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Policy Approver: Council

Policy Steward: University Secretary

Supporting Process: [Governance and Management Processes](#)

Commercial Activities Policy (MPF1098)

1. Objective

The objective of this policy is to facilitate compliance with the [Guidelines concerning commercial activities in accordance with Part 6 Division 6 of the University of Melbourne Act 2009 \(the Guidelines\)](#) in order to maximise the benefits and to minimise the risks to the University where the University or a controlled entity seeks to enter into a commercial activity or a controlled non-commercial activity.

2. Scope

2.1. This policy applies across the University.

2.2. The University also requires its controlled entities to be familiar with the Guidelines and follow certain reporting requirements as described in this policy.

3. Authority

This policy is made under the *University of Melbourne Act 2009* (Vic) (the Act) and the Council Regulation and supports compliance with the:

- (a) Guidelines;
- (b) *Financial Management Act 1994* (Vic); and
- (c) *Audit Act 1994* (Vic).

4. Policy

4.1. The University may, in accordance with the Act, Guidelines and this policy, participate in commercial activities and controlled non-commercial activities.

4.2. The University will ensure that commercial activities are planned and managed to ensure compliance with Guidelines 1-4 and, in the case of the University forming, participating in the formation of, or becoming a member of a controlled entity, Guideline 6.

4.3. The University will ensure that controlled non-commercial activities are planned and managed to ensure compliance, where applicable, with Guidelines 2 and 3.

5. Procedural principles

5.1. Proposals, or amendments to existing arrangements, for University participation in a commercial activity, require approval by Council subject to the following:

- (a) for commercial activities primarily for research purposes, the activity is first endorsed by the Finance Committee, in accordance with its terms of reference and delegated authority, on the recommendation of the Deputy Vice-Chancellor (Research); and
- (b) for all other commercial activities, the activity is first endorsed by the Finance Committee, in accordance with its terms of reference and delegated authority, on the recommendation of the Chief Financial Officer or the Vice-Chancellor.

5.2. The University Secretary is responsible for maintaining a register of commercial activities, and where applicable, controlled non-commercial activities, by the University and its controlled entities and providing a summary of the register in the Annual Report.

5.3. Boards of University-controlled entities are responsible for monitoring their commercial activities, and reporting on these as required to Council through the Finance Committee.

5.4. The University Secretary must, within the scope of the Act, Guidelines and this policy, set processes regarding the submission, assessment and recording of proposals, or amendments to existing arrangements, for University participation in commercial activities and controlled non-commercial activities.

6. Roles and responsibilities

<i>Role/Decision/Action</i>	<i>Responsibility</i>	<i>Conditions and limitations</i>
Approve processes supporting this policy	<i>University Secretary</i>	Within the scope of the Act, Guidelines and this policy
Recommend proposals, or amendments to existing arrangements, for University participation in commercial activities primarily for research activities to the Finance Committee for endorsement to Council	<i>Deputy Vice-Chancellor (Research)</i>	
Recommend proposals, or amendments to existing arrangements, for University participation in all other commercial activities to the Finance Committee for endorsement to Council	<i>Vice-Chancellor or Chief Financial Officer</i>	
Endorse proposals, or amendments to existing arrangements, for participation in commercial activities to Council for approval	<i>Finance Committee</i>	
Approve proposals, or amendments to existing arrangements for participation in commercial activities	<i>Council</i>	

7. Definitions

Commercial activity includes:

(a) the University, whether acting alone or in an already existing partnership, joint venture or association with others providing, selling or acquiring property, goods, services or things with a view to a profit, excluding those activities listed in (a) through (k) of the definition of *commercial activity* in paragraph 4 of the Guidelines, being:

- the supply of educational services to students including students whose enrolment is governed by the *Education Services for Overseas Students Act 2000*, or the awarding of qualifications, degrees or other awards;
- an activity that is conducted by the University which primarily supplies goods and/or services to students and staff of the University;
- an activity that is conducted on a not for profit basis;
- an activity undertaken principally pursuant to a grant from or funding agreement with the Commonwealth, or a State or Territory;
- research, or research that leads to the provision, sale or acquisition of the property, goods, services or things that are the result or product of that research;
- the exercise of any of the investment powers in clauses 40,41,42,45 or 46 of the Act;
- the sale of cars or other items that were purchased by the University principally for the purpose of conducting the non commercial functions of the University;
- contracts for delivery of a service by the University for a fee;
- leases or licences on arms length commercial terms which relate to the provision of goods and services to students and staff of the University;
- an activity undertaken by a legal entity that is not a controlled entity of the University, such as a company in which the University has an interest; and
- an activity the Council decides should be exempted on the grounds that the activity will commit the University to expenditure of less than an amount deemed to be significant having regard to relevant accounting standards during the life of the activity, and will not expose the University to liability of more than that amount; or

(a) the University becoming a member of, forming, managing or participating in an association, trust, partnership, or entering into a joint venture for a purpose (not necessarily the main purpose) of engaging in activities described in sub-section (a) above; or

(b) the University becoming a member of, forming, managing or participating in a company, where the main object of the company is to engage in activities described in sub-section (a) including any of those activities listed in (a) through (k) of the definition of *commercial activity* in paragraph 4 of the Guidelines.

Controlled entity means a University company, University subsidiary company or other entity where the University has effective control.

Controlled non-commercial activity includes the University becoming a member of, forming, managing or participating in a company, association, trust, partnership, or entering into a joint venture, not engaging a commercial activity.

Guidelines has the meaning given in section 1 above.

University company means a company, as defined in paragraph 4 of the Guidelines, in which the University has an interest, either as a shareholder or a member (excluding interests held solely for

investment or insurance purposes).

University subsidiary company means a University company where the University controls the composition of the board of directors or has more than 50 per cent of the general meeting voting rights of the company.

POLICY APPROVER

Council

POLICY STEWARD

University Secretary

REVIEW

This policy is to be reviewed by 19 April 2022.

VERSION HISTORY

Version	Approved By	Approval Date	Effective Date	Sections Modified
1	Council	8 Oct 2012	8 Oct 2012	New policy.
2	University Policy Officer	5 Nov 2013	5 Nov 2013	Minor amendments - hyperlinks added to document references.
3	University Policy Officer	5 Nov 2013	5 Nov 2013	No changes. Version 2 archived in error.
4	Council	19 Apr 2017	19 Apr 2017	New version arising from the Policy Consolidation Project.
5	University Secretary	12 Apr 2018	12 Apr 2018	Correction to the definitions section to include definitions
6	University Policy Officer	6 Feb 2019	6 Feb 2019	Minor editorial amendment - broken hyperlink fixed.