

**MEMORANDUM**

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**TO:** Chair  
Planning and Budget Committee

**FROM:** Professor Peter Dawkins  
Dean, Faculty of Economics and Commerce

**DATE:** 8 May 2003

**SUBJECT:** **Chair in the Department of Finance**

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I attach a letter from the Head of the Department of Finance proposing the establishment of a new Chair in Finance. I endorse this proposal and concur with the academic arguments and the statement about our ability to resource the position.

I therefore recommend that the Planning and Budget Committee endorse the recommendation for the establishment of a new Chair in Finance.

Peter Dawkins  
Dean

Encl

## Memorandum

**To:** Professor Peter Dawkins  
Dean, Faculty of Economics and Commerce

**From:** Rob Brown  
Head, Department of Finance

**Date:** 8 May 2003

**Re:** New chair in finance

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I write to recommend the creation of a new chair in finance to be located in the Department of Finance, Faculty of Economics and Commerce. Set out below are the academic and financial cases that support this proposal.

### Academic case for creation of the chair

There are currently four chairs in the Department of Finance. Although the teaching and research interests of the incumbents cover a wide range, the major sub-discipline of corporate finance is underrepresented. Over the past two years, we have repeatedly advertised below chair level in the hope of attracting appointees who specialise in corporate finance. While we have had some success, we are still short of staff in this area. A senior appointment in the area would be a major step forward for the department.

The student / staff ratio in the Department of Finance currently stands at 35.5 and is the highest in the university. We have recently advertised yet again for staff and are very hopeful that several appointments will be made at junior levels. Acquiring a further source of leadership in both teaching and research would therefore be a significant improvement and would complement the Department's staffing range.

There is currently a large excess demand for places in the finance honours program. Numbers have to be rationed in order to ensure that all honours students can be appropriately supervised in their research

projects. This limitation is unfortunate because our honours graduates are both the most sought after by prestigious employers and a source of future research students. Further appointments, particularly at a senior level, will further strengthen this important program.

#### Financial case for creation of the chair

The Department of Finance continues on an upward growth path. The number of undergraduate students in the Department is expected to increase by approximately 30% this year and further growth is expected in 2004. The Department also has significant numbers of fee-paying postgraduate students. While numbers in the Master of Applied Finance appear to have stabilised, enrolments in the Master of Financial Management (now in its second year of operation) have increased rapidly. More generally, the Faculty's plans call for increased fee revenue, to be sourced from both increased fees per student and increased student numbers. The Department of Finance will share in this growth through its support role in Faculty-managed degrees.