



120 *years*
of know-how

April 2008



OFFICE OF THE CHANCELLOR
RMIT UNIVERSITY AU

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The Hon Jacinta Allan MP
Minister for Skills and Workforce Participation
Level 36
121 Exhibition Street
Melbourne VIC 3000

Dear Minister

In accordance with the provisions of the Financial Management Act 1994, I have much pleasure in submitting to you the Annual Report of RMIT University for the year ended 31 December 2007.

The Annual Report was approved by the Council of RMIT University at its meeting on 17 March 2008.

Yours sincerely

Professor R Dennis Gibson AO
Chancellor

Published by:
RMIT University
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ABN: 49 781 030 034
CRICOS Provider No: 00122A

RMIT University's 2007 Annual Report and previous reports are available online at:
www.rmit.edu.au/about/annualreport

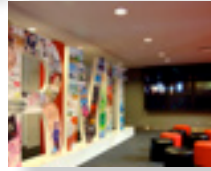
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of know-how



ORGANISATIONAL OVERVIEW



Mission of RMIT University

RMIT is a global university of technology with its heart in the city of Melbourne. We create and disseminate knowledge to meet the needs of industry and community, and foster in students the skills and passion to contribute to and engage with the world.

Vision to 2010

RMIT's vision is to be:

- global in outlook and action, offering our students and staff a global passport to learning and work
- urban in orientation and creativity, reflecting and shaping the city of the 21st century
- the first choice provider of work-relevant learning in Australia, preparing students for professions and vocations of the future
- one of Australia's top research universities, internationally known for our applied focus and for excellence in research and research education in our chosen fields

Core Values

To be useful, creative, connected, fair and passionate:

• Useful

Our graduates are creative, skilled and highly employable. Knowledge and skills developed in our students are relevant and applicable to the needs of communities, industry and individuals. Our staff are outcome-oriented and agile in their approach to meeting the needs of communities, industries and individuals.

• Creative

Opportunities for students and staff to fulfil their potential are created. Innovative curriculum and research solutions are sought, applied and rewarded. A creative and inventive culture is fostered.

• Connected

Students' aspirations, experience and needs are central to evaluating our performance and shaping improvement. Industry and community are active partners in our teaching and research. Global networks formed around enterprise, industry and communities underpin our operations. Teamwork is supported and encouraged.

• Fair

Learning opportunities cater for a diverse range of students, including those who may be disadvantaged in relation to education and/or labour markets. Respect for indigenous cultures is reflected in our work. Intellectual freedom and tolerance is nurtured and debate encouraged. A physically, culturally and socially safe work and study environment is provided for all staff and students. Ethical, honest and open dealings characterise relationships with students, staff and partners.

• Passionate

Meeting the needs and aspirations of our students and partners is a top priority. Excellence in teaching, scholarship and research is rewarded and supported. Cultural and social diversity is supported and celebrated.

Chancellor's Statement

Emeritus Professor R Dennis Gibson AO



RMIT has a proud history, with 2007 marking the 120th anniversary since its establishment as the Working Men's College in 1887.

While a year of celebration, it was also a year in which, under the leadership of Professor Margaret Gardner, RMIT continued with the successful implementation of its strategic plan, RMIT 2010: Designing the Future.

The strategic plan has provided the framework for RMIT's continued achievement in teaching and research, its strong financial performance and its culture of continuous improvement of administrative systems. It has also reinforced a focus on the needs of industry partners and external stakeholders, ensuring that RMIT continues to provide high quality, practically focused education, training and research.

RMIT achieved another strong financial operating surplus in 2007. This continued successful financial performance enabled a significant infrastructure program to be undertaken in 2007, and there are plans for further capital investment in the future.

I would like to thank all members of RMIT Council for their hard work and support during 2007. Dr Jane Gilmour OAM became Deputy Chancellor in 2007, in addition to her roles as Chair of the Campus Development Committee and member of the Remuneration Committee. Council was also joined on 1 January 2007 by Dr Rodney Wulff. Ms Voula Messimeri-Kianidis, a member of more than three years' standing, resigned from Council from 29 October 2007. Her contribution to Council will be missed. The Council secretariat has continued to provide both Council and the Chancellor with high quality support.

The achievements highlighted in this Annual Report reflect the level of commitment from staff and students to RMIT. It is also a testament to RMIT's place as a global university of technology grounded in Melbourne. I am confident that RMIT will continue to build on the successes of 2007, and the past 120 years, in the future.

A handwritten signature in black ink, appearing to read 'R Dennis Gibson'.

Emeritus Professor R Dennis Gibson AO
Chancellor



Vice-Chancellor's Statement

Professor Margaret Gardner AO



In 2007, RMIT marked 120 years since it opened its doors as the Working Men's College on 7 June 1887. It was a bold experiment to create an institution for those with a thirst for useful knowledge.

Many things have changed over the past 120 years; new professions and disciplines have been created and new technologies have transformed the way we work and live. RMIT has changed also, with new programs, new research areas and education provided in Hanoi, Ho Chi Minh City, Hong Kong, Singapore, Shanghai and Melbourne.

However, RMIT has remained true to its mission to provide a progressive and pragmatic education that draws on the experience of the world to transform understanding.

It is as a result of this commitment that RMIT finds itself in such a strong position today. RMIT's strong financial position allowed it to significantly increase its capital expenditure from \$39.3 million in 2006 to \$78.2 million in 2007. Mindful of the importance of our history, the University has commenced refurbishment of the Francis Ormond Building – RMIT's first home – as well as the Emily McPherson Building.

But we have also been busy with plans for the future. In April 2007 the RMIT Info Corner opened on the corner of La Trobe and Swanston Streets, providing a high profile point of initial contact with potential new students. In its first year of operation, the Info Corner received 16,584 visits from interested potential students.

In addition, planning commenced on the development of a major academic building for RMIT's Swanston A'Beckett site and we continued our planning for the development of the Design Hub on the corner of Swanston and Victoria Streets in Melbourne. RMIT also acquired significant property on Victoria Street and Cardigan Street that will provide us with future development opportunities.

In 2007, RMIT continued with its focus on delivering our strategic plan, RMIT 2010: Designing the Future, and our academic plan, Leading into the Future.

Of particular note is the success of our new Learning and Teaching Innovations Program, which provided funding for around 30 projects designed to improve both the teaching and learning capacity of our staff and the learning experience of our students. In addition, 59 of our academics enrolled in the Graduate Certificate in Tertiary Teaching and Learning, which we have made compulsory for new academic staff.



In our 120th year, we also took time to reflect on how we interact with the industries and businesses that use our research and employ our students. We improved our engagement with industry nationally and internationally, and hosted the Partnerships for World Graduates Conference in November 2007. Our four new Research Institutes – Design, Global Cities, Sustainable Health and Well-Being and Platform Technologies – all came into being in 2007, and will facilitate our collaborations with industry and focus our future research efforts.

The University continues to be recognised as a quality provider of education and research in Australia, maintaining a ranking in the *Times Higher Education* supplement among the top 200 universities in the world. This is a testament to our staff who continue to be recognised for their excellence and achievement.

Student enrolments continued to be strong, with almost 52,000 students enrolled at RMIT's Victorian campuses. A further 14,000 students were enrolled in offshore RMIT programs, including 2,893 at RMIT Vietnam's campuses in Ho Chi Minh City and Hanoi. RMIT is truly a global university, with the total number of international onshore and offshore students studying at RMIT totalling 22,816 in 2007.

RMIT Vietnam has built on its success, with higher education enrolments up 50 per cent during 2007. RMIT Vietnam recorded an operating surplus in 2007 and new investment is being made in buildings and infrastructure to ensure that we can continue to meet student demand. RMIT Vietnam is a significant operation in its own right, employing 325 staff, including 198 academic staff, and for the fifth consecutive year received a Golden Dragon Award from the Vietnamese Government in recognition of its contribution to the development of Vietnam's economy.

RMIT has a long history of commitment to environmental sustainability, and this commitment continued in 2007. We employed an Environment Manager to promote sustainability initiatives across the University. Our continued focus on reducing our water use and greenhouse gas emissions has resulted in significant reductions. We also re-tendered for the purchase of electricity for our major sites this year, with a key feature of our new electricity supply contract being the purchase of 15 per cent accredited green power in 2008, rising to 20 per cent in 2009 and 2010.

As RMIT's 120th anniversary draws to a close, I wish to recognise all our staff and students – not just those who study or work here today, but also those who have over the past 120 years helped build RMIT into the institution that it is today. As a result of these efforts, in 2007 RMIT finds itself in a strong strategic position, with a clear vision for the future, which will ensure that we continue to grow and thrive for the next 120 years.

Professor Margaret Gardner AO
Vice-Chancellor and President

Objects of RMIT University

Extract from the RMIT Act

The objects of the University include:

- (a) The development of an institution with excellence in teaching, training, scholarship, research, consultancy, community service and other educational services and products, with emphasis on technology and its development, impact and application;
- (b) The provision of a multi-level system of post-secondary education programs relevant to the needs of the community covering a wide range of fields and levels from basic trade to post-doctoral studies with provision for recognition of prior learning and flexibility of transition between programs;
- (c) The provision of high quality educational, research, residential, commercial, cultural, social, recreational, sporting and other facilities;
- (d) The advancement of knowledge and its practical application by research and other means, the dissemination by various means of the outcomes of research and the commercial exploitation of the results of such research;
- (da) To promote critical enquiry within the university and in the general community;
- (e) The participation in commercial ventures and activities;
- (f) The fostering of the general welfare and development of all enrolled students;
- (g) The conferring of prescribed degrees and the granting of prescribed diplomas, certificates and other awards;
- (h) The provision of opportunities for development and further training for staff of the university;
- (i) The development and provision of educational, cultural, professional, technical and vocational services to the community and in particular the fostering of participation in a university of technology of persons living or working in the northern metropolitan region of Melbourne;
- (j) The provision of programs, products and services in ways that take account of the principles of equity and social justice;
- (k) The maintenance of close interaction with industry and the community and the development of associations or agreements with any other educational, commercial, governmental or other institution;
- (l) The development of a strong international dimension to the university's teaching, research, consultancy, development, service and other activities;
- (m) Generally the development and operation of a university providing appropriate academic and other programs, courses of study, educational products and research activity such as the council considers necessary for the attainment of the foregoing within Victoria and elsewhere.



About RMIT

RMIT University is one of Australia's original and leading educational institutions, producing some of Australia's most employable graduates.

As an innovative global university, RMIT has established an international reputation for excellence in professional and vocational education and high-quality outcome-oriented research. In 2007, RMIT was once again ranked by the UK's *Times Higher Education* as one of the top 200 universities in the world.

RMIT is the largest dual sector university in Australia, offering 924 programs ranging from doctoral programs to apprenticeship training. The University is renowned for collaborating with industry to provide solutions, new ideas and processes that deliver real outcomes. RMIT creates and disseminates knowledge to meet the needs of industry and the community, and fosters in students the skills and passion to actively engage with and contribute to their chosen field.

In 2007, almost 52,000 students were enrolled at RMIT campuses in Melbourne's central business district, in Brunswick and Bundoora in the city's northern suburbs, and at learning centres in Hamilton and East Gippsland in regional Victoria. A further 14,000 students were enrolled in offshore award programs, including 2,893 at RMIT's campuses in Ho Chi Minh City and Hanoi. As well, there are strong links with partner institutions providing RMIT award programs in China, Singapore and Malaysia.

An ongoing priority is the reinforcement of RMIT as a global university, with a specific focus on broadening and deepening the Melbourne–Vietnam dual hub relationship.

In accordance with its Strategic Plan, the University in 2007 adopted an industry engagement strategy which focused on five core areas:

- aerospace and aviation
- media and communications
- automotive
- health and community services
- built environment, construction and infrastructure

Industry engagement is an integral part of RMIT's mission, achieved through its strong focus on applied teaching and learning practices, and on applied research. High quality industry engagement leads to improved education and research outcomes, as well as a greater understanding of industry challenges.

To complement this orientation, RMIT has placed a particular focus on its four research institutes with the aim of building on the University's established areas of expertise. The institutes are:

- RMIT Design Research Institute
- RMIT Global Cities Research Institute
- RMIT Sustainable Health and Well-Being Research Institute
- RMIT Platform Technologies Research Institute

The research institutes form the University-wide component in the hierarchy of research clusters at RMIT.

RMIT University is a self-accrediting institution established under Victorian Government legislation. In 2007 it was responsible to the Victorian Minister for Skills and Workforce Participation, the Hon. Jacinta Allan MP.

RMIT's objects under its Act (reproduced on Page 8 of this Annual Report) are to foster excellence in teaching, training, scholarship and research and to engage in educational and community service. The University has the power to confer degrees, diplomas, certificates and other awards, and is a major provider of vocational education and training (VET) programs.

Senior Officers as at 31 December 2007



**Vice-Chancellor
and President
Professor
Margaret Gardner AO**
BEcon (Hons),
PhD (Syd),
DUniv (Griffith),
FAIM, GAICD

Professor Gardner is the Chief Executive Officer of RMIT University. She is responsible for ensuring strong, effective leadership and clear direction within the University through an appropriate vision and strategic plan. Professor Gardner provides direct leadership to the Senior Executive.

Professor Gardner was previously Deputy Vice-Chancellor (Academic) at the University of Queensland and Pro Vice-Chancellor (Business and Equity) at Griffith University.

She is a Board Member of the Carrick Institute for Learning and Teaching in Higher Education. She is also a member of the Business, Industry and Higher Education Collaboration Council and the Council of Australian-Latin American Relations.

In 1998 Professor Gardner chaired the tripartite Industrial Relations Taskforce that changed Queensland's industrial relations legislation. In 2001 she authored the Review of Pathways Articulation through the Post-Compulsory Years of School to Further Education, Training and Labour Market Participation, which was commissioned by Education Queensland and the Department of Employment and Training.



**Deputy
Vice-Chancellor,
Academic
Professor Jim Barber**
BSocSc (RMIT),
BA (Hons),
MSocWork (Flinders),
PhD (Adelaide)

As Deputy Vice-Chancellor Academic, Professor Barber is responsible for academic policy and planning, quality and organisational reviews, academic staffing, and teaching and learning. He is the Standing Deputy to the Vice-Chancellor.

Professor Barber has extensive experience in academic management and policy in universities in Australia and Canada. Before taking up his appointment at RMIT in January 2006, he was Dean of the Faculty of Social Work at the University of Toronto. He has an international research reputation including authorship of six books and more than 100 journal articles.



**Vice-President,
Resources and Chief
Operating Officer
Mr Steve Somogyi**
MSc (Melb),
SM (MIT), FIA

The Vice-President (Resources) contributes to operational and system development and effectiveness. He is responsible for leadership of the corporate resources areas of the University, including Chancellery, Financial Services, Information Technology Services, Internal Audit and Risk Management, Legal Services, People and Culture, Property Services and the University Secretariat.

Mr Somogyi was appointed as Vice-President Resources and Chief Operating Officer in April 2006. He has extensive experience in the financial services and health care industries, including 27 years with National Mutual.

He is a Director of ING Australia, a member of the Commonwealth Government's Safety, Rehabilitation and Compensation Commission, and a Fellow of the Institute of Actuaries in Australia and the UK.



**Pro Vice-Chancellor,
Business
Professor Sheila Bellamy**
BA (Melb), BEd (Monash),
MCom (Melb), MAdmin
(Monash), MEc (UNE),
PhD (RMIT), FCPA

Professor Bellamy was appointed Pro Vice-Chancellor Business in May 2007, with responsibility for implementing Council policy and formulating future directions for all activities in the Business portfolio. As PVC, Professor Bellamy provides academic leadership and overall management of the six schools within the portfolio.

Professor Bellamy has been with RMIT University since 1983. For 10 years prior to her appointment to this role, she was Head of the School of Accounting and Law. She has extensive teaching experience in financial accounting. Her research interests lie in the areas of public sector and not-for-profit accounting.



**Pro Vice-Chancellor,
Design and Social
Context
Professor Tony Dalton**
FelDipArch (RMIT),
GradDipPubPol (Melb),
MSocSc (Birmingham),
PhD (RMIT)

Professor Dalton was appointed Pro Vice-Chancellor Design and Social Context in July 2007 with responsibility for implementing Council policy and formulating future directions for all activities in the DSC portfolio. As PVC, Professor Dalton provides academic leadership and overall management of the nine schools within the portfolio.

Professor Dalton's career at RMIT commenced at Phillip Institute in 1981, and he joined RMIT University at the time of amalgamation in 1992. He previously divided his time between research leadership as a Dean of Research for DSC, and research activities with the AHURI RMIT-NATSEM Research Centre. His primary research interest is in the area of housing and social policy.



**Pro Vice-Chancellor,
Science, Engineering and
Technology**
Professor Daine Alcorn
BSc (BiolSc) (Hons),
MA, PhD (Melb)

Professor Alcorn is responsible for implementing Council policy and formulating future directions for all activities in the SET portfolio. As PVC, Professor Alcorn provides academic leadership and overall management of the 10 schools within the portfolio.

Professor Alcorn has a broad-based teaching and learning background in health and life sciences, and has been closely involved in the development of interactive multimedia teaching programs. Her research is in the area of renal development, structure and function. She has more than 100 publications.

Professor Alcorn is a regular member of accreditation teams of the Australian Medical Council and has contributed to reviews of the medical programs at the University of Western Australia, University of Tasmania, University of Adelaide and Bond University. She is a Board Member of Museums Victoria.



**Pro Vice-Chancellor,
International and
Development**
Dr Madeleine Reeve
BA (Melb),
BEd, MEd (Monash),
PhD (James Cook)

Dr Reeve is responsible for the development and implementation of the University's domestic and international positioning including student recruitment, business development, alumni, fundraising, corporate events and publications, university brand management and public affairs, offshore partnerships for the delivery of award programs, and international institutional linkages to support student mobility. She oversees the establishment of new models of interaction and partnership in a wide range of locations.

The portfolio's functional areas include University Marketing, Media and Communications, Alumni and Development, International Services (international student recruitment and education abroad), RMIT University International College, and Global Business Development (incorporating the facilitation of strategic industry partnerships).

Dr Reeve is a Director on the Boards of RMIT International Pty Ltd, RMIT Training Pty Ltd, RMIT Vietnam Holdings Pty Ltd and RMIT International University Vietnam.



**Pro Vice-Chancellor,
Research and Innovation**
Professor Neil Furlong
BSc (Hons) (Melb),
PhD (Brunel), FTSE

Professor Furlong leads the development of RMIT's research activities and builds the University's capability in research and innovation.

He is directly responsible for Research Partnerships, Research Support, the Research Training Group and the four Research Institutes – Global Cities, Platform Technologies, Design, and Sustainable Health and Well-Being.

Prior to joining RMIT, Professor Furlong was Chief Research Scientist/Program Manager at CSIRO and an active contributor to the development of the chemistry profession in Australia. He has developed notable international research and technology collaborations, particularly an Australia–Japan exchange program in colloid science.



**Pro Vice-Chancellor,
Students**
Professor Joyce Kirk
BA (Syd), DipEd (Syd),
MLitt (NE), MA (Lib) (CCA),
PhD (UTS)

Professor Kirk is responsible for identifying and planning services to meet the needs and aspirations of RMIT's different student groups. She works closely with administrative, academic and teaching staff to implement and enhance a University-wide student-focused learning environment. Her portfolio includes responsibility for the Youth and Community Partnership, Student Services and Academic Registrar Groups, as well as for RMIT Union. Professor Kirk monitors the University's funding agreement with the RMIT Student Union.

Prior to joining RMIT in 2004, Professor Kirk was Dean of the Faculty of Humanities and Social Sciences at University of Technology, Sydney. She is a member of the editorial boards of international and national journals, and contributes to professional and research conferences as a program committee member and speaker.

Professor Kirk maintains an active interest in the field of information management.

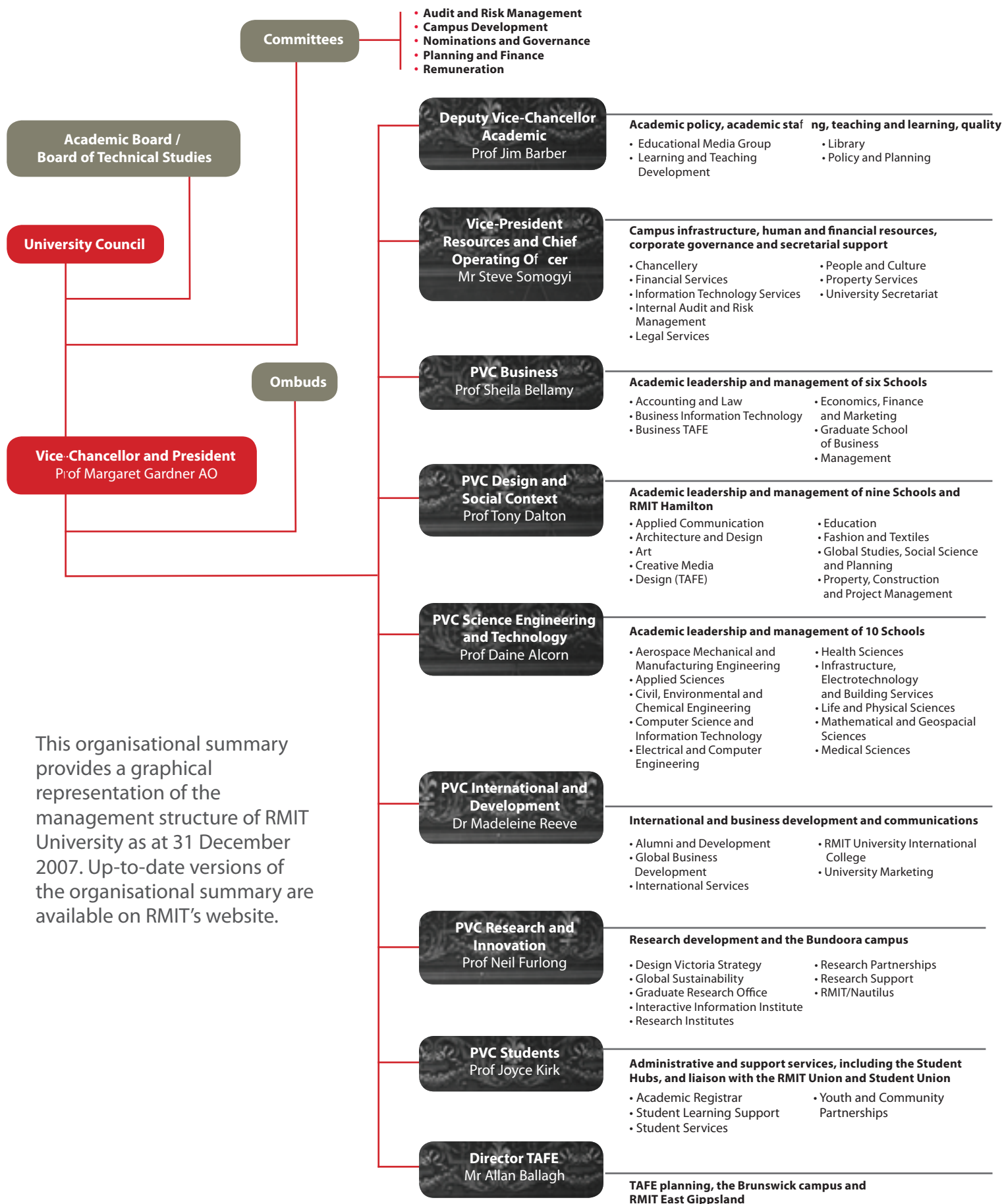


Director, TAFE
Mr Allan Ballagh
DipEd (Melb State College),
BEng (Gordon), MEd (RMIT),
Grad Cert Enterprise
Management (Swinburne)

The Director TAFE provides leadership and expert advice to the portfolio, and ensures the development and promotion of RMIT's capacity to innovate in vocational education provision and pedagogy. Mr Ballagh is also Deputy Chair of the Academic Board and is RMIT's nominee to the Victorian TAFE Association CEO Council.

Mr Ballagh was appointed as Director TAFE in November 2003. He has had a broad range of leadership and management experience in the TAFE sector, and is Vice-President of the Equity Research Centre and a member of the Capital City Local Learning and Employment Network Management Committee.

Organisational Outline as at 31 December 2007



This organisational summary provides a graphical representation of the management structure of RMIT University as at 31 December 2007. Up-to-date versions of the organisational summary are available on RMIT's website.

Financial Performance

The consolidated 2007 net operating result for RMIT University and its subsidiaries was above budget at \$53.5 million, building on the success of the financial recovery processes commenced in 2005 and the strong result for 2006.

- Operating cash flow again increased, from \$70.1 million to \$109.5 million, allowing a doubling of capital expenditure targeted at improving infrastructure and facilities for students.
- Full-fee paying TAFE student revenue increased by more than 81 per cent, rising from \$6.5 million to \$11.7 million, a very gratifying result in such a competitive market.
- Australian undergraduate fee-paying revenue increased by 18.2 per cent to \$11.6 million.
- Overseas student fee revenue increased by \$14.4 million, or 10.1 per cent, to \$156.4 million, largely driven by continuing growth of enrolments in offshore higher education programs.
- Expenditure on academic salaries increased by \$8.1 million or 5.7 per cent.
- RMIT contributed \$3.0 million to RMIT Foundation, to be invested to build capacity for future scholarships.
- RMIT International University Vietnam continued its strong and sustained growth. It increased its operating surplus for the year and generated strong cash flows, providing funds for the additional building and infrastructure being constructed to meet fast-growing student load.

RMIT University's operating result was \$35.2 million (5.9 per cent of revenue), compared to \$50.1 million in 2006. The one-off profit of \$7.9 million on the sale of the former CUB site was included in the 2006 result. Total revenues increased by \$40.8 million, from \$553.7 million to \$594.5 million (excluding the effect of income received from the Commonwealth for deferred superannuation benefits). On a consolidated basis, with the same exclusions, revenue increased by \$41.5 million, from \$609.7 million to \$651.2 million.

Additional operating grant and student contributions funding for teaching and learning activities amounted to \$16.7 million, in addition to \$0.8 million by way of additional Commonwealth scholarships. Commonwealth research grants increased by 4.3 per cent, from \$26.8 million to \$28.0 million and State government grants increased by \$1.3 million, or 2.0 per cent, to \$66.6 million.

Course fees and charges increased by \$23.1 million to \$194.2 million, a strong increase of 13.6 per cent. However, non-course fees and charges declined by \$3.7 million, mainly due to the cessation of compulsory non-academic fees from July 2006 following the passing of Voluntary Student Union legislation.

Interest income increased by \$2.3 million to \$6.0 million due to higher cash balances, amplified by an improved yield. The University has made no investments in 'sub-prime' securities. Our investment policy ensures only high quality securities issued by prudentially safe institutions are utilised.

Income received from the Commonwealth for deferred superannuation benefits was lower in 2007 as the estimated unfunded liability decreased. This varies considerably from year to year but has no profit impact as the revenue booked is matched by a corresponding expense.

Employee benefits and on-costs increased by \$38.7 million in 2007, excluding the effect of deferred superannuation benefits, with higher rates of salary increases incurred due to the phasing of the enterprise bargaining agreement and the full-year effect of staff transferred into the University from some subsidiary companies.

The current ratio decreased slightly from 91.7 per cent to 87.1 per cent. Current assets increased from \$153.3 million to \$178.2 million, with cash balances for RMIT University increasing by \$11.2 million during the year. Current liabilities increased by \$37.3 million due to higher accounts payable and provision balances. Net assets increased to \$1.1 billion, giving RMIT University and its subsidiaries a strong foundation for the future.

RMIT Training Pty Ltd and Spatial Vision Innovations Pty Ltd each increased operating result in 2007, and good investment performance was achieved by RMIT Foundation. The activities of RMIT International Pty Ltd are being wound down, with all new business activities undertaken within the University.

A new company, RMIT Drug Discovery Technologies Pty Ltd, was incorporated during 2007 to commercialise intellectual property developed within the University, assisted by grant funding from the State Government.

Statistical Snapshot

Enrolments (headcount) By Sector	2003	2004	2005	2006	2007*
HE	38,977	39,459	39,301	42,103	43,781
VET	22,875	21,198	22,357	20,967	21,683
By Type					
Domestic	44,495	42,446	42,407	41,708	42,749
International:					
Onshore	8,789	8,585	8,626	8,899	9,206
Offshore	8,176	9,030	9,581	10,622	10,616
Vietnam	392	596	1,044	1,841	2,893
By Award Level					
Postgraduate Research	1,812	1,740	1,702	1,687	1,613
Postgraduate Coursework	9,142	8,794	8,674	8,701	8,763
Undergraduate	28,023	28,925	28,925	31,715	33,405
VET	22,875	21,198	22,357	20,967	21,683
TOTAL	61,852	60,657	61,658	63,070	65,464
Fee type (load % HE/VET)					
Government-funded	52/70	51/68	50/69	48/71	46/72
Australian fee-paying	9/12	9/8	9/9	8/8	8/9
International	37/17	39/23	41/20	42/18	45/16
Other	1/1	1/1	1/2	1/3	1/3
Commencements Melbourne					
HE					
Domestic students	8,185	8,405	8,558	8,837	8,321
International students	3,428	3,366	3,325	3,673	3,765
VET					
Domestic students	N/A	N/A	12,279	11,810	12,993
International students	N/A	N/A	1,755	1,427	1,279
Enrolment load					
HE EFTSL	27,381	28,061	28,370	30,316	31,905
VET SCH	8,394,521	8,361,310	7,825,162	7,576,491	8,171,892

* 2007 HE enrolment preliminary data as at January 2008.

N/A: Not available.

Student Completions	2003	2004	2005	2006	2007
HE	7,031	7,692	7,780	8,026	N/A
VET	4,341	4,479	5,820	5,535	5,290

N/A: Not available - will be available in April 2008.

Student Satisfaction (Domestic) %	2004	2005	2006	2007
HE Overall Satisfaction	63.8	65.8	68.6	67.6
VET Overall Satisfaction	78.6	82.9	83.9	82.7

Graduate Outcomes (Domestic) %	2004	2005	2006	2007
Bachelor Degree graduates in full-time employment¹	84.2	83.6	86.8	83.7
VET graduates in employment²	78.8	82.8	79.0	83.2

Sources: HE: GCA, CEQ and GDS data files, 2004-2007.

VET: NCVET, SOS RMIT and State data files, 2004-2007.

1 - Percentage of those available for full-time employment.

2 - Includes full-time and part-time employment.

Australian Research Council Linkage Grant Funding		
Applications	ARC Funding	Industry Collaboration
2006	\$2,733,368	\$571,854
2007	\$3,166,462	\$5,314,237

Foundation Studies Enrolments (headcount)	2005	2006	2007
Melbourne	345	392	456
Vietnam[^]	406	94	N/A
Other Offshore	34	13	N/A
TOTAL	785	499	456

[^] Transition of enrolments at RMIT Vietnam into Higher Education Diplomas.

N/A: Not applicable.

Total FTE Staff*	2006	2007
	3,230.3	3336.9

* FTE - Full-time equivalent. Two people both working 0.5 time fractions = 1 FTE. Data as at 31 December 2007. For detailed employment statistics, please refer to Page 20.

120 Reasons to Celebrate

RMIT University is one of Australia's longest-established educational institutions and in 2007 proudly celebrated 120 years since it opened its doors as the Working Men's College.

The Working Men's College was founded on the philanthropy of prominent grazier Francis Ormond, which in turn was supported by public subscription, a grant of land by the colonial government, and the energetic support of the Victorian Trades Hall at the instigation of William Emmett Murphy. *The Age* newspaper was a key contributor, and it led the public debate over what kind of education was needed in the city.

From its establishment on 7 June 1887 in La Trobe Street, Melbourne, the Working Men's College developed strong connections with industry and the community and offered a wide range of vocationally-oriented courses. Since 1917, distance or correspondence education has been part of the study options offered by the Working Men's College/RMIT.

RMIT University has grown from an encouraging intake of 600 students to a global university of more than 65,000 students, including 23,000 international students drawn from more than 100 countries – an institution recognised internationally for the quality of its graduates and the excellence of its research.

What links RMIT's future to its past is its commitment to education and research that draws on and responds to industry and community needs. That tradition of relevant, industry-focused learning and teaching is unbroken. RMIT continues into its 121st year preparing graduates with the skills, knowledge and attitudes that make them highly employable.

RMIT 120 Tram

The University celebrated its 120 years by decorating another of the city's great icons. The 120 Tram, which ran along a number of designated routes across Melbourne, marked the historical significance of RMIT as well as its present-day role as one of Australia's leading educational institutions committed to applied education and research.



1887

The Working Men's College opens in June, following a contribution in 1881 of £5,000 by Francis Ormond towards its establishment, and matching funds from member unions of the Victorian Trades Hall Council.

1888

The College offers classes in trades, technical, business and arts areas. The curriculum also includes arithmetic, algebra, bookkeeping, shorthand, physiology and photography.

1899

The College begins offering full-time courses in engineering and applied science leading to diplomas, and develops teaching departments including engineering, fitting and turning, metallurgy and mining, and chemistry.

1904

The College is incorporated under the Companies Act.

1905

Building 4 West (now Building 28) opens, housing courses in printing, plumbing, gasfitting and carpentry.

1917

Building 2 (art) is completed.

1918

The College establishes a wide range of classes in vocational training for returned servicemen.

1919

The Australian Institution of Engineers is formed, accepting diplomas from the Working Men's College as qualification for membership. Full-time engineering courses are developed.

1931

Building 3 (Kernot Engineering School) is completed.

1934

Council approves a name change to 'Melbourne Technical College'.

1937

Building 5 (metallurgy) is completed and Building 9 (Radio School) is commenced.

1939-45

The College plays a major role in the war effort, with 20,000 servicemen trained in areas such as communications, and a further 2,000 in munitions production.

120th Anniversary Events

To celebrate its 120th anniversary, the University staged more than 20 successful functions, seminars and public events throughout 2007. The celebrations offered a significant opportunity to engage with alumni, industry, staff and the broader community.

Harmony Day

Harmony Day is an annual national celebration of Australia's success as a diverse society united by a common set of values. RMIT's Harmony Day event launched the 120th anniversary celebrations, and included an indigenous welcome, performances by the RMIT choir, the release of 120 native butterflies, and the unveiling of a Tree of Life tapestry. The tapestry, designed and woven by RMIT staff and students to embody common faith symbols of spirituality and tolerance, will take pride of place inside the Spiritual Centre.

Founder's Day Dinner

RMIT staged a formal dinner to mark the anniversary of its founding, hosting benefactors and guests involved in key industry partnerships.

Municipal Dinners

The Vice-Chancellor hosted dinners in Melbourne, Moreland and Whittlesea for the Mayors, Councillors and senior staff of the municipalities in which RMIT campuses are located.

Staff Event

The Vice-Chancellor hosted a morning tea for all current and retired staff to celebrate the founding of RMIT.

Offshore Alumni Functions

Gala dinners celebrating RMIT's 120th year anniversary with the international alumni community were held in Singapore, Kuala Lumpur, Hong Kong and Shanghai in August–September. The Vice-Chancellor also hosted receptions in Hanoi and Ho Chi Minh City.

Partnerships for World Graduates Conference

RMIT hosted an inaugural Academia, Industry and Community (AIC) Conference in November with the theme of 'Partnerships for World Graduates'. The conference examined ways of developing graduate capabilities and competencies to meet the evolving demands of the global economy.

RMIT Public Hypothetical – Ned Kelly: Better Read than Dead

An expert panel explored the premise that, had Kelly received a good education, he might have avoided the hangman's noose. The debate, hosted by ABC presenter Jon Faine, drew parallels between the times of Ned Kelly and the present, with recurring themes of labour shortages and cultural stigmatism.

1950s

The College develops into food technology, transport studies, accountancy, real estate and advertising. Art syllabuses are revised and surveying developed.

1954

Hibernian Hall (renamed Storey Hall in 1959) is acquired.

1960

Council adopts the name 'Royal Melbourne Institute of Technology'.

1970s

Non-tertiary RMIT is reconstituted as the Technical College (TAFE), which rapidly expands its courses in certificates of technology.

1979

RMIT amalgamates with the Emily McPherson College of Domestic Economy, teaching food science, finance and tourism.

1987

Centenary celebration events are held throughout the year. A time capsule is set in the pavement at the entrance to Building 1. RMIT's history is published as *The Tech*.

1990s

RMIT's Centre for Design establishes an international reputation as a leader in eco-design.

1992

RMIT amalgamates with the Phillip Institute of Technology. RMIT is granted university status under the Royal Melbourne Institute of Technology Act 1992. Director David Beanland becomes Vice-Chancellor of RMIT University and Ivan Deveson AO the foundation Chancellor.

1993

Melbourne College of Decoration and Design amalgamates with RMIT University to create the TAFE School of Design. RMIT University purchases the MMBW site in Plenty Road, Bundoora.

Public Lecture - Environmental Sustainability: The Water (Re)Cycle

International expert and Visiting RMIT Fellow Professor Karl Linden presented a public lecture at Storey Hall on the topic of water and sustainability. Professor Linden has conducted extensive research on new water treatment technologies and his lecture explored issues of energy, new technologies and the global water crisis.

Plaque Dedication Ceremony

At a ceremony hosted by the Vice-Chancellor, the Victorian RAAF Radar Association presented a plaque to commemorate the University's significant contribution to the Australian war effort during WWII in the training of thousands of RAAF personnel as wireless mechanics and radar operators. The plaque will be erected in Building 9, where the initial training was offered.

Indigenous Community Celebration

The Vice-Chancellor hosted an event that brought to RMIT University current and past indigenous RMIT students and members of the local indigenous community. The event acknowledged the indigenous people who have contributed to the University's culture, growth and success over the past 120 years.

Video Challenge

RMIT students were invited to submit a 120-second video based on the theme 'RMIT 120 years from now'. Prizes were awarded in seven categories and the Vice-Chancellor hosted an awards ceremony at the new Info Corner.



Celebrating 120 Years of Valued Philanthropy

In 2007, the University took the opportunity of its 120th anniversary to celebrate the many gifts and philanthropic donations received since its foundation.

RMIT's founder, philanthropist and grazier Francis Ormond, lit the spark that led to the opening five years later of the Working Men's College – but he did not act alone. Ormond's pledge of £5,000 to build a college was conditional on its being matched, and many others from all walks of life responded to the challenge.

The Victorian Trades Hall secretary, William Emmett Murphy, threw himself into fundraising, acting on the belief that working men and women would find dignity and prosperity through education. Unions levied members who, through thousands of small donations – many of just a few shillings, amassed more for the college than they had for their own Trades Hall building. The government provided the land on which the first building was built.

The spirit of philanthropy upon which the University was founded continues today. RMIT has been fortunate to receive hundreds of endowments of all kinds, bestowed by people and institutions who value the role the University plays in the academic, social and economic life of the communities in which it operates.

The RMIT Foundation is the custodian of funds that are donated, endowed or bequeathed to the University.

In 2007 a special publication 'Celebrating 120 years of Valued Philanthropic Support' was launched at an event which acknowledged the many hundreds of donors.

During 2007 the Foundation received new gifts totalling \$8.32 million. RMIT Vietnam received funds totalling US\$2.50 million (A\$2.71 million as at 18 March 2008).

1994

RMIT is the first Australian university to adopt an international strategy incorporating offshore course delivery, an Education Abroad program, and an 'internationalised curriculum'. Five Australian universities including RMIT University form the Australian Technology Network.

1995

RMIT University amalgamates with the Melbourne College of Printing and Graphic Arts.

1998-99

RMIT receives the first Australian Export Award for Education in 1998, the Governor of Victoria Export Award for Education in 1998 and 1999, and the 1999 Business Asia News Magazine Award for Best Australian Service Activity in Asia.

1999

The Melbourne Institute of Textiles joins RMIT, together with its Brunswick campus. In a world first, a PhD at RMIT is researched, supervised, submitted, examined and stored entirely online.

2000

RMIT International University Vietnam becomes the first foreign-owned private university in Vietnam. The RMIT Bachelor of Business in Logistics is the first non-Chinese degree to be approved by the Chinese Government.

2004

New campus at Hanoi in Vietnam is opened.

2005

Purpose-built campus designed by RMIT Adjunct Professor of Architecture, Norman Day, is opened in Saigon South.

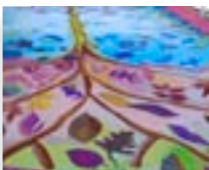
2007

RMIT University celebrates its 120th anniversary, now firmly established as one of Australia's leading educational institutions.





REVIEW OF ACTIVITIES



Our Staff

RMIT seeks to attract, develop, reward and retain staff who will embrace the future with energy and creativity, and who are focused on the needs of our students and our partners. In 2007, our focus has been on engaging with our staff through recognising and rewarding performance, promoting a leadership culture and enhancing workforce planning capabilities.

