughout Australia. The scholars contribute to the memory of Sir Robert Menzies by their involvement in the community and directly by displaying their certificates of membership and recently struck medal in their places of work. More directly, the scholars continue to sponsor the Sir Robert Menzies Centenary Prize at Dimboola Memorial Secondary College and have encouraged the closer association of the recipient with the Menzies Foundation. This has been done by a member of the Scholars Association presenting the prize in Dimboola in late December and the recipient now attending the Association’s Annual Dinner. The Annual Scholars Symposium was not held in 2001 but plans were made for a 2003 Symposium.

The president and secretary/treasurer of the Association continue to be ex officio members of the Foundation’s Board and aim to represent the views of the Association, and the scholars, directly to the Board. It is to the credit of the Foundation that such opinions are sought and allow direct input of the scholarship recipients to the decisions being made about the conduct and award of the scholarships.

The “Menzies Brief” continues to be an important mechanism for informal communication between the members of the Menzies Memorial Scholars Association and, with the increasing numbers of these members, provides a means for communicating with an increasingly diverse group of people. Harnessing the talents of this group has in the past produced the Scholars Symposia, assistance to students from Dimboola College, assistance with the selection of candidates for scholarships, advice to the Board and support for new and continuing scholars both in Australia and overseas. Continuing with these roles and expanding to provide a broader role for the returned scholars, is the work of the next few years. These projects will be carried forward by the new President of the Menzies Memorial Scholars Association, Mr Simon Hannaford, and the new Secretary/Treasurer, Professor Robyn O’Hehir. As retiring president, I have appreciated the enormous assistance of the Foundation’s Secretariat – Professor John Coghlan, Ms Sandra Mackenzie and Mrs Glenis McDonald - as well as the encouragement and support of the Foundation Board.

The Menzies Memorial Scholars Association continues to grow in diversity, number and breadth of individuals who have been fortunate enough to be associated with the Menzies Foundation through the scholarships. The number of areas for involvement of the scholars in the Association continues to grow, the number of groups of Menzies Scholars has increased and I leave my term as President of the Association confident that the work of the scholars will continue to expand their role within the Foundation, assisted by the Secretariat and members of the Board.

Associate Professor William Rawlinson
President
Sir Robert Menzies Centenary Prize

In 1994, as a mark of Sir Robert’s contribution to education, the Foundation created an annual Sir Robert Menzies Centenary Prize at the Dimboola Memorial Secondary College, i.e. the college closest to Sir Robert’s birthplace of Jeparit. The criteria for the award were developed jointly with the College Council and make special reference to academic excellence and community service. The award is for a senior student who is proceeding to tertiary study and is a contribution of $2,000 to the first year of study. This cost is met jointly by the Menzies Memorial Scholars Association and the Menzies Foundation.

This year the Prize was awarded to Belinda Smith, a pupil at Dimboola Memorial Secondary College from 1995 to 2000. Academically, Belinda excelled throughout her secondary education, winning many scholastic awards and achieving an ENTER score of 94.70 in 2000. She has gone on to tertiary study at Melbourne University, undertaking a degree in Bachelor of Arts/Science and is a resident of Janet Clarke Hall. Belinda was active in all aspects of college life including leadership roles, debating, sport, music, fundraising for the college and charity and took part in a student exchange program to Germany as well as a Mentoring Program and a Rural University Experience Program.

Miss Belinda Smith (centre) and her grandmother, Mrs Frances Smith (left), are welcomed to the Menzies Memorial Scholars Association dinner at Clarendon Terrace by the Foundation’s General Manager, Ms Sandra Mackenzie.
The Sir Robert Menzies Memorial Foundation Limited was formed in 1979 as a non-political, bipartisan organisation with a medical and scientific emphasis and an objective to promote, through research and innovation, the health and fitness of the Australian community.

The Foundation has played a major role in:-

• the establishment of the Menzies School of Health Research, Darwin
• the establishment of the Menzies Centre for Population Health Research, Hobart
• financial support for the Menzies Centre for Australian Studies, London
• the financial support of 56 research grants totalling $800,000 over 20 years
• the selection of 55 scholars in Medicine, Law, Engineering and Earth Sciences for postgraduate study in the United Kingdom
• the creation of a research scholarship in the Allied Health Sciences at postgraduate level in Australia
• the sponsorship of a series of workshops, seminars and lectures on public health related themes
• the restoration of “Clarendon Terrace”, East Melbourne

The 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.”
Possible New Fellowship

Possible New Centre

Possible Future New Initiatives

‡Deferred for 2002

++Increase in grant deferred

The Sir Robert Menzies Memorial Foundation Limited
Financial Report

31 December 2001

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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 and 24.
The Sir Robert Menzies Memorial Foundation Limited
(A Company Limited by Guarantee)
A.B.N. 43 008 543 897

Financial Report

31 December 2001

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The Sir Robert Menzies Memorial Foundation Limited

Directors’ Report

Your directors present their report on The Sir Robert Menzies Memorial Foundation Limited (“the Foundation”) for the year ended 31 December 2001.