Key initiatives and outcomes over the past 12 months were as follows:

Engaging with RMIT Staff

The 2007 Staff Survey received an 80 per cent response rate – the highest recorded for this survey by any Australian higher education institution. Positive results included the themes of teamwork, role clarity and organisational commitment, while responses indicating opportunity for improvement highlighted cross-unit cooperation, facilities and change management.

The most significant achievement was in response to the statement, "The way RMIT is run has improved over the last year", which garnered a 50 per cent favourable response compared to 38 per cent for the sector. A key measure of the survey is Employee Engagement, for which the University received a 67 per cent favourable response.

Local areas were provided with their results and have identified actions to be taken for ongoing improvement. The University is focusing on resolving issues with processes, and on creating an enhanced leadership culture through communication with staff. Key activities underway include:

— the Process Improvement Challenge, through which many ideas were generated by staff and three procedural enhancements have been selected for implementation

— an expanded leadership skills program for senior managers and a new program for mid-level leaders

Reward and recognition of our staff was enhanced through the development and implementation of specific policies aimed at recognising high performance.

Staff wellness initiatives were offered across the University, recognising the importance of a healthy lifestyle and appropriate work/life balance.

In recognition of the contribution women offer to our workforce, we developed and launched the 'Stay Connected' package to support staff on parental leave and their managers to maintain the working relationships. Our policies support women's careers through return-to-work bonuses which extend through the first 12 months of their return to work.

The University received formal recognition of its commitment to women in the workplace through an EOWA award as an employer of choice for women.

Employment Statistics

Staff type	Total FTE*			Female FTE*			% Female		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
Academic (HE)	1,054.7	1,051.1	1,050.1	385.0	394.8	390.6	36.5	37.5	37.2
Teaching (VET)	479.8	484.4	483.8	209.6	214.6	217.9	43.7	44.3	45.0
Executive	87.3	89.3	88.3	36.3	34.3	30.3	41.5	38.4	34.3
General	1,473.6	1,602.5	1,714.7	873.3	949.8	1,038.9	59.3	59.3	60.6
Total	3,095.4	3,227.3	3,336.9	1,504.2	1,593.5	1,677.7	48.6	49.4	50.3

General staff by function	Total FTE*			Female FTE*			% Female		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
Non-Research	1449.7	1554.5	1644.3						
				873.3	949.8	1,038.9	59.3	59.3	60.6
Research Support	23.9	48.0	70.4						
Total	1473.6	1602.5	1714.7	873.3	949.8	1,038.9	59.3	59.3	60.6

New Staff Recruitments (2007)	Female	%	Male	%	Total
Executive (HE and TAFE)	2	100	0	0	2
General (HE and TAFE)	225	67	111	33	336
Teaching (TAFE)	20	44	25	56	45
Total	300	60	199	40	499

Staff-Initiated Turnover %	2004	2005	2006	2007
Greater than three years' service	6	7	6	7
Total	9	10	7	9

* FTE – full-time equivalent (two people both working 0.5 time fraction = 1 FTE)
Data as at 31 December 2007. Figures have been rounded

Professional Development

Participation in staff professional development through the 'Open Program' was increased, focusing on key strategic activities such as teaching, learning, research and service priorities.

The University recognises that thorough induction of new staff members is very important, and to that end a new OH&S online training module was implemented during 2007 and other online induction resources were enhanced.

Occupational Health and Safety

Implementation commenced in 2007 of the new Health, Safety and Security Policy adopted in late 2006. The focus remained on building a systematic approach to health and safety management through the assignment of responsibilities, the delivery of relevant training and the provision of access to current and useful information for managers, staff and students.

While there was a reduction in the WorkCover premium for the fifth consecutive year due to improved claims performance over the preceding years, incidents and WorkCover claims increased in 2007. A total of 390 hazards, incidents and near misses were reported, with seven reported to WorkSafe Victoria because of their serious nature. Out of 48 WorkCover claims lodged for injuries and

illnesses during the year, 54 per cent were for sprain/strain injuries, 14.5 per cent were for fractures and 21 per cent were for stress-related illnesses.

Health and safety took on a new direction in 2007, with the introduction of an Executive Health Program, Flu Vaccination Program, Cancer Awareness Sessions and a Weight Loss Program to form part of a new focus on improving staff personal wellbeing and fitness.

RMIT joined with the other Victorian universities in July to host the biennial Australasian University Safety Association Conference. This major event was held at RMIT and brought together 130 delegates from universities across Australia, New Zealand, Asia, the USA and UK.

	2004	2005	2006	2007
OHS Incidents Reported	378	337	334	390
Lost-Time Injury Frequency*	5.00	3.93	2.55	3.75

* Number of lost-time injuries recorded per million hours worked.

RMIT honours outstanding staff member

At RMIT's 2007 Honorary Awards Conferring Ceremony, Georgina Mountford was awarded the Francis Ormond Medal for her outstanding individual achievement as a VET teacher and in delivering staff training programs. The Francis Ormond Medal is awarded annually to a member of academic or general staff who has served the University with distinction or given meritorious service.

Ms Mountford is the first VET recipient of this prestigious medal. Since joining the RMIT School of Global Studies, Social Science and Planning as a VET teacher in 1998, Ms Mountford has worked on a number of projects to deliver training programs to staff in aged care, youth work, disability, education and justice.

Ms Mountford also took a lead in the design and implementation of the Community Service qualification, and coordinated the Disability Work qualification.

"I'm very honoured," said Ms Mountford. "I think this demonstrates the importance of quality educational practice in VET at RMIT."



Left to right:
Emeritus Professor Dennis Gibson AO,
Ms Georgina Mountford, Professor Margaret Gardner AO.

Our Students

RMIT University continued to focus on strategies to support and enrich the student experience, and to identify and respond to emerging student needs and issues.

With the University's continued emphasis on achieving outstanding career outcomes, employability among both VET and Higher Education graduates remained high. Recent figures show that 83.7 per cent of RMIT's domestic Higher Education students went into full-time employment after completing their qualifications, while 13.5 per cent were accepted into further full-time study. Among RMIT's VET graduates, 83 per cent found work within three months and 34 per cent moved into further study.

Services to Students

The Student Charter was approved by the Academic Board. The Charter, initiated by the University's Students Advisory Committee, sets out the responsibilities of students and of the University, reflecting RMIT's core values as articulated in the Strategic Plan.

Following the introduction of Voluntary Student Union legislation in 2006, a new Legal Service was introduced by RMIT in partnership with Melbourne University Student Union Limited. The transfer of the City Campus Children's Centre from RMIT Union to the University was finalised. RMIT Union continues to be responsible for the provision of sports, recreation, arts and culture services for the RMIT community, and a vibrant program of activities was planned and delivered during 2007.

The Study and Learning Centre's open access facility was co-located with the Hub on the City campus, resulting in an increase in support readily accessible to students seeking assistance to improve their study outcomes.

Student Support

RMIT is committed to furthering the academic, personal and career development of its students and to promoting access to Higher Education and VET to people from diverse backgrounds. Initiatives included:

- Award of more than \$3 million of scholarships during 2007 to approximately 1,000 students.
- Establishment of a new scholarship program funded through the Northcote Trust to support TAFE articulation pathways to HE programs. This program will provide support to the value of almost \$250,000 over a three year period for students to continue their educational pathways.
- Funding of RMIT student delegates attending conferences including:
 - Education without Borders (Abu Dhabi)
 - International Design Synthesis Conference (USA)

- Australian University Games (Queensland)
- National Leadership Forum (Canberra)
- National Golden Key International Society Conference (Queensland)

As a special initiative, financial support was also provided for the Formula SAE Student Team at the FISITA world championship event held at Silverstone in the UK.

- Invitations sent to more than 3,000 of RMIT's top 15 per cent of students (including more than 50 students based at RMIT Vietnam) to join the University's Chapter of Golden Key, an international academic honour society which recognises and supports scholastic achievement among students from all academic disciplines.
- Offering of RMIT's award-winning 3Cs Program to international and local students to encourage effective cross-cultural communication skills and awareness. In 2007, the program involved more than 200 students and mentors exploring common cultural values and sharing expectations about employment and career development.
- Offering by the Counselling Service of five Understanding Mental Health workshops across the University. The series was designed to support staff in dealing with student mental health issues and raising awareness of the support available to students and staff.
- Continuation of support of the Australian Institute of Sport's 'Elite Athlete Friendly University' network which recognises and assists elite athletes who are studying at universities. RMIT facilitates support for these students to enable them to pursue their sport while completing a professional qualification.

Student Recruitment and Promotion

During 2007, the Student Recruitment team conducted 78 campus tours for 3,486 students, in addition to 20 off-campus and 23 academic school presentations. Twenty-six expo days were coordinated with an estimated audience of 100,000, and a presence was maintained at a number of major expos during the year. In August, Open Day events attracted about 30,000 people to the City, Brunswick and Bundoora campuses.

A career advisors' seminar entitled Learning That Works was held in April focusing on RMIT's roots in industry learning. Approximately 170 career advisors from across Victoria attended the event.

RMIT's 'new look and feel' website went live in August in time for Open Day.

A new Year 11 Transition Event was held at Bundoora campus in November, attended by 550 school students. The event was developed to enable younger students to foster relationships with RMIT by experiencing a day on campus. A range of interactive sessions provided advice on motivation, study skills and student wellbeing. Feedback from participants was overwhelmingly positive.

Student Lifecycle: From Admission to Graduation

Enrolment online was rolled out in 2007, with 37,738 VET and HE students enrolling online for the 2007 academic year.

The Student Services Group led orientation programs across the University, assisted by RMIT Union, RMIT Student Union and all academic schools. Training was provided for 200 volunteer leaders who completed in excess of 3,500 hours of voluntary work. More than 10,000 students were entertained at Festival Days held on each campus, and 85 campus tours were conducted involving more than 6,200 students. The team also raised over \$50,000 in sponsorship funds – 20 per cent more than in any other previous year.

An innovative approach to managing applications for special consideration was introduced at the start of 2007. More than 6,000 applications were received at the Hub and evaluated by a central Expert Panel. This has improved the consistency of outcomes for students across schools, and has now been implemented in conjunction with the new policy of deferred supplementary and alternative assessments.

The Student Administration Unit developed responses to frequently asked questions (FAQs) to support online enrolment and the Student Administration Support Line.

RMIT's Careers Expo was held at Telstra Dome in March, attracting more than 100 employers to interact with more than 2,000 final year and graduating students. During 2007, several additional expos and forums were introduced so that students could explore and progress their career options. Topics included 'Working in Australia', 'Go Global: Working Internationally', 'Vacation Employment', and 'Volunteering'.

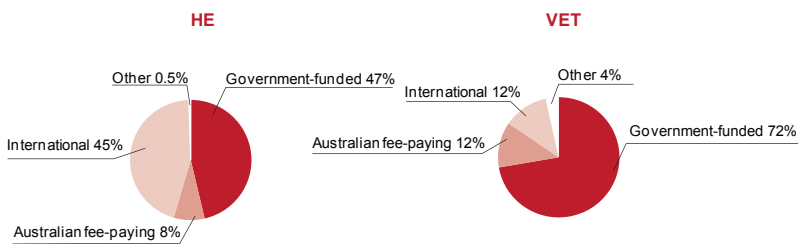
A suite of new assessment policies was introduced in 2007, including a reconsideration of academic progress to emphasise early intervention for students experiencing difficulties.

End of semester exams were managed at University level in 2007, with most of the 97,000 exam 'sits' held at the Melbourne Sports and Aquatic Centre for the first time. Students welcomed the new venue and enhanced services provided, such as personalised online exam seating information.

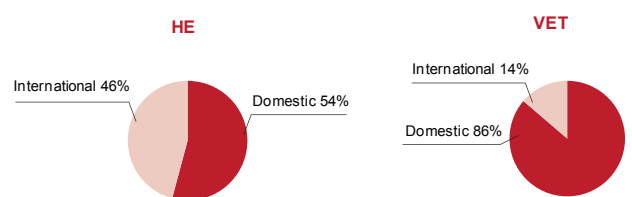
The Telstra Dome conferring ceremony on 12 December featured addresses by distinguished alumnus Bob Isherwood and graduate speaker Heidi Lange. Nearly 7,000 awards were conferred at the ceremony, including 127 PhDs and 1,245 in absentia awards.

RMIT held its annual graduation parade along Swanston Street, Melbourne, in the morning prior to the conferring ceremony. The Parade was extended this year due to the large numbers of graduates, commencing from Bowen Street on the RMIT City campus and ending at Federation Square.

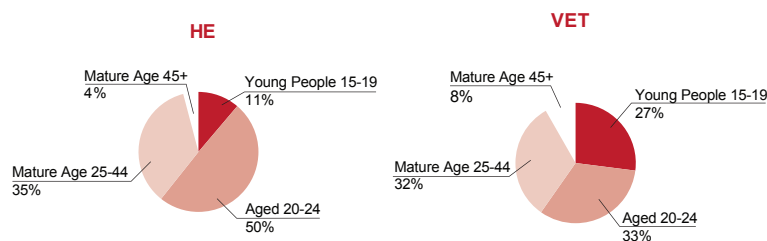
Students by Fee Type (load)



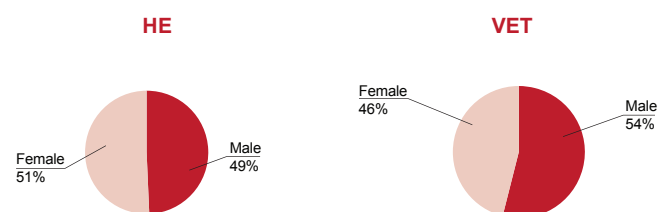
Students by Citizen-Resident Status



Students by Age Group



Students by Gender



Equity

The Diversity Liaison Unit completed a five-year Disability Coordination Officer Project funded by the federal government. The objective of this project was to raise awareness of issues faced by students with disabilities when moving from secondary schools to further study or work. As part of the project, a range of materials was designed and produced sharing the tertiary transition experiences of students with mental health conditions, physical disabilities and learning difficulties.

A range of projects funded by OTTE have been implemented, including:

- Koori life skills
- mentoring for students with a disability
- taster programs for mature-aged learners
- literacy skills development in apprenticeship programs

During 2007, the Aboriginal and Torres Strait Islander Unit was renamed the Ngarara Willim Indigenous Centre (meaning 'gathering place'). The new name was announced at a 120th

anniversary event held in National Reconciliation Week, which comprised the creation of an RMIT community artwork utilising indigenous techniques and materials.

One of the Centre's new initiatives to assist indigenous students in accessing pathways to further education was the 'Koori Express', a free bus and accommodation service that attracted more than 200 prospective students and their families from regional Victoria to RMIT's Open Day on 12 August. Follow-up activities encouraged program applications through the new RMIT Indigenous Access Scheme, as well as coordinated transition and tutor support through the Ngarara Willim Centre for those indigenous students accepting places at RMIT.

Other initiatives during 2007 included:

- The RMIT Equity and Diversity Plan for 2007–2010 was completed.
- An additional \$600,000 was committed to RMIT Equity Investment Fund to support equity scholarships, bringing total funds to \$3 million. These funds are managed through the RMIT Foundation and realise

approximately \$200,000 in interest each year for distribution as RMIT Equity Scholarships to students.

- The Disability Liaison Unit, in conjunction with Information Technology Services, secured a common set of assistive technologies which are now available as part of standard university computer imaging in computer labs and libraries. This allows learners to have ready access to assistive technologies, thus furthering the principle of universal access.
- An Indigenous Study Tour to Vietnam was organised to coincide with RMIT's 120th anniversary celebrations. Twelve students from Community Development and Art and Design programs visited historical sites and met with indigenous peoples to share understanding and explore different ways of learning.



Student Diversity					
All Students % (HE/VET)	2003	2004	2005	2006	2007
Female	50/46	50/50	50/50	50/50	51/46
International	34/13	35/14	40/15	38/14	46/14
By Age Group % (HE/VET)	2003	2004	2005	2006	2007
Young people 15-19	9/26	9/21	9/28	11/30	11/27
Aged 20-24	45/33	47/36	48/32	48/33	50/33
Mature age 25-44	40/34	39/33	38/32	37/30	35/32
Mature age 45+	5/8	5/9	5/9	5/7	4/8
Domestic Students % HE/VET	2003	2004	2005	2006	2007
School leavers	48/19	43/22	44/15	50/NA	51/15
VET articulation	10/NA	20/NA	21/NA	21/NA	19/NA
Overseas born	28/31	21/26	21/25	21/NA	21/25
Non-English speaking background	5/6	5/9	5/7	5/NA	5/8
Rural/remote	10/9	11/11	10/13	10/NA	9/9
Low socio-economic status	15/21	15/18	15/19	15/NA	16/17
Aboriginal and Torres Strait Islanders	0.2/1.6	0.2/1.7	0.2/1.8	0.2/NA	0.2/1.6

HE 2003-2004 data based on 31 March (Submission One) enrolments while HE 2005-07 based on full-year data.

Info Corner opens its doors to future students

The opportunity to deliver a positive student experience starts early, at the point of initial contact with prospective students. Over a number of years, RMIT developed a vision for a new customer service centre, and a shopfront environment was chosen to best meet the needs of the University's target market.

The high profile site on the La Trobe/Swanston Street corner was identified to capitalise on RMIT's central CBD location. It shares a streetscape with the iconic Storey Hall and is directly opposite the State Library and Melbourne Central. RMIT Info Corner opened in April, replacing the former Office for Prospective Students.

A sector first in its concept and design, it has been immediately successful in generating increased student enquiries and making the RMIT corner a landmark notable for its distinctive green canopy. Future students are able to obtain face-to-face assistance with course enquiries and applications, and multimedia displays illustrate student works and University achievements. Space is also provided for information sessions and other student events.

The number of visits to the new Info Corner reached 16,584 by Christmas.

Academic Life

2007 was an exciting year as the University commenced implementation of its Academic Plan to 2010. The plan is a roadmap towards achieving four major goals:

- To produce work-ready graduates with a hunger for life-long learning
- To ensure student satisfaction
- To provide a global passport for graduates
- To maximise the advantage to students of our status as a provider of high-quality VET and higher education programs, with pathways and linkages across the sectors

Around 30 projects were funded as part of the new Learning and Teaching Innovations Program, aimed at improving the student experience and at the same time building staff capacity in learning and teaching. Every program at RMIT now has an online presence and we are introducing new e-learning experiences for our students. The number of students visiting and studying at RMIT's Vietnam campus increased in 2007 and is expected to treble by 2009.

The Graduate Certificate of Tertiary Teaching and Learning was offered at RMIT Vietnam throughout 2007, with more than 40 academic staff participating in this program. RMIT Vietnam also hosted two cohorts of academic staff who were enrolled in the Graduate Certificate of Tertiary Teaching and Learning in Melbourne. This initiative was made possible by the RMIT Learning and Teaching Investment Fund. It provided opportunities for Melbourne staff to engage with staff and students in Vietnam, to teach classes and to receive

feedback on their teaching as it relates to internationalising the curriculum, and also to consolidate their applied teaching and learning undertaken throughout the program.

RMIT is known for its work-relevant learning and industry links in VET and Higher Education. In 2007 RMIT's dual sector advantage received a major boost with the development of a new Associate Degree in Design (Furniture) to complement existing Associate Degrees in Engineering Technology and Information Technology. Associate Degrees at RMIT offer students industry-relevant qualifications with pathways into higher education or employment opportunities. The result has been strong student interest in the new qualification, with planning underway to develop new Associate Degrees in 2008.

The University's programs include industry placements, work experience and the involvement of practitioners in teaching – just some of the reasons why RMIT graduates are so employable. This was enhanced in 2007 with a new policy mandating work-integrated learning experiences and assessment for all programs. Work-integrated learning at RMIT is a global experience with expanding opportunities for international work placements.

An important goal of the Academic Plan is to widen participation and improve outcomes for students who are currently under-represented in VET and Higher Education. The Indigenous Academic Partnerships Committee was formed to improve indigenous students' participation and experience.

The University Library and the Learning and Teaching Development, Educational Media and Policy and Planning Groups work in partnership with staff across the University to support academic life and achievements at RMIT.

Teaching Achievements

Student satisfaction with teaching and learning at RMIT, as measured by our Course Experience Survey, has steadily improved over the past few years in Higher Education and has remained consistently high in VET (see Good Teaching Scale on Page 26). This is in large part a reflection of the expertise and commitment of staff.

In 2007, the Graduate Certificate in Tertiary Teaching and Learning was introduced as a mandatory qualification for all commencing full-time ongoing Associate Lecturers and Lecturers. Fifty-nine academics enrolled in this qualification, which included a visit to RMIT Vietnam to deepen the teaching links and cross-cultural pedagogy between the two campuses.

The experience, skills and imagination of RMIT staff were honoured by the Carrick Institute for Learning and Teaching in Higher Education, which awarded eight Citations for Outstanding Contributions to Student Learning to 11 RMIT staff.

In 2007, RMIT participated actively in the work of the Carrick Institute, organising a forum on Australian University Teaching Awards which was attended by staff from

Building a new career

RMIT's Learning and Teaching Investment Fund (LTIF) was created in 2007 to encourage innovation in learning and teaching. To date, a broad range of initiatives across all portfolios of the University have been funded to the value of more than \$1 million.

Dual Sector Delivery in Construction Management is a project designed to promote cross-sector learning by giving higher education students from the School of Property, Construction & Project Management the opportunity to undertake VET units in construction services. On graduating, students gain an edge in the marketplace with recognised practical skills in areas such as plumbing, refrigeration and electrical work.

Students thoroughly enjoyed the experience, saying it was "great fun", "fantastic to be able to get practical experience", and that "lectures should be taught the same way as practicals to enhance learning skills".



RMIT lecturer Ian McBean provides training in construction skills.

universities across Australia. Led by Associate Professor Sandra Jones, RMIT staff commenced work on a Carrick Leadership Grant, 'Developing multi-level leadership to enhance student learning and teaching practice', and received funding for projects to develop teaching quality indicators and promote excellence in higher education.

Other funded projects in which RMIT successfully partnered in 2007 included:

- The Development of Academics and Higher Education Futures, initiated by the Council of Directors of Academic Development
- A leadership professional development program headed by Curtin University, together with other universities in the Australian Technology Network
- Strategic Leadership for Institutional Teaching and Learning Centres: Developing a Model for the 21st Century, headed by Deakin University
- Embedding Peer Review of Learning and Teaching in E-Learning and Blended Learning Environments, headed by the University of Technology, Sydney, together with other universities in the Australian Technology Network
- Curriculum Development in Studio Teaching, headed by the University of NSW
- Ensuring Quality Learning and Teaching Outcomes through Work-Integrated Learning in Contemporary Australian Universities: A National Framework for Future Progress, as part of the Australian Collaborative Education Network
- Professional Education in Built Environment and Design, headed by the Queensland University of Technology

Library

Access to key online information resources and wireless internet access throughout RMIT and its precincts supports our students' ability to study at a time and place that is appropriate to them. However the RMIT Library, which provides flexible and supportive study spaces, remains crucial to students' academic life. In

2007 the Library received 2,153,465 visits, an increase of 8 per cent on the previous year, and continued to expand its collections, particularly its online resources. The Swanston Street Library extended its hours during the pre-exam period, and this will continue in 2008.

The results of the RMIT Student Experience Survey confirmed that the majority of the students were satisfied with Library resources and services, with most categories showing an increase from 2006 results. Results from the Library user survey showed an overall satisfaction rating of 7 out of a possible 9 points.

The Library also supports the development of academic initiatives at RMIT, and a significant amount of work was undertaken in 2007 to identify and acquire appropriate resources to support new and continuing programs. These included e-books as well as e-journals. A vast array of online legal resources has been acquired to support the University's new professional legal qualification, the Juris Doctor, and a number of subject collections of e-books were purchased to add important material to areas such as biomedical and life sciences, engineering, and earth and environmental sciences.

RMIT Library also undertakes extensive training of the University's academic and professional staff to support their teaching and research through optimum use of library resources. The new library management system, which runs the catalogue, went live in 2007 enabling enhanced access to RMIT's educational resources.

E-Learning

A major achievement of the Educational Technology Advisory Group was the development of an E-Learning Roadmap to align organisational capabilities with RMIT's goal of improving e-learning and the use of information communications technology (ICT). The Roadmap established a framework for prioritising e-learning initiatives and established an environment that promoted

innovation in the use of technology to enhance student learning opportunities.

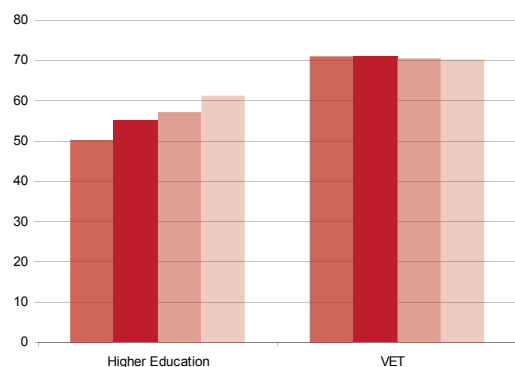
The first stage of the Roadmap achieved its objective of having a minimum online presence for every course by 2007. This project established a standard online platform for the management and provision of course-related information and communication. As a result, more than 5,000 courses have a presence in RMIT's Learning Management System each semester.

Stage 2 of the Roadmap commenced in 2007. It aims to exploit the potential of educational technology to deliver online course content to students without the need for them to be assembled in one place at one time. The anticipated outcome is less class time devoted to transmitting information and more time spent by students interacting with course material and applying that material to problem-solving.

RMIT's Copyright Management Service was acknowledged for its outstanding contribution to student learning through a 2007 Carrick Citation. It also received an RMIT Learning and Teaching Award.

RMIT Vietnam negotiated the use of the VINAREN network to significantly increase the available bandwidth between Australia and Vietnam. It is anticipated that a 10-fold increase in bandwidth will be in place by early 2008, vastly improving connectivity, facilitating access to rich resources and providing opportunities for greater collaboration between the two hubs.

The strategic relevance of e-learning for RMIT was highlighted by the incorporation of e-learning performance indicators in program annual reviews and the academic promotion criteria. Approximately 600 staff undertook Blackboard training as part of the minimum online presence initiative.



Good Teaching Scale

This data reflects the results of RMIT's Course Experience Survey, administered each semester. RMIT takes student feedback seriously: this information is used to inform improvements to teaching and learning buildings and equipment, staff development, and learning support for students. Course Experience Survey data is also taken into account in academic promotion.

- Sem. 1 2006
- Sem. 2 2006
- Sem. 1 2007
- Sem. 2 2007

RMIT Awards

Honorary Degrees

- **Dr Prue Acton OBE** Doctor of Arts *Honoris Causa*
- **Professor Denise Bradley AO** Doctor of Education *Honoris Causa*
- **Dr Ron Radford AM** Doctor of Arts *Honoris Causa*
- **Professor She Jing** Doctor of Applied Science *Honoris Causa*



Carrick Institute Citation Award Winners

Eight RMIT staff were awarded National Carrick Citations for Outstanding Contribution to Student Learning. This is a four-fold increase in national recognition of RMIT staff excellence in two years. Congratulations are extended to the following:

- **Professor Sylvester Abanteriba**
(International Relations)
For the creation of work integrated learning projects in global companies which enable students to experience different cultural work practices and enhance graduate employability in the globalised economy
- **Mr Paul Cerotti**
(School of Business Information Technology) and
- **Associate Professor Amalia Di Iorio**
(School of Economics, Finance and Marketing)
For the development of sustainable study tours offering unique learning opportunities for undergraduate and postgraduate students that address internationalisation of the student learning experience
- **Ms Susan Costello**
(School of Global Studies, Social Science and Planning)
For the provision of experiential learning opportunities that encourage student self-awareness of international cross-cultural engagement and foster independent social responsibility and action
- **Associate Professor Heather Fehring**
(School of Education)
For a decade of sustained and significant contribution to students' and teachers' professional knowledge in the field of research and literacy education
- **Associate Professor James Harland**
(School of Computer Science and Information Technology)
For innovative development in curriculum design, tutorial and assessment processes to improve student engagement in a second-year Computing Theory subject
- **Ms Judith Lyons**
(Learning Teaching Development)
For leadership in educational development and embedding educational innovations into curricula to enhance student learning experiences and outcomes
- **Associate Professor Barry Meehan and**
- **Associate Professor Ian Thomas**
(School of Global Studies, Social Science and Planning)
For the tailored creation of a multi-disciplinary experiential model that assists Environment Students to work in an international project-based learning context
- **Ms Anne Lennox and**
- **Mrs Celeste Simpliciano**
(Copyright Management Service)
For institutional leadership in academic integrity through the application of copyright management which fosters a cultural awareness and provides implementation strategies for students and academic staff



From top:
1 - Dr Prue Acton OBE.
2 - Professor Denise Bradley AO.
3 - Dr Ron Radford AM.
4 - Professor She Jing.

Student Awards

At the 2007 honorary awards conferring ceremony, RMIT's outstanding graduates were presented with the University's most prestigious awards.

Institute Award (HE)

- Mr Darren Pace

Institute Award (VET)

- Ms Kellie Mortimer

J N McNicol Prize

- Mr Tony Tanoyo and
- Ms Jillian Charwood

Patricia Guthrie Memorial Award

- Ms Nicole Lowndes

Beazley Award

- Mr Peter Lo Schiavo

Student Award Winners



1 – Back row, from left: Emeritus Professor Dennis Gibson AO, Darren Pace, Kellie Mortimer, Professor Margaret Gardner AO, Peter Lo Schiavo.

Front row, from left: Tony Tanoyo, Jillian Charlwood, Nicole Lowndes.

2 – Tony Tanoyo, joint winner of the J N McNicol Prize.

3 – From left: Nicole Lowndes, Kellie Mortimer, Jillian Charlwood.

RMIT University Teaching Awards

Vice-Chancellor's Distinguished Teaching Award 2007

- Associate Professor Iouri Belski, School of Electrical and Computer Engineering

Award Winners

- Dr Andrea Chester Biological Science, Health and Related Studies
- Ms Rachel Wilson Humanities and the Arts
- Dr Vikash Ramiah Law, Economics, Business and Related Studies
- Ms Marietta Martinovic Social Sciences (including Education)
- Mr Paul Cerotti, Mr Rod Crane, Team Teaching
Associate Professor Amalia Di Iorio,
Mr Vic Kamay, Associate Professor
Kate Patrick, Dr Joan Richardson
- Ms Clare Renner TAFE Outstanding Teacher of the Year
- Mr Tony Robins TAFE Initiative of the Year
- Assoc Prof Barry Meehan, Educational Partnerships and Collaborations with
Associate Professor Ian Thomas other Organisations
- Dr Tom Molyneaux First-Year Experience
- Associate Professor Sandra Jones . . Flexible Learning and Teaching
- Dr Fugen Daver Innovation in Curricula, Learning and Teaching
- Associate Professor Zahir Hussain . . Postgraduate Education
- Ms Anne Lennox, Services Supporting Student Learning
Mrs Celeste Simpliciano
- Mr David Carlin Early Career Academic
- Mr Dean Keep HE Sessional

Certificate of Achievement

Category

- Associate Professor Biological Science, Health and Related Studies
Kerin Hempenstall
- Ms Robyn Dale Social Science (including Education)
- Mr Ray Hester, Mr Nevil Schultz . . TAFE Outstanding Teacher of the Year
- Mr Peter Phipps, Innovation in Curricula, Learning and Teaching
Mr Julian Silverman,
Ms Lisa French and team (13 staff)
- Associate Professor Jiankun Hu . . . Postgraduate Education
- Mrs Lee Alexandra Anton-Hem . . . Early Career Academic
- Dr Rebecca Hill HE Sessional
- Mr Max Kaltmann TAFE Sessional

Research Awards

The 2007 Research Awards program recognised the exceptional efforts of RMIT researchers in securing grant success via the very competitive peer review processes used by the Australia Research Council.

Professor Lin Padgham from the School of Computer Science and Information Technology received the 2007 Vice-Chancellor's Award for Research Excellence for her work, which has secured more than \$1.5 million in Category 1 grants since 2004. She also helped spearhead research into how mobile technology could advance student learning through a Hewlett Packard initiative, 'Mobile Technology for Teaching'.

Dr Wayne Rowe from the School of Electrical and Computer Engineering received the Vice-Chancellor's Early Career Researcher Award. Dr Rowe was awarded his PhD in 2002 and has since become one of RMIT's most promising young researchers. His research is in the areas of microwave, photonic and wireless systems, including antennae applications.

Research and Innovation

2007 saw a continued focus on three key tenets of RMIT's research and innovation strategy – excellence, relevance and impact.

The University's research performance overall continued to grow, characterised by ongoing and challenging national research imperatives. A key external driver during 2007 was the proposed national research quality framework. The nationwide focus on developing such a framework provided real opportunities for researchers to engage in the planning and assessment of RMIT research in ways that enhanced the achievement of the University's strategic objectives.

Research Institutes

2007 saw the further development of four new Research Institutes at RMIT:

- **RMIT Global Cities Research Institute** brings together key researchers working on the processes of globalisation, climate change and sustainability in the urban context. The Institute focuses on a number of carefully chosen cities and their hinterlands in the Asia-Pacific region – Kuala Lumpur, Shanghai, Port Moresby and Chennai, as well as Melbourne and Ho Chi Minh City. The Institute engages in cutting-edge and applied research that has real consequences for communities, governments and organisations.
- **RMIT Platform Technologies Research Institute** aims to develop integrated solutions drawing on research developed in underlying discipline areas. It is structured to provide a continuum between intelligent and information systems and functional materials and devices. The Institute's four research themes are nano materials and devices, sports engineering technologies, security and safety, and intelligent industrial information technologies.
- **RMIT Design Research Institute** engages with new design technologies to enhance community and individual life. Its research focuses on the delivery of

space, environments, services and products through design methodologies that elicit and guide contemporary needs and wishes.

- **RMIT Sustainable Health and Well-Being Research Institute** will significantly advance the Australian national priorities of promoting and maintaining good health through innovative research, technology transfer and the implementation of evidence-based policy and practice. Interrelated themes include community health, Chinese medicine and lifestyle approaches to sustainable health and fitness.

These Institutes bring together research teams from across RMIT's diverse discipline base to work on research questions of substance in such areas as globalisation and climate change, sensors, integrated systems and sports performance, the design behind personalised spaces, products and urban settings, and new proactive approaches to the prevention of chronic diseases.

The RMIT Research Investment Fund has focused on growing RMIT's research capacity in these areas by harnessing the University's wide range of current researchers, while also recruiting new researchers from research fellows through to innovation professors.

The new Institutes have already achieved significant impact via new research collaborations across the University's science/technology and social science/creative arts domains. The RMIT Global Cities Research Institute has generated new funded work via international aid agencies following its launch at RMIT Vietnam, and has recently been selected by the United Nations to host its new Global Cities Program. A hub of the Global Cities Institute opened in Ho Chi Minh City during 2007.



Professor Paul James, Director of RMIT Global Cities Research Institute.

Building Capabilities in Research and Research Training

New initiatives have been launched to increase the capacity of all of RMIT's researchers to undertake research at the highest levels. These include Early Career Researcher Grants, Research Leave Awards, Career Interruption Fellowships and a Grant Mentoring service. As well, the University's Tenure Track post-doctoral fellow program has continued to provide opportunities for schools to recruit research-only staff as they track towards a longer term academic career at RMIT. These recruitments have been supported by the introduction of a more comprehensive researcher induction program.

2007 also saw the launch of a new Graduate Research Office through which RMIT's Masters and PhD students gain access to a range of support and information services at all stages of their candidature from enrolment through to graduation.

RMIT again offered 23 new PhD scholarships to support high-quality students into projects aligned with the research focus of the new Research Institutes.

Research Partnerships

Entities such as national Cooperative Research Centres (RMIT is a partner in 11 of these centres) and Centres of Excellence (such as the Defence Materials Technology Centre and Australian Housing and Urban Research Institute), as well as supporting government priorities such as Nanotechnology Victoria and the Victorian Institute of Chemical Sciences, provide continuing opportunities for research staff and students to engage with researchers from other institutions as well as key players in industry, government and the broader community. These partnerships bring increased value to research at RMIT especially via collaborative research planning and exploitation through targeted research projects.

Australian Technology Network

RMIT is a member of the Australian Technology Network (ATN) together with the Queensland University of Technology, Curtin University of Technology, University of South Australia and University of Technology Sydney. During 2007, the ATN was particularly active in the development of the Australian research policy agenda through projects involving the national research quality framework and its connections to research repositories in universities, the development of new research codes of practice for the university sector, and emerging initiatives around Cooperative Research Centres.

The ATN has also developed the e-Grad School, a multi-faceted online service for research students with a focus on supporting the development of generic skills. This has led to the implementation of a new cross-university Graduate Certificate in Research Commercialisation.

Funding for RMIT Discovery Projects ¹				
Funding Year	Applications	Funded	Success Rate	Total Funding
2008	55 (4,112)	5 (878)	9.1% (21.4%)	\$1,066,444 (\$300,796,403)
2007	64 (4,033)	12 (822)	18.8% (20.4%)	\$2,715,512 (\$274,767,586)
2006	57 (3,742)	14 (917)	24.6% (24.5%)	\$3,087,376 (\$273,586,773)

Notes

- 1 – National figures are shown in brackets
2 – Contribution as stated in application

Funding for RMIT Linkage Projects ¹					
Funding Year	Applications	Funded	Success Rate	ARC Funding	Industry Collaboration ²
2008 Round One	19 (424)	10 (202)	52.6% (47.6%)	\$2,352,007 (\$62,267,846)	\$3,234,040 (\$95,032,189)
2007 Round Two	24 (472)	10 (217)	41.7% (46.0%)	\$2,416,016 (\$60,313,034)	\$3,840,237 (\$114,246,463)
2007 Round One	17 (485)	5 (208)	29.4% (42.9%)	\$750,446 (\$59,434,944)	\$1,474,000 (\$105,481,215)
2006 Round Two	13 (577)	2 (206)	15.4% (35.7%)	\$296,970 (\$53,980,315)	\$571,854 (\$91,005,817)

International Alliances

Vietnam

The focus on the RMIT/Vietnam Research Partnerships program has been strengthened through formal research student scholarship agreements with the Vietnam Ministry of Education and Training. The centrepiece of this program is the growing cohort of Vietnamese Masters and PhD student undertaking research under RMIT partnerships with Nonglam University, Hanoi and Ho Chi Minh City Universities of Technology and the Hanoi University of Education. These students undertake their research in Vietnam and Australia and are supported by staff at RMIT campuses in Ho Chi Minh City and Hanoi.

China

Planning continued during 2007 with partners in the International Strategic and Technology Alliance (comprising some 24 leading Chinese universities) towards staff and student exchange programs in research areas of mutual interest and capabilities, with an initial focus on nanofabrication and nanotechnology.

India

RMIT reached preliminary agreement with two of India's Institutes of Technology for research collaboration in the area of environmental science and technology. This program is modelled on the University's Vietnam program and will see Indian and Australian PhD students undertaking jointly supervised research projects in both RMIT and our Indian partner institutions.

Federal Grants

During 2007, RMIT received ARC funding to the value of \$5,834,467 in the Discovery and Linkage Programs across fundamental and applied research projects as diverse as 'Multi-Group Stochastic Modelling of Population Balance for Bas-Liquid Flows' to 'Designing Sound for Health and Wellbeing'.

The following examples provide details of a range of RMIT research projects funded during 2007:

- Overhead power transmission systems are a common instigator of fires through the production of sparks from faulty insulators. Australia's extended hot and dry conditions amplify the risk of these events becoming large scale bushfires, causing millions of dollars of damage and destroying immeasurable amounts of native flora and fauna. Researchers are investigating a new way of monitoring failing overhead transmission lines to prevent bushfires and power blackouts. The research involves designing electromagnetic sensors to detect radiation which is released when transmission line insulators are about to fail.
- An examination of how geographical location shapes work and family life balance is being conducted by researchers in the School of Global Studies, Social Science and Planning. The study, involving collaborations with government bodies, will generate new knowledge of how the problem of balancing the priorities of work and family differs across varying regional and industry contexts, and will contribute to better understanding and improved social policy at local, state and federal levels.
- Researchers are looking into the analysis and classification of malicious computer code, which will help to safeguard Australia by protecting critical infrastructure from online organised crime and information warfare.
- With climate change causing reduced rainfall over much of Australia, research is being conducted into enhancing the productivity of wastewater desalination, which will enable the development of new technology to enable membrane desalination of wastewater treatment effluent. This research will enable reliable water supply for Australian (and international) urban and regional communities.
- The development of an early diagnostic system for back ailments is being investigated with a view to lessening the recurrence of low back pain and hence reducing costs to the health system, industry and community.

Higher Degree Research Activity	2003	2004	2005	2006	2007
HDR enrolments ¹	1,812	1,740	1,702	1,687	1,613
HDR EFTSL	1,130.13	1,096.69	1,126.59	1,102.46	1,064.91
HDR award program completions	241	253	215	253	N/A
HERDC – weighted research publications ²	945	1,080	1,176	1,205	N/A

Notes

1 – 2007 HE enrolment preliminary data as at January 2008.

2 – HERDC is the name of the collection and remains constant irrespective of name changes to Federal Government Departments

N/A – Not yet available

Celebrating 2007 Research Highlights

Mining the Past

With support from an ARC Discovery grant, researchers in the School of Global Studies, Social Science and Planning are undertaking the first world history of the asbestos industry and its social impact.

The project investigates key aspects of the mineral's life story in regard to mining, manufacture, medical discovery, labour, social movements, the law and the state. Published material will provide practical tools for those seeking improved working conditions and legal redress for asbestos-related disease.



Professor Jock McCulloch
School of Global Studies, Social Science and Planning.



Dr Ralph Horne
Director of Centre for Design
in RMIT's School of Architecture and Design.

Designing for the Future

It's a modern day Holy Grail: a house that is both cheap and green. With the dramatically increased cost of housing in Australia, many would consider the idea of integrating sustainability and affordability into housing design a near impossible task.

Researchers in the School of Architecture and Design are investigating the policy dilemma of balancing the need for affordable housing with the equally vital problem of controlling greenhouse gas emissions from Australian homes.

Diabetes and Obesity Research

With obesity and diabetes rapidly becoming two of the biggest threats to public health in the Western world, groundbreaking work at the School of Medical Sciences is helping the search for answers.

Research teams are developing programs for sustainable weight loss, examining how exercise improves insulin sensitivity and studying the link between weight, diabetes and brain activity.



Associate Professor Emilio Badoer, Dr Leah Brennan and
Professor John Hawley.

Academic Schools

RMIT University offers programs of study in 25 schools across three academic portfolios:

Business

School	Head of School
Accounting and Law	Professor Kevin Adams
Business Information Technology	Professor Brian Corbitt
Business TAFE	Mr Dale Williams
Economics, Finance and Marketing	Professor Tony Naughton
Graduate School of Business	Professor John Toohey
Management	Associate Professor Sandra Martin

Adjunct Professorial Appointments 2007

Through RMIT's Adjunct Professors Program, eminent people are invited to become involved in teaching and research at the University. This helps to strengthen RMIT's links with industry, community and government, and provides our students with exposure to people who are leaders in their respective fields. Adjunct Professors appointed in 2007 were:

Design and Social Context

School	Head of School
Applied Communication	Ms Lauren Murray
Architecture and Design	Professor Richard Blythe
Art	Professor Elizabeth Grierson
Creative Media	Professor Peter Smith
Design (TAFE)	Mr Hendrikus Berkers
Education	Professor Annette Gough
Fashion and Textiles	Mr Keith Cowlishaw
Global Studies, Social Science and Planning	Professor Bruce Wilson
Property, Construction and Project Management	Professor Ron Wakefield

Name	School
Mr Patrick Nash	Accounting and Law
Ms Marilyn Richards	Accounting and Law
Dr Jan Priest	Graduate School of Business
Dr John Eady	Graduate School of Business
Mr James Brearley	Architecture and Design
Mr Perry Lethlean	Architecture and Design
Ms Helen Lewis	Architecture and Design
Dr Rupert Maclean	Education
Mr Paul Clarkson	Education
Mr Peter Burch	Education
Associate Professor Judith Smart	Global Studies, Social Science and Planning
Dr Andrew Hollows	Global Studies, Social Science and Planning
Mr Trevor Budge	Global Studies, Social Science and Planning
Professor Mary Kalantzis	Global Studies, Social Science and Planning
Dr Neveen Moussa	Property Construction and Project Management
Dr Wulf Peter Schmidt	Aerospace, Mechanical and Manufacturing Engineering
Associate Professor Brian Leonard	Applied Sciences
Dr Howard Hanley	Applied Sciences
Dr Rima Youil	Applied Sciences
Dr Stephen Grocott	Applied Sciences
Dr Christopher White	Electrical and Computer Engineering
Dr King Ngan	Electrical and Computer Engineering
Professor Herbert Bolotin	Medical Sciences

Science, Engineering and Technology

School	Head of School
Aerospace, Mechanical and Manufacturing Engineering	Professor Nelson Chen
Applied Sciences	Professor Peter Coloe
Civil, Environmental and Chemical Engineering	Professor John Buckeridge
Computer Science and Information Technology	Professor Heiko Schroder
Electrical and Computer Engineering	Associate Professor James Scott (Acting Head of School)
Health Sciences	Professor Ken Greenwood
Infrastructure, Electrotechnology and Building Services	Mr Frank Hemmings
Life and Physical Sciences	Ms Cheryl Underwood
Mathematical and Geospatial Sciences	Professor John Hearne
Medical Sciences	Professor Harry Majewski

As at 31 December 2007

Emeritus Professorial Appointment for 2007

Professor William Van Megen Applied Sciences

Business

Throughout 2007, the six schools of Business showed their strength in a year of academic development, international engagement and research and innovation.

The priorities for academic development were:

- enhancing the use of online learning and educational technology
- improving teaching quality
- improving the quality of the student experience in offshore programs
- finalisation of proposed changes to co-op and industry engagement
- program enhancement, including a number of program renewals

The priorities for international engagement were:

- continued consolidation and enhanced management of offshore programs
- development of strategies for RMIT Business in China, Thailand and India
- deepening the relationship with Vietnam
- increased student and staff mobility
- increased international collaboration with industry
- partnerships with EQUIS-accredited organisations

The priorities for research and innovation included:

- specific research targets at academic school and individual level (with respect to both publications and competitive grants)
- greater clarity of research themes at both the school and portfolio level
- targeting of international academic visitors to RMIT and placement of RMIT academics in overseas universities
- participation in the Research Quality Framework implementation
- developing an overall strategy for research students

Teaching and Learning

The Graduate School of Business began delivery of the MBA (Executive) program in online mode in partnership with Open Universities Australia. Ninety-seven course enrolments were achieved in the first intake.

The new Juris Doctor qualification was launched on 15 May by the Attorney-General Rob Hulls at the Old Melbourne Magistrates Court. The Juris Doctor is based on the United States model of a graduate entry, three-year law degree. This postgraduate program will lead to entry into the legal profession.

Associate Professor Paul De Lange (School of Accounting and Law) was part of the investigation team that received funding of \$217,206 from the Carrick Institute for their proposal 'Enhancing Assessment Feedback Practices in Accounting Education: Issues, Obstacles and Reforms'.

Associate Professor Amalia Di Iorio (School of Economics, Finance and Marketing) and Paul Cerotti (School of Business Information Technology) received a Citation from the Carrick Institute which recognises and rewards the diverse contributions that individuals and teams make to the quality of student learning. The nomination fulfilled two of the selection criteria – (i) approaches to teaching that influence, motivate and inspire students to learn; and (ii) respect and support for the development of students as individuals. The nomination outlined the redevelopment, and subsequent impact on student learning, of a study tour program from what was initially a simple two-week intensive program undertaken at an international university, to a multi-faceted program that promotes students' understanding of cross-cultural encounters and international business environments currently undertaken by both undergraduate and postgraduate students at RMIT.



Kegs on Legs toast business success

Kegs on Legs, run by two Bachelor of Business (Entrepreneurship) students, was named the Champion Specialised Small Business at the inaugural Victoria Small Business Champion Awards in September. Valjean Boynton and Campbell King also won the Innovation Award at the Queen's Entrepreneurs' Competition (QEC) in Ontario, Canada, earlier in the year.

RMIT's Financial Markets Trading Simulator was a finalist in the 2007 Financial Services Education Agency Australia (FSEAA) Annual Education Awards. The financial training simulator, located in RMIT Building 108, was nominated in the category of Most Innovative Use of Technology in Education. FSEAA is the industry-owned peak body for education and training in financial services. The agency supports educational providers, employers and associations that contribute to the professional and capability development of the financial services industry.

A small group of marketing and international business students travelled to Vietnam to work with students at the Ho Chi Minh City campus and gained insights into the local business environment by visiting organisations such as Unilever, PepsiCo, Metro and BP. The international marketing assignment consisted of taking a new product to market and establishing a product launch plan. Students gained an understanding of the localisation of global brands and global strategies to market products.

"Travelling on behalf of RMIT into a country where the brand is well known has made me realise how fortunate we are to have easily-accessible schooling," said Catherine Hall, Advanced Diploma of Business (International Business) student. "I have found a new enthusiasm for my studies. By meeting the students of the Vietnam campus, we gained an incredible amount of knowledge from each other. Being able to work within another culture is a skill that I have now gained and look forward to building on."

Research

Dr Alperhan Babacan, School of Accounting and Law, Mr Sambit Bhattacharyya and Ms Banita Bissoondoyal-Bheenick, both from the School of Economics, Finance and Marketing, were recipients of Emerging Researcher Grants for 2007.

Sonia Magdziarz, Kaye Hilliar and Associate Professor Kim Watty (School of Accounting and Law) were successful in obtaining 2007 AFAANZ Research Grants for their project titled: 'Preparing Accounting Graduates for Employment: Generic Skill Development and Work Integrated Learning'.

Industry and Community Engagement

Professor Lynne Bennington of the Graduate School of Business was appointed by the Victorian Cabinet as the only female member of the Victorian Defence Industry Advisory Council.

A US expert in international law accepted RMIT's invitation to spearhead an important legal and business symposium. Deborah Enix-Ross, Chairwoman of the American Bar Association's International Law Section, was the keynote speaker at the International Law and Free Trade Symposium hosted by the School of Accounting and Law on 21 August.

The RMIT MBA (Graduate School of Business) was ranked ninth in Australia in the September edition of the *Australian Financial Review's* BOSS magazine.

International Trade teacher, Mr Geoff Thomas, was awarded an overseas study fellowship to Vietnam for the transport, distribution and logistics industry. During his

specialised tour, he addressed key issues faced by the industry such as staff recruitment/retention and the education of middle and upper level professionals. The visit afforded Mr Thomas the opportunity to promote supply chain excellence in Australia and overseas.

Academic and Student Achievements

RMIT Business held its annual prize-giving ceremony on Wednesday 23 May at Storey Hall. The evening recognised academic achievement and community contribution by current business students and recent graduates. Approximately 100 prizes were awarded, valued at more than \$40,000. Kellie Mortimer, a graduate of the Advanced Diploma of Business (International Trade), won the prestigious Business Medal for her academic success and community leadership. Aaron Soans, a Bachelor of Business (Economics and Finance) student, received the Encouragement Award for his outstanding academic achievement in his first semester of study.

Bachelor of Business (Entrepreneurship) student Marcel Berger was ranked in the top 10 Global Student Entrepreneur Awards. Mr Berger is the Co-Director of Port Melbourne-based start-up company, Get a Life ... Health Management. Representing Australia, the RMIT student finished equal-seventh out of a field of 750 in the awards held in Chicago.

Postgraduate student Melissa Fitzpatrick received the inaugural AHRI National Award for Excellence in HR Leadership. Ms Fitzpatrick received the award for her contribution as



Pro Vice-Chancellor (Business) Professor Chris Whitaker presents Ms Kellie Mortimer with her Business Medal award.



Aaron Soans with his Encouragement Award for outstanding achievement.



Marcel Berger unveiled his business plan to a world audience, as part of an international young entrepreneurs competition.

General Manager Operations to maintaining a low staff turnover in the call centres of Melbourne IT Limited. She completed the Graduate Diploma in HR Management/Industrial Relations and is currently undertaking the RMIT Master of Business Leadership.

Advanced Diploma of Business (Advertising) students, as part of their final semester assessment, were judged to be finalists in a Marketing Communications contest for the International Advertising Association's student award. The IAA, in New York, recognised RMIT students for their submission for a campaign to promote the Australian Flying Doctors Service. This project was one of the many that students worked on in the final year of their Advanced Diploma. Others included high-profile client accounts such as TAC with its advertising agency, Grey Worldwide.

Global Partnerships

The Graduate School of Business had a productive 2007 furthering significant high-level collaborations with domestic and international business and government organisations.

GSB continued to nurture a strong partnership with Melbourne City Council and

the Chinese city of Tianjin. For the seventh year business leaders from Tianjin came to Melbourne to participate in a collaborative program focused on governance, leadership development, financial and business planning and change management as a key part of the Melbourne–Tianjin sister city alignment strategy. The establishment of collaborative relationships with Chinese Universities also provided a platform for developing ongoing business opportunities and promoting closer ties between educational and industry sectors

As an example of the kind of relationship the GSB has been building with its corporate clients, the Mandarin Oriental Hotel Group continued throughout the year to tap into the expertise provided by the GSB. This included senior managers participating in the MBA (Executive), frontline managers undertaking a management development program, the delivery of development and planning workshops for individual hotels and engaging in other research and consulting activities.

The partnership between the Graduate School of Business and the Mandarin Oriental Hotel Group was reviewed by the company after six years of operation. Mandarin Oriental concluded that the range of awards, from Certificate level through to the MBA, was of

great benefit in enhancing the individual capability of staff and in ensuring the company's competitive edge. In particular, the MBA was 'relaunched' in 2007 as this is seen as a key component of senior staff development and retention.

GSB's affiliation with the Xavier Labour Relations Institute (XLRI), India's top business school in human resource management, resulted in about 40 of XLRI's executive students coming to Melbourne for a customised senior management course. The highlight of this program was a four-day work placement designed to enhance the students' understanding of local business operations and to provide Australian companies with an opportunity to gain valuable insights into doing business in India.

The GSB engagement with industry and government brings a number of benefits to the school. These include development opportunities for school staff, enhancing the teaching programs offered through core award programs and establishing research and consulting opportunities to build staff capability.



Executive students from XLRI in India attended a senior management program at RMIT.

From left: RMIT Adjunct Professor Jan Priest, Mr B. Chandrashekhar and Mr Pranat Narain (XLRI), Ms Susanne Barr and Mrs Susan Brennan (RMIT) and Mrs J. Priest.



The Juris Doctor was launched by Attorney-General Rob Hulls at the historic Old Melbourne Magistrates Court.

Design and Social Context

DSC continued to respond in 2007 to strong local and international demand for its higher education and VET programs.

The portfolio ended the year under the leadership of a new Pro Vice-Chancellor, Professor Tony Dalton, previously DSC's Dean of Research. His appointment in July followed the retirement of Professor Alan Cumming. Professor Richard Blythe was appointed Head of School of Architecture and Design.

The portfolio began a major project on academic workload planning. The aim of the project, which will continue in 2008, is to develop a common workload planning method that supports school planning and improves teaching and learning performance.

Teaching and Learning

The School of Education, in collaboration with the School of Health Sciences, introduced a double degree, the Bachelor of Education/ Bachelor of Applied Science (Disability), to create Victoria's first undergraduate program for special education.

The School of Architecture and Design introduced a three-year Bachelor of Design (Architecture) and two-year Master of Architecture to replace the previous five-year Bachelor of Architecture.

Other programs developed and approved for introduction in 2008 were:

- Associate Degree in Design (Furniture)
- Bachelor of Arts (Creative Media) (Hons)
- Bachelor of Science (Applied Sciences)/ Bachelor of Education
- Master of Fashion and Textiles
- Master of Communication (Book Publishing)
- Master of Communication (Journalism)
- Master of Communication (Public Relations)
- Master of Social Science (Translating and Interpreting Studies)
- Scientific Photography to become a stream within the Bachelor of Arts (Photography)

Dual sector initiatives for the year included formalising and documenting internal pathways between VET and higher education programs. In a significant development, elements of the competency-based VET curriculum were introduced into the Bachelor of Applied Science (Construction Management).

Among offshore initiatives, a ceramics stream was introduced into Bachelor of Fine Art at Hong Kong Arts Centre.

Staff from the Advanced Diploma of Multimedia designed and delivered animation training courses for vocational educators from the Jiangsu province of China and Rajamankhala University of Technology, Thailand. The Schools of Creative Media and Global Studies, Social Science and Planning (GSSSP) hosted the largest international delegation to visit RMIT to study VET. Forty-five multimedia academics from 30 Jiangsu tertiary vocational institutes came to observe RMIT's training in digital and interactive animation.

GSSSP, in partnership with Leadership Plus, supported 25 students with a disability to achieve a set of accredited leadership competencies from the Diploma of Community Education qualification.

The School of Education was awarded five \$2,000 Primary Pre-Service Teacher Awards for Excellence in Science Education by the then Department of Education, Science and Training.



Dr Nie Ming, President of the Institute of Software at Nanjing College of Information Technology, led a delegation of 45 Chinese multimedia academics to study VET training in digital and interactive animation at RMIT.

Research

DSC's innovative research continued to integrate best practice from a wide range of disciplines. Among the highlights was a project bringing together the physical sciences with whole-farm planning, economics, social sciences and regional planning. The Potter Farmland Project, 'Past, Present and Future', received further funding from the Ian Potter Foundation to continue developing scenarios for better farm management.

In an instance of supporting agriculture through materials development, Fashion and Textiles researchers were funded by Australian Wool Innovations to undertake a project that will involve wool being incorporated into ballistic (bullet-proof) vests.

RMIT signed a further three-year agreement with the Temple Sagrada Familia, Barcelona, to support collaborative research. Professor Mark Burry will research Antoni Gaudi's geometrical constructs of the windows, platform, vaults and roofs of a section of the massive building.

Researchers from the School of Property, Construction and Project Management (PCPM), working within the Industry Cooperative Innovation Program, undertook an Australian Government (AusIndustry) initiative to develop the concrete industry's supply chain capabilities by identifying and mapping the innovation needed for prefabricated concrete house construction.

PCPM was funded by the Office of the Federal Safety Commissioner to undertake research on improving subcontractor safety culture in the building industry. Through the Cooperative Research Centre for Construction Innovation, it worked on developing a national construction manual consistent with international practice.

A GSSSP team undertook a major project for the National Accreditation Authority for Translators and Interpreters (NAATI), to investigate and report on the standards of linguistic competence in English and

Languages Other Than English (LOTE) among NAATI-accredited interpreters and translators.

A research team led by the Collaborative Institute for Research, Consulting and Learning in Evaluation was awarded the Best Evaluation Study Award for 2007 by the Australasian Evaluation Society. The award was presented for the 'Evaluation of the Stronger Families and Communities Strategy 2000-2004' commissioned by the Department of Families, Community Services and Indigenous Affairs.

The Centre for Applied Social Research (CASR) was funded by the Salvation Army Melbourne Central Division to undertake research titled 'A raw deal? The hidden cost of pharmacotherapies for Victoria's most vulnerable'. It was only one of a diverse array of projects and reports undertaken by DSC researchers; others included:

- CASR research on 'Pregnancy, Discrimination and Workplace Rights' funded by the Office of the Workplace Rights Advocate.
- A report on 'Creating Community: Celebrations, Arts and Wellbeing Within and Across Local Communities', which presented the outcomes of a four-year study involving nine researchers from the Globalism Institute; the Institute was also granted \$240,000 from the Telstra Foundation to study indigenous cultural festivals in Australia.
- A report for the Board of Regional Arts Victoria titled 'A Strategy for Growing the Regional Arts Sector in Victoria'.
- A collaborative project on an 'Applied Environmental Decision Analysis Hub' undertaken with the Commonwealth Environmental Research Facilities (CERF) via the University of Queensland.
- The award of an ARC Linkage International Social Sciences Collaboration grant (totalling \$170,600) to the Australian Housing and Urban Research Institute RMIT-NATSEM Research Centre with Durham University in

the UK for a project titled 'A comparison of housing wealth and the welfare behaviour of Australians and Britons'.

- Three contracts awarded to the School of Education by the Department of Education for 'Educational Leadership – Leading in Effective Schools' (\$254,970), 'Educational Leadership – Leaders in the Making' (\$298,298) and 'It's not OK to be away evaluation' (\$116,900).

Industry and Community Engagement

DSC is focused on working with industry and the community to provide real solutions to pressing social and economic needs. An outstanding example of this in 2007 was the delivery by the School of Design (TAFE) of onsite training in competitive manufacturing for Candlewood Furniture, Dandenong. This helped re-position the company to face increased competition from overseas furniture imports, reduce overheads and introduce more efficient manufacturing techniques.

The Australian Centre for Human Rights Education was established and launched in 2007, as the result of a deed of agreement with the National Committee for Human Rights Education and RMIT University. NCHRE is presently funded philanthropically by a private benefactor and was a response to decisions of the State and Commonwealth Attorneys-General made during the United Nations Decade of Human Rights Education (1995-2004). It is recognised as a United Nations National Human Rights Committee.

Industry continued to provide valued support. Fuji Xerox Australia and XMPie donated several suites of industry-leading software to RMIT's International Centre for Graphic Technology. The Society of Interior Decorators Australia Foundation donated \$150,000 to the School of Design (TAFE), the interest on which will be used to fund an annual scholarship for Interior Decoration staff



Former Premier of Victoria, the Hon. Steve Bracks, delivered the keynote speech at the launch of the Young Essentials Project – a work-integrated learning project involving prestigious fashion brands including Sportsgirl, Calibre and Country Road in 2007. Pictured, Robyn Lyons, RMIT School of Fashion and Textiles, with Mr Bracks.

to travel overseas to increase their industry knowledge. Also in association with this School, the Building Designers Association of Victoria sponsored a mentor program for an eighth year.

The School of Applied Communication formed an in-principle agreement with the Australian Writers Guild to conduct forums on issues affecting the Australian film and television industries. These meetings, usually only for Guild members, will be open to RMIT students.

PCPM hosted the 35th International Association of Housing Science World Congress.

The former Premier of Victoria, the Honourable Steve Bracks, delivered the keynote speech at the launch of the Young Essentials Project, a work integrated learning project within the Diploma of Merchandising and Product Development at the School of Fashion and Textiles. RMIT was assisted in this by work projects provided by prestigious fashion brands including Sportsgirl, Calibre and Country Road. The School also hosted a delegation of education specialists from Pakistan.

Forty-five students entered the first Dunlop Foams Young Designers Furniture Awards competition, which aims to give RMIT Furniture students an opportunity to design for the market. The winning design, by Dusko Lapcevic, will be on sale at Clark Rubber in 2008.

Academic and Student Achievements

The achievements of its students and staff contributed throughout the year to the maintenance of RMIT's reputation as a world-leading university. Innumerable examples of the success of DSC's people could be cited; these are representative:

- Associate Professor Robert Baines, Coordinator of Gold and Silversmithing, School of Art, was named an Australian Living Treasure by Craft Australia for his internationally acclaimed jewellery making and scholarship. Associate Professor Baines' work features in the Victoria and Albert Museum in London, Ville de Cagnes-sur-Mer in France, and the National Gallery of Australia.
- Dr Sara Charlesworth, Centre of Applied Social Research, presented the 2007 Clare Burton Memorial Lecture on the topic 'Sex Discrimination in the Workplace: Understandings, Limits and Possibilities'.
- Professor Annette Gough, Head of the School of Education, was elected Chair of the Victorian Council of Deans of Education.
- A student at the International Centre of Graphic Technology, Mr Kahi Levinh, who worked with his lecturer, Mr Billy Atta, won the \$25,000 first prize in the RMIT Business Plan Competition. He also won the \$5,000 Mentre Global Growth Innovation Award.
- Second-year School of Fashion and Textiles students Ms Athena Vouliotis and Mr Lodovico Zambruno won the Harrolds, Italian Chamber of Commerce and Victorian State Government Outstanding Achievement Award 2007.
- As a member of the band Not Drowning, Waving, Diploma of Music Industry teacher Mr John Phillips was nominated for an ARIA national music industry award for Best World Music Album.
- Ms Cathy Chen, School of Fashion and Textiles, was selected as one of four

recipients to present a paper at the 9th International Foundation of Fashion Institutes conference in Canada.

- Five of the eight artists who represented Australia at Talente 2007 in Germany were from RMIT's School of Art. Talente is a highly competitive and internationally prestigious exhibition of new and emerging craft and design trends and talent.
- Mr Sam Leach, a Masters of Arts by Research student and winner of the Siemens Acquisition Award, was named among the 50 most collectable artists of 2007 by *Australian Art Collector* magazine.
- RMIT School of Art alumni Mr Callum Morton, Mr Daniel von Sturmer and Mr Christian Capurro were chosen to represent Australia in the Venice Biennale. Another School of Art graduate, Mr Vincent Leow, was chosen to represent Singapore.
- Ms Alexis Wright, graduate of the Associate Diploma of Arts (Professional Writing and Editing) won the Miles Franklin Award, the Australian Literature Society (ALS) Gold Medal, Australian Book Industry Awards (ABIA) Literary Fiction Book of the Year, the Victorian Premier's Vance Palmer Prize for Fiction and Queensland Premier's Fiction Book Award for her novel *Carpentaria*.
- Professor Des Cahill (GSSSP) was appointed a Club Melbourne Ambassador, helping market Melbourne for conventions and major business and scientific events.
- Ms Mary Vasilakakos, Senior Educator (Translating and Interpreting), was presented with the NAATI Award of Honour in recognition of her contribution to the translating and interpreting profession. Dr Barry Turner, Program Manager, and Mr Sedat Mulayim, Co-ordinator of the Diploma of Interpreting, were also recognised for their services to NAATI.



Insect loves LED by Sam Leach.



Winner of the Siemens Art Prize, Sam Leach, left, with Chairman and Managing Director of Siemens in Australia and New Zealand, Albert Goller.

Science, Engineering and Technology

In a year of achievement, staff and students in the 10 schools of Science, Engineering and Technology (SET) again demonstrated their capacity to lead and influence through cutting-edge research and education.

During 2007, SET cemented its strategic priorities through to 2010 with a focus on:

- providing excellent student experience by responding to feedback, implementing standard delivery and assessment frameworks, creating stimulating learning environments, and implementing common course architecture for sustainable programs with dual sector advantage
- building high-impact influential research by focusing on areas of strengths, and increasing research capacity through effective workload and workforce planning
- improving industry engagement with a global focus by strengthening linkages and promoting global/industry/work experience for our students.

Teaching and Learning

Nine new programs and more than 60 program improvements were approved by the SET Board in 2007. The new programs included:

- Graduate Certificate in Aircraft Maintenance Management
- Graduate Certificate in Aviation Supply Chain Management
- Bachelor of Science (Nanotechnology)/Bachelor of Science
- Master of Engineering (Network Engineering) and the nested Graduate Certificate and Graduate Diploma
- Bachelor of Health Science (Honours)
- Associate Degree in Engineering Technology (Network Engineering)
- Bachelor of Engineering (Electrical Engineering)/Bachelor of Commerce

Following the success of SET's associate degrees with international students, approval was granted for these new programs to be offered to local students:

- Associate Degree in Engineering Technology (Design and Development)
- Associate Degree in Engineering Technology (Electrical/Electronics)
- Associate Degree in Engineering Technology (Network Engineering)
- Associate Degree in Applied Science (Information Technology)

SET reinforced its relationship with the automotive industry through the introduction of a Master of International Automotive Engineering program. Existing teaching programs were supported with new scholarships from a number of companies including Alcoa, Dimension Data, Juniper Networks Australia and Nortel Networks. Alcoa provided an operational tour in Perth for 28 students from the School of Applied Sciences as part of a new industry-based learning model in an industrial chemistry course.

At the 2007 Transurban Vehicle Efficiency Day, students helped assess vehicle aerodynamics, rolling resistance, weight and manoeuvrability.

Second and third-year Advanced Diploma of Remedial Massage Therapy (Myotherapy) students provided assistance to competitors during the FINA World Championships in Melbourne in March.

RMIT's Formula Society of Automotive Engineers (SAE) racing team won the FISITA World Cup in the UK, and was second overall in the Australasian Formula SAE competition.

Collaborating with artists from the Melbourne Fringe Festival, final-year mechanical engineering students featured their 'Small Revolutions' project at the festival.

Other projects included chiropractic students treating 500 children living in an orphanage in Thailand in July, and another team of chiropractic students assisting competitors at the Pacific Games in Samoa.

Facilities

The School of Mathematical and Geospatial Sciences joined a global maths network with the official launch of its Access Grid Room. The Access Grid supports advanced video conferencing for multiple groups.

SET's place as a leader of nanotechnology research was cemented with the opening of its NanoVic Scanning Probe Facility. Housing a scanning near-field optical microscope, atomic force microscope and time-correlated single photon counting spectroscopy facilities, this initiative is supported by Nanotechnology Victoria and the Australian Research Council.

An ARC Linkage Infrastructure, Equipment and Facilities Grant assisted in the purchase of a sophisticated transmission electron microscope for more than \$1 million.

Research

SET's outstanding research capability was recognised with Australian Research Council Linkage and International Linkage grants, as well as other external gifts and grants from industry.

School of Medical Sciences researcher, Dr Joanne Favalaro, was awarded an Establishment Gift from the Clive and Vera Ramaciotti Foundation, as well as a grant from the ANZ Trustees' Medical Research and Technology in Victoria Fund. Both grants were awarded to investigate the effects of hydrogen sulphide on blood vessel function.

Successful SET research projects included:

- A study of skills shortages in Europe's renewable energy industry. Lecturer Pilar de la Torres won one of three International Specialist Skills Institute Fellowships for Research for this project.
- 'Particle Transport in Turbulent Non-Newtonian Suspension in Self Formed Open Channels Investigators', involving Professor Sati Bhattacharya of the School of Civil, Environmental and Chemical Engineering and Dr Murray Rudman of the CSIRO Division of Manufacturing Infrastructure and Technology.
- Professor Aleksandar Subic of the School of Aerospace, Mechanical and Manufacturing Engineering and his team were funded by the Cooperative Research Centre for Advanced Automotive Technology for a major research and development project with Schefenacker Vision Systems Australia. The project involved the design and development of new-generation vehicle side mirror actuators for the global market.
- RMIT and Nanotechnology Victoria created a new test, the world's fastest, for identifying the potentially fatal meningococcal disease. Current tests take up to two days, but results will be obtained in less than 15 minutes using the new rapid test.

- Two young researchers from the School of Electrical and Computer Engineering, Dr Alan Wong and Dr Wayne Rowe, were awarded an ARC Discovery Grant. Their research will investigate new ways of monitoring insulator failure on overhead power transmission lines.
- Professor David Mainwaring was funded by the Cooperative Research Centre for Viticulture, in collaboration with the Victorian Department of Primary Industries and the Cooperative Research Centre for Microtechnology, to develop a microsensor which allows grape growers to test products in situ for chemical residue levels.
- Associate Professor Peter DAVIS and Mr Andrew Hung received two Victorian Partnership for Advanced Computing Grants for their work on computer simulations of biological molecules.
- Head of the School of Applied Sciences, Professor Peter Coloe, was awarded a research contract with Diagnostic Array Systems for researching methods for identifying micro-organisms using bacterial signature sequences.

Sir Lawrence Wackett Aerospace Centre

Professor Chris Guy was appointed the head and centre director of the Sir Lawrence Wackett Aerospace Centre. Professor Guy's background includes government and commercial research; most recently he was manager of engineering programs at the University of Liverpool, UK.

Global Partnerships

SET demonstrated its commitment to RMIT's global community through its continued participation in projects across South-East Asia.

October saw the fifth and final graduation of the Certificate III in Dental Assisting in Singapore. The National Dental Centre will now teach the new Singapore qualification in dental surgery assistance, but the relationship between RMIT and the National Dental Centre will continue in new ways.

In 2007 SET continued its pursuit of quality programs, commencing annual audits of offshore training partners under the new SET quality assurance standardised practice.

Sustainability

SET has contributed to improved sustainability through both its teaching and research programs. Staff from the School of Civil, Environmental and Chemical Engineering received ARC Linkage grants for two environmental projects. The first was to investigate ways of enhancing productivity of wastewater desalination, in partnership with Melbourne Water, while the other was a partnership with Ausmelt, which will examine the potential reprocessing of metals from electronic goods.

Professor David Mainwaring was awarded a one-year grant from the Commonwealth Land and Water Corporation for a project investigating the use of new technologies for the detection and remediation of contaminants in catchments.

An infrastructure project which created a new home for the SET offices used environmentally sustainable design features and materials.

The School of Mathematical and Geospatial Sciences officially launched its Access Grid Room in December. Using Microsoft Windows to digitally stream high-quality video and audio, the Access Grid supports simultaneous video conferencing for multiple groups.



Industry and Community Engagement

SET's partnerships demonstrate an outstanding commitment to the global community with projects supporting students, the strategic direction of the University and local and international community sectors.

RDDT, formerly part of the School of Medical Sciences, is now a private company titled RMIT Drug Discovery Technologies Pty Ltd, wholly owned by RMIT University.

In its 12th year at RMIT, the Siemens Science Experience program held in January provided three days of science workshops and presentations for students entering Year 10. RMIT hosted the National Youth Science Forum, with more than 80 high-achieving Year 12 students visiting the University in February.

SET provided leadership among Victorian stakeholders during both National Science Week and Engineering Week in August. More than 90 VCE students, careers teachers and industry representatives attended the Engineering the Future seminar.

The engineering skills shortage resulted in collaboration between RMIT and the Australian Technology Network to develop an advertising campaign encouraging high school students to consider a career in engineering. Industry representatives attended the launch hosted by PVC Professor Daine Alcorn in June.

Dr Leah Brennan, psychologist with the School of Health Sciences, developed the innovative 'Choose Health' program for overweight and obese adolescents.

Academic and Student Achievements

2007 was a successful year for SET staff with many being recognised as leaders through appointment to key roles in specialist organisations and receiving international academic prizes.

PVC Professor Daine Alcorn was appointed as chair of the new Victorian Cancer Agency Consultative Council, which will support cancer research initiatives.

Professor Xinghuo Yu of the School of Electrical and Computer Engineering was

appointed Fellow of the Institution of Electrical and Electronics Engineers for contributions to variable structure systems theory and applications in intelligent and complex systems.

Jane Mateer was awarded the Nursing Service Cross as part of the Queen's Birthday Honours List 2007. Captain Mateer received the award for outstanding devotion and competency in nursing duties as a member of the Royal Australian Army Nursing Corps in Iraq. Captain Mateer is Program Leader for RMIT's Emergency Care program in Nursing and Midwifery.

Professor Charlie Xue of the School of Health Sciences became a member of the expert advisory panel for traditional Chinese medicine of the World Health Organisation (WHO).

Professor David Story, Professor of Therapeutic Sciences, was appointed chairman of the Federal Therapeutic Goods Administration's Medicines Evaluation Committee.

Professor William Cartwright and Dr David Fraser from the School of Mathematical and Geospatial Sciences were elected to the positions of President of the International Cartographers Association and Chair of the ICA Commission on Education and Training respectively.

Professor Sylvester Abanteriba was appointed Australian Regional Headquarters President of the International Energy Foundation.

Professor John Buckeridge was elected President of the International Union of Biological Sciences, the first time an Australian has held this post.

School of Aerospace, Mechanical and Manufacturing Engineering Professor Jiyuan Tu received a 2008 Fulbright Senior Scholarship.

Adjunct Professor Laurie Sparke of the School of Aerospace, Mechanical and Manufacturing Engineering was presented with the Ralph H Isbrandt Automotive Safety Engineering Award by the Society of Automotive Engineers.

Winner of the University's J N McNicol Prize, SET student Tony Tanoyo, also won the Engineers Australia Award and the Ray Martin Prize. Robert Behan received the Kernot Medal for the best final year engineering student.

School of Electrical and Computer Engineering double degree student, Vinh Hoang Ly, received an inaugural 2007 Alcoa Future Leaders of Industry Engineering Scholarship.

Fourth year student, Kirthana Rajendran, received the ABC Women in Engineering Scholarship.

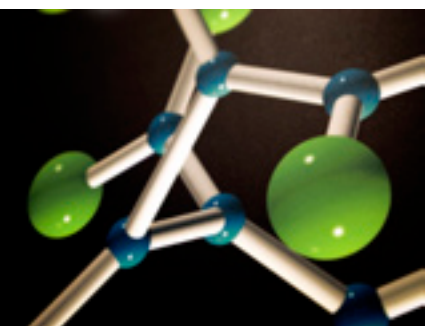
The Invergowrie Foundation continued its support with several scholarships for women studying in areas of engineering and technology at RMIT.

School of Medical Sciences graduate, Hala Raghieb, won the prestigious 2007 Australian Museum Eureka Prizes People's Choice Award for her new method of drug testing to reduce the use of animals in medical research.

VICTEC nominated 14 RMIT students for its annual awards. Plumbing apprentices Kaleb Bin Sali, Paris Andriske, Mungara Brown and Tas Kapetanos were among those from RMIT who received awards. RMIT plumbing students were also recognised at the 100th Year Gold Medal and Training Awards. Peter Lo Schiavo won the Frank Maskell Award, sponsored by Reece Pty Ltd, and Tehni Mahony and Jonathan Mullins won the Peter Pratt Family Indigenous Apprentice Award.

SET engineering students took third place in the 2007 Warman Design and Build Competition in Sydney.

Final-year aerospace engineering students Vesna Lovrencic, Justin Woolley and Sebastian Stobart were awarded the prestigious GKN Structural Design Prize, worth \$3,000 each. Students Michael Azoury and Caleb White toured manufacturing plants and other key sites in the US aerospace industry after being awarded travel bursaries funded by Boeing in the US and Hawker de Havilland in Australia.



The opening of RMIT's newest scientific research facility, the NanoVic Scanning Probe Facility, will enhance research and development opportunities and keep RMIT at the forefront of nanotechnology.

From left: Dr Peter Binks (CEO, NanoVic), Professor Daine Alcorn (RMIT PVC, SET), Professor David Mainwaring (RMIT Dean of Research and Innovation), Professor Margaret Gardner AO, and Dr Bob Irving (NanoVic).

Vocational Education and Training

One of RMIT's institutional strengths is its dual system of tertiary education: a robust Vocational Education and Training (VET) sector alongside Higher Education.

VET in 2007

In 2007 RMIT substantially improved its training performance by exceeding government targets in all areas of VET delivery. The University particularly excelled in the provision of high-level skills training in targeted high-priority industry sectors. Apprenticeship and traineeship education grew in all three portfolios.

RMIT was also very successful in providing enhanced pathways into education for disadvantaged people and those who might be marginalised from mainstream education. RMIT is committed to supporting increased learning and training opportunities for Koori students, priority age groups (those aged 35–65), and young people without Year 12.

The VET in Schools program offering vocational training to young people while they are completing secondary school education grew substantially. In 2007 RMIT enrolled more than 400 students from across 67 secondary colleges in the program.

Recognition of Prior Learning and Skills Stores

Recognising the skills of existing workers in the community and industry is a key response by the Victorian and Federal Governments to skills shortages across Australia. Access to information about skills recognition, and going through the process itself, has been difficult for industry, community and staff at RMIT. In 2007, RMIT streamlined its procedures for recognition of prior learning in VET. In addition, all RMIT information on recognition services has been updated and simplified.

The Victorian Government has also recognised the importance of improving access to information and referral for skills recognition through the implementation of the Skills Store initiative. This initiative has seen the opening of shopfronts across Victoria which provide information to the community and industry on where and how to have their skills recognised by a registered training provider. RMIT strongly supported this initiative in 2007 by becoming part of the Skills Store referral network in the eastern and south-eastern districts, and by supporting the development of a Skills Store in the CBD.

TAFE Enrolments (headcount) by Broad Program Level	2003	2004	2005	2006	2007
AQF 5-6 (Dip, Adv Dip)	10,941	10,862	11,184	9,977	9,957
AQF 3-4 (Certs III & IV)	8,812	7,307	8,318	7,960	7,645
AQF 1-2 (Certs I & II)	1,691	1,454	1,480	1,752	2,603
VCE/VCAL	549	563	554	535	536
Other*	882	1,012	821	743	942
TOTAL	22,875	21,198	22,357	20,967	21,683

* Non-award programs / programs not elsewhere classified.



Targeted training for Koori students

In 2007 RMIT achieved a substantial increase in training delivery for Koori students in targeted and mainstream programs. Koori students undertook study trips to Lake Mungo and the Great Ocean Road as part of the completion of a Certificate II in Learning Pathways for Aboriginal and Torres Strait Islander Peoples combined with a Certificate II in Indigenous Conservation and Land Management.

Dual Qualifications

RMIT is committed to providing its students with a value-added training and education experience which leverages the dual sector advantage. To this end, a number of dual qualifications offering both VET and higher education elements were developed in 2007 and the following Associate Degree programs were approved to accept enrolments in 2008:

- Engineering Technology
- Design and Development
- Electrical/Electronics
- Network Engineering
- Design (Furniture)
- IT (Systems Administration).

Other dual sector qualifications are being developed in health and community services, business, and engineering and advanced manufacturing technologies.

VET Committee

RMIT established the Vocational Education and Training Committee as a committee of the University's Academic Board at the end of 2005. The role of the VET Committee is to provide dedicated leadership in shaping and reviewing the University's strategy in relation to vocational education and training, and to support the implementation of the VET strategy. In the second year of operation, the VET Committee led strategic and policy development in relation to:

- high-level skills and qualifications
- dual sector qualifications

- the development of smooth pathways between VET and higher education
- industry engagement through work-based training and innovation in assessment, linked to industry specialisations
- meeting the needs of disengaged youth, Koori people and older workers
- enhancing RMIT's international operations

Industry Engagement

In 2007, the University worked to strengthen its engagement with local industry.