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, (Secretary)
Mr PGF Henderson, AC
Mr CPH Kiefel
Associate Professor DAF Morgan
Ms BG Gibson
Professor S Maddocks
Mr JL McLachlan
Mrs JM Trethewey, OAM
Professor SR Leeder
Mr KH Spencer
Associate Professor W Rawlinson

Mr M H Codd, AC, was a director from the beginning of the financial year until his resignation on 24 November 2001.

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 deficit from ordinary activities of the Foundation for the year was $405,715 (2000 surplus: $454,859).

A detailed review of operations is included in a separate report to the Chairman of the Foundation and which forms part of this report. The revenue from investments for the year was disappointing, reflecting the investment climate during 2001. 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 for its Australian investments is designed to ensure sufficient income is generated to meet the Foundation’s operational commitments whilst maintaining the Foundation’s capital base. The investments portfolio was diversified in 2000.

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;

(ii) the results of those operations in future financial years;

(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 2001, and the number of meetings attended by each director were:

<table>
<thead>
<tr>
<th>Board of Directors</th>
<th>Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number Held</td>
</tr>
<tr>
<td>The Hon Sir Daryl Dawson</td>
<td>3</td>
</tr>
<tr>
<td>Michael H Codd</td>
<td>3</td>
</tr>
<tr>
<td>Brian J Doyle</td>
<td>3</td>
</tr>
<tr>
<td>Belinda G Gibson</td>
<td>3</td>
</tr>
<tr>
<td>Peter GF Henderson</td>
<td>3</td>
</tr>
<tr>
<td>Charles PH Kiefel</td>
<td>3</td>
</tr>
<tr>
<td>Stephen R Leeder</td>
<td>3</td>
</tr>
<tr>
<td>Simon Maddocks</td>
<td>3</td>
</tr>
<tr>
<td>James L McLachlan</td>
<td>3</td>
</tr>
<tr>
<td>David AF Morgan</td>
<td>3</td>
</tr>
<tr>
<td>Kenneth H Spencer</td>
<td>3</td>
</tr>
<tr>
<td>Jean M Trethewey</td>
<td>3</td>
</tr>
<tr>
<td>William Rawlinson</td>
<td>3</td>
</tr>
</tbody>
</table>

### Insurance of officers

No 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  

Kenneth H Spencer  
Director  

Melbourne  
21 March 2002
**Statement of Financial Performance**

For the year ended 31 December 2001

<table>
<thead>
<tr>
<th>Notes</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Revenue from ordinary activities</td>
<td>2</td>
<td>593,591</td>
</tr>
<tr>
<td>Core activities</td>
<td></td>
<td>(450,830)</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td></td>
<td>(170,484)</td>
</tr>
<tr>
<td>Salaries and salary on-costs</td>
<td></td>
<td>(189,492)</td>
</tr>
<tr>
<td>Other expenses from ordinary activities</td>
<td></td>
<td>(188,500)</td>
</tr>
<tr>
<td>Surplus/(deficit) from ordinary activities</td>
<td></td>
<td>(405,715)</td>
</tr>
<tr>
<td>Net surplus/(deficit)</td>
<td>11</td>
<td>(405,715)</td>
</tr>
<tr>
<td>Total changes in accumulated funds</td>
<td></td>
<td>(405,715)</td>
</tr>
</tbody>
</table>

The above statement of financial performance should be read in conjunction with the accompanying notes.
The Sir Robert Menzies Memorial Foundation Limited
(A Company Limited by Guarantee) ABN 43 008 543 897

Statement of Financial Position
As at 31 December 2001

<table>
<thead>
<tr>
<th>Notes</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>4</td>
<td>43,006</td>
</tr>
<tr>
<td>Receivables</td>
<td>5</td>
<td>61,139</td>
</tr>
<tr>
<td>Investments</td>
<td>6</td>
<td>14,198,517</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>12,642</td>
</tr>
<tr>
<td>Total current assets</td>
<td></td>
<td>14,315,304</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>14,315,304</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>8</td>
<td>78,590</td>
</tr>
<tr>
<td>Provisions</td>
<td>9</td>
<td>56,094</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td></td>
<td>134,684</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>10</td>
<td>2,903</td>
</tr>
<tr>
<td>Total non-current liabilities</td>
<td></td>
<td>2,903</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>137,587</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>14,177,717</td>
</tr>
<tr>
<td><strong>Accumulated Funds</strong></td>
<td></td>
<td>14,177,717</td>
</tr>
</tbody>
</table>

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

For the year ended 31 December 2001

<table>
<thead>
<tr>
<th>Notes</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

### Cash flows from operating activities

- Receipts from trade and other debtors (inclusive of goods and services tax) | 83,593 | 58,150 |
- Payments to creditors, employees, fellowships and similar (inclusive of goods and services tax) | (942,819) | (1,065,651) |
- Funds withdrawn from investment | 870,000 | 950,000 |
- Interest received | 2,217 | 1,684 |

Net cash inflow / (outflow) from operating activities | 22 | 12,991 | (55,817) |

### Cash flows from investing activities

- Proceeds from sale of non-trading investments | – | 14,092,297 |
- Payments for non-trading investments | – | (14,092,297) |

Net cash inflow / (outflow) from investing activities | – | – |

Net increase / (decrease) in cash held | 12,991 | (55,817) |

Cash at the beginning of the financial year | 30,015 | 85,832 |

Cash at the end of the financial year | 4 | 43,006 | 30,015 |