A project was undertaken to identify existing links with industry, many of which centre on a history of association between individual RMIT schools and the industry they serve. For example, printing classes began at the Working Men's College in 1899; today, the RMIT International Centre of Graphic Technology on the Brunswick campus has industry connections enriched by those of its predecessor institutions such as the Melbourne College of Printing and Graphics Arts.

The Centre is the primary provider of formal training in graphic technologies in Australia. It delivers vocational programs within technically excellent facilities that have been developed with the generous backing of industry stakeholders. Companies such as Fuji Xerox, Heidelberg, Currie & Company, Agfa and Kodak GCG offer discounted or donated equipment including presses, binders and state-of-the-art workflow products. They provide advice and lend the expertise of senior personnel to help

shape and deliver programs that equip students with industry-defined and developed skills. Such fruitful partnerships are replicated across the University.

RMIT is also committed to growing its transnational VET delivery through industry engagement and through the development of emerging international specialisations.

The partnership with Oxiana-Lane Xang Minerals Ltd (LXML) in Laos was strengthened with the delivery of two new programs in refrigeration/air-conditioning and building construction/carpentry. Building on the 2006 milestone of delivering Australia's first offshore apprenticeship program, SET commenced the second year of delivery of its six partnership programs in 2007. These programs are taught to Lao nationals through interpreters on-site at Oxiana-LXML's Sepon gold and copper mine in Laos. Kangan Batman TAFE works with RMIT's School of Infrastructure, Electrotechnology and Building Services and School of Aerospace, Mechanical and Manufacturing Engineering to provide Certificate III training in building, construction, carpentry and automotive heavy vehicles.

In 2007, RMIT trained almost 70 apprentices in Laos as part of the Sepon Apprenticeship Program developed in partnership with Oxiana-LXML. RMIT also remains the largest provider of VET training of international on-shore students in Australia.

Key Performance Indicators

In November 2005, the Office of Training and Tertiary Education recommended that VET providers present key performance indicators as part of their annual reporting. In 2007 three new indicators were added. The following are RMIT's 2007 KPIs.

Indicator	2006	2007
Module load completion rate*	76.2%	73.2%
No. of 15–24-year-olds	11,370	11,552
No. of 25–64-year-olds	7,144	7,736
Student overall satisfaction	84%	83%
Student contact hours (SCH)	7,577,786	8,568,620
Total cost per SCH	\$10.60	\$11.04
Working capital ratio**	0.95:1.00	1.06:1.0
Net operating margin	7.2%	8.2%
Fee for service revenue (% of total revenue)	26.5%	30.1%
Revenue per EFT staff	\$98,286	\$112,974

*Calculated for total SCHs of all modules reported to OTTE.

**After adjusting Current LSL Provision in accordance with International Accounting Standards Restatement requirements.

Energy consumption	2006	2007	% change
Gas (MJ)	16,221,240	16,452,926	+1.43
Electricity (kWh)	10,217,618	10,720,970	+4.93
Green Power (kWh)	1,021,762	1,072,097	+4.93

A Global Outlook

Students from more than 100 countries make up about one-quarter of RMIT's student body.

They choose to study at RMIT for the richness of campus life, the quality of teaching, learning and research, and the value of an RMIT qualification, recognised internationally by employers and professional associations. They bring vibrancy, diversity and fresh perspectives to the University.

The number of international students commencing in award programs in Melbourne in 2007 was 5,037 (2006, 4,764), making a total international student population (new and continuing) of 7,964 (2005, 8,905).

The number of international students studying in Melbourne (onshore) and in transnational (TNE) programs (offshore) for 2007 was 22,806 (2006, 19,508). A further 2,893 (2006, 1,839) were at the RMIT Vietnam campuses.

RMIT University International College commenced its second full year of operations in 2007, co-ordinating the recruitment and services offered to international students in Foundation Studies, including English language tuition, and a range of diplomas with pathways to specialised, high quality degree programs. Commencing students in Foundation Studies numbered 413 while 173 students undertook the Diploma of Business and 93 students enrolled in Associate Degrees.

International students on scholarships totalled 209, a 20 per cent increase on 2006, coming primarily from the United Arab Emirates, Malaysia and Saudi Arabia. Of these, 15 were funded by the Australian Agency for International Development (AusAID) and the Australian Leadership Awards. Other key sponsorship groups were from the Saudi Arabian Ministry of Higher Education, and the United Arab Emirates and Abu Dhabi Investment Authority scholarship programs. In all, scholarships were funded by more than 40 providers in 18 countries. In addition, seven RMIT University International Scholarships were provided to students undertaking Masters and PhD research programs. Eight Endeavour International Postgraduate Research Scholarship living allowance awards were provided to commencing students.



'120 Years: 120 Students' Vietnam Experience Project

As part of RMIT University's 120th anniversary celebrations, 120 students and accompanying staff received funding to participate in hands-on projects at RMIT International University Vietnam. Student projects in Vietnam included:

- geospatial students comparing Melbourne and Vietnam urban environments
- students from three Environment programs investigating the impacts of development on surface water quality in and around Hanoi
- Art and Community education students comparing Australian and Vietnam indigenous art, culture and cultural heritage
- Design and Construction students looking at community development housing
- Nursing students visiting Vietnamese hospitals and giving presentations on nursing care in Australia



Student Mobility

RMIT places much emphasis on international student mobility through which students are able to work, study or undertake research overseas. Students have a growing range of opportunities to experience other cultures, global academic standards and best-practice workplaces.

The University has more than 120 agreements with educational institutions throughout the world for semester-length student exchange. Many agreements allow for study tours with reciprocal exchange and in-bound study abroad (fee-paying, non-award semesters of study). They also provide for staff exchange and other forms of co-operation, including research.

In 2007, overseas students at RMIT on study abroad numbered 205 (2006, 212). The United States and Germany were the commonest source countries. An additional 200 students arrived on an inbound study exchange (2006, 218). During the year RMIT sent 205 students on semester-length overseas exchange (2006, 200).

Negotiations were completed for 14 new agreements for exchange. These included agreements signed with four Indian institutions (mainly in applied science and technology), the University of Tokyo, the University of Maryland and universities in The Netherlands (industrial design and aerospace) and Thailand. A further 15 agreements were renewed during the year, with many of them broadened to cover a wider range of

disciplines and short-term intensive study tours as well as allowing for postgraduate and VET exchange in addition to undergraduate exchange.

The RMIT International Industry Experience and Research Program (RIIERP) provided opportunities for 167 students to undertake significant international work experience and research in the state-of-the-art facilities (2006, 180). About 145 companies in 12 countries were involved in the program. They opened their workplaces and contributed approximately \$2,000,000 by way of generous allowances to students. RIIERP introduced a special projects component that enabled students to work on projects for international companies while continuing their usual program at their home campus. Two Masters by research students sponsored by the European Space Agency completed their theses. One of these, Mr Jens Giesselmann, won the 2007 RMIT Postgraduate Research Prize.

Traditionally strong in Europe, RIIERP made breakthroughs in Asia and the United States. Global Fleet Sales in Bangkok agreed to provide places for two undergraduate and two postgraduate students. Pratt & Whitney in the US also joined the program, opening up possibilities for RMIT students to enter the 10 companies within United Technologies Corporation, a P&W subsidiary.

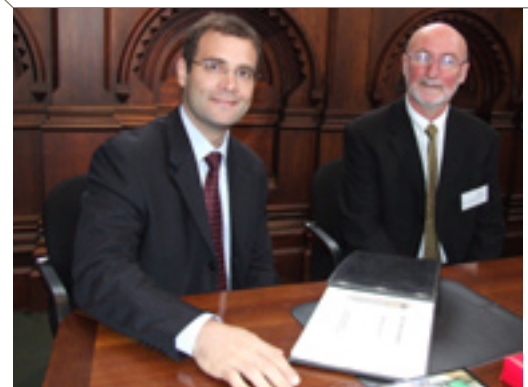
A visit in March by the Rolls-Royce Corporation's Indiana team coincided with the Avalon Airshow. Rolls-Royce has been a strong supporter of RMIT's international work placements. During this visit a Memorandum of Understanding (MoU) for student internships was signed by the company and the Vice-Chancellor.

Throughout the year, RMIT signed 37 international MoUs, significantly more than in previous years. Most were with institutions in Asia but 14 new partnerships were formed in the United Kingdom and Europe, the United States, Saudi Arabia, Turkey and elsewhere.

RMIT study tours again provided unique opportunities for students to travel overseas, experiencing a new culture while pursuing studies focused on various aspects of a region. Business was particularly active in offering students a 24 credit point course (two general electives) undertaken overseas as part of their degree. Successful tours were conducted throughout Europe, India, Asia and North America.

Delegations

The number of visits to RMIT from high-level international delegations in 2007 totalled 91. Delegates came to exchange knowledge and build partnerships that consolidated RMIT's position in global education. An Australian Government-sponsored delegation from India in August reflected RMIT's international standing in the aviation and aerospace sector and expanding relations with the sub-continent. The group – led by the Honourable Rahul Gandhi MP – viewed the flight training facilities at RMIT and was shown the cutting-edge new flight simulator facility. Mr Gandhi also expressed great interest in dual sector education.



The Hon. Rahul Gandhi MP joins RMIT Deputy Vice-Chancellor (Academic), Professor James Barber, to sign the University guest book.

International Linkages

In November RMIT hosted a meeting of the Education Committee of the Global University Consortium (GU8), which was arranged to coincide with a major 120th anniversary event, the Partnerships for World Graduates Conference. Through the consortium, RMIT actively participates in international research in global logistics, marine affairs, business administration and advanced technology, as well as student exchange. The meeting was attended by representatives from GU8 Alliance universities in the United States (Rhode Island and Hawaii at Manoa), China (Xiamen), Korea (Inha), France (Le Havre) and the United Kingdom (Hull).

RMIT continued to be a member of Community Colleges for International Development, which provided opportunities for furthering international relationships and strengthening educational programs in the VET area. Through its membership of the Australian Technology Network (ATN) RMIT was linked to the International Strategic Technology Alliance (ISTA), a network that includes leading tertiary institutes from China, the US and the UK.

More than \$42,000 provided by the RMIT Foundation through its International Visiting Fellowship program assisted in bringing 12 outstanding academics from the US, India and the UK to the Melbourne campus. Their visits helped link RMIT to a network of leading international theory and practice across disciplines. Through public lectures such as that by environmental scientist Professor Karl Linden, of the University of Colorado-Boulder – who spoke of sustainability issues in a global water crisis – RMIT academics, students and Melbourne citizens were intellectually enriched. Such avenues of scholarly reflection and debate are fundamental to maintaining a robust, thoughtful and global learning environment.

Global Education

A key focus for the University's international activities in 2007 was the development of the Offshore Award Partnerships Strategy, together with associated quality provisions and standards for teaching and student experience. The strategy provides a framework for strengthening the teaching, learning and research benefits derived from RMIT's international partnerships.

The Global Business Development Unit (GBDU) gave priority to activities with a strong research focus. It worked closely with the Globalism Institute on a range of activity requiring the provision of high-level consultancy services. Support to the Design and Social Context portfolio increased and a program was undertaken with the Graduate School of Business for the provision of short-term training to senior government officers from China.

The Transnational Education (TNE) unit worked with RMIT Schools and academic portfolios to manage more than 50 programs in association with 24 offshore partners – including more than 20 major programs with four key hub partners in Asia (Singapore Institute of Management, Hong Kong Management Association, the Shanghai Institute of Foreign Trade in China, and INTI in Malaysia).

Enrolments managed under TNE arrangements during the year totalled 5,771 Equivalent Full Time Study Load (EFTSL) in higher education programs and 629,000 Student Contact Hours (SCH) in VET programs (2006: 5,231 EFTSL; 686,000 SCH). The TNE team undertook considerable work during 2007 to improve systems for contract negotiation and renewal. Throughout the year 19 agreements were renewed. TNE projects and programs contributed gross revenue of \$23 million (2006, \$21 million).

As part of its international strategy of industry engagement RMIT continued to work closely with the aerospace and aviation sector. In doing so it contributed to the economic and technical development of leading Australian and international industry stakeholders. Its activity throughout the year worked to further position RMIT as an international leader in aerospace and aviation teaching and research.

RMIT English Worldwide (REW), an arm of RMIT Training Pty Ltd, is well established as the leading supplier globally of Aviation English services. When, in 2004, new regulations required that international civil aviation personnel demonstrate an operational level of English language, REW developed aviation-specific training programs and a test to meet the nominated standard. In 2007, the programs were adopted by major airlines and air traffic control agencies in China, Eastern and Western Europe, the Middle East, South-East Asia and parts of South America.

The continued growth in this language teaching onshore and offshore adds a major element to the University's provision of end-to-end education in this dynamic international sector. International students made up nearly half of the 34 students enrolled during 2007 in the Diploma of Air Transport delivered by the RMIT Flight Training Department at the Point Cook airfield. Commercial flight training operations performed well, with 15 cadets from Xiamen Airlines and 43 from Air China completing training during the year. An agreement to accept trainees from Oman Airlines was a significant first step into the Middle Eastern market.

Top 10 Source Countries for International Onshore Commencements

Country	%
China	23
India	13
Malaysia	11
Indonesia	7
Singapore	4
Thailand	4
Vietnam	4
Hong Kong	3
South Korea	3
Germany	3

Offshore Higher Education Award Completions

Country	No.
Singapore	742
Hong Kong	301
Vietnam	159
China	76
Malaysia	45
Sri Lanka	24
Taiwan	1
TOTAL	1,348

Figures are for 2006. Completions data for 2007 will be available in May 2008. Data not available for VET.

RMIT Vietnam

RMIT International University Vietnam (RMIT Vietnam) grew strongly in 2007, its campuses in Ho Chi Minh City and Hanoi linked to Melbourne by high quality information and communication technology, and through frequent interaction between academics and students in the two countries.

Higher education enrolments were up by 50 per cent during the year. There were 2,893 students enrolled in higher education and 2,247 English course enrolments. RMIT Vietnam employed 325 staff, 198 of whom were academic staff.

RMIT Vietnam celebrated RMIT's 120th anniversary with ceremonies in Hanoi and Ho Chi Minh City on 21 and 23 November respectively. On this occasion, in recognition of their contribution to education for the social and economic development of Ho Chi Minh City, Certificates of Merit from the Chairman of the People's Committee of Ho Chi Minh City were presented to RMIT Vietnam President Michael Mann and Ms Bui Vo Minh Thanh, Special Assistant to the President.

In addition, in recognition of the outstanding contribution in five years of 2002–06, the University was advised that it was to be awarded a Diploma of Merit by the Prime Minister of the Socialist Republic of Vietnam. The award will be conferred in April 2008 to coincide with RMIT Vietnam's eighth anniversary.

Two highlights of 2007 were the graduation ceremonies at the Hanoi Opera House (for the first time) on 22 November, and at the Ho Chi Minh City Opera House on 24 November. RMIT's Chancellor, Emeritus Professor Dennis Gibson AO, conferred degrees on 463 undergraduate and postgraduate students. The University was honoured to be addressed

by the founding President of The Atlantic Philanthropies, Charles F Feeney, at the ceremony in Ho Chi Minh City.

On 22 November in Hanoi, the RMIT Vice-Chancellor and President Professor Margaret Gardner AO opened the nine-storey Building 2 in Ngo Tat To Street in the Dong Da District.

For a fifth consecutive year RMIT Vietnam received a Golden Dragon Award. This prestigious award is made to the top one per cent of foreign-invested enterprises in Vietnam for their contribution to the development of Vietnam's economy. The University also received the inaugural Top Trade Services Award for excellence in education services at an event organised by *Trade News* in conjunction with the Ministry of Trade.

Students of RMIT Vietnam achieved success, winning the Melbourne Lord Mayor's Prize for International Trade (valued at \$A5,000) in the RMIT Business Plan Competition for 2007. Australian Shamus O'Hearn and Canadian Melanie Dumas departed Vietnam for Australia on 24 September to participate in the final round, a presentation to pitch their business idea to a group of judges on Thursday 27 September at RMIT's Melbourne campus. The pair developed a business plan for the launch of a confectionery store.

A Commerce and English student, Nguyen Ngoc Phuong Vy, was the winner of the popular talent quest *Vietnam Idol*. Ms Nguyen was rewarded with a one-year recording contract with the Music Company, \$US10,000 and a 10 per cent interest from album sales.

RMIT Vietnam is active in partnerships with other educational institutions throughout the country, especially through the development of Learning Resource Centres (LRCs), funded by

The Atlantic Philanthropies. These modern library-style centres provide resources used by universities to foster teaching and learning.

RMIT Vietnam was project manager of an LRC opened in November 2007 at Thai Nguyen University. The centre, which was built by the East Meets West Foundation, also received support from the RMIT University Library, Melbourne.

RMIT Vietnam hosted the launch of the RMIT Global Cities Institute in Ho Chi Minh City on 5 November 2007. The Pro-Vice Chancellor (Research and Innovation), Professor Neil Furlong, and Global Cities Research Institute Director Professor Paul James travelled from RMIT Melbourne to officiate at the opening of the Institute, which is a major initiative in RMIT's research strategy. The launch was followed by an international workshop on climate change attended by distinguished experts in the field from around the world.

Throughout the year distinguished visitors were received by the University. In May, His Excellency the Governor of Victoria, Professor David de Kretser AC, and his wife visited the Saigon South campus. Another visitor of note was Mr Nguyen Van Chi, Chair of the Inspection Commission and a member of the Political Bureau.

In August, Professor Nguyen Dang Thanh, Vice-Director of the Ho Chi Minh City National Political and Administrative Academy, led a delegation to Melbourne where an agreement was signed between RMIT University, RMIT Vietnam and the Academy on teaching and research collaboration.



RMIT Vietnam campus and facilities.

Industry and Community Engagement

To meet its aim of being a first-choice provider of work and industry-relevant education, RMIT actively fosters connections with industry.

In 2007 the University worked to strengthen industry engagement. It identified five broad industry sectors as the focus for advancing strategic partnerships in education and research. They were:

- aerospace and aviation
- automotive
- built environment, construction and infrastructure
- health and community services
- media and communications

Within these sectors in particular, RMIT nurtured new and existing relationships. In 2007 the ground was prepared for a regular series of industry forums through which RMIT will continue to build shared understandings of the current challenges and future directions of industry, especially in terms of needs for education, research and graduate employability.

The media and communications sector was the focus of such a forum hosted by the Vice-Chancellor in December. The forum was attended by 17 industry experts, representing a cross-section of organisations that specialise in traditional and converging media and communications, including print media, advertising, radio, film, literature retail, public relations, web solutions and State Government. RMIT was represented by 14 academic and professional staff.

It followed the Aerospace and Aviation Forum, held in November. The 17 industry leaders at that meeting included guest speakers at the RMIT-organised Partnerships for World Graduates Conference (see Pages 50–51). Industry figures represented State and local government and corporate aerospace and aviation companies.

Sir Lawrence Wackett Aerospace Centre

The extent of interaction between RMIT and the aerospace and aviation sector was epitomised in 2007 by the relocation of the Sir Lawrence Wackett Aerospace Centre. The centre, established by RMIT in 1991 to create new intellectual property in partnership with industry, moved to the Port Melbourne premises of GKN Aerospace Engineering Services. GKN AES is an energetic and valued supporter of the University. More than 150 of the company's 250 staff have an educational connection to RMIT, and the company has recruited more than 100 RMIT graduate engineers. GKN AES provides guest lecturers, sits on the program Advisory Committee for Aerospace, funds scholarships and prizes and sits with RMIT on the Cooperative Research Centre for Advanced Composite Structures.

Being co-located with GKN at the Fisherman's Bend precinct places the Wackett Centre at the heart of the Victorian aerospace industry, alongside companies such as Boeing and Hawker de Havilland. The Centre has an extensive network of formal partnerships with Australian and international aerospace organisations. It conducts research for major companies including GKN Aerospace, Hawker de Havilland, Tenix, BAE Systems, Defence Science and Technology Organisation (DSTO), the Australian Defence Forces, National Aerospace Laboratories (India), NASA and the European Space Agency.

The Centre provides applied aerospace research, consultancy to the aerospace and aviation industries, training of aerospace research students and short courses to the aerospace industry and students. It includes researchers from RMIT's School of Aerospace, Mechanical and Manufacturing Engineering, the School of Mathematical and Geospatial Sciences and the School of Electrical and Computer Engineering. The November forum brought together these researchers, instructors and lecturers with industry leaders. It provided a rich opportunity to further relations and develop understanding within and without RMIT of the University's capabilities. More forums of this kind will be held in 2008 and beyond. They have an important role in RMIT's development of infrastructure for deeper strategic partnerships.

RMIT strives to be accessible to industry. As part of this commitment, 2007 was the first full year of operation of the Industry and Business Web Portal. This 'one-stop-shop' was launched in December 2006 as a showcase of RMIT's capabilities in research, education and training, consultancy, sponsorship and venue hire. The



Aerospace and Aviation Forum, November 2007.

portal attracted 4-5,000 hits a month and an average of 70-80 enquiries. More than 200 companies contacted RMIT for student-related employment and student industry placements. The portal also generated 20 significant training and consultancy opportunities for the University.

RMIT has a strong emphasis on incorporating workplace experience into academic programs wherever possible. Workplace integrated learning (WIL) is a cornerstone of this philosophy.

Being able to provide this type of learning relies on organisations being prepared to very practically express their goodwill and confidence in RMIT and its students. It says much about RMIT's reputation and standing with employers that private companies and government agencies continued in 2007 to host students in one or more of the four main forms of WIL:

- **Work placement:** Students undertake a placement in an industry or community setting to perform work relevant to their chosen profession, para-profession or vocation. In some cases students observe rather than engage in practice. Work placements are most common at diploma

and undergraduate level. An example is the co-operative placements of six or 12 months.

- **Simulated work activities:** Work projects and practices can be simulated by use of role plays, computer simulations, workplace practice role plays, business practice firms.
- **Industry, community and/or government agency projects:** Students undertake projects drawn from or provided by industry, community and/or government agency.
- **A relevant project drawn from an employed student's workplace.**

'Hands-on' learning

A project initiated at the request of the University Council examined the extent and nature of WIL at RMIT. In 2007 it provided evidence of the work focus of RMIT's curricula – most programs incorporate one or more forms of WIL. This level of work-based opportunity could not be provided to RMIT's students without the co-operation and support of organisations large and small. In many cases the willingness of these organisations to engage with the University and its students reflects years of good relations.

Global Connections

Such opportunities are not confined to the domestic context. Many depend on RMIT's international industry partners. The highly successful RMIT International Industry Experience and Research Program (RIIERP), which commenced in 1992, has since 2002 been greatly assisted by its Global Industry Advisory Board. Members of this board are senior executives from global multinational companies. They advise the University on global industry needs, help shape the program, impart business expertise, increase industry placements and contribute to further development of the program. In 2007, the board had representatives from Siemens Limited, Battenfeld Australia, Coles Myer, Volkswagen Group Australia, ABB Australia, Tyco International, Goethe-Institute Inter Nations, Boeing, GKN Aerospace Engineering, Robert Bosch Australia and BASF Australia Ltd. (RIIERP's 2007 activities are discussed on Page 46).



Professor Margaret Gardner AO addresses the Partnerships for World Graduates Conference.



Professor Margaret Gardner AO with Professor Robin Williams, RMIT Director of Alumni and Development.

Partnerships for World Graduates Conference

Industry-relevant education in a global economy was a central focus of a major event on RMIT's 120th anniversary year calendar, the inaugural Partnerships for World Graduates Conference.

Australian and international representatives from academia, industry and the community gathered in Melbourne in November to discuss ways of developing the graduate attributes required by the future workforce. Attended by about 380 delegates over two days, the RMIT-convened conference included peer-reviewed papers, forum presentations, panel discussions and a dinner.

Plenary Speakers

Dr Megan Clark

Vice-President Technology, BHP Billiton, Australia

Professor Michael Gibbons

Director, SPRU-Science and Technology Policy Research, Sussex University, UK

Professor Ruediger Iden

Senior Vice-President, BASF Aktiengesellschaft, Germany

Mr Ron Perkinson

Senior Vice-President, Whitney International University System, USA

Dr Diane Sisely

Director, Australian Centre for Human Rights Education, RMIT University

Community Partnerships

RMIT's Youth and Community Partnerships Group worked with secondary schools, local government and industry in the north of Melbourne to deliver the Local Community Partnerships project – a key element of the Commonwealth Government's Career Advice Australia initiative. A major focus of this work is supporting career education in secondary schools to encourage transition into appropriate post-compulsory education and training.

The Group is working with the Victorian Department of Planning and Community Development to deliver a mentoring project as a strategy to encouraging young people to re-engage with their communities and the education and training system.

The Group also works closely with Local Learning and Employment Networks across the region. These include the Whittlesea Youth Commitment, a community-based initiative aimed at ensuring that education and other youth service providers work cooperatively to deliver optimal pathways and transition support for young people in the municipality.

Officers from the Northern Melbourne Area Consultative Committee, the Whittlesea Youth Commitment and other community partners are co-located with the Youth and Community Partnerships Group on the Bundoora campus and provide opportunities in learning, research, work experience and project activity.

Learning Community Partnerships

The Learning Community Partnerships Group continued to contribute to the economic and social development of local communities in Melbourne and the Western District of Victoria. The group brokered learning and research opportunities at the Hamilton Learning Centre and, through the Learning Networks program, linked potential community projects to research, learning and teaching outcomes for the University. The Hamilton Learning Centre hosted a number of community forums featuring Melbourne academics. Topics included sustainable science education, nuclear weapons and globalisation.

The major showcase for Hamilton was the RMIT University and Southern Grampians Shire Working in Partnership Research Seminar which highlighted research and partnership activities within the region. Research highlights were the announcement of four Handbury Fellowships, further funding for the Potter Farmland Research project and the publication of a second volume of the *Local-Global* journal.

RMIT students from campuses in Melbourne continued to visit the Southern Grampians region to learn about sustainable farming, rural education and indigenous culture.

Learning Community Partnerships also partnered with the Hume Global Learning Village to coordinate a research group, run a research seminar and train volunteers. The learning networks program continued its partnership with Adult Community Education providers in Northern Melbourne, running non-formal ICT programs as part of Microsoft's Unlimited Potential program.

Students from Northside Christian College at Real Industry Job Interviews organised by RMIT's Youth and Community Partnerships Group.



Keynote Speakers

Professor John Buckeridge

Head, School of Civil, Environmental and Chemical Engineering, RMIT University

Professor David H Buisson

Assistant Dean, External Relations, Faculty of Built Environment and Engineering, Queensland University of Technology

Professor Jianzhong Cha

UNESCO Chair on Cooperation between Higher Engineering Education and Industries at Beijing Jiaotong University, China

Mr Albert Goller

Chairman and Managing Director, Siemens Ltd, Australia and New Zealand

Professor Norbert Gruenwald

Rector, Hochschule Wismar University of Technology, Business and Design, Germany

Dr Narendra Kumar Jain

Vice-Chancellor, University of Rajasthan, India

Professor C L Khetrpal

Director, Centre of Biomedical Magnetic Resonance Research, India

Professor Bernd Martin

President, Berufsakademie Loerrach-University of Cooperative Education, Germany

Dr Madeleine Reeve

Pro Vice-Chancellor, International and Development, RMIT University

Mr Martin Riordan

Chief Executive Officer, TAFE Directors Australia

Professor Fazal Rizvi

Professor of Educational Policy Studies, Centre of Global Studies, University of Illinois, USA

Professor Gunter Schweiger

President, University of Applied Sciences Ingolstadt, Germany

Alumni Activities

As ambassadors of RMIT and as external partners in industry, our alumni support the work of the University.

Working in cooperation with academic Schools and service areas, the Alumni Relations unit creates engagement opportunities that nurture life-long relationships with alumni. The key objectives for Alumni Relations are:

- communication with alumni
- offering opportunities for alumni to participate in University activities
- providing reward for alumni through benefits, services and recognition of alumni achievements
- presenting alumni with opportunities to support RMIT

RMIT Alumni is primarily an e-community. There are more than 230,000 alumni listed on the database and 50,000 members receive regular emails.

Membership of RMIT Alumni is free. This has enabled the development of strong global networks for knowledge and information exchange. Through the online alumni directory, alumni networks, events, activities and other opportunities on offer through the website, former students can easily maintain and develop connections with fellow alumni and the University.

Alumni Relations also supports professional development and networking opportunities for alumni. A Careers Breakfast Seminar held on 16 October with guest speaker Bernard Salt, leading commentator on consumer cultural and demographic trends, was attended by 170 alumni and friends. The MBA, DBA, Journalism and Chinese Medicine networks continue to seek out new and interesting ways to engage with their alumni.

The alumni community enriches and supports RMIT's work in other ways. Many alumni volunteer as network leaders, event

planners, advocates, program advisors, mentors and guest speakers, and are employers of RMIT work placement students and graduates. Some alumni provide scholarships and prizes for students.

RMIT Alumni Recognition

To coincide with its 120th anniversary celebrations, RMIT introduced an Alumnus of the Year award to be presented annually to an RMIT graduate "of local, national or international prominence who has achieved distinction and made a significant contribution to their professional field, the community or the University". In December, 150 guests attended an event at the City campus to celebrate 120 years of RMIT Alumni and launch the new award. The highlight of this event was the announcement of James Tomkins as the inaugural Alumnus of the Year.

Also as part of the anniversary celebrations, around 500 alumni, staff and guests attended banquets held in Singapore, Kuala Lumpur, Hong Kong and Shanghai. The guests at each event enjoyed a superb evening of culinary delights, entertainment, networking and friendship. The success of these banquets would not have been possible without the hard work and support of the alumni committees in each location. On 5 December, a ceremony was held to honour Honorary Doctorate recipients who are also RMIT alumni. Commemorative plaques were unveiled, which will be mounted on the wall of a walkway leading to RMIT Gallery in Storey Hall. The walkway is to be named Campbell Walk, in honour of RMIT's first Secretary/Director, Frederick Alexander Campbell.

Alumni Snapshot

As at 8 January 2007, RMIT had 230,243 alumni in more than 100 countries including:

Country	Alumni
Australia	186,323
Singapore	21,776
Malaysia	6,949
Hong Kong	5,770
China	2,862
Indonesia	2,224
Vietnam	1,413
India	1,048
Thailand	1,029
United States	932
Japan	550



Emeritus Professor Dennis Gibson AO, presents James Tomkins OAM with the inaugural RMIT Alumnus of the Year award.

Oarsome Alumnus

One of Australia's greatest rowers, James Tomkins, has a further award to add to his collection of an Order of Australia medal and three Olympic gold medals. In 2007, he was named RMIT University's inaugural Alumnus of the Year.

Mr Tomkins graduated from RMIT in 1995 with a Bachelor of Business in Economics and Finance, and has subsequently progressed his career in the finance industry while also pursuing his sporting goals and doing community work.

Best known as one of the Oarsome Foursome who won gold at the 1992 and 1996 Olympics, he has continued to enjoy outstanding success, winning two more Olympic medals including a bronze in 2000 and gold again in 2004. He is the only rower in history to win world championship titles in every sweep oar event. "I was fortunate to get my degree at RMIT and enter the workforce successfully, and to be able to combine my career with my sporting life," Mr Tomkins said. "I owe a lot to RMIT and I'm delighted to be the first person to receive this award."

Buildings and Campus Environment

RMIT maintains an extensive infrastructure to deliver academic programs and research through physical and virtual campuses and this infrastructure is growing and changing in exciting ways.

The built environment of RMIT's Melbourne campus has a significant impact on the city landscape in which the University has developed. RMIT buildings such as the Capitol Theatre, the former Melbourne Magistrates' Court and the Francis Ormond Building are a part of the city's architectural history. RMIT maintains strong links with the City of Melbourne and State Government to enhance the RMIT Quarter of Melbourne.

In 2007, RMIT continued to work on projects to consolidate and develop the City campus. Two properties of strategic significance were bought on Victoria Street, next to existing buildings, which will provide long-term development opportunities for the University. Bought in conjunction with these buildings was a vacant lot next to RMIT buildings in Cardigan Street. Currently used as a car park, this land will provide further future development opportunities for RMIT.

Development of the Design Hub continues apace. It is to be located on the 3,000 square metres retained on the south-east corner of the former CUB site. The building under design will be a significant and innovative academic building for collaborative design research. Flexible and adaptive floor space will be provided in an environmentally sustainable building.

The Emily McPherson Building (Building 13) on the corner of Victoria and Russell streets was vacated and an early works package began in preparation for a complete refurbishment. Preparation took place to completely refurbish and add two floors to Building 9 to house the School of Applied Communications. These significant building works will preserve RMIT's heritage while also providing for significantly improved academic facilities.

Infrastructure Plan

Each year the University's Infrastructure Plan – Property Component is refreshed in order to take account of changing priorities and requirements and to continue to provide a five-year forward look at proposed developments. Considerable consultation occurred with the University community in preparation for this and the revised Plan, 2008–2012, was approved by RMIT's Council in December 2007. This enables RMIT to anticipate changing needs in student facilities, learning and teaching spaces and growing research requirements.

Infrastructure improvements in 2007 included continued asbestos removal and refurbishment works to Building 14, on the corner of Swanston and Franklin streets, with consolidation of the Science Engineering and Technology portfolio office on Level 12 and new Applied Science wet laboratories on Level 13.

New cooling towers to complement the recently installed central plant were completed in 2007 and these added to the efficiency of the overall air conditioning system.

Signage continued to be improved on all campuses and lift upgrades began in Building 108 on Bourke Street. Fire safety systems were further developed and upgraded. Significant façade rectifications also occurred at the Bundoora campus.

A new lift and staircase strengthened the linkage between Bowen Street and Alumni Courtyard, with compliant disability access and landscaping including a half basketball court, well used by students.



Teaching, Research and Student Facilities

Continuing upgrades of teaching spaces included a new 130-seat lecture theatre, a further three new 40-seat classrooms, upgrade of two computer laboratories and refurbishment of two engineering workshops in Lygon Street.

A new postgraduate studio and five undergraduate studios were constructed in Lygon Street. Other studio spaces were refurbished or created. In addition, a new prayer facility was constructed and improvements continued to the Swanston Library, including finishes upgrades and new furniture.

Consolidation of the School of Creative Media occurred, with new facilities being created in Building 36 including studios, teaching spaces and postgraduate and staff accommodation.

Building Statistics

All new buildings and maintenance projects were carried out in compliance with the building and maintenance provisions of the Building Act 1993. Details are set out below.

Building Works	2003	2004	2005	2006	2007
Projects certified for approval	25	24	26	37	48
Works under construction and the subject of mandatory inspections	9	10	13	16	17
Occupancy permits issued	16	17	17	22	29
Maintenance and other work orders	19,781	18,606	20,947	20,794	21,346

Space, Quality & Deficiency Ratings of RMIT Buildings (%)					
Quality	2003	2004	2005	2006	2007
S - Satisfactory - require periodic maintenance	74	67	71	71	75
A - Require expenditure of 16-36% of ARV	20	21	25	24	20
B - Require expenditure of 37-56% ARV	5	5	2	3	3
C - Require expenditure of 58-78% of ARV	1	3	1	1	1
D (Consider for disposal/demolition)	0	4	1	1	1

ARV: Asset Replacement Value

Resource Use	2003	2004	2005	2006	2007
Average Energy Consumption per EFTSU (GJ electricity & gas)	9.9	10.3	10.0	10.2	10.1
Water (KL) per EFTSU	6.3	6.1	6.0	6.0	5.7
Greenhouse Gas Emissions (t CO²-e)	NA	88,347	92,227	82,654	79,124

Source: Property Services and Energetics



Environmental Sustainability

In terms of capital works, the Infrastructure Plan adopted by RMIT Council contains clear statements about RMIT's approach to sustainability and Green Star design. RMIT's provision of physical space and its effective use is one of the most significant determinants of how the University achieves its overall environmental sustainability objectives. The approach to upgrading and developing facilities is based on a number of key criteria, including:

- allocating space in accordance with approved space standards and monitoring effective usage
- incorporating environmentally sustainable best practice design and technologies into all developments, particularly where there is an effective payback of five years or less
- setting a target of a minimum of 4-star Green Star rating for all major building refurbishments
- setting a target of a minimum of 5-star Green Star rating for all new building developments.

Operationally, 2007 saw the continuation of RMIT University's commitment to environmental sustainability, with particular emphasis on energy, greenhouse gas emissions and water.

RMIT undertook a tender of its electricity contract for major sites. A complex, probity-audited tender process was conducted in a volatile electricity market and completed in September 2007. A key feature of the eventual electricity supply contract was the agreement to buy 15 per cent of the University's total electricity needs as accredited green power in 2008, sourced from Victorian wind turbines. In 2009 and 2010, this proportion will increase to 20 per cent. This significant outcome currently places RMIT in a leadership position among Australian universities in procuring power from renewable sources.

Property Services developed a Water Management Plan that focuses on a number of short, medium and long-term projects designed to reduce water consumption. Benchmarked against other Australian universities by the Tertiary Education Facilities Management Association (TEFMA), RMIT is a relatively low consumer of water in the sector, but since RMIT is one of Melbourne's top 200 water users, this is a priority area for action.

Projects specified in the Plan include the change over of toilet flushing devices in multi-storey buildings, replacement of dated infrastructure, flow reduction technology in piping systems, strict adherence to Stage 3A water restrictions and installation of artificial turf in public spaces. Options for installing recycling technology on fire pump test systems to dramatically reduce test water in the field have been investigated. Grey water tank installations and black water mining systems were designed and are now being costed to supplement RMIT's dripper irrigation systems.

In 2007 RMIT commenced the new Building Automation System (BAS). An extensive data network, installed throughout significant buildings on the City campus, analyses the performance of equipment such as boilers, chillers and fan-motors and ensures that all systems are at optimum performance, thereby avoiding wasted energy. In time, this program will expand to other campuses as a key initiative to reduce energy and greenhouse gas emissions.

The annual program of installing "T5" energy saving lighting systems continued throughout 2007. Other initiatives to save energy included motion detection for lighting, adjustment of temperature set points in office areas and de-tubing of light fittings.

Property Services continued to work with Global Sustainability at RMIT to identify opportunities to implement campus-based sustainability initiatives. At the end of 2007, both teams participated in discussions with Australian Technology Network (ATN) universities regarding the development of common ATN targets and commitments around environmental sustainability.

In the area of reporting on environmental performance, RMIT completed its annual Australian Greenhouse Challenge Plus report and performed its annual benchmarking exercise with TEFMA. RMIT participated in the development of a consistent framework for reporting among Victorian universities and TAFE institutions through the Sustainable Campus Group and compiled data for the SCG's Aggregated Report on environmental performance across member institutions.

RMIT continued to provide utilities consumption data to the VET funding

authority OTTE, and registered with the Victorian Environment Protection Authority's Environmental Resource Efficiency Program, which will require reporting of an organisation's water, energy and resource use in future years.

An Environment Manager position was created in 2007 with responsibility for the increasing amount of mandatory reporting requirements, as well as the critical role of developing cultural change programs across the University to promote the uptake of sustainability initiatives.

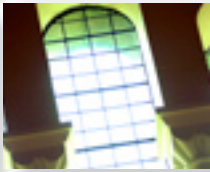
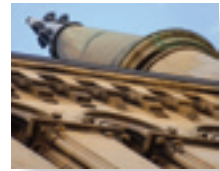
Energy and water consumption and greenhouse gas emissions all fell in 2007 (see table below). With our negotiated Green Power purchase in 2008, we anticipate further reductions in our carbon emission footprint.

	2006	2007
Average Energy Consumption (GJ per EFTSL)	10.2	10.1
Greenhouse Gas Emissions	82,654	79,124
Water Consumption (KL per EFTSL)	6.0	5.7

Staff and students have demonstrated an increased willingness to reduce resource consumption and to identify initiatives to save water and energy and divert waste from landfill across the three Victorian campuses. This provides an encouraging platform for future collaborations with Property Services and for adoption of sustainability practices across all portfolios and campuses.

RMIT is a member of the Australasian Campuses Toward Sustainability, the primary forum for sustainability in the Australian and New Zealand tertiary sectors. It is also a signatory to the United Nations Global Compact, the Talloires Declaration and Universities of Australia Ecological Development Charter.





UNIVERSITY GOVERNANCE



Governance

RMIT University is governed by a Council that consists of:

- the Chancellor
- the Vice-Chancellor
- two persons elected by the Academic Board
- three persons elected by and from the staff of the University as prescribed by the Statutes
- two persons elected by and from the enrolled students of the University as prescribed by the Statutes
- six persons appointed by the Governor in Council
- one person appointed by the Minister
- six persons appointed by Council

Consistent with the Royal Melbourne Institute of Technology Act 1992, as from time to time amended, the Council is the governing authority of the University and has the direction and superintendence of the University.

Accordingly, Council members participate in approval of the University's strategic direction, annual budget and business plan, and in monitoring of the University's performance. The Council appoints the Vice-Chancellor and President, as well as executives at Deputy Vice-Chancellor and Pro Vice-Chancellor levels.

Members of Council, as required by legislation, have duly completed declarations of director-related transactions. No members of Council hold shares as nominees or beneficially in any statutory authority or subsidiary related to the University. Members of Council do not hold shares in RMIT – no shares are distributed by RMIT – or in related companies. Independent and student-elected Council members may choose to receive remuneration for being members of Council. RMIT does not make loans to Councillors or related parties of Councillors.

As part of its commitment to good governance practices, in 2003 the University Council adopted a charter containing broad governance principles. This charter is reviewed annually and was not amended in 2007.

Declarations received from Council members have indicated no conflict of interest or pecuniary interests other than remuneration disclosed in the financial statements.

Professional indemnity insurance of up to \$40 million for members of Council and senior officers is provided under Policy No. AT7800272 PID issued by QBE Insurance (Australia) Limited and Vero Insurance Limited.

Based on its governance charter, new members took part in an induction program and all members were able to participate in a professional development program which covered a range of areas including informing members about stakeholder issues and the activities of the University.

In accordance with its charter, the Council reviews its performance annually. In 2007, this was an external review was conducted by Ms Catherine Sinclair of the Consultancy Bureau. Feedback was positive overall and Council will take account of comments in determining its focus and developing its 2008 workplan. As well as its regular meetings Council had two retreats, one focusing on industry engagement and the other on VET.

The Nominations and Governance Committee oversaw nominations to Council, its committees and subsidiaries, as well as induction and professional development for Councillors. In line with State Government guidelines, optional remuneration was available for independent members of Council and elected students.

In 2007, subsidiary companies had complied with Council-mandated reforms to their governing bodies. Most reviewed their statements of governance principles adopted in 2004 and reported on changes to the skills, experience and qualifications of directors, on their frameworks for risk management and internal audit.



Council Members in 2007

Ms Frances Awcock AM

Appointed by Governor in Council, member since 27 July 2004.

BA (Melb), DipLib (RMIT)

Expertise in library sector; leadership in information services and cultural affairs.

Mr Allan Ballagh

Elected by Academic Board, member since 10 February 2003.

BEng (Deakin), DipEd (Melb), MEd (RMIT)

Director, RMIT TAFE.

Professor Peter Coloe

Elected by Academic Board, member since 7 August 2000.

BSc(Hons) (Monash), PhD (Monash), FASM

Practising researcher and academic manager.

Ms Anne Dalton

Appointed by Governor in Council, member since 15 April 2003.

BA (Monash), LLB (Monash), GradDip Pub Sec Mgmt (Griffith)

Partner, Sparke Helmore.

Other directorships: Metropolitan Waste Management Group; Victorian Government Purchasing Board.

Mr Terry Francis

Appointed by Governor in Council, member since 15 April 2003.

BEng (Civil) (Melb), MBA (Melb), FAICD

Extensive financial and commercial expertise.

Professor Margaret Gardner AO

Vice-Chancellor (ex-officio) since 14 April 2003.

BEcon(Hons), PhD (Syd), DUniv (Griffith) FAIM, GAICD

Leadership and management experience in the university sector.

Other directorships: Carrick Institute for Learning and Teaching in Higher Education.

Emeritus Professor Dennis Gibson AO

Elected by RMIT Council as Chancellor since 14 April 2003.

BSc(Hons), MSc, PhD (Newcastle upon Tyne),

DSc (CNA), Hon. DUniv (Sunshine Coast),

Hon. DUniv (QUT), FIS, FAICD

Broad range of leadership and management experience in the university sector.

Chair of two technology start-up companies and of the Queensland Premier's Smart State Awards Selection Committee.

Dr Jane Gilmour OAM

Appointed by RMIT Council, member since 1 January 2005 and Deputy Chancellor in 2007.

BA(Hons) (ANU), DUP (Sorbonne), FAICD

Experience and leadership in the not-for-profit sector.

Other directorships: Environment Committee, Parks Victoria.

Ms Rosemary Lever

Appointed by Governor in Council, member since 1 March 2005.

Dip Soc Studies (Melb), B Soc Work (Hons) (Melb)

Expertise in child welfare, organisational management, policy development, strategic planning and innovation.

Ms Rebecca Lupton

Elected by PACCT staff, member since

20 March 2006.

Media technology officer in RMIT Library.

Ms Voula Messimeri-Kianidis

Appointed by Governor in Council, member since 27 July 2004, resigned 29 October 2007.

B Soc Work (RMIT), Grad Dip Community Dev

(RMIT), Grad Dip Applied Science (RMIT)

Expertise in ethnic and community affairs.

Other directorships: Chair, Federation of Community Councils of Australia; Deputy Chair, VITS Language Link; Deputy Chair, Ethnic Communities Council of Victoria.

Professor John Nieuwenhuysen AM

Appointed by RMIT Council, member since 4 March 2002.

MA (Natal), PhD (London), FASSA

Expertise in public policy, research and technology transfer.

Other directorships: Chair, VITS Language Link; Member, Australian Multicultural Foundation.

Mr Helmut Pekarek

Appointed by RMIT Council, member since 1 January 2005.

MEng (App Physics) (Tech Uni of Vienna), AICD

Broad range of leadership and management experience in business.

Other directorships: Chairman, Boulder Steel

Ltd; Director, Asia Pacific Seamless Tubes Ltd;

Vice-President, German-Australian Chamber of Industry and Commerce.

Mr Neil Robinson

Elected by academic staff, member since 1 January 2003.

TTTC, Dip App Phys (RMIT), BSc (Hon)

(LaTrobe), MSc (LaTrobe)

Senior Lecturer Applied Physics, RMIT.

Mr Chadi Samir Saredine

Elected by RMIT students, member since 1 January 2007.

BEng (RMIT)

Active member of various student associations.

Other directorships: Member, RMIT Union Board; National Union of Students delegate for RMIT.

Ms Moira Schulze

Elected by Governor in Council, member since 1 January 2005.

BA (Melb), DipEd (Admin) (Melb), MEd (Melb)

Experience in leadership and management in the public and not-for-profit sectors.

Other directorships: Hanover Welfare Services; Victorian TAFE Development Centre.

Mr Clem Simonetto

Elected by academic staff (VET), member since 16 August 2004.

BEcon (LaTrobe), DipEd (LaTrobe)

TAFE Program Co-ordinator, RMIT Business.

Mr Trevor Tappenden

Appointed by RMIT Council, member since 8 August 2003.

ACA, FAICD

Experience in finance and audit.

Other directorships: Chair, Heide Museum of Modern Art; Committee for the Economic Development of Australia; VITS Language Link.

Mr Dan Thomas

Elected by RMIT students, member since 1 January 2007.

Student member.

Dr Rodney Wulff

Appointed by RMIT Council, member since 1 January 2007.

BLA (Oregon), MLA (Harv), PhD (Cornell)

Expertise in landscape architecture, natural resource analysis and design implementation.

Other directorships: Managing Director, Tract.

Mr Derek Young

Appointed by RMIT Council, member since 10 November 2003.

FACCA, CPA

Financial and commercial expertise.

Other directorships: Chair, Melbourne Theatre Company.

Council Committees

Council has established Committees to assist it in discharging its responsibilities. Each committee had a work plan of activity to exercise its responsibilities in 2007, and all committees reported to Council on their activities.

Audit and Risk Management Committee

The Audit and Risk Management Committee acts on behalf of Council to monitor the audit controls and risk management of the University and associated processes.

Its objectives are to assist Council in discharging its responsibilities with respect to:

- the integrity of the University's annual financial statements and financial reporting and those of its subsidiaries
- the exposure to legal and business risk of the University and its subsidiaries
- the effectiveness of the external and internal audit functions
- the adequacy and effectiveness of management, financial control systems and other internal controls of the University and its subsidiaries

Campus Development Committee

The Campus Development Committee acts on behalf of Council to:

- consider and recommend to Council the physical infrastructure masterplan for the University in accordance with the University's strategic plan
- consider and review significant proposed developments on campus to ensure that they are consistent with the physical infrastructure masterplan

Nominations and Governance Committee

The Nominations and Governance Committee acts on behalf of Council to ensure Council and the Boards of RMIT subsidiaries have an effective balance of skills and experience.

The Committee meets to:

- recommend candidates for Council vacancies to Council or to the Minister for Education as appropriate to ensure the Council has an effective balance of relevant skills, experience and knowledge
- recommend to Council a person to be appointed or reappointed as Chancellor and Deputy Chancellor
- recommend to Council membership of Council committees and oversee the appointment of directors to RMIT subsidiaries
- ensure appropriate oversight of governance principles and conduct in the subsidiaries

Attendance at Council Committees in 2007

Name	Council	Audit and Risk Management	Campus Development	Nominations and Governance	Planning and Finance	Remuneration
Frances Awcock	6/7			5/7		
Allan Ballagh	6/7					
Peter Coloe	7/7					
Anne Dalton	5/7	6/6				
Terrence Francis	5/7	6/6			6/7	
Margaret Gardner	7/7		5/5	7/7	6/7	5/5
Dennis Gibson	5/7	6/6	5/5	7/7	7/7	5/5
Jane Gilmour	7/7	6/6	5/5			4/4
Rosemary Lever	7/7			7/7		
Rebecca Lupton	6/7					
Voula Messimeri-Kianidis	4/4		1/4			
John Nieuwenhuysen	5/7			4/7		3/5
Helmut Pekarek	6/7				5/7	
Neil Robinson	7/7			5/7		
Chadi Samir Sarriddine	5/7		3/5			
Moira Schulze	6/7					4/5
Clem Simonetto	5/7				6/7	
Trevor Tappenden	5/7	5/6			5/7	
Dan Thomas	6/7				2/7	
Rodney Wulff	7/7		4/5			
Derek Young	6/7				6/7	4/5

- develop high standards of corporate governance in RMIT Council including the form of performance evaluation, induction and professional development for Councillors
- recommend to Council changes required to Statutes and Regulations
- recommend candidates to Council for honorary awards

Planning and Finance Committee

The Planning and Finance Committee acts on behalf of Council to:

- review the annual budget and business plan and recommend their approval to Council
- review an annual report on progress against the business plan and the strategic plan
- monitor the University's financial performance and other performance indicators against the business plan
- review policies with regard to investment funds and to monitor their effectiveness
- review the capital program budget and recommend its adoption to Council
- consider major initiatives and projects that involve significant commitment and/or risk to the University, to advise Council and monitor progress where appropriate
- monitor the development and

- implementation of planning, quality and performance processes across the University
- advise Council on the establishment of subsidiaries, and on the University entering into joint ventures and partnerships
- monitor performance of subsidiaries through annual reports against business plans and strategic plans

Remuneration Committee

The Remuneration Committee acts on behalf of Council to:

- annually agree and monitor performance targets for the Vice-Chancellor
- annually decide on the quantum of the Vice-Chancellor's performance bonus and total employment cost
- consider, when required, issues relating to the Vice-Chancellor's contract and make recommendations to Council
- review and set total remuneration cost ranges for all executive staff
- review and approve the performance assessments and bonuses recommended by the Vice-Chancellor for the direct report senior executives
- provide advice to the Vice-Chancellor on executive performance appraisal mechanisms.

Compliance Management

Freedom of Information

During the reporting period, the University received 20 applications under the Freedom of Information Act 1982.

Access granted in full:	12
Access granted in part:	3
Access denied:	0
Pending:	2
Lapsed:	3

The University is subject to the provisions of the Freedom of Information Act and has in place procedures to ensure that it meets its compliance obligations. The University's Freedom of Information Officer for 2007 was a solicitor employed in the University's Legal Services Group.

Whistleblowers Act 2001

The University is committed to the aims and objectives of the Whistleblowers Protection Act 2001 (the Act). It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

The University recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The University will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

The roles of protected disclosure coordinator and protected disclosure officer are carried out by Michael Hansen, Executive Director People and Culture. Alternatively, staff may make a disclosure directly to the Ombudsman Victoria.

RMIT developed and introduced its policies and procedures relating to the Act in 1991. The procedures define key terms and detail actions relating to the reporting system, roles and responsibilities, confidentiality, collating and publishing statistics, receiving and assessing disclosures, investigations, action taken after an investigation, managing the welfare of whistleblowers and those against whom disclosures have been made, criminal offences and reviews. The procedures are available online at: <http://prodmams.rmit.edu.au/2r9d9qd05nm5.pdf>

Disclosures

1. Number and types of disclosures made during the year: 1 disclosure
2. Number of disclosures referred during the year by the public body to the Ombuds for determination as to whether they are public interest disclosures: 1 disclosure
3. Number and types of disclosed matters referred to the public body during the year by the Ombudsman: Nil
4. Number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate: Nil
5. Number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year: Nil
6. Number of requests made under section 74 during the year to the Ombudsman to investigate disclosed matters: Nil
7. Number and types of disclosed matters that the public body has decline to investigate during the year: Nil
8. Number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation: Nil
9. Recommendations of the Ombudsman under this Act that relate to the public body: Nil

Complaints to Ombudsman's Office

There were no complaints made to the Ombudsman in 2007.

Grievance and Complaints Procedures

RMIT has a strong commitment to ensuring that student complaints are resolved in a fair and timely manner. The University recognises the rights of students to make complaints without recrimination or effect on their grades. Policies, procedures and guidelines on student complaints are available online at www.rmit.edu.au/academic-registrar/studentcomplaints.

When they are involved in the complaints process, students have the support of a number of services provided by the University through the Students Portfolio as well as the Student Union.

RMIT staff are also entitled to fair and consistent treatment and prompt consideration of their complaints. The University maintains comprehensive policies and procedures to ensure staff are given opportunities to resolve any grievances concerning decisions which adversely affect them, or other matters about which they are aggrieved, in their capacity as employees of the University. The procedures are intended to prevent personal conflicts becoming

entrenched and to resolve disputes without unnecessary delay and in a conciliatory, informal and effective manner.

In all cases, the University encourages the resolution of problems at the local level, although procedures allow for escalation and review. The University Ombuds reports directly to the Vice-Chancellor and can assist in resolving staff and student grievances that are not able to be resolved through the normal processes and procedures. In addition, complaints about administrative actions and decisions of the University may be made to the Victorian Ombudsman.

Information about the handling of staff grievances or complaints is available online at: www.rmit.edu.au/governance/complaints

National Competition Policy

RMIT has developed costing and pricing models that apply all relevant University costs including overhead and other indirect costs and where appropriate adjust prices to take account of any competitive advantage the University may have. This enables the University to comply with the National Competition Policy including the requirements of the Government policy statement *Competitive Neutrality: A Statement of Victorian Policy* and subsequent reforms.

Education Services to Overseas Students Act 2000

For the year 2007, the University complied with the Education Services for Overseas Students Act 2000. The National Code of Practice was revised in 2007 for Registration Authorities and Providers of Education and Training to Overseas Students.

Public Funding

All public funds allocated to the University have been allocated to the purposes specified by the government or other public funding body.

Fees and Charges

In 2007, there were no significant changes to the level of fees charged to students by the University.

Schedule of Fees and Charges

All fees charged to students at RMIT University are set and approved under the authority of Council. An Approved Schedule of Fees and Charges is published each year that lists all fees that may be charged to students. A copy of the schedules for 2004–08 is available on the RMIT web site at: www.rmit.edu.au/fs/fees/schedules

Tuition Fees

In 2007, average domestic non-government funded fees increased by 5.1 per cent. International onshore student fees were increased by 4.4 per cent on average. Tuition fees charged to State Government-funded VET students were increased from \$1.31 per student contact hour to \$1.34 per student contact hour, as per Ministerial guidelines.

Course Material and Administrative Fees

There were no significant changes to the level of fees charged as course material and administrative fees. The number of programs/courses for which material fees may be charged has increased from 350 in 2006 to 366 in 2007. While 366 were proposed, only 275 of these fees were levied in 2007.

Additional Information

Consistent with the requirements of the Financial Management Act 1994, further information on the following items is available on request:

- Declarations of pecuniary interests
- Shares held by senior officers
- Publications
- Major external reviews
- Overseas visits undertaken
- Promotional, public relations and marketing activities

Enquiries should be directed to:

Head, Media and Communications
RMIT University
GPO Box 2476V, Melbourne, 3001
Tel. (03) 9925 2000

Risk Management and Internal Audit

Risk management is an essential element of the University's corporate governance framework. The University's governing body, RMIT Council, plays a fundamental role in the management of institutional risk through its Audit and Risk Management Committee.

The Audit and Risk Management Committee, on behalf of RMIT Council, has responsibility for setting the risk management strategy and overseeing risk management within the University as a whole. This committee acts to ensure that the University has a sound system of internal management and control.

RMIT University continued to apply sound processes for identifying, evaluating and managing the risks faced by the University throughout 2007. These processes, which are effectively integrated across all areas of University activity, included:

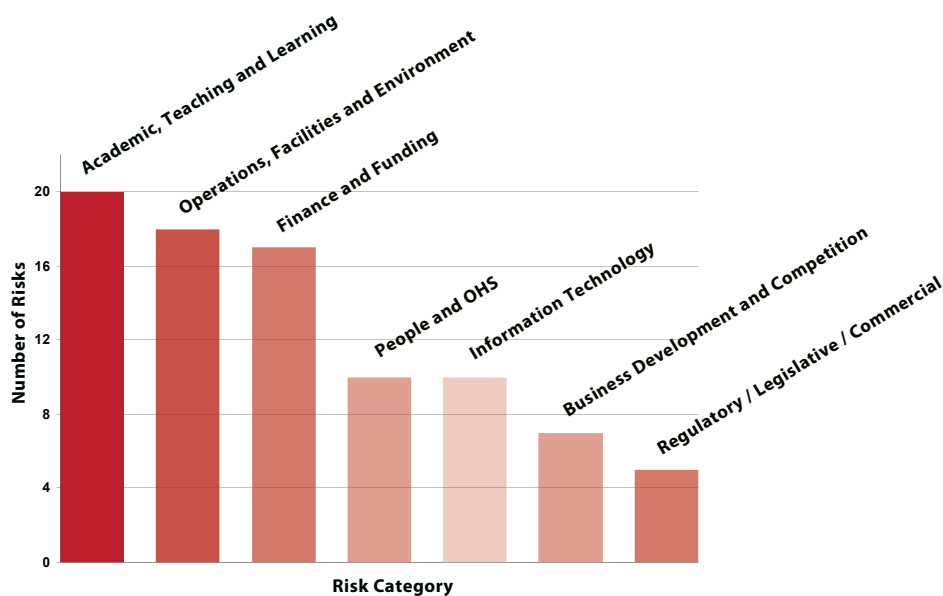
- risk assessments conducted by all operating groups using the University's risk management framework, which is based on the principles of the Australian Standard for Risk Management (AS/NZS 4360);
- portfolio risks included in the University-wide risk profile and rated from an enterprise-wide perspective;
- training University staff in risk management; and,

- quarterly reporting by RMIT's controlled entities on outcomes of risk management activities to the Audit and Risk Management Committee.

The University's Internal Audit and Risk Management group has responsibility for reviewing the University's risk identification and management processes on a regular basis to ensure their effectiveness.

Eighty-seven risks across all operating groups were subject to active management during the year, including 12 key University-wide risks that were monitored by the senior executive group to ensure that appropriate mitigation measures were in place to ensure the net risk was consistent with RMIT's objectives and risk appetite. The consolidated risk profile, together with consideration of the findings from previous internal audit reviews, formed the basis of RMIT's annual audit program in 2007.

In accordance with RMIT's Risk Management Guidelines, the identified risks are assigned to seven broad categories of risk which are deemed to be relevant to RMIT in the context of its environment and operations. The risks identified in 2007 are categorised in the chart below.



2007 University Risk Profile

RMIT Subsidiaries

RMIT Foundation

The RMIT Foundation was established in 1994 to receive philanthropic gifts and donations made to RMIT University for both specified and unspecified purposes. RMIT Foundation is managed by a board of trustees whose actions are governed by a trust deed. The deed makes the trustees responsible for the prudent stewardship of the funds they invest and manage on behalf of RMIT University; they are also responsible for ensuring that the donor's wishes in making their gift are met. A trusteeship is an honorary appointment which reflects the trustees' professional acumen and public standing. The Board counts among its numbers business and community leaders, financial and legal experts, former Chancellors and Vice-Chancellors.

At the end of 2007 the RMIT Foundation had \$20.77 million of net assets; an increase of \$8.8 million over the 2006 result. This increase was derived from the healthy performance of the managed investments (\$1.49 million) and from new gifts received by the Foundation (\$8.32 million).

A detailed and audited report of the Foundation's activities is provided each year to the Council of the University. For accounting purposes, RMIT Foundation is regarded as a subsidiary and the Foundation's financial performance is integrated into the reporting of the University as a whole.

In 2007, The RMIT Foundation disbursed \$914,000 (an increase of \$325,000 over the total disbursed in 2006) in the form of scholarships, research grants, international visiting fellowship grants awards and prizes to individual students, research units and the

Schools of the University. These funds facilitate international engagement across disciplines within the University and create enduring institution-to-institution alliances at a national and international level.

The RMIT Foundation Visiting Fellowship program is a critical support to internationally engaged research, enabling visiting scholars from around the world to spend time at RMIT within the research centres. Similarly, the John Storey Junior Memorial Fund allows many undergraduate students each year to visit a sister institution overseas for a period of study. These activities are two examples of how the philanthropic gifts to the University are fundamental to maintaining a robust, thoughtful and globally connected learning environment.

Spatial Vision Innovations Pty Ltd

Spatial Vision Innovations Pty Ltd sells geospatial technology and services for use in environmental, land, asset and emergency management, and for government and a growing range of other private sector clients. The business continued to expand its client base in NSW, the ACT and Queensland.

The company was reappointed to the Whole of Victorian Government panel for the provision of e-services, to the NSW Government panel for software development services, and to the Queensland GITC IT Software Development Panel. The company expanded its product range to include a new Victorian state-wide topographic map book series, produced in partnership with the Victorian Government.

RMIT Drug Discovery Technologies Pty Ltd

RMIT Drug Discovery Technologies Pty Ltd (RDDT) was incorporated on 9 January 2007 as a proprietary company limited by shares. Prior to its incorporation its activities were conducted within the School of Medical Sciences at RMIT University.

RDDT was established to develop and provide pre-clinical toxicology and bio-analytical testing services that meet the standards of the OECD Principles of Good Laboratory Practice. It provides services for national and global biotechnology, pharmaceutical and chemical industry clients progressing products for human health care through early phase development.

In its first year of operation the company expanded its client base, range of services, infrastructure, systems and processes, and began to generate commercial fee income. As at the date of this report, the business has a well-balanced forward workload and a positive outlook.

RMIT Innovation Ltd

RMIT Innovation Ltd was established to assist the commercialisation of RMIT's research and development. The company has ceased trading and was deregistered during 2007.



RMIT International Pty Ltd

RMIT International Pty Ltd was established on 13 October 1995 pursuant to the general authority contained in Section 39 of the Royal Melbourne Institute of Technology Act 1992. The company was incorporated as a proprietary company limited by shares. In 2006 it was agreed by the Board and University Council to transfer the company's International Services Division, Business Development Division and Corporate Services function to RMIT University, and that no new contracts would be entered into by the company and the company would be wound up when existing projects had been completed.

In 2007, no staff were employed by the company and no new contracts were entered into. The principal activity in 2007, consistent with Board and University Council decisions, was to ensure that the 11 remaining contracts held by RMIT International Pty Ltd, which were being managed by the Global Business Development Unit in RMIT University, were completed in 2007. The successful completion of these projects in 2007 may enable the company to be wound up in 2008.

RMIT Vietnam Holdings Pty Ltd

RMIT Vietnam Holdings Pty Ltd has been engaged in six separate philanthropic projects in Vietnam on behalf of and funded by Atlantic Philanthropies. These projects principally entail the construction and development of sizeable Learning Resource Centres (LRCs) with the Universities of Hue, Danang, Cantho and Thai Nguyen, and the training of staff and development of library resources in Vietnam.

All projects are managed by a small team of staff at RMIT Vietnam in Ho Chi Minh City and supported by library and education professionals from RMIT University. The fourth LRC was opened in November 2007.

RMIT Malaysia Sdn Bhd

RMIT Malaysia Sdn Bhd was inactive and was deregistered during 2007.

RMIT Training Pty Ltd

RMIT Training Pty Ltd is comprised of three business units – RMIT English Worldwide, RMIT Publishing and RMIT Continuing Education Centre. The businesses operate separately and are profitable.

The company is governed by a Board of Directors which meets six times a year and is chaired by a member of RMIT University Council. Strategic and business plans align with plans for the University, and the company reports quarterly to RMIT Council on financial performance, operational highlights and risk management.

RMIT Union

RMIT Union was significantly restructured in 2007 following the introduction of the Australian Government's Voluntary Student Union (VSU) legislation which took effect from 1 July 2006.

As part of the process of transition to the new organisation, many Union staff were made redundant in the period from late 2006 to early 2007, and several services formerly run by RMIT Union were transferred under the umbrella of other areas of RMIT University. Support services for the Union are now provided by the relevant area of RMIT – such as Finance, People and Culture and Property Services – rather than being provided as 'in-house' Union services. All staff working for the Union are now employed directly by RMIT.

Under the post-VSU structure of student services, RMIT Union continues to be responsible for the provision of arts, culture, sports and recreation services for the RMIT community. A vibrant program of activities was planned and delivered by Union staff, volunteers, clubs and collectives in 2007. Further details of these activities are available on the Union's new website: www.launch.rmit.edu.au

An interim Union Board appointed to run the Union's affairs at the end of 2006 oversaw a broad-based consultation process culminating in the adoption by University Council of a new Constitution for the Union. A new Union Board formed under that Constitution met for the first time in December 2007.

RMIT Union also continued to operate the City Fitness Centre and Bundoora Netball and Sports Centre. The latter facility was tendered out for management by a private operator from 12 November 2007.

Meltech Services Ltd

Meltech Services Ltd, limited by guarantee and not having a share capital, was established in 1975 as a company for the RMIT Union. It did not trade in 2007.

RMIT Associated Entities

RMIT's engagement with industry, professional, regional and community organisations and its investment in research and innovation through spin-off companies and partnerships in Cooperative Research Centres (CRC) results in the University holding an interest in a number of associated entities. This interest may be a share of ownership, or shared reputational or financial risk. RMIT's offshore award program partnerships are covered elsewhere in this report.

The following table outlines RMIT's associated entities and provides information on their objectives, RMIT's interest, performance of the entity during the year and our assessment of the reputation and financial risks to RMIT.

Name	Principal Objects	RMIT Interest	Performance during 2007	Level of risk to RMIT	
				Financial	Reputational
AARNET Pty Ltd	Provides high-capacity, cost-effective Internet services to the education and research communities and their research partners.	RMIT holds 2.5% of shares.	Network traffic increased by 88% over 2006. With its collaborators, it successfully demonstrated its capacity of consistent data transfers of 250 Mbps that covered an impressive area of 41,000kms.	Low	Low
Advanced Automotive Technology CRC (AutoCRC)	Delivers smarter, safer, cleaner manufacturing and vehicle technology for Australia's benefit through strategic industry-led research collaborations.	RMIT holds c.7.9% interest.	Established an active and robust project portfolio during its second year of operation and is well on track to deliver its target outcomes from the Commonwealth Agreement. 45 industry-based undergraduate student projects were completed, involving 70 final-year engineering, industrial design and computer science students across seven universities.	Low	Low
Advanced Composite Structures Ltd	Pursues commercialisation opportunities for its patented advanced composite structures technologies.	RMIT is a member of the company and holds c.8.9% interest.	Continued to pursue commercialisation opportunities for its patented advanced composite structures technologies.	Low	Low
CRC for Advanced Composite Structures Ltd	Provides a focus for the development of advanced technologies which foster the growth of an efficient, globally competitive, Australian composite industry. This is achieved by conducting research and development programs into the design, manufacture, testing, durability and supportability of advanced composite structures.		Continued to conduct research on the analysis and development of advanced composites for aircraft and ships and acts as a commercialisation agent on behalf of Advanced Composite Structures Ltd. Successfully attracted additional local and international grants to support research projects on composite structures.		
Analytica Ltd	Focus is drug delivery devices.	RMIT holds less than 1% of shares.	Completed the design of the Autostart Burette, a simple and inexpensive solution to regular monitoring and refilling of burettes in intravenous fluid infusion and commenced pilot (pre-production) tooling with expected commercialisation in 2008. Received approval from the Therapeutic Goods Administration to market a range of 23 various syringes available as part of the company's joint-venture arrangement.	Low	Low
Australasian CRC for Interaction Design Pty Ltd	Performs creative, rigorous research, un-blinkered by disciplinary boundaries.	RMIT holds c.14% of shares.	Continued to conduct deep and substantial research in interaction design and user experience design and hosted the Virtual Systems and Multimedia Society Conference in Brisbane.	Low	Low
Australian Higher Education Industry Association (AHEIA)	A University employers' association that provides advice, representation, industrial relations policy and case support to RMIT.	RMIT is a member of the Association.	Concentrated on compliance with Higher Education Workplace Requirements and the implementation of the WorkChoices legislation.	Low	Low
Australian Housing and Urban Research Institute Ltd	A national organisation that funds, conducts and promotes high quality, independent research into current issues in housing and urban development. It aims to inform the policy decision-making of governments, industry and the community sector and to stimulate debate on these issues in the broader community.	RMIT is a member of the company.	Received annual funding of more than \$3 million from government and new partnerships to continue and expand research on housing and urban development.	Low	Low
Australian Mathematical Sciences Institute	An unincorporated joint venture that promotes and enhances mathematical sciences.	RMIT holds c.12.5% interest.	Conducted a diverse and successful range of workshops and theme programs. Received a grant from the Collaboration and Structural Reform Fund.	Low	Low
Australian Poultry CRC	Conducts research to assist the poultry industry.	RMIT holds no equity, but participates in projects run by the CRC.	Continued to provide research in collaboration with its partners on chicken diseases and vaccinations.	Low	Low

Name	Principal Objects	RMIT Interest	Performance during 2007	Level of risk to RMIT	
				Financial	Reputational
Bushfire CRC Limited	Provides research that enhances the management of the bushfire risk to the community in an economically and ecologically sustainable way.	RMIT is a member of the company.	Continued to provide research benefits to the industry. A number of current research projects have reached advanced stages, while others with longer term horizons are now comprehensively established	Low	Low
Business / Higher Education Round Table Ltd	Forum for Australian business leaders, research and higher education to pursue issues of common interest.	RMIT is a member of the company.	Published position papers that bring together a number of initiatives that it is pursuing to enhance the level of philanthropic support for universities in Australia.	Low	Low
Campus Living Villages / RMIT Village Old Melbourne	Provides reasonably priced, clean and safe accommodation for students in a vibrant and supportive community environment and to provide Universities with a single point of accountability.	The Village is affiliated with RMIT and RMIT co-operates with the Village in relation to the marketing of the Village.	Continued to provide reasonably priced, clean and safe accommodation for students.	Low	Medium
Carbon Regen Pty Ltd	Established for the purpose of commercialisation of activated carbon regeneration process developed in the CRC for Water Quality and Treatment.	RMIT holds 33% of shares.	Continued to seek commercial interest in the carbon regeneration process with targeted international companies – to date no substantial progress achieved.	Low	Low
CRC for Water Quality and Treatment Joint Venture	Provides a national strategic research capacity for the Australian water industry. The CRC focuses on issues relating to water quality management and health risk reduction, from catchment and reservoir management and water treatment to the distribution of drinking water to consumers' taps.	RMIT holds c.2.86% interest.	Continued its research with focus on addressing the critical issue of securing reliable and safe water supplies for Australian cities.	Low	Low
Caval Ltd	Established to enhance the effectiveness of the educational and research activities of its member institutions by continually increasing the excellence of their library services.	RMIT is a member of the company.	Continued to rationalise services and expand operations to provide relevant services and training to the academic library community as well as cost benefits to its members. Membership expanded nationally as well as internationally and the revenue base increased beyond Victoria and the academic library sector.	Low	Low
CRC for Spatial Information (CRCSI)	Uses the collective wisdom of a broad base of participants to accelerate the industry growth, generate intellectual property, seek efficiency gains for government, and better position the research and education programs of universities and other institutions.	RMIT holds no equity, but participates in projects run by the CRC.	Continued to invest in research and development projects using the resources and for the benefit of its stakeholders. A key initiative is Virtual Australia, a digital model containing and representing all non-trivial objects and their contextual environment.	Low	Low
IDP Education Australia Ltd	Provides international student services, assessment and evaluation services, graduate services, development services, marketing, research and consultancies.	RMIT holds c.2.7% of shares and is a member of the company.	Continued to provide international student services, assessment and evaluation services, graduate services, development services, marketing, research and consultancies.	Low	Low
Melbourne Co-Operative Bookshop Group Ltd (RMIT Bookshop)	Provides textbooks, reference books and stationery to students at the cheapest possible prices to service the communities at RMIT University.	RMIT has Board representation. The bookshop provides books to RMIT students.	Continued to provide retail discounts to members and students.	Low	Medium
Nanotechnology Victoria Ltd	Develops new sources of competitive advantage for existing and emerging industries in Victoria, using advances in nanoscience and nanotechnology and marketing Victoria's R&D capability and technology outcomes nationally and internationally.	RMIT is a member of the company.	Continued to manage research and development projects and commercialisation opportunities across members and other partners. Has successfully negotiated interim funding from the Victorian Government to underwrite plans for the next stages of the company development.	Low	Low
Numdaji Kwei Children's Centre (Bundoora Child Care Centre)	Provides high-quality care that nurtures children, recognises and celebrates individual differences and provides development experiences tailored to individual needs and interests as well as being flexible and responsive to the needs of families.	RMIT provides annual funding to the child care centre and has Board representation.	Continued to provide high quality child care.	Low	Low
Open Universities Australia Pty Ltd	Provides students with convenient and affordable access to education programs that respond to individual and vocational needs and enhance career prospects.	RMIT holds c.14% of shares.	Continued to focus on delivering its services in partnership with Australian provider universities and in-country partners in a cost-effective manner. Offered a range of free services such as essay writing guidance, crisis support and career advice.	Low	Medium

Name	Principal Objects	RMIT Interest	Performance during 2007	Level of risk to RMIT	
				Financial	Reputational
Polymers CRC Ltd	Conducts leading-edge polymer research to deliver the technically advanced polymeric materials and polymer engineering required to transform Australian industries and to establish and expand companies in emerging high-growth areas of the economy.	RMIT holds c.6% interest.	Continued to conduct its research on advanced polymer materials.	Low	Low
Queensland University of Technology & 20 Others (CRC for Construction Innovation)	Focuses on the needs of the property, design, construction and facility management sectors.	RMIT holds c.10% interest.	Continued to pursue a range of research and development and industry-oriented activities through its university and corporate members. The Board has also been active in seeking renewal of government funding as per the CRC's program.	Low	Low
RMIT Student Union	The representative body of RMIT students that aims to advance the educational, welfare, social life, and cultural activities of its members. It is run by students in the interest of students.	RMIT allocated funding.	Continued to be the main democratic representative body for RMIT students and to work in the interests of students.	Low	Low
Smart Internet Technology CRC Pty Limited	Combines research in artificial intelligence, social interaction and network development to create enabling technologies for smart Internet applications that will allow users and network providers to manage the complexity of the Internet.	RMIT holds c.7% of shares.	Developed a successful bid for the CRC to be transformed into the Smart Services CRC whilst continuing to meet the objectives of its ongoing program. Achievements during the year covered the strategic priorities of research, commercialisation, education and publications.	Low	Low
Triple R Broadcasters Ltd (3RRRFM)	An independent radio station serving the Melbourne metropolitan area.	RMIT is a member of the company.	RMIT continued to provide financial support during the year. In return, Triple R provided training opportunities and publicity for RMIT students.	Low	Low
UniSuper Ltd	Superannuation fund for Australia's higher education and research sector. The fund is managed by a corporate trustee, Unisuper Ltd, a not-for-profit company whose shareholders are 36 Australian universities.	RMIT holds 2.7% of shares.	Investment strategies returned strong results and out-performed their benchmarks for the 2007 financial year.	Low	Low
Universities Australia (previously the Australian Vice-Chancellors' Committee)	Funded by annual contributions from its 38 member universities, it meets four times a year to discuss policy matters of interest to the Australian universities. It represents the 38 Australian universities in the public interest, both nationally and internationally.	RMIT is a member of the company.	Continued its role of undertaking a variety of tasks on behalf of its member universities to promote individual institutions and the higher education sector as a whole. It signed a new copyright agreement with Copyright Agency Limited that provides major benefits for both copyright owners and the university sector.	Low	Low
Vernet Pty Ltd	Deploys optical fibre network infrastructure across Victoria to help Victoria's researchers and educators deliver tomorrow's ideas faster. This leading and essential infrastructure will help to collaborate more effectively in international research and to deliver better science and know-how for all Australians.	RMIT holds c.10% "A" Class voting shares and c.14% "B" Class shares.	Continued to deploy optical fibre network infrastructure across Victoria using leading-edge communication platform. It received an award from Building Industry Consulting Services International for the best 'active network design'.	Low	Low
Victorian Institute of Chemical Sciences Limited (VICS)	Dedicated to the advancement of the chemical sciences in Victoria.	RMIT is a member of the company.	Has moved towards the completion of projects undertaken under the initial Victorian Government grant.	Low	Low
Victorian Partnership for Advanced Computing Ltd (VPAC)	Provides high-performance computing facilities and support to its member universities, industry and other organisations within Victoria and Australia.	RMIT is a member of the company.	Received continued funding to support the advanced computing needs of the members, covering areas of grid computing, bioengineering and materials, and industry. As a member of the Automotive Co-Operative Research Centre, it has been a participant in many research activities with focus on a range of automotive challenges including productivity system and design.	Low	Low
Victorian TAFE Association (VTA)	Victoria's peak employer body for the public providers of TAFE in Victoria. Its purpose is to actively engage members through developing, supporting and advocating policies and practices that progress and sustain their interests.	RMIT is a member of the association.	Continued its role in liaising with government at State and federal levels on issues affecting Victoria's TAFE Institutes and multi-sector universities.	Low	Low

Consultancies 2007

Vendor Name	Order Amount(\$)	Invoiced Amount (\$)	Further Commitments (\$)	Description
Box Hill Institute of TAFE	1,219,398	1,219,398	0	Language literacy and numeracy program
Resource 23 Pty Ltd	1,204,920	1,005,510	199,410	SLC project
Northern Melbourne Institute of TAFE	524,987	524,987	0	Language literacy and numeracy program
General Flying Services Pty Ltd	436,562	436,562	0	RMIT flight training
Icon Recruitment	388,053	374,485	13,568	SLC project
Hays Personnel Services	354,874	354,874	0	SLC project
Clicks Recruitment (Australia) Pty Ltd	596,060	270,984	325,076	Course guides project
Interpro Australia Pty Ltd	263,240	263,240	0	SLC project
Microhelp	234,630	234,630	0	Student portal project
Presence of IT Victoria Pty Ltd	227,926	227,926	0	HR services integration projects
Entity Solutions	482,870	217,380	265,490	SLC project
Command Recruitment Group	206,700	193,148	13,552	ASP design/development senior test analyst
Chad Consulting Pty Ltd	187,600	183,930	3,670	TAFE attendance project
Hubnet Global Resources Pty Ltd	190,700	180,913	9,787	SLC project
Grace Lynch & Associates	180,267	180,267	0	Integrated engineering pathways project
Netable Software Solutions Pty Ltd	165,000	165,000	0	SLC project
IT Matters Recruitment Service	198,330	151,330	47,000	ITS projects
Urcot Limited	144,839	144,839	0	Teaching and workshops
SAP Australia	141,839	141,839	0	SAP business warehouse
Talent 2 Pty Ltd	140,700	140,700	0	Review of IT groups
Carringbush Adult Education Inc	136,483	136,483	0	Language literacy and numeracy program
Lee Hecht Harrison Pty Ltd	131,625	131,625	0	Outplacement services and career assistance
Axiom Leasing Advisors Pty Ltd	126,000	126,000	0	IT leasing tender
CWCC Group Pty Ltd	117,847	117,847	0	Community business management program
Global Philanthropic Pty Ltd	116,909	116,909	0	Fundraising advice and service
Oxygen Business Solutions Pty Ltd	109,898	109,898	0	SAP consulting
Ayers Management Pty Ltd	200,000	108,000	92,000	Business analyst ITS/SLC projects
Redpyramid Pty Ltd	103,880	103,880	0	Net developer
Educational Emergency First Aid	101,713	101,713	0	Chemical safety consultancy
TOTAL	8,633,848	7,664,296	969,553	
1201 Consultancies of less than \$100,000	9,939,107	9,939,107		

Glossary

AEU	Australian Education Union
ARC	Australian Research Council
ATN	Australian Technology Network of Universities
CEQ	Course Experience Questionnaire
CERF	Commonwealth Environment Research Facility
Course	Prior to 2001 referred to as a subject
CRC	Cooperative Research Centre
DEWR	Department of Education, Employment and Workplace Relations
EFTSU	Equivalent Full-time Student Unit
ENTER	Equivalent National Tertiary Entrance Rank
ESOS Act	Education Services for Overseas Students Act
HE	Higher Education
HECS	Higher Education Contribution Scheme
HEW	Higher Education Worker

MBA	Master of Business Administration
NH&MRC	National Health and Medical Research Council
NTEU	National Tertiary Education Union
OH&S	Occupational Health and Safety
Program	A collection of courses leading to a University award
PVC	Pro Vice-Chancellor
RMIT	RMIT University
TAFE	Technical and Further Education
VCAL	Victorian Certificate of Applied Learning
VCE	Vice-Chancellor's Executive
VET	Vocational Education and Training
VTAC	Victorian Tertiary Admissions Centre

Compliance Index

The Annual Report of RMIT University is prepared in accordance with:

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

No.	Clause	Disclosure	Page(s)
STANDING DIRECTIONS FOR THE MINISTER FOR FINANCE ISSUED UNDER THE FINANCIAL MANAGEMENT ACT 1994 (SD)			
1	SD 4.2(g)	Report of Operations contains general information about the entity and its activities, highlights for the reporting period and future initiatives, and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act 1994.	74–124
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	13, 73–124
3	SD 4.2(j)	Report of Operations is signed and dated by the Chancellor or equivalent, and includes the date of the Council Meeting at which the Annual Report was approved.	Inside front cover
4	SD 4.2(a)	The financial statements are prepared in accordance with: <ul style="list-style-type: none"> Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements Financial Reporting Directions Business Rules. 	74–124 75–124 75–124
5	SD 4.2(b)	Financial statements are available, including: <ul style="list-style-type: none"> Balance Sheet Statement of Recognised Income and Expense Cash Flows Statement Notes to the Financial Statements. 	80 79 81 82–122
6	SD 4.2(c)	Signed and dated statement by Accountable Officer stating that the financial statements: <ul style="list-style-type: none"> present fairly the financial transactions during the reporting period and the financial position at the end of the period were prepared in accordance with Standing Direction 4.2 (c) and applicable Financial Reporting Directions comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements. 	76 76 76, 83
7	SD 4.2(d)	Rounding of dollar amounts.	82–122, 89
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	74–124

Compliance Index

No.	Clause	Disclosure	Page(s)
A-IFRS FINANCIAL REPORTING DIRECTIONS (FRD)			
9	FRD 10	Disclosure index.	69–71
10	FRD 11	Disclosure of ex-gratia payments.	N/A
11	FRD 07A	Early adoption of authoritative accounting pronouncements.	83
12	FRD 19	Private provision of public infrastructure.	N/A
13	FRD 21A	Responsible Person and Executive Officer disclosure in the financial report.	120
14	FRD 22B	Standard disclosures in the Report of Operations.	3–124
15	FRD 25	Victorian Industry Participation Policy in the Report of Operations.	N/A
16	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004.	N/A
17	FRD 102	Inventories.	99
18	FRD 104	Foreign currency.	84
19	FRD 106	Impairment of assets.	85
20	FRD 107	Investment properties.	N/A
21	FRD 109	Intangible assets.	102
22	FRD 110	Cash Flow Statements.	92
23	FRD 112A	Defined benefit superannuation obligations.	110
24	FRD 113	Investments in Subsidiaries, Jointly Controlled Associates and Entities.	83
25	FRD 114	Financial Investments.	99–100
DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (DEEWR)			
26	FRD 22B DEEWR	Analysis of the achievement of the entity's operational and budget objectives for the financial year should include comparative analysis of indicators such as enrolments, graduations, student performance and satisfaction, staff profile, research performance and performance position.	3–124
27	DEEWR	Information with respect to the governance and administrative structure of the University, specifically Council members and occupants of senior offices.	10–12, 58–60
28	DEEWR	Outline of student and staff grievance procedures and number of complaints made to and investigated by the Ombuds.	61
29	DEEWR	Details of information available on institution's website, including locations of current and previous Annual Reports.	Inside front cover
30	DEEWR	Compliance of financial statements with the Financial Statement Guidelines for Australian Higher Education Providers for 2007 Reporting Period issued by DEST.	75–124

Compliance Index

No.	Clause	Disclosure	Page(s)
FINANCIAL MANAGEMENT ACT 1994 (FMA)			
31	FMA 1994		
	49(a)	The financial statements contain such information as required by the Minister.	75–124
32	49 (b)	The financial statements are prepared in a manner and form approved by the Minister.	75–124
33	49 (c)	The financial statements present fairly the financial transactions of the department or public body during the relevant financial year to which they relate.	75–124
34	49 (d)	The financial statements present fairly the financial position of the department or public body as at the end of that year.	75–124
35	49 (e)	The financial statements are certified by the accountable officer in the manner approved by the Minister.	75–124
GOVERNMENT RESPONSE TO THE REVIEW OF UNIVERSITY GOVERNANCE (RUG)			
36	RUG	Annual Report includes a statement outlining that public funds allocated to the University have been allocated to the purposes specified by the Government or other public funding body. Statement is audited by the Auditor-General.	61
37	RUG	Annual Report includes information on the University Council's risk management strategy.	62
38	RUG	Annual Report includes a summary of the financial performance of Associates and Commercial Ventures.	65–67
EDUCATIONAL SERVICES FOR OVERSEAS STUDENTS ACT 2000 (ESOS)			
39	ESOS	(National Code 2007 – Sections C & D)	61
		Annual Report includes a statement indicating compliance with the Educational Services For Overseas Students Act 2000 and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (National Code 2007).	
EDUCATION AND TRAINING REFORM ACT 2006 (ETRA)			
40	ETRA	2006, s. 3.2.8	
		Annual Report includes a statement on compulsory non-academic fees, subscriptions and charges payable in the preceding financial year.	62, 122
DECISION OF PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE OF PARLIAMENT			
41	PAEC	Annual Report includes financial and other information relating to institution's international operations.	45–48, 75–124
	(December 1997)		

INDEPENDENT AUDITOR'S REPORT

To the Members of the Council of the Royal Melbourne Institute of Technology

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2007 of the Royal Melbourne Institute of Technology comprises the statement, the related notes and the councillors' declaration.

The Members of the Council's Responsibility for the Statement of Performance

The Members of the Council of the Royal Melbourne Institute of Technology are responsible for the preparation and the fair presentation of the statement of performance in accordance with the *Financial Management Act 1994*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the statement of performance that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the statement of performance based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the statement of performance is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of performance. The audit procedures selected depend on judgment, including the assessment of the risks of material misstatement of the statement of performance, whether due to fraud or error. In making those risk assessments, consideration is given to internal controls relevant to the entity's preparation and fair presentation of the statement of performance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the statement of performance.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

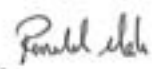
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the statement of performance of the Royal Melbourne Institute of Technology in respect of the 31 December 2007 financial year presents fairly, in all material respects, and in accordance with the *Financial Management Act 1994*.

MELBOURNE
31 March 2008


D.D.R. Pearson
Auditor-General

Royal Melbourne Institute of Technology

TAFE Key Performance Indicators 2007 and 2006

The following table sets out the TAFE Key Performance Indicators for years ended 31 December 2007 and 31 December 2006, required to be provided to the Office of Tertiary Education and Training.

Key Performance Indicators

In November 2005, the Office of Training and Tertiary Education recommended that VET providers present key performance indicators as part of their annual reporting. In 2007 three new indicators were added. The following are RMIT's 2007 KPIs.

Indicator	2006	2007
Module load completion rate*	76.2%	73.2%
No. of 15-24-year-olds	11,370	11,552
No. of 25-64-year-olds	7,144	7,736
Student overall satisfaction	84%	83%
Student contact hours (SCH)	7,577,786	8,568,620
Total cost per SCH	\$10.60	\$11.04
Working capital ratio**	0.95:1.00	1.06:1.00
Net operating margin	7.2%	8.2%
Fee for service revenue (% of total revenue)	26.5%	30.1%
Revenue per EFT staff	\$98,286	\$112,974

*Calculated for total SCHs of all modules reported to OTTE.

**After adjusting Current LSL Provision in accordance with International Accounting Standards Restatement requirements.

Energy consumption	2006	2007	% change
Gas (MJ)	16,221,240	16,452,926	+1.43
Electricity (kWh)	10,217,618	10,720,970	+4.93
Green Power (kWh)	1,021,762	1,072,097	+4.93

In our opinion the above table presents fairly the data for Royal Melbourne Institute of Technology for the years ended 31 December 2007 and 31 December 2006.



Professor Margaret Gardner AO
Vice Chancellor and President



P J Enlund
Executive Director – Financial Services

Dated at Melbourne this 27th day of March 2008



RMIT

Celebrative



FINANCIAL STATEMENTS

for the year ending 31 December 2007



Royal Melbourne Institute of Technology and Subsidiaries

COUNCILLORS' DECLARATION YEAR ENDED 31 DECEMBER 2007

In our opinion:

The consolidated financial statements of Royal Melbourne Institute of Technology (RMIT) consisting of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the accompanying notes thereto, present fairly the financial position of the University and its subsidiaries as at 31 December 2007 and their financial performance represented by the results of their operations for the year ended on that date.

In the Councillors' opinion, as at the date of this declaration, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

The attached financial statements of RMIT and the consolidated entity have been prepared in accordance with the Financial Management Act 1994, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

All public funds allocated to RMIT have been expended for the purposes specified by the Government or other public funding bodies and RMIT has complied with applicable legislation, contracts, agreements and program expenditure.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

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



R. D. Gibson
Chancellor



M. E. Gardner
Vice-Chancellor and President

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER

In my opinion:

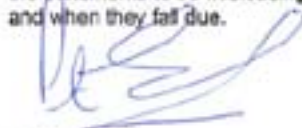
The financial statements of RMIT present fairly the financial transactions of RMIT and the consolidated entity during the financial year ended 31 December 2007 and the financial position of its operations for the year ended on that date;

Commonwealth financial assistance expended during the financial year ended 31 December 2007 was expended for the purposes for which it was provided;

RMIT has complied in full with applicable legislation, contracts, agreements and the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in these financial statements; and

The financial statements have been prepared in accordance with the Australian Accounting Standards and the Financial Management Act 1994 and other mandatory professional reporting requirements.

In addition, I am not aware at the date of signing these statements of any circumstances which would render any particulars included in the statements to be misleading or inaccurate and there are reasonable grounds to believe that RMIT will be able to pay its debts as and when they fall due.



P. J. Enlund
Chief Finance and Accounting Officer

Dated at Melbourne
This 17th day of March 2008

INDEPENDENT AUDITOR'S REPORT

To the Members of the Council of the Royal Melbourne Institute of Technology

The Financial Report

The accompanying financial report for the year ended 31 December 2007 of the Royal Melbourne Institute of Technology which comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the councilors' declaration has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising the Royal Melbourne Institute of Technology and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 40 to the financial statements.

The Members of the Council's Responsibility for the Financial Report

The Members of the Council of the Royal Melbourne Institute of Technology are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

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

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial statements published in both the annual report and on the website of the Royal Melbourne Institute of Technology for the year ended 31 December 2007. The Members of the Council of the University are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the University's web site.

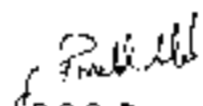
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Royal Melbourne Institute of Technology and the economic entity as at 31 December 2007 and their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
20 March 2008


D.D.R. Pearson
Auditor-General

Income Statement

for the year ended 31 December 2007

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	182,807	170,468	182,807	170,468
HECS-HELP – Australian Government payments	3	69,721	64,815	69,721	64,815
FEE-HELP	3	16,373	14,607	16,373	14,607
State and Local Government financial assistance	4	66,588	65,235	66,588	65,235
HECS-HELP – Student Payments		12,750	12,769	12,750	12,769
Fees and charges	5	236,357	206,592	201,893	182,434
Investment income	6	8,046	5,342	6,038	3,745
Consultancy and contracts	7	33,875	37,959	25,654	24,988
Other revenue and income	8	24,664	31,892	12,703	14,639
Total revenue from ordinary activities		651,181	609,679	594,527	553,700
Deferred government superannuation contributions		(22,777)	(14,851)	(22,777)	(14,851)
Total revenue from continuing operations		628,404	594,828	571,750	538,849
Expenses from continuing operations					
Employee related expenses	9	379,475	343,691	355,060	316,316
Depreciation and amortisation	10	28,423	28,131	26,544	25,302
Repairs and maintenance	11	16,235	15,937	16,063	15,578
Finance costs	12	1	22	1,347	446
Bad and doubtful debts	13	2,778	976	2,824	1,451
Other expenses	14	166,778	164,482	153,736	143,156
Total expenses from ordinary activities		593,690	553,239	555,574	502,249
Deferred employee benefits for superannuation		(22,777)	(14,851)	(22,777)	(14,851)
Total expenses from continuing operations		570,913	538,388	532,797	487,398
Operating result before income tax		57,491	56,440	38,953	51,451
Income tax expense	17	3,882	1,437	3,762	1,312
Operating result after income tax for the period		53,609	55,003	35,191	50,139
Operating result attributable to minority interest	32	(149)	(146)	-	-
Operating result attributed to RMIT entity		53,460	54,857	35,191	50,139

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

Balance Sheet

for the year ended 31 December 2007

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	18	116,222	89,798	70,205	59,006
Receivables	19	100,787	88,349	104,617	90,354
Inventories	20	688	543	–	–
Other non-financial assets	25	4,180	4,436	3,333	3,908
Total current assets		221,877	183,126	178,155	153,268
Non-current assets					
Receivables	19	243,534	270,509	243,482	270,509
Available for sale financial assets through equity	21	10,909	8,447	–	–
Property, plant and equipment	23	1,091,805	1,044,799	1,077,502	1,030,443
Deferred tax asset	17	126	484	–	387
Intangible assets	24	1,381	46	–	–
Other financial assets	22	176	173	2,694	823
Total non-current assets		1,347,931	1,324,458	1,323,678	1,302,162
Total assets		1,569,808	1,507,584	1,501,833	1,455,430
LIABILITIES					
Current liabilities					
Trade and other payables	26	71,938	58,830	67,550	48,040
Borrowings	27	–	–	19,121	21,156
Provisions	28	93,295	81,826	91,921	80,497
Current tax liabilities	17	3,249	224	3,155	130
Other liabilities	29	37,796	27,795	22,679	17,280
Total current liabilities		206,278	168,675	204,426	167,103
Non-current liabilities					
Borrowings	27	7,940	8,825	–	–
Provisions	28	248,282	274,467	248,063	274,174
Deferred tax liabilities	17	42	32	–	–
Total non-current liabilities		256,264	283,324	248,063	274,174
Total liabilities		462,542	451,999	452,489	441,277
Net assets		1,107,266	1,055,585	1,049,344	1,014,153
EQUITY					
RMIT entity interest					
Reserves	30	544,549	547,287	501,497	501,497
Retained surplus	31	562,137	507,926	547,847	512,656
Total RMIT entity interest		1,106,686	1,055,213	1,049,344	1,014,153
Minority interest	32	580	372	–	–
Total equity		1,107,266	1,055,585	1,049,344	1,014,153

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 31 December 2007

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Total equity at the beginning of the financial year		1,055,585	1,002,243	1,014,153	964,014
Available for sale financial assets revaluation		29	382	-	-
Disposals through revaluation reserve	30	(70)	(30)	-	-
Dividends paid		(120)	(51)	-	-
Capital Issue – minority interest		17	-	-	-
Premium received on issued shares		40	-	-	-
Exchange differences on translation of foreign operations	30	(1,824)	(1,962)	-	-
Net income recognised directly in equity		(1,928)	(1,661)	-	-
Operating result for the period		53,609	55,003	35,191	50,139
Total recognised income and expense for the period		51,681	53,342	35,191	50,139
Total equity at the end of the financial year		1,107,266	1,055,585	1,049,344	1,014,153
Total recognised income and expense for the year is attributable to:					
Members of RMIT		51,532	53,196	35,191	50,139
Minority interest	32	149	146	-	-
		51,681	53,342	35,191	50,139

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

for the year ended 31 December 2007

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash flows from operating activities					
Australian Government Grants received	3	264,371	246,935	264,371	246,935
State Government Grants received		66,588	65,888	65,935	65,888
HECS–HELP – Student payments		12,750	12,769	12,750	12,769
Receipts from student fees and other customers		302,868	274,827	242,024	218,266
Dividends received		488	605	133	-
Interest received		7,492	4,652	5,867	3,655
Receipt of GST from Australian Taxation Office		15,034	10,719	15,253	10,694
Payments to suppliers and employees (inclusive of GST)		(559,633)	(545,836)	(509,999)	(499,009)
Interest and other finance costs paid		(1)	(22)	(1,347)	(446)
Income tax paid		(489)	(422)	(350)	(1,808)
Net cash provided by (used in) operating activities	35(b)	109,468	70,115	94,637	56,944
Cash flows from investing activities					
Proceeds from sale of financial assets		1,075	332	-	-
Proceeds from sale of property, plant and equipment		1,421	3,805	1,409	3,135
Payments for financial assets		(4,447)	(3,229)	(7,785)	(1,776)
Payments for intangible assets		(1,424)	(262)	-	(267)
Payments for property, plant and equipment		(78,247)	(39,346)	(75,027)	(38,276)
Net cash provided by (used in) investing activities		(81,622)	(38,700)	(81,403)	(37,184)
Cash flows from financing activities					
Proceeds from borrowings		-	7,432	-	7,432
Dividends paid by controlled entities to outside equity interests		(120)	(51)	-	-
Repayment of borrowings		(885)	(8,148)	(2,035)	-
Net cash provided by (used in) financing activities		(1,005)	(767)	(2,035)	7,432
Net increase (decrease) in cash and cash equivalents		26,841	30,648	11,199	27,192
Cash and cash equivalents at the beginning of the financial year		89,798	59,557	59,006	31,814
Effects of exchange rate changes on cash and cash equivalents		(417)	(407)	-	-
Cash and cash equivalents at end of year	35(a)	116,222	89,798	70,205	59,006

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

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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. The financial report includes separate financial statements for Royal Melbourne Institute of Technology (RMIT) as an individual entity and the consolidated entity consisting of RMIT and its subsidiaries.

1.01 Basis of preparation of the financial report.

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, the requirements of the Department of Education, Employment and Workplace Relations and other State/Australian Government legislative requirements.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial statements and notes comply with the Australian Accounting Standards some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

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 at fair value through equity and certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. They also require management to exercise its judgement in the process of applying the RMIT's accounting policies.

The areas involving a higher degree of judgment, complexity or areas where assumptions and estimates to the financial statements are disclosed below:

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates – Impairments

RMIT assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments – Doubtful Debts Provision

Included in accounts receivable at 31 December 2007 are amounts receivable from customers and students amounting to \$29.340m (2006 – \$26.635m). The full amount of the debt is not recoverable and as such has a doubtful debt provision amounting to \$3.509m (2006 – \$2.778m) has been set.

Comparative amounts

Where the presentation or reclassification of items in the financial report is amended, comparable amounts shall be reclassified unless reclassification is impracticable. When comparable amounts are reclassified,

RMIT discloses:

- (a) the nature of the reclassification;
- (b) the amount of each item or class of items that is reclassified; and
- (c) the reason for the reclassification.

When it is impracticable to reclassify comparative amounts;

RMIT discloses:

- (a) the reason for not reclassifying the amounts; and
- (b) the nature of the adjustments that would have been made, if the amounts had been reclassified.

1.02 Principles of consolidation.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of RMIT as at 31 December 2007 and the results of all subsidiaries for the year then ended. RMIT and its subsidiaries together are referred to in this financial report as the Group or the consolidated group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

1.03 Foreign currency translation**(i) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the group operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is RMIT's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each operating statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale where applicable.

1.04 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Government financial assistance

RMIT treats operating grants received from Australian Government entities as income in the year of receipt. Grants from the government are recognised at their fair value where the Group obtains control of the right to receive the grant, it is probable that economic benefits will flow to the Group and it can be reliably measured.

(ii) Fees and Charges

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

(iii) Investment income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

(iv) Human resources

Contract revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

(v) Sale of non-current assets

The net profit or loss of non-current asset sales are included as revenue or expense at the date control of the asset passes to the purchaser, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

(vi) Property rental (lease) income

Rental income from operating leases is recognised as income on a straight-line basis over the lease term.

(vii) Contribution of assets and donations

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised as revenue at the fair value of the asset received when the RMIT Consolidated Group gains control of the contribution.

1.05 Income tax – Note 17

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities, when there is a legally enforceable right to offset current tax assets and liabilities, are offset where the entity has a legally enforceable right and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

1.06 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases – note 34b. Payments made under operating leases (net of any incentives received from the lessor) are charged to the operating statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

1.07 Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1.17). If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

1.08 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.09 Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1.10 Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

1.11 Inventories – Note 20**Stock**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Work in progress**Services:**

Valuation of Work in Progress – Services is based on the number of hours charged to project milestones in respect of incomplete and unbilled milestones. These hours are calculated at the average labour cost per billable hour, including on costs, for the final quarter of the year. An allowance of 10% has been deducted for potential project overruns.

Products:

Valuation of Work in Progress – Products is based on the number of hours charged to project milestones net of budget overruns. These hours are valued at the average direct cost per billable hour.

1.12 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously taken up by the date of the sale of the non current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

1.13 Investments and other financial assets**Classification**

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

(iii) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in noncurrent assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary security denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Fair Value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the

same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

1.14 Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

1.15 Property, plant and equipment – Note 23

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Increases in the carrying amounts arising on revaluation of land and buildings are credited, net of tax, to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred out to retained earnings.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Land and works of art are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2007 Years	2006 Years
Buildings	25 – 100	25 – 100
Plant, equipment, furniture and fitting and motor vehicles	3 – 20	4 – 20
Leasehold improvements	2 – 50	25 – 50
Computer equipment	4	4
Library collections	10	10

The capitalisation threshold for plant, equipment, computers, motor vehicles and furniture and fittings to be recognised as an asset is \$2,000 (2006 – \$2,000). The library collections are capitalised on an individual unit basis, they are considered to be significant in value as a collective group. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

1.16 Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the RMIT Consolidated Group, whichever is the shorter.

1.17 Intangible assets

(i) Research and development

Expenditure on research activities is recognised in the income statement as an expense, when it is incurred.

Expenditure on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as

incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 3 to 10 years.

(ii) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purposes of impairment testing. Each of those cash-generating units represents the Group's investment in each country of operation by each primary reporting segment.

(iii) Intellectual property, trademarks and licences

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 3–10 years.

1.18 Unfunded superannuation – Note 38

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, Employment and Workplace Relations (DEEWR) the effects of the unfunded superannuation liabilities of RMIT and its subsidiaries were recorded in the income statement and the balance sheet for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the balance sheet under provisions have been determined by actuary of the Victorian Government Superannuation Office and relate to the estimates of net liabilities at 30 June 2007. The methodology for measurement of the net liabilities uses discount rates based on the bond rate and assumed salary increases of 4%, pension indexation at 2.5% with an assumed investment return on Fund assets of 8% (net of fees).

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the RMIT's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the Balance Sheet under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of RMIT.

1.19 Trade and other creditors – Note 26

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

1.20 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1.21 Borrowing costs – Note 12

Finance costs incurred for the construction of any qualifying asset are expensed as incurred in accordance with Financial Reporting Directive 105. All other borrowing costs are also expensed.

1.22 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

1.23 Employee benefits – Note 28

Provision is made for employee benefits and oncosts accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

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

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

Amounts expected to be settled more than 12 months after the reporting date are measured at the present value of amounts expected to be paid.

(ii) Long service leave

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

(iii) Retirement benefit obligations

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plans. The Group plans are either a defined benefit scheme or a defined contribution scheme. The defined benefit scheme provides defined lump sum benefits based on years of service and final average salary. The defined contribution scheme receives fixed contributions from Group and the Group's legal or constructive obligation is limited to these contributions.

A liability or asset in respect of defined benefit superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, outside the income statement directly in the statement of changes in equity.

Past service costs are recognised immediately in income, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Further details are provided in Note 38.

(iv) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value.

(v) Employee benefit on-costs

Employee benefit on-costs, including payroll tax and workcover, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

1.24 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments are recorded net of GST, except where there is non-recoverable GST – refer note 34.

1.25 Insurance

The RMIT Consolidated Group specifically carries the following types of insurance:

- property;
- fidelity (crime);
- professional indemnity;
- general liability;
- travel/personal accident;
- directors and officers;
- workers' compensation; and
- other insurance from time to time.

For those risks where RMIT Consolidated Group has no insurance, any losses are charged to the operating statement in the year in which the loss is reported.

1.26 Rounding of amounts

The Group is of a kind referred to in Class order 98/0100 as amended by Class order 04/667, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

	Higher Education 2007 \$'000	TAFE 2007 \$'000	Total RMIT 2007 \$'000	Higher Education 2006 \$'000	TAFE 2006 \$'000	Total RMIT 2006 \$'000
2 Disaggregation information						
(a) Industries						
Operating revenue and expenses for the Higher Education and TAFE divisions of the university are shown in the following tables. The figures refer only to the RMIT University – consolidated totals are not included.						
(i) Income Statement						
Income from continuing operations						
Australian Government financial assistance						
Australian Government grants	182,807	–	182,807	170,379	89	170,468
HECS–HELP – Australian Government payments	69,721	–	69,721	64,815	–	64,815
FEE–HELP	16,373	–	16,373	14,607	–	14,607
State and Local Government financial assistance	1,850	64,738	66,588	2,163	63,072	65,235
HECS–HELP – Student Payments	12,750	–	12,750	12,769	–	12,769
Fees and charges	169,164	32,729	201,893	153,508	28,926	182,434
Investment income	5,187	851	6,038	3,142	603	3,745
Consultancy and contracts	24,192	1,462	25,654	23,346	1,642	24,988
Other revenue and income	11,389	1,314	12,703	13,830	809	14,639
Total revenue from ordinary activities	493,433	101,094	594,527	458,559	95,141	553,700
Deferred government superannuation contributions	(22,777)	–	(22,777)	(14,851)	–	(14,851)
Expenses from continuing operations	470,656	101,094	571,750	443,708	95,141	538,849
Employee related expenses	286,978	68,082	355,060	251,740	64,576	316,316
Depreciation and amortisation	21,743	4,801	26,544	20,968	4,334	25,302
Repairs and maintenance	13,623	2,440	16,063	13,307	2,271	15,578
Finance costs	1,347	–	1,347	422	24	446
Bad and doubtful debts	2,501	323	2,824	703	748	1,451
Other expenses	131,997	21,739	153,736	122,963	20,193	143,156
Total expenses from ordinary activities	458,189	97,385	555,574	410,103	92,146	502,249
Deferred employee benefits for superannuation	(22,777)	–	(22,777)	(14,851)	–	(14,851)
Total expenses from continuing operations	435,412	97,385	532,797	395,252	92,146	487,398
Operating result before income tax	35,244	3,709	38,953	48,456	2,995	51,451
Income tax expense	3,762	–	3,762	1,311	1	1,312
Operating result after income tax for the period	31,482	3,709	35,191	47,145	2,994	50,139

	Higher Education 2007 \$'000	TAFE 2007 \$'000	Total RMIT 2007 \$'000	Higher Education 2006 \$'000	TAFE 2006 \$'000	Total RMIT 2006 \$'000
(ii) Balance Sheet						
ASSETS						
Current assets						
Cash and cash equivalents	56,753	13,452	70,205	48,393	10,613	59,006
Receivables	99,970	4,647	104,617	81,708	8,646	90,354
Other non-financial assets	2,825	508	3,333	3,130	778	3,908
Total current assets	159,548	18,607	178,155	133,231	20,037	153,268
Non-current assets						
Receivables	243,482	–	243,482	270,509	–	270,509
Other financial assets	2,694	–	2,694	823	–	823
Property, plant and equipment	835,722	241,780	1,077,502	790,519	239,924	1,030,443
Deferred tax asset	–	–	–	387	–	387
Total non-current assets	1,081,898	241,780	1,323,678	1,062,238	239,924	1,302,162
Total assets	1,241,446	260,387	1,501,833	1,195,469	259,961	1,455,430
LIABILITIES						
Current liabilities						
Trade and other payables	63,014	4,536	67,550	41,520	6,520	48,040
Borrowings	19,121	–	19,121	21,156	–	21,156
Provisions	80,769	11,152	91,921	70,411	10,086	80,497
Current tax liabilities	3,155	–	3,155	129	1	130
Other liabilities	20,912	1,767	22,679	13,080	4,200	17,280
Total current liabilities	186,971	17,455	204,426	146,296	20,807	167,103
Non-current liabilities						
Provisions	246,986	1,077	248,063	273,166	1,008	274,174
Total non-current liabilities	246,986	1,077	248,063	273,166	1,008	274,174
Total liabilities	433,957	18,532	452,489	419,462	21,815	441,277
Net assets	807,489	241,855	1,049,344	776,007	238,146	1,014,153
EQUITY						
RMIT entity interest						
Reserves	362,157	139,340	501,497	362,157	139,340	501,497
Retained surplus	445,332	102,515	547,847	413,850	98,806	512,656
Total equity	807,489	241,855	1,049,344	776,007	238,146	1,014,153

The allocation of assets and liabilities to the Higher Education or TAFE Divisions is made on the following basis.

Cash assets

Bank accounts specifically established for either the Higher Education or TAFE Division have been so allocated to that Division, with all other account balances allocated on a proportional basis.

Receivables

Receivables directly attributable to either Higher Education or TAFE Division have been so applied and all other trade debtors have been allocated on a proportional basis.

Other financial assets

These are allocated between either the Higher Education or TAFE Division based on their direct relationship to the Division established at the time of acquisition of the asset.

Other assets

These are allocated to either the Higher Education or TAFE Division based on the nature of the asset and its relevance to the Division.

Property, plant and equipment

These are attributed to either the Higher Education or TAFE Division based on RMIT's fixed asset register and their direct relationship to the Division established at the time of acquisition.

Payables

Accounts payable directly attributable to either Higher Education or TAFE Division have been so applied. All other accounts payable have been allocated on a proportional basis.

Interest bearing liabilities

The interest bearing loan facility solely relates to the Higher Education Division.

Provisions

Provisions have been attributed to either the Higher Education or TAFE Division as follows;

- directly to the appropriate Division in relation to the teaching and administrative staff operating within each Division;
- administrative support staff not directly operating within the teaching departments have been allocated on a proportional basis; and
- a small number of teaching and administrative staff who operate across the two divisions within the teaching departments have been allocated to the area in which they predominantly operate, as it is impractical to determine their proportional contribution to each division.

Revenue in advance

Revenue in advance directly attributable to either Higher Education or TAFE Division has been so applied, with all other revenue in advance allocated on a proportional basis.

	Higher Education 2007 \$'000	TAFE 2007 \$'000	Total RMIT 2007 \$'000	Higher Education 2006 \$'000	TAFE 2006 \$'000	Total RMIT 2006 \$'000
(iii) Statement of Changes in Equity						
Total equity at the beginning of the financial year	776,007	238,146	1,014,153	728,862	235,152	964,014
Operating result for the period	31,482	3,709	35,191	47,145	2,994	50,139
Total recognised income and expense for the period	31,482	3,709	35,191	47,145	2,994	50,139
Total equity at the end of the financial year	807,489	241,855	1,049,344	776,007	238,146	1,014,153
(iv) Cash Flow Statement						
Cash flows from operating activities						
Australian Government Grants received	264,371	–	264,371	246,846	89	246,935
State Government Grants received	1,850	64,085	65,935	2,163	63,725	65,888
HECS–HELP – Student payments	12,750	–	12,750	12,769	–	12,769
Receipts from student fees and other customers	203,452	38,572	242,024	189,734	28,532	218,266
Dividends received	133	–	133	–	–	–
Interest received	4,992	875	5,867	3,076	579	3,655
Receipt of GST from Australian Taxation Office	10,677	4,576	15,253	7,486	3,208	10,694
Payments to suppliers and employees (inclusive of GST)	(411,356)	(98,643)	(509,999)	(408,609)	(90,400)	(499,009)
Interest and other finance costs paid	(1,347)	–	(1,347)	(422)	(24)	(446)
Income tax paid	(349)	(1)	(350)	(1,806)	(2)	(1,808)
Net cash provided by (used in) operating activities	85,173	9,464	94,637	51,237	5,707	56,944
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment	1,295	114	1,409	3,072	63	3,135
Payments for financial assets	(7,785)	–	(7,785)	(1,776)	–	(1,776)
Payments for intangible assets	–	–	–	(267)	–	(267)
Payments for property, plant and equipment	(68,288)	(6,739)	(75,027)	(31,877)	(6,399)	(38,276)
Net cash provided by (used in) investing activities	(74,778)	(6,625)	(81,403)	(30,848)	(6,336)	(37,184)
Cash flows from financing activities						
Proceeds from borrowings	–	–	–	7,432	–	7,432
Repayment of borrowings	(2,035)	–	(2,035)	–	–	–
Net cash provided by (used in) financing activities	(2,035)	–	(2,035)	7,432	–	7,432
Net increase (decrease) in cash and cash equivalents	8,360	2,839	11,199	27,821	(629)	27,192
Cash and cash equivalents at the beginning of the financial year	48,393	10,613	59,006	20,572	11,242	31,814
Cash and cash equivalents at end of year	56,753	13,452	70,205	48,393	10,613	59,006

(b) RMIT Consolidated Entity Geographical	Total Revenue		Net Operating Results		Total Assets	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Australia	605,750	554,480	48,340	5,3579	1,535,783	1,476,027
South East Asia	22,654	40,348	5,269	1,424	34,025	31,557
	628,404	594,828	53,609	55,003	1,569,808	1,507,584

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
3 Australian Government financial assistance including HECS–HELP and other Australian Government loan programmes					
(a) Commonwealth Grants Scheme and Other Grants	41.1				
Commonwealth Grants Scheme #		122,712	115,662	122,712	115,662
Indigenous Support Fund		222	185	222	185
Equity Support Programme		248	229	248	229
Disability Support Programme		154	146	154	146
Workplace Reform Programme		1,578	1,516	1,578	1,516
Learning and Teaching Performance Fund		500	–	500	–
Capital Development Pool		1,159	1,157	1,159	1,157
Superannuation Programme		21,554	18,891	21,554	18,891
Collaboration and Structural Reform Programme		184	465	184	465
Total Commonwealth Grants Scheme and Other Grants		148,311	138,251	148,311	138,251
(b) Higher Education Loan Programmes	41.2				
HECS–HELP		69,721	64,815	69,721	64,815
FEE–HELP		16,373	14,607	16,373	14,607
Total Higher Education Loan Programmes		86,094	79,422	86,094	79,422
(c) Scholarships	41.3				
Australian Postgraduate Awards		2,485	2,509	2,485	2,509
International Postgraduate Research Scholarships		537	359	537	359
Commonwealth Education Cost Scholarships		965	661	965	661
Commonwealth Accommodation Scholarships		1,357	1,049	1,357	1,049
Total Scholarships		5,344	4,578	5,344	4,578
(d) DEEWR – Research	41.4				
Institutional Grants Scheme		5,391	5,477	5,391	5,477
Research Training Scheme		13,695	13,263	13,695	13,263
Research Infrastructure Block Grants		1,736	1,621	1,736	1,621
Implementation Assistance Programme		69	–	69	–
Australian Scheme for Higher Education Repositories		170	–	170	–
Commercialisation Training Scheme		127	–	127	–
Total DEEWR – Research Grants		21,188	20,361	21,188	20,361
(e) Voluntary Student Unionism	41.5				
VSU Transition Fund		200	–	200	–
Total VSU		200	–	200	–
(f) Australian Research Council	41.6				
(i) Discovery	41.6(a)				
Project		2,324	2,317	2,324	2,317
Fellowships		323	158	323	158
Total Discovery		2,647	2,475	2,647	2,475
(ii) Linkages	41.6(b)				
Special Research Initiatives		–	58	–	58
Infrastructure		700	–	700	–
International		105	75	105	75
Projects		3,377	3,873	3,377	3,873
Total Linkages		4,182	4,006	4,182	4,006
(g) Other Australian Government financial assistance					
Other		935	797	935	797
Total other Australian Government financial assistance		935	797	935	797
Total Australian Government financial assistance		268,901	249,890	268,901	249,890
# Includes the basic CGS grant amount, CGS – Regional Loading and CGS – Enabling Loading and HEFA Transition Fund.					
Reconciliation					
Australian Government grants [a + c + d + e + f + g]		182,807	170,468	182,807	170,468
HECS–HELP – Australian Government payments		69,721	64,815	69,721	64,815
Other Australian Government loan programmes [FEE–HELP]		16,373	14,607	16,373	14,607
Total Australian Government financial assistance		268,901	249,890	268,901	249,890

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Australian Government Grants received – cash basis					
CGS and Other DEEWR Grants		144,765	137,663	144,765	137,663
Higher Education Loan Programmes		85,224	77,408	85,224	77,408
Scholarships		5,344	4,578	5,344	4,578
DEEWR research		21,188	20,361	21,188	20,361
Voluntary Student Unionism		200	–	200	–
ARC grants – Discovery		2,647	2,475	2,647	2,475
ARC grants – Linkages		4,182	3,953	4,182	3,953
Other Australian Government Grants		935	797	935	797
Total Australian Government Grants received – cash basis		264,485	247,235	264,485	247,235
OS-Help (Net)		(114)	(300)	(114)	(300)
Total Australian Government funding received – cash basis		264,371	246,935	264,371	246,935
4 State and Local Government financial assistance					
Recurrent grants		59,392	57,552	59,392	57,552
Capital grants		2,731	3,568	2,731	3,568
Other grants		4,465	4,115	4,465	4,115
Total State and Local Government financial assistance		66,588	65,235	66,588	65,235
5 Fees and charges					
Course fees and charges					
Fee paying overseas students		182,378	158,720	156,392	141,984
Continuing education		11,702	6,456	11,702	6,456
Fee paying domestic postgraduate students		9,042	8,740	9,042	8,740
Fee paying domestic undergraduate students		18,871	15,441	11,605	9,811
Fee paying domestic non-award students		3,160	1,896	3,160	1,896
Other domestic course fees and charges		2,881	2,631	2,300	2,122
Total course fees and charges		228,034	193,884	194,201	171,009
Other non-course fees and charges					
Amenities and service fees	45	4,209	9,886	3,964	9,298
Late fees		205	261	196	261
Library fines		20	85	20	85
Registration fees		247	213	247	113
Rental charges		–	417	–	–
Other fees and charges		3,642	1,846	3,265	1,668
Total other fees and charges		8,323	12,708	7,692	11,425
Total fees and charges		236,357	206,592	201,893	182,434
6 Investment income					
Interest received and receivable		7,558	4,737	5,905	3,745
Dividend received and receivable		488	605	133	–
Total investment income		8,046	5,342	6,038	3,745
7 Consultancy and contracts					
Consultancy		8,796	6,934	5,612	4,037
Contract research					
Commonwealth Government		7,567	7,388	7,567	7,388
Victorian State Government		2,529	3,124	2,529	3,124
Local Government		200	329	200	329
Industry and other		9,550	8,794	8,398	8,794
Total contract research		19,846	19,635	18,694	19,635
Other contract revenue					
Seminar and conference fees		1,275	1,161	1,275	1,161
Project management services		3,594	9,800	–	–
Service fees		364	371	73	97
Other		–	58	–	58
Total other contract revenue		5,233	11,390	1,348	1,316
Total consultancy and contracts		33,875	37,959	25,654	24,988

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
8 Other revenue and income					
Donations and bequests		3,623	5,675	976	399
Scholarships and prizes		1,195	1,142	1,195	1,142
Net gain on disposal of property, plant and equipment	16	–	5,834	–	5,883
Product sales		8,965	11,827	1,354	1,401
Property rental		4,353	2,771	4,635	3,498
Foreign exchange gains		415	122	102	107
Net gain on sale of available-for-sale financial asset	16	578	16	–	–
Supplier rebate		1,400	705	700	705
Other		4,135	3,800	3,741	1,504
Total other revenue and income		24,664	31,892	12,703	14,639
9 Employee related expenses					
Employee benefits and on costs					
Academic					
Salaries		161,493	150,422	149,064	140,961
Contributions to superannuation and pension schemes:					
Emerging cost	38(i)	17,441	16,018	17,441	16,018
Funded		19,780	18,460	19,649	18,381
Payroll tax		9,179	8,815	9,028	8,694
Workers compensation		680	1,011	653	992
Long service leave expense		5,384	(576)	5,384	(576)
Annual leave expense		8,790	8,994	8,769	8,968
Total academic		222,747	203,144	209,988	193,438
Non-academic					
Salaries		113,588	107,293	104,169	91,757
Contributions to superannuation and pension schemes:					
Emerging cost	38(i)	5,268	4,681	5,268	4,681
Funded		17,003	15,173	15,888	13,712
Payroll tax		6,908	6,139	6,348	5,794
Workers' compensation		584	746	500	659
Long service leave expense		6,133	(854)	5,898	(899)
Annual leave expense		7,238	7,369	7,001	7,174
Other		6	–	–	–
Total non-academic		156,728	140,547	145,072	122,878
Total employee benefits & on costs		379,475	343,691	355,060	316,316
Deferred employee benefit for superannuation		(22,777)	(14,851)	(22,777)	(14,851)
Total employee related expenses		356,698	328,840	332,283	301,465
10 Depreciation and amortisation					
Depreciation					
Buildings		12,465	12,255	12,170	11,985
Building plant and improvements		742	1,399	573	638
Equipment, motor vehicles and furniture and fittings		12,324	11,340	10,998	9,570
Library collection		2,803	2,271	2,803	2,271
Total depreciation	23	28,334	27,265	26,544	24,464
Amortisation					
Software licences and rights		–	838	–	838
Intellectual property		89	28	–	–
Total amortisation	24	89	866	–	838
Total depreciation and amortisation		28,423	28,131	26,544	25,302
11 Repairs and maintenance					
Buildings		15,068	14,740	14,946	14,454
Equipment		1,167	1,197	1,117	1,124
Total repairs and maintenance		16,235	15,937	16,063	15,578

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
12 Finance costs					
Interest to related corporations		–	–	1,347	446
Interest to other corporations		1	22	–	–
Total finance costs		1	22	1,347	446
13 Bad and doubtful debts					
Bad debts written off in the Income Statement:					
Trade debtors		1	2,128	1	–
Student debtors		2,045	420	2,045	420
		2,046	2,548	2,046	420
Amounts set aside for impaired receivables:					
Trade debtors		104	(2,591)	150	12
Student debtors		628	1,019	628	1,019
		732	(1,572)	778	1,031
Total bad and doubtful debt expense		2,778	976	2,824	1,451
14 Other expenses					
Scholarships, grants and prizes		24,092	29,036	28,580	32,651
Non-capitalised equipment		8,272	5,301	8,047	5,064
Advertising, marketing and promotional expenses		11,504	9,680	8,293	11,364
General consumables		9,431	9,713	8,466	7,133
Printing and stationery		4,504	4,527	4,358	4,271
Minimum lease payments on operating leases		20,209	21,946	18,930	17,655
Rental, hire and other leasing fees		89	74	–	–
Telecommunications		5,342	5,080	5,101	4,572
Travel, staff development and entertainment		16,813	14,085	15,567	11,510
Net loss on disposal of property, plant and equipment	16	84	–	15	–
Net diminution in value of non-current assets		1,444	1,775	5,914	1,775
Net transfers to provisions		–	–	–	–
Foreign exchange losses		1,362	305	191	49
Occupancy expenses		8,312	9,738	7,010	7,912
Debt forgiveness		–	2,618	–	–
Audit fees, bank charges, legal costs, insurance and taxes	42	4,606	5,116	3,509	2,910
Contractors and consultancy fees		33,748	27,536	27,001	20,797
Patents, copyright and licences		2,370	1,192	2,339	1,154
Impairment of assets		–	1,535	–	1,680
Memberships and subscription fees		1,717	1,615	1,702	1,615
Computer software support and maintenance		5,305	8,085	5,276	8,085
Other expenses		7,574	5,525	3,437	2,959
Total other expenses		166,778	164,482	153,736	143,156
15 Significant items of revenue and expenditure					
Revenue					
Net profit from the sale of freehold land #		–	7,854	–	7,854
Expenditure					
Staff separation payments		5,664	10,649	5,664	9,681
Amortisation or diminution in respect of investments		5,914	1,775	5,914	1,775
# In November 2006, the former CUB site was sold pursuant to a conditional contract. The sale is now unconditional and will be settled on 31 March 2008					
In addition, the sale price may increase based upon a contractual formula in relation to the size of the proposed development.					

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
16 Sales of assets					
Proceeds from disposal of assets					
Investments		1,075	332	–	–
Property, plant and equipment		1,421	42,805	1,409	42,135
Total proceeds from sale of assets		2,496	43,137	1,409	42,135
Carrying amount of assets disposed					
Investments		497	316	–	–
Property, plant and equipment		1,505	33,889	1,424	33,170
Intangibles		–	3,082	–	3,082
Total carrying amount of assets sold		2,002	37,287	1,424	36,252
Net gain/(loss) on sale of assets		494	5,850	(15)	5,883
17 Income tax					
(a) Income tax expense					
Current tax		1,467	953	1,327	808
Deferred tax expense		(20)	(20)	–	–
Adjustment for current tax of prior periods		2,435	504	2,435	504
		3,882	1,437	3,762	1,312
Income tax expense is attributable to:					
Operating result from continuing operations		3,882	1,437	3,762	1,312
Operating result from discontinued operations		–	–	–	–
Aggregate income tax expense		3,882	1,437	3,762	1,312
(b) Numerical reconciliation of income tax expense to prima facie tax payable					
Operating result from continuing operations		7,180	4,241	6,783	4,241
Tax at the Australian tax rate of 30% (2006 – 30%)		2,154	1,397	2,035	1,272
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:					
Entertainment		1	–	–	–
		1	–	–	–
Difference in overseas tax rates		(708)	(464)	(708)	(464)
Adjustment for current tax of prior periods		2,435	504	2,435	504
Previously unrecognised tax losses now recouped to reduce current tax expense		1,727	40	1,727	40
(c) Deferred tax					
Deferred tax assets					
Non-current		126	484	–	387
		126	484	–	387
Deferred tax liabilities					
Current		3,249	224	3,155	130
Non-current		42	32	–	–
		3,291	256	3,155	130
Net deferred tax liabilities		(3,165)	228	(3,155)	257
The following subsidiaries are subject to income tax in Australia					
Spatial Vision Innovations Pty Ltd					
RMIT Drug Discovery Technologies Pty Ltd					
In addition RMIT's foreign operations are subject to income tax in the following jurisdictions: Hong Kong, Malaysia and Singapore					
18 Cash and cash equivalents					
Cash at bank and on hand #		11,524	17,829	2,970	7,031
Deposits at call		102,685	71,511	66,659	51,517
Foreign currency bank accounts		2,013	458	576	458
Total cash assets		116,222	89,798	70,205	59,006
(a) Cash at bank					
The cash at bank is bearing floating interest rates between 0% and 4.7% (2006 – 0% and 3.8%).					
(b) Cash on deposit					
The deposits are bearing floating interest rates between 6.75% and 7.13% (2006 – 5.1% and 5.44%). These deposits have an average maturity of 45 days.					
# Refer to note 33a(i) for information on a Debt Service Reserve Account as guarantee for the borrowings of a subsidiary.					

	CONSOLIDATED		RMIT		
	Note	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
19 Receivables					
Current					
Trade receivables		18,817	15,547	13,068	9,472
Less allowance for impaired receivables		(292)	(189)	(292)	(142)
		18,525	15,358	12,776	9,330
Student loans and student receivables		10,523	11,088	10,523	11,088
Less allowance for impaired receivables		(3,217)	(2,589)	(3,217)	(2,589)
		7,306	8,499	7,306	8,499
Loans and advances		6	2	6	2
Government grants receivable		6,357	1,860	6,357	1,860
Deferred government contributions for superannuation *		22,750	18,500	22,750	18,500
Interest receivable		244	178	160	122
Other debtors and accrued income		45,599	43,952	45,751	43,729
Related parties receivable:					
Amounts receivable from subsidiaries		–	–	11,902	10,703
Allowance for impairment		–	–	(2,391)	(2,391)
		74,956	64,492	84,535	72,525
Total current receivables		100,787	88,349	104,617	90,354
Non-current					
Other debtors		1,765	1,909	1,765	1,909
Allowance for impairment		(373)	(517)	(373)	(517)
Deferred government contributions for superannuation *		242,090	269,117	242,090	269,117
Related parties receivable:					
Other related parties		52	–	–	–
Total non-current receivables		243,534	270,509	243,482	270,509
Total receivables		344,321	358,858	348,099	360,863
* RMIT recognises a receivable for the amount expected to be received from the Commonwealth Government in respect of unfunded superannuation schemes operated by the State Government. The total consolidated amount owing in respect of these at 30 June 2007 amounted to \$264.84m (2006 – \$287.617m). Refer Notes 28.					
(a) Impaired receivables					
Nominal value of impaired receivables					
Trade receivables		1,517	–	1,517	–
Student loans and student receivables		4,272	–	4,272	–
		5,789	–	5,789	–
Amount of impairment set aside					
Trade receivables		292	142	292	142
Student loans and student receivables		3,217	2,589	3,217	2,589
Amounts receivable from subsidiaries		2,391	2,391	2,391	2,391
		5,900	5,122	5,900	5,122
The ageing of these receivables is as follows:					
Over 6 months		5,900	5,122	5,900	5,122
		5,900	5,122	5,900	5,122
Receivables which were past due but not impaired					
These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:					
3 to 6 months		613	–	613	–
Over 6 months		523	–	523	–
		1,136	–	1,136	–
Movements in the provision for impaired receivables are as follows:					
At 1 January		5,122	2,411	5,122	2,411
Provision for impairment recognised during the year		879	2,711	879	2,711
Write back of provision for impairment		(101)	–	(101)	–
At 31 December		5,900	5,122	5,900	5,122

	CONSOLIDATED		RMIT		
	Note	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<p>The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.</p> <p>The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.</p>					
(b) Foreign exchange and interest rate risk					
The carrying amounts of current and non-current receivables are denominated in the following currencies:					
Australian dollar		340,001	354,636	347,572	360,215
American dollar		4,258	4,038	483	510
British pound		23	40	23	40
Euro		4	24	4	24
Japanese yen		12	16	12	16
Malaysian ringgit		-	56	-	56
Singapore dollar		20	48	2	2
South African rand		3	-	3	-
Current receivables		100,787	88,349	104,617	90,354
Non-current receivables		243,534	270,509	243,482	270,509
A summarised analysis of the sensitivity of receivables to foreign exchange and interest rate risk can be found in note 39.					
(c) Fair value and credit risk					
Current					
Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value.					
Consolidated					
		2007		2006	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$'000	\$'000	\$'000	\$'000
Non-current					
William Angliss Institute		1,392	1,392	1,392	1,392
Government contributions – superannuation		242,090	242,090	269,117	269,117
The fair values are based on cash flows discounted using a current lending rate of 5.7% (2006 – 6.13%) for William Angliss Institute.					
The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each class of receivables mentioned above. The Group does not hold any collateral as security. Refer to note 39 for more information of the risk management policy of the Group.					
Bad and doubtful receivables					
The Consolidated Group has recognised a loss of \$2.778m (2006 – \$0.976m) in respect of bad and doubtful receivables during the year ended 31 December 2007 – refer Note 13.					
20 Inventories					
Current					
Trading stock		446	432	-	-
Work in progress		242	111	-	-
Total inventories		688	543	-	-
21 Available for sale financial assets through equity					
Non current					
Investments in managed trust funds – at fair value		10,909	8,447	-	-
Balance 1 January		8,447	6,956	-	-
Additions		3,000	1,438	-	-
Disposals (sale and redemption)		(567)	(329)	-	-
Revaluation		29	382	-	-
Balance 31 December		10,909	8,447	-	-

	CONSOLIDATED		RMIT		
	Note	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Represented by:					
Financial assets under funds management – pooled equity holdings		7,622	5,473	–	–
Financial assets under funds management – direct equity holdings		1,321	966	–	–
Financial assets under funds management – fixed interest		1,966	2,008	–	–
		10,909	8,447		
Impairment and risk exposure					
None of the financial assets are either past due or impaired.					
All available-for-sale financial assets are denominated in Australian currency. For an analysis of the sensitivity of available-for-sale financial assets to price and interest rate risk refer to note 39.					
22 Other financial assets					
Non-current					
Investments traded on organised markets					
Government stocks and bonds		15	15	–	–
Other (non-traded) investments – held-to-maturity					
Unlisted shares in subsidiaries #		–	–	7,044	803
Less Provision for diminution in value of investment		–	–	(4,471)	(101)
Unlisted shares in non-related companies		7,163	5,716	7,043	5,599
Less Provision for diminution in value of investment		(7,002)	(5,558)	(6,922)	(5,478)
Total non-current other financial assets		176	173	2,694	823
Total other financial assets		176	173	2,694	823
Net fair values of investments					
Traded securities are listed and other securities which are readily traded on organised markets. The aggregate net fair values of these securities are:					
Non-current					
Government stocks and bonds		15	15	–	–
Unlisted investments		161	158	2,694	823
Total non-current other financial assets		176	173	2,694	823
Total other financial assets		176	173	2,694	823

Refer to note 34a(ii) for information on a limited recourse share mortgage as guarantee for the borrowings of a subsidiary.

	Note	Land \$'000	Buildings \$'000	Buildings under construction \$'000	Leasehold Improve- ments \$'000	Equipment, motor vehi- cles, furniture and fittings \$'000	Library collection \$'000	Total \$'000
23 Property, plant and equipment								
RMIT Consolidated Entity								
1 January 2006								
Cost		–	8,977	5,678	16,070	163,277	34,538	228,540
Valuation		251,612	701,503	–	–	–	–	953,115
Accumulated depreciation		–	(197)	–	(7,924)	(113,650)	(18,890)	(140,661)
Net book amount		251,612	710,283	5,678	8,146	49,627	15,648	1,040,994
Year ended 31 December 2006								
Opening net book amount		251,612	710,283	5,678	8,146	49,627	15,648	1,040,994
Additions		–	11,797	12,443	92	9,889	5,125	39,346
Transfer out of capital works in progress		–	4,865	(6,245)	71	1,277	–	(32)
Disposals		–	(22)	–	(98)	(3,893)	–	(4,013)
Depreciation		–	(12,255)	–	(1,399)	(11,340)	(2,271)	(27,265)
Reclassification		–	235	–	–	(1,795)	–	(1,560)
Impairment		–	–	–	(1,535)	–	–	(1,535)
Foreign currency translation gain/(loss)		–	(659)	(19)	–	(458)	–	(1,136)
Closing net book amount		251,612	714,244	11,857	5,277	43,307	18,502	1,044,799
31 December 2006								
Cost		–	25,476	11,857	15,811	161,564	39,663	254,371
Valuation		251,612	701,503	–	–	–	–	953,115
Accumulated depreciation		–	(12,735)	–	(10,534)	(118,257)	(21,161)	(162,687)
Net book amount		251,612	714,244	11,857	5,277	43,307	18,502	1,044,799
Year ended 31 December 2007								
Opening net book amount		251,612	714,244	11,857	5,277	43,307	18,502	1,044,799
Additions		5,052	15,561	26,165	3,449	22,038	5,982	78,247
Transfer out of capital works in progress		–	6,816	(7,952)	–	1,136	–	–
Disposals		–	–	–	–	(1,505)	–	(1,505)
Depreciation		–	(12,465)	–	(742)	(12,324)	(2,803)	(28,334)
Foreign currency translation gain/(loss)		–	(820)	(102)	–	(480)	–	(1,402)
Closing net book amount		256,664	723,336	29,968	7,984	52,172	21,681	1,091,805
31 December 2007								
Cost		5,052	27,182	29,967	18,907	180,296	45,645	307,049
Valuation		251,612	721,265	–	–	–	–	972,877
Accumulated depreciation		–	(25,111)	–	(10,923)	(128,123)	(23,964)	(188,121)
Net book amount		256,664	723,336	29,967	7,984	52,173	21,681	1,091,805
Parent entity								
1 January 2006								
Cost		–	–	5,577	7,188	150,517	34,538	197,820
Valuation		251,612	700,633	–	–	–	–	952,245
Accumulated depreciation		–	–	–	(1,093)	(108,596)	(18,890)	(128,579)
Net book amount		251,612	700,633	5,577	6,095	41,921	15,648	1,021,486
Year ended 31 December 2006								
Opening net book amount		251,612	700,633	5,577	6,095	41,921	15,648	1,021,486
Additions		–	11,797	11,696	32	9,626	5,125	38,276
Transfer out of capital works in progress		–	4,785	(5,813)	71	957	–	–
Disposals		–	–	–	–	(3,295)	–	(3,295)
Depreciation		–	(11,985)	–	(638)	(9,570)	(2,271)	(24,464)
Reclassification		–	–	–	–	(1,560)	–	(1,560)
Closing net book amount		251,612	705,230	11,460	5,560	38,079	18,502	1,030,443

	Note	Land \$'000	Buildings \$'000	Buildings under construction \$'000	Leasehold improve- ments \$'000	Equipment, motor vehi- cles, furniture and fittings \$'000	Library collection \$'000	Total \$'000
31 December 2006								
Cost		–	16,582	11,460	7,292	152,265	39,663	227,262
Valuation		251,612	700,633	–	–	–	–	952,245
Accumulated depreciation		–	(11,985)	–	(1,732)	(114,186)	(21,161)	(149,064)
Net book amount		251,612	705,230	11,460	5,560	38,079	18,502	1,030,443
Year ended 31 December 2007								
Opening net book amount		251,612	705,230	11,460	5,560	38,079	18,502	1,030,443
Additions		5,052	15,561	23,603	3,263	21,566	5,982	75,027
Transfer out of capital works in progress		–	6,450	(6,646)	–	196	–	–
Disposals		–	–	–	–	(1,424)	–	(1,424)
Depreciation		–	(12,170)	–	(573)	(10,998)	(2,803)	(26,544)
Closing net book amount		256,664	715,071	28,417	8,250	47,419	21,681	1,077,502
31 December 2007								
Cost		5,052	18,832	28,416	10,556	171,365	45,645	279,866
Valuation		251,612	720,395	–	–	–	–	972,007
Accumulated depreciation		–	(24,156)	–	(2,306)	(123,945)	(23,964)	(174,371)
Net book amount		256,664	715,071	28,416	8,250	47,420	21,681	1,077,502

(a) Valuations of land and buildings

An independent valuation of land and buildings was carried out as at 31 December 2005 by Cunningham Property Consultants Pty Ltd. The valuation has been determined on the following basis: Land at market, Buildings at market or depreciated replacement cost.

(b) Assets held in the name of the Minister

Land and buildings valued at \$221.111m (2006 – \$221.111m) are held by RMIT on behalf of the Minister. Upon disposal of any such properties, the use of the proceeds will be directed by the Minister.

	Note	CONSOLIDATED			RMIT		
		Software, licences and rights \$'000	Intellectual property \$'000	Total \$'000	Software, licences and rights \$'000	Intellectual property \$'000	Total \$'000
24 Intangible assets							
1 January 2006							
Cost		6,122	86	6,208	6,122	–	6,122
Accumulated amortisation and impairment		(4,029)	(39)	(4,068)	(4,029)	–	(4,029)
Net book amount		2,093	47	2,140	2,093	–	2,093
Year Ended 31 December 2006							
Opening net book amount		2,093	47	2,140	2,093	–	2,093
Additions		267	24	291	267	–	267
Transfer from equipment under construction		1,560	–	1,560	1,560	–	1,560
Disposals		(3,082)	–	(3,082)	(3,082)	–	(3,082)
Amortisation charge	10	(838)	(25)	(863)	(838)	–	(838)
Closing net book amount		–	46	46	–	–	–
31 December 2006							
Cost		838	71	909	–	–	–
Accumulated amortisation		(838)	(25)	(863)	–	–	–
Net book amount		–	46	46	–	–	–
Year Ended 31 December 2007							
Opening net book amount		–	46	46	–	–	–
Additions		–	1,424	1,424	–	–	–
Transfer from equipment under construction		–	–	–	–	–	–
Disposals		–	–	–	–	–	–
Amortisation charge	10	–	(89)	(89)	–	–	–
Closing net book amount		–	1,381	1,381	–	–	–
31 December 2007							
Cost		–	1,534	1,534	–	–	–
Accumulated amortisation		–	(153)	(153)	–	–	–
Net book amount		–	1,381	1,381	–	–	–

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
25 Other non-financial assets					
Current					
Library subscriptions prepaid		1,038	2,086	1,038	2,086
Workcover		4	-	-	-
Other prepayments		3,138	2,350	2,295	1,822
Total other non-financial assets		4,180	4,436	3,333	3,908
26 Trade and other payables					
Current					
Trade and other creditors		71,932	58,710	65,753	47,920
OS-HELP Liability to Australian Government		6	120	6	120
Amounts payable to subsidiaries		-	-	1,791	-
Total trade and other payables		71,938	58,830	67,550	48,040
Foreign currency risk					
The carrying amounts of the Group's and parent entity's trade and other payables are denominated in the following currencies:					
Australian dollar		84,838	69,488	66,329	47,835
American dollar		656	126	656	126
British pound		456	14	456	14
Canadian dollar		1	10	1	10
Euro		67	35	67	35
Hong Kong dollar		2	2	2	2
New Zealand dollar		4	4	4	4
Malaysian ringgit		0	-	0	-
Singapore dollar		6	14	6	14
Swiss franc		12	-	12	-
Chinese renminbi		9	-	9	-
Danish krone		1	-	1	-
Indian rupee		5	-	5	-
Thailand bhat		2	-	2	-
		86,059	69,693	67,550	48,040
For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 39.					
27 Borrowings					
Current – unsecured					
Amounts payable to subsidiaries		-	-	19,121	21,156
Total current unsecured borrowings		-	-	19,121	21,156
Non-current – secured					
Bank loan	27(b)	7,940	8,825	-	-
Total non-current secured borrowings		7,940	8,825	-	-
Total borrowings		7,940	8,825	19,121	21,156
(a) Financing arrangements					
Unrestricted access was available at balance date to the following lines of credit:					
Credit standby arrangements					
Fixed term debt facility		30,000	30,000	30,000	30,000
Working capital redraw facility		10,000	10,000	10,000	10,000
Bank overdraft facility		50	50	-	-
Total facilities		40,050	40,050	40,000	40,000
Amount utilised		-	-	-	-
Unused credit facility		40,050	40,050	40,000	40,000

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Bank loan facilities					
Long-term borrowing – ADB		8,224	9,140	–	–
Long-term borrowing – IFC		8,224	9,140	–	–
		16,448	18,280	–	–
Amount utilised		(7,940)	(8,825)	–	–
Unused credit facility		8,508	9,455	–	–
Technology finance operating lease facility					
Lease facility available		32,566	25,000	32,316	25,000
Amount utilised		(13,755)	(12,352)	(13,755)	(12,352)
Unused credit facility		18,811	12,648	18,561	12,648
Business credit card facility					
Business credit facility available		7,500	7,500	7,500	7,500
Amount utilised		(1,278)	(900)	(1,278)	(900)
Unused credit facility		6,222	6,600	6,222	6,600
(b) Details of borrowings					
Credit standby arrangements					
The fixed term debt facility with respect to \$30m expires on 23 November 2010, The working capital redraw facility is subject to annual review. A subsidiary has arranged an overdraft facility which is secured by a floating charge over its assets.					
Long-term borrowing					
The loans term is 10 years at an interest rate based on the London Interbank Offered Rate (LIBOR) on 6 months deposit plus 2.25% – equating to 6.85% (2006 – 7.62%) at 31 December 2007. The first repayment is due on the 15 May 2009 and every 6 months thereafter until 15 November 2013.					
RMIT and RMIT Vietnam Holdings Pty Ltd have provided guarantees for the borrowings of the subsidiary.					
	33(a)				
Credit card facility					
RMIT has entered into an arrangement with its bankers for the provision of a corporate credit card facility. No interest has been paid during the year as all outstanding balances have been paid by the due dates.					
(c) Risk exposures					
The exposure of the Group's and parent entity's borrowings to interest rate changes and the contractual repricing dates at the balance dates are as follows:					
Non-current borrowings					
6 months or less		(7,940)	(8,825)	–	–
The carrying amounts of the Group's borrowings are denominated in the following currencies:					
US dollar		(7,940)	(8,825)	–	–
For an analysis of the sensitivity of borrowings to interest rate risk and foreign exchange risk refer to Note 39.					
(d) Fair value					
The carrying amounts and fair values of borrowings at balance date are:					
		2007		2006	
		Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
On-balance sheet					
Bank loan		(7,940)	(7,940)	(8,825)	(8,825)
Credit card borrowings		1,278	1,278	900	900
		(6,662)	(6,662)	(7,925)	(7,925)
The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values of non-current borrowings are based on cash flows discounted using borrowing rates 7.6% (2006 – 7.6%).					

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
28 Provisions					
Current provisions expected to be settled within 12 months					
Provision for restructuring costs		2,107	2,107	2,107	2,107
Employee benefits and oncosts					
Annual leave – at nominal value		16,864	17,358	16,204	16,597
Deferred benefits for superannuation #		22,750	18,500	22,750	18,500
		41,721	37,965	41,061	37,204
Current provisions expected to be settled later than 12 months					
Employee benefits and oncosts					
Annual leave – at net present value		7,736	7,354	7,736	7,354
Long service leave – at net present value		43,838	36,507	43,124	35,939
		51,574	43,861	50,860	43,293
Total current provisions		93,295	81,826	91,921	80,497
Non-current					
Employee benefits and oncosts					
Long service leave – at net present value		6,192	5,350	5,973	5,057
Deferred benefits for superannuation #		242,090	269,117	242,090	269,117
Total non-current provisions		248,282	274,467	248,063	274,174
Total provisions		341,577	356,293	339,984	354,671
Movements in provisions					
Movements in each class of provision during the financial year, other than employee benefits, are set out below:					
Carrying amount at start of year		2,107	–	2,107	–
Additional provisions recognised		–	2,107	–	2,107
Carrying amount at end of year		2,107	2,107	2,107	2,107
Employee benefits					
Provision for employee benefits and oncosts – current		91,188	79,719	89,814	78,390
Provision for employee benefits and oncosts – non-current		248,282	274,467	248,063	274,174
Aggregate employee benefits		339,470	354,186	337,877	352,564

	Note	Restructuring costs	Annual leave	Long service leave	Deferred benefits for superannuation
		\$'000	\$'000	\$'000	\$'000
RMIT Consolidated Entity					
2006					
Carrying amount at start of year		–	25,613	45,277	302,468
Additional provisions recognised		2,107	57	177	–
Unused amounts reversed		–	(1,150)	(3,752)	(14,851)
Carrying amount at end of year		2,107	24,520	41,702	287,617
2007					
Carrying amount at start of year		2,107	24,520	41,702	287,617
Additional provisions recognised		–	91	8,328	–
Unused amounts reversed		–	(11)	–	(22,777)
Carrying amount at end of year		2,107	24,600	50,030	264,840
Parent entity					
2006					
Carrying amount at start of year		–	25,101	44,748	302,468
Additional provisions recognised		2,107	–	–	–
Unused amounts reversed		–	(1,150)	(3,752)	(14,851)
Carrying amount at end of year		2,107	23,951	40,996	287,617
2007					
Carrying amount at start of year		2,107	23,951	40,996	287,617
Additional provisions recognised		–	–	8,101	–
Unused amounts reversed		–	(11)	–	(22,777)
Carrying amount at end of year		2,107	23,940	49,097	264,840

A total consolidated unfunded liability for retirement benefits of \$264.84m (2006 - \$287.617m) accruing to beneficiaries of the State Superannuation Scheme has been recorded in the Balance Sheet as a liability. Refer Notes 1.18 and 38.

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
29 Other liabilities					
Current					
Australian Government unspent financial assistance		1,319	810	1,319	810
Monies held in trust		2,129	2,381	-	-
Research grants		4,823	2,897	4,823	2,897
Student fees		26,859	20,969	14,147	13,113
Projects fees		276	243	-	-
Other		2,390	495	2,390	460
Total current other liabilities		37,796	27,795	22,679	17,280
30 Reserves					
Consolidated reserves					
Balance at beginning of year		547,287	557,554	501,497	510,154
Transfers from/(to) retained surplus		(891)	(8,657)	-	(8,657)
Premium received on issued shares		18	-	-	-
Foreign exchange gains/(losses)		(1,824)	(1,962)	-	-
Disposals through revaluation reserve		(70)	(30)	-	-
Unrealised valuation gain taken to equity		29	382	-	-
Balance at end of year		544,549	547,287	501,497	501,497
Represented by:					
Asset revaluation reserve		541,349	541,349	501,497	501,497
Fixed asset replacement reserve		637	637	-	-
Capital projects reserve		10,000	10,000	-	-
Foreign currency translation reserve		(9,152)	(7,437)	-	-
Scholarship reserve		-	1,000	-	-
Share premium reserve		24	6	-	-
Available for sale revaluation reserve		1,691	1,732	-	-
		544,549	547,287	501,497	501,497
Movements in reserves during the year were:					
Asset revaluation reserve					
Balance at beginning of year		541,349	550,006	501,497	510,154
Transfers from/(to) retained surplus		-	(8,657)	-	(8,657)
Balance at end of year		541,349	541,349	501,497	501,497
Fixed asset replacement reserve					
Balance at beginning of year		637	637	-	-
Balance at end of year		637	637	-	-
Capital projects reserve					
Balance at beginning of year		10,000	10,000	-	-
Balance at end of year		10,000	10,000	-	-
Foreign currency translation reserve					
Balance at beginning of year		(7,437)	(5,475)	-	-
Transfers from/(to) retained surplus		109	-	-	-
Foreign currency translation gains/(losses)		(1,824)	(1,962)	-	-
Balance at end of year		(9,152)	(7,437)	-	-
Scholarship reserve					
Balance at beginning of year		1,000	1,000	-	-
Transfers from fixed asset replacement reserve		(1,000)	-	-	-
Balance at end of year		-	1,000	-	-
Share premium reserve					
Balance at beginning of year		6	6	-	-
Premium received on issued shares		18	-	-	-
Balance at end of year		24	6	-	-
Available for sale revaluation reserve					
Balance at beginning of year		1,732	1,380	-	-
Disposals through revaluation reserve		(70)	(30)	-	-
Unrealised valuation gain taken to equity		29	382	-	-
Balance at end of year		1,691	1,732	-	-

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Nature and purpose of reserves					
Asset revaluation reserve The asset revaluation reserve is used to record asset revaluation increments and decrements in the value of non-current physical assets.					
Fixed asset replacement reserve The fixed asset replacement reserve sets aside retained earnings to be used for replacing assets that exist on the asset register.					
Capital projects reserve The capital projects reserve sets aside retained earnings to be used for major projects over \$10,000.					
Foreign currency translation reserve Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in the profit and loss when the net investment is disposed of.					
Scholarship reserve The scholarship reserve sets aside retained earnings to be used for the provision of scholarship to students needing financial support in order to complete their studies.					
Share premium reserve Amount paid by shareholders for shares in excess of their nominal value					
Available for sale revaluation reserve Changes in fair value are taken to available for sale revaluation reserve, as described in Note 1.14.					
31	Retained surplus				
	Retained surplus at beginning of year	507,926	444,463	512,656	453,860
	Operating result attributable to RMIT entity	53,460	54,857	35,191	50,139
	Dividends paid	(120)	(51)	–	–
	Adjustment as a result in change in equity holdings	(20)	–	–	–
	Transfers to/(from) reserves	891	8,657	–	8,657
	Retained surplus at end of year	562,137	507,926	547,847	512,656
32	Minority interest				
	Outside equity interest in subsidiaries comprises:				
	Interest in accumulated funds at the beginning of the year	263	117	–	–
	Interest in net operating result	149	146	–	–
	Adjustment as a result in change in equity holdings	20	–	–	–
	Interest in accumulated funds at the end of the year	432	263	–	–
	Interest in share capital	120	103	–	–
	Interest in reserves	28	6	–	–
	Total outside equity interests in controlled entities	580	372	–	–
33	Contingencies				
	(a) Contingent liabilities				
	The RMIT Consolidated Entity and RMIT have contingent liabilities at 31 December 2007 in respect of:				
	Guarantees				
	Guarantees for contract performance	53	53	39	39
	Guarantees for the borrowings of a subsidiary – note 27				
	(i) security over a bank account designated as a Debt Service Reserve Account established and maintained by RMIT in Australia;	18	2,410	2,410	2,648
	(ii) a limited recourse share mortgage pursuant to which RMIT created a first priority mortgage in favour of the lenders over all of the share capital directly or indirectly owned by RMIT in its subsidiary (refer note 40); and	22	–	–	–
	(iii) a limited recourse guarantee and pledge of legal capital agreement pursuant to which a subsidiary of RMIT has pledged in favour of the lenders, all of the legal capital it has contributed to the company.		7,940	8,825	–
	Litigation				
	There are no current outstanding claims which have the potential to impact adversely on the business of RMIT or its subsidiaries.				

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
(b) Contingent assets					
Quantifiable contingent liabilities and assets					
RMIT Vietnam Holdings Pty Ltd expects to receive funds from its benefactor for the development of third party projects at the Danang University Learning Resource Centre, the Cantho University Learning Resource Centre and the Thai Nguyen Learning Resource Centre.					
RMIT Vietnam Holdings Pty Ltd also has an obligation to use these funds as well as other funds currently held in trust to fund the acquisition of relevant assets at the aforementioned Learning Resource Centres.					
The financial impact of the above is as follows:					
Contingent assets					
Due within one year		1,701	5,043	–	–
Contingent liabilities					
Due within one year		2,129	5,526	–	–
Due after one year but within five years		1,701	5,043	–	–
		3,830	10,569	–	–
34 Commitments					
(a) Capital commitments					
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:					
Plant and equipment					
Due within one year		666	1,319	666	1,319
Building works					
Due within one year		18,921	7,006	18,487	6,158
(b) Operating leases – as lessee					
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities payable:					
Future minimum rental payments for leased premises					
Due within one year		7,050	5,824	7,050	5,824
Due after one year but within five years		13,055	11,311	13,055	11,311
Due after five years		13,300	14,717	13,300	14,717
		33,405	31,852	33,405	31,852
Future minimum rental payments for leased equipment					
Due within one year		7,699	7,401	6,828	7,183
Due after one year but within five years		7,166	6,073	6,127	5,882
		14,865	13,474	12,955	13,065
Operating leases – as lessor					
Leases contracted for at the reporting date but not recognised as assets					
Future minimum rental receivable					
Due within one year		1,767	1,111	1,767	1,111
Due after one year but within five years		2,578	2,518	2,578	2,518
Due after five years		993	454	993	454
		5,338	4,083	5,338	4,083
The weighted average interest rate impact of the leases is 4.2% (2006 – 3.9%)					
(c) Other expenditure commitments					
Commitments relate to CRC research and other non capital expenditure					
Due within one year		7,323	7,061	7,323	7,061
Due after one year but within five years		7,839	11,002	7,839	11,002
Due after five years		–	453	–	453
		15,162	18,516	15,162	18,516
The University has entered into research contracts with the National Health and Medical Research Council and the Australian Research Council, the revenues from which are recognised in the year of receipt. Under these contracts and as at balance date the University is committed to further expenditures to complete the relevant research and satisfy those commitments.					
		9,721	8,300	9,721	8,300
(d) Remuneration commitments					
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities:					
Due within one year		36,252	–	35,901	–
Due after one year but within five years		30,859	–	28,892	–
Due after five years		–	–	–	–
		67,111	–	64,793	–

	Note	CONSOLIDATED		RMIT	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
35 Notes to statement of cash flows					
(a) Reconciliation of cash					
For the purpose of the statement of cash flows, cash represents:					
Cash on hand, at bank, short term money market deposits, short dated bills of exchange and outstanding bank overdrafts.					
Cash at the end of the reporting period is shown in the Statement of Cash Flows and is reconciled to the related items in the financial statements as follows:					
Cash at the beginning of year					
Cash at bank and at hand		17,829	22,378	7,031	3,190
Short-term money market deposits		71,511	18,736	51,517	10,181
Bills of exchange accepted or endorsed by banks		–	18,434	–	18,434
Foreign currency bank accounts		458	9	458	9
		89,798	59,557	59,006	31,814
Cash at the end of year					
Cash at bank and at hand		11,524	17,829	2,970	7,031
Short-term money market deposits		102,685	71,511	66,659	51,517
Foreign currency bank accounts		2,013	458	576	458
		116,222	89,798	70,205	59,006
Cash movement for the year		26,424	30,241	11,199	27,192
(b) Reconciliation of operating result after income tax to net cash inflow from operating activities					
Operating result for the period after income tax		53,609	55,003	35,191	50,139
Eliminate non-cash flows in net result					
Unrealised foreign exchange (gain)/loss		–	–	–	–
Loss/(gain) on sale of property, plant and equipment	14	84	(5,834)	15	(5,883)
Loss/(gain) on sale of available-for-sale financial asset	8	(578)	(16)	–	–
Depreciation on property plant and equipment	10	28,334	27,265	26,544	24,464
Diminution in value of investment	14	1,444	1,775	5,914	1,775
Provision for doubtful debts	13	732	(1,572)	778	–
Bad debts written off/(written back)	13	2,046	2,548	2,046	420
Debt forgiveness		–	2,618	–	–
Amortisation of intangible assets	10	89	866	–	838
Allowance for impairment	14	–	1,498	–	1,643
Change in assets and liabilities					
Net (increase) / decrease in current receivables		(10,948)	(6,369)	(12,836)	(3,934)
Net (increase) / decrease in inventories		(145)	345	–	–
Net (increase) / decrease in other assets		256	(936)	575	(961)
Net increase / (decrease) in revenue received in advance		10,001	(2,342)	5,399	(4,736)
Net increase / (decrease) in payables		13,090	(268)	19,509	(3,531)
Net increase / (decrease) in current tax liability		3,393	(422)	3,412	(496)
Net increase / (decrease) in employee entitlements (excluding deferred superannuation)		8,061	(4,044)	8,090	(2,794)
Net cash flows from operating activities		109,468	70,115	94,637	56,944
36 Economic dependency					
The RMIT Consolidated Entity is reliant on a significant volume of its revenue being derived from:					
Commonwealth Government financial assistance		253,691	242,427	253,691	242,427
Victorian State Government financial assistance		69,117	68,359	69,117	68,359
		322,808	310,786	322,808	310,786
The percentage of the RMIT consolidated entity revenue was sourced from:					
Commonwealth Government financial assistance		42.65%	41.04%	44.37%	44.99%
Victorian State Government financial assistance		11.62%	11.57%	12.09%	12.69%
37 Events occurring after the balance sheet date					
No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the RMIT consolidated entity or parent entity, the results of those operations, or the state of affairs of the RMIT consolidated entity or parent entity in future financial years.					

	CONSOLIDATED		RMIT		
	Note	2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000
38 Superannuation					
Funds to which RMIT or any controlled entity contributed during the financial year:					
(a) Defined benefit schemes					
State Superannuation Fund – closed		22,709	20,699	22,709	20,699
UniSuper DBP/ICP		15	–	–	–
State Employees Retirement Benefits Scheme – closed		84	101	84	101
(b) Defined contribution schemes					
Victorian Superannuation Fund		3,164	3,141	3,144	3,127
UniSuper DBP/ICP		29,321	26,333	29,105	26,331
AGEST Non Casual		6	–	6	–
AMP – closed		21	13	5	–
Australian Superannuation Fund		21	–	5	–
AXA Australia Tailored Superannuation Fund		371	624	21	25
B T Life Super		115	–	–	–
Catholic Superannuation Fund		3	–	3	–
CBUS Non Casual		22	–	22	–
Colonial First Choice		23	–	23	–
Commonwealth Superannuation		6	–	6	–
Dannett Nominees		13	–	13	–
Dave Family Super Fund		6	1	6	1
Fitzgerald Services P/L Superfund		84	59	–	–
Health Super		2,121	1,751	2,121	1,751
Hesta – closed		20	–	18	–
Holland Park Superannuation		2	–	2	–
Host Plus		30	–	18	–
J & M Superannuation Fund		7	–	7	–
MTAA Superannuation		25	22	–	–
Premium Choice		3	–	3	–
Retirement Results		5	–	5	–
RMIT Superannuation Plan – Closed		894	757	894	757
AXA / National Mutual Life Association		13	478	6	–
Superannuation Trust of Australia		235	211	–	–
Summit Master Trust		6	–	6	–
Other		147	142	14	–
		59,492	54,332	58,246	52,792

Victorian State Superannuation Fund and State Employees Retirement Benefit Fund

RMIT has in its staffing profile a number of employees who are members of the Victorian State Superannuation Fund or the State Employees Retirement Benefit Scheme and in respect of whom defined benefits are payable on termination of employment.

As at 30 June 2007, the Superannuation Funds were carrying total liabilities for member benefits in excess of the value of the fund's assets. Hence, unfunded superannuation liabilities exist which are recognised in the financial statements of the funds.

The notional share of this public sector employee superannuation funds unfunded liabilities attributable to RMIT, as assessed by the funds as at 30 June 2007, amounted to \$264.84m (2006 – \$287.617m). Unfunded liabilities are met by the Australian Government.

There was no other unfunded superannuation liability for any other scheme.

(i) Defined benefit schemes

State Superannuation Fund

RMIT is required to contribute as and when the Higher Education Sector contributors become beneficiaries under the scheme (Emerging cost).

The employer's contribution is that which is required to meet the defined benefit.

RMIT is required to contribute on a fortnightly basis for TAFE employees in respect of:

- Revised Scheme 15.5%.
- New Scheme 8%, 8.5%, 9.5% or 10% based on members election.

State Employees Retirement Benefit Scheme

RMIT is required to contribute at a rate of 12.8% of active member salaries. In addition RMIT contributes 100% of pensions paid in respect of former employees.

(ii) Defined contribution schemes

Victorian Superannuation Fund

RMIT is required to contribute on account of members of the fund at the rate required to meet the 'Superannuation Guarantee' - currently 9%.

RMIT Superannuation Plan

RMIT contributes on account of eligible employees at the rate of 14% of salary.

RMIT Union Tailored Superannuation

The employer is required to contribute 3% of salary of eligible employees. In addition, employees may contribute 2.5% or 5% – this is matched by the employer at 5% or 10% respectively (or for particular employees 15% or 17.5%).

UniSuper Plans

UniSuper is a multi employer superannuation fund operated by UniSuper Limited as the Corporate Trustee and administered by UniSuper Management Pty Ltd, a wholly owned subsidiary of UniSuper Limited. The operations of UniSuper are regulated by the Superannuation Industry (Supervision) Act 1993.

(i) UniSuper offers eligible members the choice of two schemes known as the Defined Benefit Division (DBD) (previously referred to as Defined Benefit Plan) or Accumulation Super (2) (previously referred to as Investment Choice Plan). The contribution rate to the scheme is 21% of member's salary of which the member contributes 7% and the University 14%. From 1 July 2006, members can elect to reduce the level of member contributions with corresponding reductions in benefits.

In 2005, UniSuper advised that the Defined Benefits Plan should be disclosed under the multi employer provisions of AASB 119 Employee Benefits which allowed for defined benefit obligations to be reported on a defined contribution basis with some additional information. AASB 119 Employee Benefits states that this is an appropriate solution for a Defined Benefit Plan where the employer does not have access to the information required and there is no reliable basis for allocating the benefits, liabilities, assets and costs between employers.

As a consequence of changes to the UniSuper Trust deed in December 2006, UniSuper have advised that the foregoing no longer applies and that both the Defined Benefit Division and Accumulation Super (2) plans are defined as Multi Employer Defined Contribution Schemes in accordance with AASB 119 Employee Benefits.

(ii) UniSuper also offers a cash accumulation productivity scheme known as Accumulation Super (1) (previously referred to as the Award Plus Plan (APP)). University employees have no requirement to contribute to the scheme. The University contributes the equivalent of 3% of the base salary in respect of these employees who were members of the Defined Benefits Division or the Accumulation Super (2) Plan. Employees who do not qualify for membership of the Defined Benefits Division or the Accumulation Super (2) Plan will have a minimum contribution 9% of their annual salary contributed by the University to Accumulation Super (1) prescribed under the Superannuation Guarantee Charges Act 1992.

Casual and non-permanent employees who do not qualify for membership of the Defined Benefit Division or Accumulation Super (2) are eligible for Accumulation Super (1).

AXA Australia Tailored Superannuation Fund

RMIT contributes 9% of salary of eligible employees. RMIT also contributes an additional 1% of salary of eligible employees, in accordance with the terms and conditions of the enterprise agreement, where employees match the extra 1% through salary sacrifice. In addition, employees may contribute to this fund. Under engagement letters with the former Technisearch Ltd., staff transferring from the RMIT in 1993 and prior have an additional 2% of salary paid into the fund by RMIT.

UniSuper DBP/ICP	}	
AMP – closed	}	
Australian Superannuation Fund	}	
AXA Australia Tailored Superannuation Fund	}	
B T Life Super	}	
Catholic Superannuation Fund	}	
CBUS Non Casual	}	
Colonial First Choice	}	
Commonwealth Superannuation	}	
Dannett Nominees	}	
Dave Family Super Fund	}	
Fitzgerald Services P/L Superfund	}	The employer is required to contribute on account of eligible employees at the rate of 9%.
Health Super	}	
Hesta – closed	}	
Holland Park Superannuation	}	
Host Plus	}	
J & M Superannuation Fund	}	
MTAA Superannuation	}	
Premium Choice	}	
Retirement Results	}	
RMIT Superannuation Plan - Closed	}	
AXA / National Mutual Life Association	}	
Superannuation Trust of Australia	}	
Summit Master Trust	}	
Other	}	

The rates quoted above relate to all the funds for both 2007 and 2006.

No contribution remained unpaid at the end of the year except to the extent of normal and current terms of payment. The amount payable at 31 December 2007 was \$1.516m (2006 – \$2.340m).

39 Financial risk management

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

(i) Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group by adhering to principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and data analysis in respect of investment portfolios to determine market risk.

The entity's treasury function provides services to its business units, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market (including currency risk and fair value interest rate risk), credit risk and liquidity risk.

(ii) Foreign currency risk

The RMIT Consolidated Entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters so as to minimise the total exposure to exchange rate risk.

The group is mainly exposed to the currency of the United States of America (USD).

The following table details the group's sensitivity to a 5% increase or decrease in the Australian Dollar (AUD) against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

31 December 2007**Consolidated****Financial Assets**

Cash and cash equivalents
Receivables

Financial Liabilities

Payables

Carrying Amount \$'000	Currency rate risk			
	- 5%		+ 5%	
	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
2,013	(101)	(101)	101	101
4,320	(216)	(216)	216	216
1,221	(61)	(61)	61	61

(iii) Interest rate risk

Interest rate exposures arise predominantly from assets bearing variable interest rates. The group's exposure to interest rates on financial assets are detailed in the liquidity risk management section of this note.

The sensitivity analyses below have been determined based on the exposure to price adjustments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk as this represents management's assessment of the possible change in interest rates:

31 December 2007**Consolidated****Financial Assets**

Cash and cash equivalents
Receivables
Available for sale financial assets – fixed interest

Financial Liabilities

Payables

Carrying Amount \$'000	Interest rate risk			
	- 1%		+ 1%	
	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
116,222	(1,162)	(1,162)	1,162	1,162
344,321	–	–	–	–
1,966	(20)	(20)	20	20
71,938	–	–	–	–

(iv) Price risk

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 10% increase or decrease is used when reporting on price risk as this represents management's assessment of the possible change in prices:

31 December 2007**Consolidated****Financial Assets**

Available for sale financial assets – equity

Carrying Amount \$'000	Price risk			
	- 10%		+ 10%	
	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
8,943	–	(894)	–	894

(v) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the entity's governing body, which has built an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements.

The entity manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Entity has also established a standby facility of \$10 million to provide short-term cash should the need arise. Exposure to liquidity risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table.

	Note	Fixed Interest Maturing				Non Interest Bearing	Total
		Floating interest rate	1 year or less	1 to 5 years	Over 5 years		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2007							
Assets							
Cash at bank and on hand #	18	11,524	-	-	-	-	11,524
Deposits at call	18	102,685	-	-	-	-	102,685
Foreign currency bank accounts	18	2,013	-	-	-	-	2,013
Receivables	19	-	-	-	-	344,321	344,321
Available for sale financial assets	21	-	-	-	-	8,943	8,943
Deferred tax asset	17	-	-	-	-	126	126
Government stocks – short term	22	-	15	-	-	-	15
Shares in non-related companies	22	-	-	-	-	161	161
		116,222	15	-	-	353,551	469,788
Weighted average interest rate		5.55%	0.14%				
Liabilities							
Trade and other payables		-	-	-	-	71,938	71,938
Deferred tax liabilities		-	-	-	-	3,291	3,291
Borrowings		7,940	-	-	-	-	7,940
		7,940	-	-	-	75,229	83,169
Weighted average interest rate		6.39%					
Net financial assets (liabilities)		108,282	15	-	-	278,322	386,619
31 December 2006							
Assets							
Cash at bank and on hand #	18	17,829	-	-	-	-	17,829
Deposits at call	18	71,511	-	-	-	-	71,511
Foreign currency bank accounts	18	458	-	-	-	-	458
Receivables	19	-	-	-	-	358,858	358,858
Available for sale financial assets	21	2,008	-	-	-	6,439	8,447
Deferred tax assets	17	-	-	-	-	484	484
Government stocks – short term	22	-	15	-	-	-	15
Shares in non-related companies	22	-	-	-	-	158	158
		91,806	15	-	-	365,939	457,760
Weighted average interest rate		4.97%	0.14%				
Liabilities							
Trade and other payables	26	-	-	-	-	58,830	58,830
Deferred tax liabilities	17	-	-	-	-	256	256
Borrowings	27	8,825	-	-	-	-	8,825
		8,825	-	-	-	59,086	67,911
Weighted average interest rate		6.25%					
Net financial assets (liabilities)		82,981	15	-	-	306,853	389,849

(vi) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The entity's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparty limits that are reviewed and approved by management regularly.

The entity minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties, spread across diverse industries and geographical areas and by performing extensive due diligence procedures on major new customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the entity's maximum exposure to credit without taking account of the value of any collateral obtained.

The Entity has not obtained any collateral or other security for its financial assets.

(vii) Market risk

RMIT Consolidated Entity's exposure to market risk is borne by the borrowings placed in bank accepted commercial bills and bank short term deposits.

	Note	CONSOLIDATED	
		2007 \$'000	2006 \$'000
(viii) Reconciliation of net financial assets to net assets			
Net financial assets as above		386,619	389,849
Non-financial assets and liabilities			
Inventories	20	688	543
Other non-financial assets	25	4,180	4,436
Property, plant and equipment	23	1,091,805	1,044,799
Intangible assets	24	1,381	46
Provisions	28	(341,577)	(356,293)
Other liabilities	29	(37,796)	(27,795)
Net assets per balance sheet		1,105,300	1,055,585

(ix) Net fair values

	Note	2007		2006	
		Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
The aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are as follows:					
Financial assets					
Cash and cash equivalents					
Cash at bank and on hand #	18	11,524	11,524	17,829	17,829
Deposits at call	18	102,685	102,685	71,511	71,511
Foreign currency bank accounts	18	2,013	2,013	458	458
Receivables	19	344,321	344,321	358,858	358,858
Other financial assets					
Government stocks and bonds	22	15	15	15	15
Available for sale financial assets	21	6,439	6,439	8,447	8,447
Unlisted shares in non-related companies	22	161	161	158	158
Deferred tax assets	17	484	484	484	484
		467,642	467,642	457,760	457,760
Financial liabilities					
Trade and other payables	26	71,938	71,938	58,830	58,830
Deferred tax liabilities	17	256	256	256	256
Borrowings	27	7,940	7,940	8,825	8,825
		80,134	80,134	67,911	67,911

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

40 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in Note 1.02:

	Notes	Class of Shares	Place of Incorporation	Ownership	
				2007 %	2006 %
Controlled entities – corporate					
RMIT International Pty Ltd	(a)	Ordinary	Australia	100.00	100.00
RMIT Training Pty Ltd	(b)	Ordinary	Australia	100.00	100.00
RMIT Innovation Limited	(c)	Limited by guarantee	Australia	–	100.00
Spatial Vision Innovations Pty Ltd	(d)	Ordinary	Australia	45.90	49.73
RMIT (Malaysia) Sdn Bhd	(e)	Ordinary	Malaysia	–	100.00
RMIT Vietnam Holdings Pty Ltd	(f)	Ordinary	Australia	100.00	100.00
RMIT International University Vietnam	(g)	Vietnam Investment Licence	Vietnam	100.00	100.00
Meltech Services Ltd	(h)	Limited by guarantee	Australia	100.00	100.00
RMIT Drug Discovery Technologies Pty Ltd	(i)	Ordinary	Australia	100.00	–
Controlled entities – other					
RMIT Union	(j)	Unincorporated body			
RMIT Foundation	(k)	Unincorporated body			

- (a) RMIT International Pty Ltd is a company incorporated under the Corporations Act 2001 with share capital of 200,002 ordinary shares of \$1 each.
- (b) RMIT Training Pty Ltd is a company incorporated under the Corporations Act 2001 with share capital of 502,000 ordinary shares of \$1 each.
- (c) RMIT Innovation Ltd was deregistered in 2007.
- (d) Spatial Vision Innovations Pty Ltd is a company incorporated under the Corporations Act 2001 with ordinary shares of 222,222 (2006 – 205,128) of \$1 each. The company is a subsidiary of RMIT by virtue of its financial control and the power to appoint the board.
- (e) RMIT (Malaysia) Sdn. Bhd. was liquidated in 2007.
- (f) RMIT Vietnam Holdings Pty Ltd (RVH) is a wholly owned entity of RMIT and has 12 ordinary shares of \$1 each. The company's principal activity is holding RMIT's investment in RIUV and to hold funds for distribution to operations at the RMIT International University Vietnam (RIUV) Campus. Each year the RVH results will be affected by a timing difference between receipt of grants and the subsequent payment of those grants to RIUV.
- (g) RMIT International University Vietnam is a wholly owned entity of RMIT Vietnam Holdings Pty Ltd. Its purpose is to provide advanced education to the Vietnamese community in Vietnam.
- (h) Meltech Services Ltd is a company incorporated under the Corporations Act 2001, limited by guarantee and without share capital. The liability of members at balance date was limited to \$120, being six members with a liability limited to \$20 each. Three directors, being a majority of directors, are nominees of RMIT. Accordingly, Meltech Services Ltd, is a controlled entity of RMIT.
- (i) RMIT Drug Discovery Technologies Pty Ltd was incorporated on the 1 January 2007 and is wholly owned by RMIT. The company's principal activity is to develop and provide OECD Principles of Good Laboratory Practice, preclinical toxicology and bioanalytical testing services for national and global biotechnology, pharmaceutical and chemical industry clients progressing products for human health care through development.
- (j) RMIT Union is an unincorporated body. Its principal purpose is to provide support services to RMIT students.

41 Acquittal of Australian Government financial assistance

		Parent entity (RMIT) ONLY							
		Commonwealth Grant Scheme #		Indigenous Support Fund		Equity Support Programme		Disability Support Programme	
		2007	2006	2007	2006	2007	2006	2007	2006
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
41.1 DEEWR – Teaching and Learning	Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	121,520	114,591	222	185	248	229	154	146
	Net accrual adjustments	1,192	1,071	–	–	–	–	–	–
	Revenue for the period	3(a) 122,712	115,662	222	185	248	229	154	146
	Surplus / (deficit) from the previous year	–	–	–	–	–	–	71	136
	Total revenue including accrued revenue	122,712	115,662	222	185	248	229	225	282
	Less expenses including accrued expenses	122,712	115,662	222	185	248	229	225	211
	Surplus / (deficit) for reporting period	–	–	–	–	–	–	–	71

Includes the basic CGS grant amount, CGS-Regional Loading and CGS-Enabling Loading.

* Includes Higher Education Disability Support Programme and Equity Support Programme

		Parent entity (RMIT) ONLY							
		Learning & Teaching Performance Fund		Workplace Reform Programme		Capital Development Pool		Superannuation Programme	
		2007	2006	2007	2006	2007	2006	2007	2006
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
41.1 DEEWR – Teaching and Learning (continued)	Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	500	–	1,578	1,516	1,159	1,157	19,200	19,374
	Net accrual adjustments	–	–	–	–	–	–	2,354	(483)
	Revenue for the period	3(a) 500	–	1,578	1,516	1,159	1,157	21,554	18,891
	Surplus / (deficit) from the previous year	–	–	–	–	329	865	–	–
	Total revenue including accrued revenue	500	–	1,578	1,516	1,488	2,022	21,554	18,891
	Less expenses including accrued expenses	500	–	1,578	1,516	542	1,693	21,554	18,891
	Surplus / (deficit) for reporting period	–	–	–	–	946	329	–	–

		Parent entity (RMIT) ONLY			
		Collaboration & Structural Reform Programme		Total	
		2007	2006	2007	2006
Note		\$'000	\$'000	\$'000	\$'000
41.1 DEEWR – Teaching and Learning (continued)	Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	184	465	144,765	137,663
	Net accrual adjustments	–	–	3,546	588
	Revenue for the period	3(a) 184	465	148,311	138,251
	Surplus / (deficit) from the previous year	408	–	808	1,001
	Total revenue including accrued revenue	592	465	149,119	139,252
	Less expenses including accrued expenses	371	57	147,952	138,444
	Surplus / (deficit) for reporting period	221	408	1,167	808

Parent entity (RMIT) ONLY									
	Note	HECS - HELP (Australian Government payments only)		FEE - HELP		Total		OS-HELP	
		2007	2006	2007	2006	2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
41.2 Higher Education Loan Programmes									
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)		67,816	63,813	17,408	13,595	85,224	77,408	305	840
Net accrual adjustments		1,905	1,002	(1,035)	1,012	870	2,014	-	-
Revenue for the period	3(b)	69,721	64,815	16,373	14,607	86,094	79,422	305	840
Surplus / (deficit) from the previous year		-	-	-	-	-	-	120	-
Total revenue including accrued revenue		69,721	64,815	16,373	14,607	86,094	79,422	425	840
Less expenses including accrued expenses		69,721	64,815	16,373	14,607	86,094	79,422	419	720
Surplus / (deficit) for reporting period		-	-	-	-	-	-	6	120

Parent entity (RMIT) ONLY							
	Note	Australian Post-graduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships	
		2007	2006	2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
41.3 Scholarships							
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)		2,485	2,509	537	359	965	661
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(c)	2,485	2,509	537	359	965	661
Surplus / (deficit) from the previous year		(953)	663	(208)	69	19	-
Total revenue including accrued revenue		1,532	3,172	329	428	984	661
Less expenses including accrued expenses		795	4,125	554	636	965	642
Surplus / (deficit) for reporting period		737	(953)	(225)	(208)	19	19

Parent entity (RMIT) ONLY					
	Note	Commonwealth Accommodation Scholarships		Total	
		2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000
41.3 Scholarships (continued)					
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)		1,357	1,049	5,344	4,578
Net accrual adjustments		-	-	-	-
Revenue for the period	3(c)	1,357	1,049	5,344	4,578
Surplus / (deficit) from the previous year		58	4	(1,084)	736
Total revenue including accrued revenue		1,415	1,053	4,260	5,314
Less expenses including accrued expenses		1,357	995	3,671	6,398
Surplus / (deficit) for reporting period		58	58	589	(1,084)

Parent entity (RMIT) ONLY									
	Note	Institutional Grants Scheme		Research Training Scheme		Research Infrastructure Block Grants		Implementation Assistance Programme	
		2007	2006	2007	2006	2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
41.4 DEST Research									
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)		5,391	5,477	13,695	13,263	1,736	1,621	69	-
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(d)	5,391	5,477	13,695	13,263	1,736	1,621	69	-
Surplus / (deficit) from the previous year		-	-	-	-	208	246	-	-
Total revenue including accrued revenue		5,391	5,477	13,695	13,263	1,944	1,867	69	-
Less expenses including accrued expenses		3,975	5,477	13,695	13,263	1,817	1,659	59	-
Surplus / (deficit) for reporting period		1,416	-	-	-	127	208	10	-

Parent entity (RMIT) ONLY							
	Note	Australian Scheme for Higher Education Repositories		Commercialisation Training Scheme		Total	
		2007	2006	2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
41.4 DEST Research (continued)							
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)		170	-	127	-	21,188	20,361
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(d)	170	-	127	-	21,188	20,361
Surplus / (deficit) from the previous year		-	-	-	-	208	246
Total revenue including accrued revenue		170	-	127	-	21,396	20,607
Less expenses including accrued expenses		-	-	124	-	19,670	20,399
Surplus / (deficit) for reporting period		170	-	3	-	1,726	208

Parent entity (RMIT) ONLY							
	Note	VSU Transition Fund		VSU Small Business Support		Total	
		2007	2006	2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
41.5 Voluntary Student Unionism							
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)		200	-	-	-	200	-
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)	200	-	-	-	200	-
Surplus / (deficit) from the previous year		-	-	-	-	-	-
Total revenue including accrued revenue		200	-	-	-	200	-
Less expenses including accrued expenses		200	-	-	-	200	-
Surplus / (deficit) for reporting period		-	-	-	-	-	-

Parent entity (RMIT) ONLY							
	Note	Projects		Fellowships		Total	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
41.6 (a) Australian Research Council Grants – Discovery							
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)		2,324	2,317	323	158	2,647	2,475
Net accrual adjustments		–	–	–	–	–	–
Revenue for the period	3(f)(i)	2,324	2,317	323	158	2,647	2,475
Surplus / (deficit) from the previous year		1,054	880	158	–	1,212	880
Total revenue including accrued revenue		3,378	3,197	481	158	3,859	3,355
Less expenses including accrued expenses		2,245	2,143	342	–	2,587	2,143
Surplus / (deficit) for reporting period		1,133	1,054	139	158	1,272	1,212

Parent entity (RMIT) ONLY							
	Note	Special Research Initiatives		International		Infrastructure	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
41.6 (b) Australian Research Council Grants – Linkages							
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)		–	58	105	75	700	–
Net accrual adjustments		–	–	–	–	–	–
Revenue for the period	3(f)(ii)	–	58	105	75	700	–
Surplus / (deficit) from the previous year		51	147	75	–	–	110
Total revenue including accrued revenue		51	205	180	75	700	110
Less expenses including accrued expenses		51	154	73	–	–	110
Surplus / (deficit) for reporting period		–	51	107	75	700	–

Parent entity (RMIT) ONLY					
	Note	Projects		Total	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
41.6 (b) Australian Research Council Grants – Linkages (continued)					
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)		3,377	3,820	4,182	3,953
Net accrual adjustments		–	53	–	53
Revenue for the period	3(f)(ii)	3,377	3,873	4,182	4,006
Surplus / (deficit) from the previous year		1,647	1,445	1,773	1,702
Total revenue including accrued revenue		5,024	5,318	5,955	5,708
Less expenses including accrued expenses		3,234	3,671	3,358	3,935
Surplus / (deficit) for reporting period		1,790	1,647	2,597	1,773

	Note	CONSOLIDATED		RMIT	
		2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000
42 Remuneration of auditors					
Auditing or reviewing the financial reports of the entity or any entity in the consolidated entity					
Auditor-General of Victoria		292	266	203	227
Total accounting and auditing services		292	266	203	227

43 Key management personnel disclosures**(a) Responsible persons related disclosures**

In accordance with the directions of the Minister for Finance under the Financial Management Act 1994, the following disclosures are made for the responsible Ministers and responsible Members of Council.

(i) Minister

The relevant Minister is:

The Hon. Jacinta Allan MP, Minister for Skills and Workforce Participation

Remuneration of the Minister is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members interests which is completed by each member of the Parliament.

(ii) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of RMIT during the year:

Council Members

Awcock, F.	Nieuwenhuysen, J.
Ballagh, A.	Pekarek, H.
Coloe, P.	Robinson, N.
Dalton, A. T.	Sarieddine, C. S.
Francis, T.	Schulze, M.
Gardner, M.	Simonetto, C.
Gibson, R. D.	Tappenden, T.
Gilmour, J.	Thomas, D.
Lever, R.	Wulff, R.
Lupton, R.	Young, D.
Messimeri-Kianidis, V.	

Executive officers

Alcorn, D.	Furlong, N.
Ballagh, A.	Gardner, M.
Barber, J.	Kirk, J.
Bellamy, S.	Reeve, M.
Cumming, A.	Somogyi, S.
Dalton, A.	Whitaker, C.

(b) Remuneration of responsible persons

Income paid or payable, or otherwise made available, to Councillors and/or directors by entities in the RMIT consolidated entity and related parties in connection with the management of affairs of the RMIT entity or its subsidiaries.

Number of RMIT Councillors whose total remuneration from RMIT and any related bodies corporate was within the following bands:

	3,991		2,704		1,565		1,039	
	2007	2006	2007	2006	2007	2006	2007	2006
	No.	No.	No.	No.	No.	No.	No.	No.
\$ 0	2	6	1	5				
Less than \$10,000	3	9	–	6				
\$ 10,000 – \$ 19,999	8	7	6	7				
\$ 20,000 – \$ 29,999	7	–	7	–				
\$ 40,000 – \$ 49,999	–	1	–	1				
\$ 60,000 – \$ 69,999	1	–	–	–				
\$ 70,000 – \$ 79,999	1	–	1	–				
\$ 80,000 – \$ 89,999	1	–	1	–				
\$ 90,000 – \$ 99,999	2	1	2	–				
\$100,000 – \$109,999	1	1	–	–				
\$120,000 – \$129,999	1	–	–	–				
\$130,000 – \$139,000	1	–	–	–				
\$170,000 – \$179,999	1	2	–	2				
\$180,000 – \$189,999	2	–	1	–				
\$190,000 – \$199,999	1	–	1	–				
\$210,000 – \$219,999	1	–	–	–				
\$220,000 – \$229,999	1	–	–	–				

	2007 No.	2006 No.	2007 No.	2006 No.
\$250,000 – \$259,999	1	–	–	–
\$260,000 – \$269,999	1	–	–	–
\$270,000 – \$279,999	1	1	–	–
\$280,000 – \$289,999	1	–	–	–
\$340,000 – \$349,999	–	1	–	–
\$410,000 – \$419,999	–	1	–	–
\$490,000 – \$499,999	1	–	–	–
\$500,000 – \$509,999	–	1	–	1
\$560,000 – \$569,999	1	–	1	–
	40	31	21	22

(c) Remuneration of executive officers

Income received or due and receivable from entities in the consolidated entity and related parties by Australian-based executive officers except for responsible persons whose remuneration was at least \$100,000.

Base remuneration of executive officers	2,812	3,155	1,768	1,802
Total remuneration of executive officers	3,414	3,724	2,180	2,175

The number of executive officers whose total remuneration was within the following bands:

	2007 No.	2006 No.	2007 No.	2006 No.
\$100,000 – \$109,999	1	1	–	–
\$110,000 – \$119,999	3	1	–	–
\$120,000 – \$129,999	3	–	–	–
\$130,000 – \$139,999	1	–	1	–
\$150,000 – \$159,999	–	2	–	–
\$160,000 – \$169,999	–	–	–	–
\$170,000 – \$179,999	1	–	–	–
\$180,000 – \$189,999	1	2	1	–
\$190,000 – \$199,999	1	–	–	–
\$210,000 – \$219,999	1	–	–	–
\$220,000 – \$229,999	1	1	1	–
\$250,000 – \$259,999	2	4	1	4
\$260,000 – \$269,999	2	2	2	2
\$270,000 – \$279,999	1	1	1	1
\$280,000 – \$289,000	1	–	1	–
\$300,000 – \$309,999	1	–	1	–
\$340,000 – \$349,999	–	1	–	1
\$410,000 – \$419,999	–	1	–	–
\$500,000 – \$509,999	–	–	–	–
	20	16	9	8

Remuneration of executive officers also includes annual leave, long service leave and termination payments made during the period.

44 Related parties

The following related party transactions occurred during the financial year and were conducted on normal terms and conditions unless otherwise stated:

(a) Responsible persons and specified executives

The names, remuneration and retirement benefits of persons who were Councillors of RMIT and specified executives at any time during the financial year are set out in Note 43.

(b) Controlled entities

Interests in subsidiaries are set out in note 40.

(c) Transactions with related parties

The following transactions occurred with related parties:

Aggregate amounts included in the determination of operating result from ordinary activities that resulted from transactions with each class of other related parties within the group:

Sale of services

Contract and professional services	–	262	–	7,005
Fees and charges	–	–	–	4,238
Donations and bequests	–	–	707	1,969
Interest income	–	–	16	1,214
Rental income	–	–	570	752

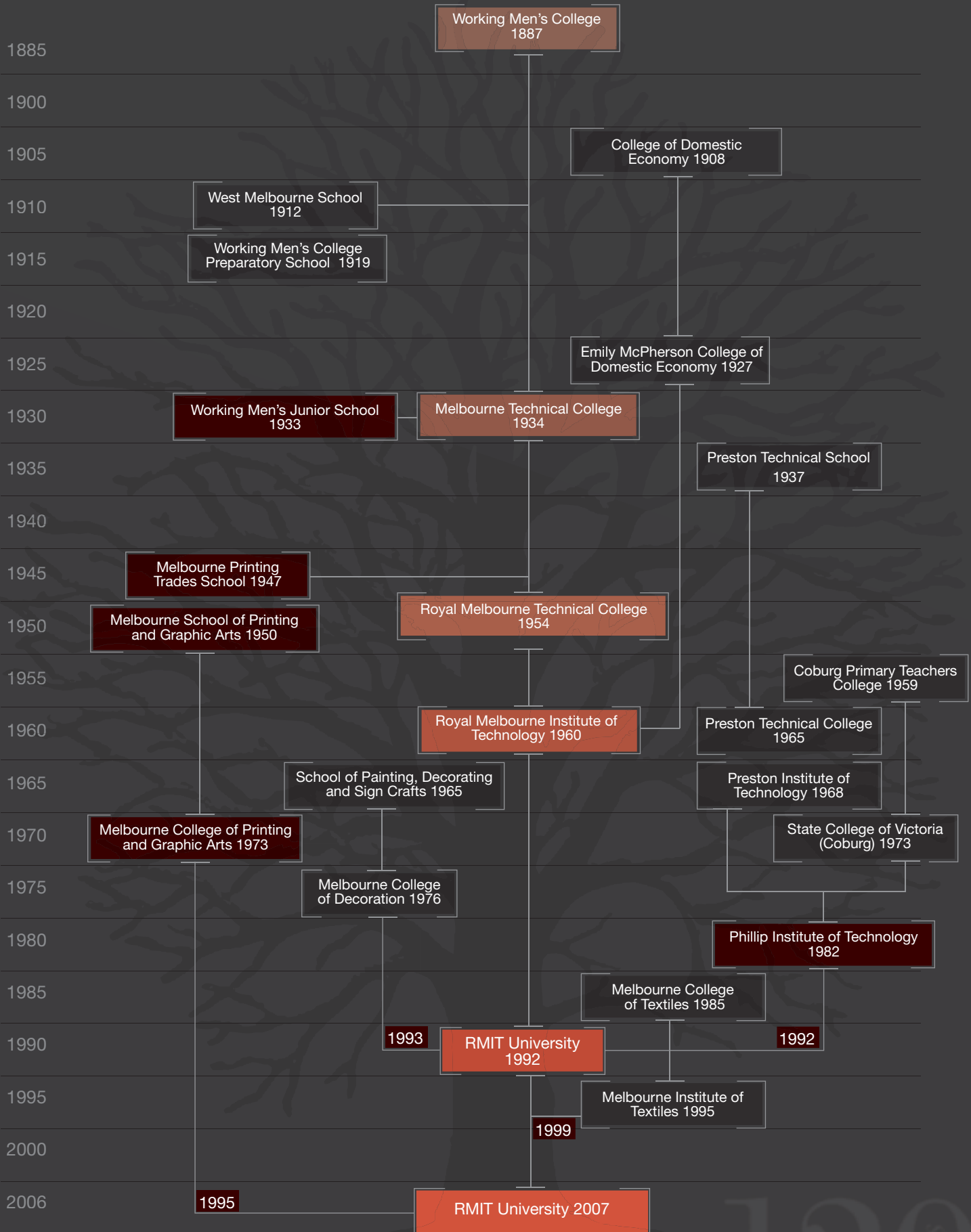
	Note	CONSOLIDATED		RMIT	
		2007	2006	2007	2006
		\$'000	\$'000	\$'000	\$'000
Purchase of services					
Marketing expenses		–	–	–	5,344
Grants, scholarships and prizes		–	–	4,900	6,637
Consulting services		–	262	–	778
Rental expense		–	–	–	752
		–	–	1,347	1,070
Investment of capital		5,696	5,902	–	–
Loans to related parties					
Loans advanced by subsidiaries		–	–	–	–
Loans repayments to subsidiaries		–	–	2,035	382
Interest expense					
RMIT		–	–	1,347	1,070
(d) Transactions with responsible persons					
The terms and conditions of the transactions with responsible persons and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non related parties on an arm's length basis.					
The aggregate amounts recognised during the year relating to responsible persons and their related parties were as follows:					
Stephen Somogyi		–	134	–	134
(e) Outstanding balances					
The following balances are outstanding at the reporting date in relation to transactions with related parties:					
Current Receivables					
Subsidiaries		–	–	11,902	10,703
Non-Current Receivables					
Subsidiaries		–	–	–	–
Current Payables					
Subsidiaries		–	–	1,791	–
Interest bearing liabilities					
Subsidiaries		–	–	19,121	21,156
An allowance for impairment has been raised in relation to outstanding balances of current receivables		–	–	2,391	2,391
(f) Forgiveness of debts					
As part of the process of winding up RMIT Innovation Ltd. RMIT forgave the company's outstanding receivable.		–	–	123	–
(g) Terms and conditions					
All transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for repayment of loans between the parties. The average interest rate on loans during the year was 6.39% (2006 – 5.6%).					
Outstanding balances are unsecured and are repayable in cash.					
Certain administrative services are provided by RMIT to a number of entities within the wholly owned group at no charge.					
45 Amenities and service fees					
In accordance with the Tertiary Education (Amendment) Act 1994, the following compulsory non-academic fees were collected by RMIT from students and prospective students:					
Fees collected					
General Service Fee		–	5,992	–	5,404
Enrolment Fee		3,986	3,894	3,986	3,894
		3,986	9,886	3,986	9,298
Distribution of fees by way of grants to:					
Student Union Council		–	2,080	–	2,080
RMIT Union		–	3,172	–	3,172
RMIT Teaching Departments		3,986	4,467	3,986	3,879
RMIT Student Services		–	167	–	167
		3,986	9,886	3,986	9,298

Balance Sheet
for the years 2007
to 2003 inclusive

	CONSOLIDATED					RMIT				
	AIFRS				AGAAP	AIFRS				AGAAP
	2007	2006	2005	2004	2003	2007	2006	2005	2004	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current assets										
Cash and cash equivalents	116,222	89,798	59,557	32,107	30,062	70,205	59,006	31,814	6,699	2,769
Receivables	100,787	88,349	46,434	42,713	53,356	104,617	90,354	49,380	47,438	55,924
Inventories	688	543	888	989	1,059	-	-	-	-	-
Non-current assets classified as held for sale	-	-	29,875	-	-	-	-	29,875	-	-
Other Financial Assets	-	-	-	-	-	-	-	-	-	-
Other non-financial assets	4,180	4,436	3,500	3,518	5,677	3,333	3,908	2,947	3,042	2,752
Total current assets	221,877	183,126	140,254	79,327	90,154	178,155	153,268	114,016	57,179	61,445
Non-current assets										
Receivables	243,534	270,509	285,463	254,502	220,665	243,482	270,509	285,463	254,502	223,477
Available for sale financial assets through equity	10,909	8,447	6,956	-	-	-	-	-	-	-
Other financial assets	176	173	174	5,729	4,412	2,694	823	822	934	934
Property, plant and equipment	1,091,805	1,044,799	1,040,994	1,047,165	1,022,067	1,077,502	1,030,443	1,021,486	1,031,464	1,014,890
Deferred tax asset	126	484	66	-	-	-	387	-	-	-
Intangible assets	1,381	46	2,140	2,172	1,450	-	-	2,093	1,225	-
Other non-financial assets	-	-	-	332	54	-	-	-	-	-
Total non-current assets	1,347,931	1,324,458	1,335,793	1,309,900	1,248,648	1,323,678	1,302,162	1,309,864	1,288,125	1,239,301
Total assets	1,569,808	1,507,584	1,476,047	1,389,227	1,338,802	1,501,833	1,455,430	1,423,880	1,345,304	1,300,746
LIABILITIES										
Current liabilities										
Trade and other payables	71,938	58,830	58,284	45,836	28,130	67,550	48,040	51,571	40,898	24,591
Borrowings	-	-	-	3,582	3,680	19,121	21,156	13,724	15,323	3,680
Provisions	93,295	81,826	89,064	43,589	39,055	91,921	80,497	87,516	41,470	37,501
Current tax liabilities	3,249	224	239	-	-	3,155	130	239	-	-
Other liabilities	37,796	27,795	30,531	22,856	24,520	22,679	17,280	22,016	18,238	19,679
Total current liabilities	206,278	168,675	178,118	115,863	95,385	204,426	167,103	175,066	115,929	85,451
Non-current liabilities										
Trade and other payables	-	-	-	-	-	-	-	-	-	10,527
Borrowings	7,940	8,825	9,541	8,986	3,500	-	-	-	-	3,500
Provisions	248,282	274,467	286,124	299,299	263,906	248,063	274,174	284,800	298,086	263,179
Deferred tax liabilities	42	32	21	-	-	-	-	-	-	-
Total non-current liabilities	256,264	283,324	295,686	308,285	267,406	248,063	274,174	284,800	298,086	277,206
Total liabilities	462,542	451,999	473,804	424,148	362,791	452,489	441,277	459,866	414,015	362,657
Net assets	1,107,266	1,055,585	1,002,243	965,079	976,011	1,049,344	1,014,153	964,014	931,289	938,089
EQUITY										
RMIT entity interest										
Reserves	544,549	547,287	557,548	546,553	641,280	501,497	501,497	510,154	500,672	345,311
Accumulated funds	562,137	507,926	444,463	418,407	334,699	547,847	512,656	453,860	430,617	592,778
Total RMIT entity interest	1,106,686	1,055,213	1,002,011	964,960	975,979	1,049,344	1,014,153	964,014	931,289	938,089
Outside equity interest in controlled entities	580	372	232	119	32	(1)	-	-	-	-
Total equity	1,107,266	1,055,585	1,002,243	965,079	976,011	1,049,343	1,014,153	964,014	931,289	938,089

Income statement
for the years 2007
to 2003 inclusive

	CONSOLIDATED					RMIT				
	AIFRS				AGAAP	AIFRS				AGAAP
	2007	2006	2005	2004	2003	2007	2006	2005	2004	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from continuing operations										
Australian Government financial assistance										
Australian Government grants	182,807	170,468	160,587	138,685	145,307	182,807	170,468	160,587	138,685	145,307
HECS-HELP – Australian Government payments	69,721	64,815	55,870	47,817	63,316	69,721	64,815	55,870	47,817	63,316
FEE-HELP	16,373	14,607	12,441	10,659	8,250	16,373	14,607	12,441	10,659	8,250
State and Local Government financial assistance	66,588	65,235	60,042	59,246	67,168	66,588	65,235	60,042	59,213	67,168
HECS-HELP - Student Payments	12,750	12,769	11,452	8,331	8,148	12,750	12,769	11,452	8,331	8,148
Fees and charges	236,357	206,592	187,977	174,169	175,627	201,893	182,434	170,729	160,816	162,763
Investment income	8,046	5,342	4,034	1,463	2,113	6,038	3,745	2,906	809	842
Consultancy and contracts	33,875	37,959	39,091	41,187	42,956	25,654	24,988	23,103	25,720	27,212
Other revenue and income	24,664	31,892	29,722	24,329	50,698	12,703	14,639	13,595	10,687	31,900
	651,181	609,679	561,216	505,886	563,583	594,527	553,700	510,725	462,737	514,906
Deferred government superannuation contributions	(22,777)	(14,851)	29,466	35,837	10,813	(22,777)	(14,851)	29,466	35,837	10,813
Total revenue from continuing operations	628,404	594,828	590,682	541,723	574,396	571,750	538,849	540,191	498,574	525,719
Expenses from continuing operations										
Employee related expenses	379,475	343,691	344,301	340,179	321,486	355,060	316,316	319,332	316,830	298,729
Depreciation and amortisation	28,423	28,131	26,506	26,561	27,771	26,544	25,302	23,574	24,037	24,055
Repairs and maintenance	16,235	15,937	13,558	14,562	11,293	16,063	15,578	13,157	14,112	10,929
Finance costs	1	22	914	397	965	1,347	446	973	882	964
Bad and doubtful debts	2,778	976	1,255	(229)	11,870	2,824	1,451	1,309	(242)	11,767
Other expenses	166,778	164,482	146,432	149,716	158,274	153,736	143,156	129,456	132,004	131,523
	593,690	553,239	532,966	531,186	531,659	555,574	502,249	487,801	487,623	477,967
Deferred employee benefits for superannuation	(22,777)	(14,851)	29,466	35,837	10,813	(22,777)	(14,851)	29,466	35,837	10,813
Total expenses from continuing operations	570,913	538,388	562,432	567,023	542,472	532,797	487,398	517,267	523,460	488,780
Operating result before income tax	57,491	56,440	28,250	(25,300)	31,924	38,953	51,451	22,924	(24,886)	36,939
Income tax expense	3,882	1,437	(543)	1,154	298	3,762	1,312	(319)	742	339
Operating result from continuing operations	53,609	55,003	28,793	(26,454)	31,626	35,191	50,139	23,243	(25,628)	36,600
Operating result attributable to minority interest	(149)	(146)	(114)	(92)	(102)	-	-	-	-	-
Operating result attributed to RMIT entity	53,460	54,857	28,679	(26,546)	31,524	35,191	50,139	23,243	(25,628)	36,600



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