



ANNUAL REPORT
2006

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REPORT



Report of the RMIT Council

for the period 1 January to 31 December 2005

**To the Honourable Lynne Kosky MP
Minister for Education and Training**

It gives me great pleasure, on behalf of the Council of the Royal Melbourne Institute of Technology (RMIT) University, to submit the Annual Report for the year ending 31 December 2005, in pursuance of the provisions of the Financial Management Act 1984, the Tertiary Education Act 1993 and relevant decisions of the Public Accounts and Estimates Committee of Parliament.

Council delegated approval for the Chancellor to approve the Annual Report on its behalf. The Chancellor approved the report on 12 April 2006.

Professor R Dennis Gibson AO
Chancellor
12 April 2006

urban global connected

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An online version of the RMIT University 2006 Annual Report is available at: www.rmit.edu.au/about/annualreport

Contents

Introduction

Chancellor's Statement	5
Vice-Chancellor's Statement	6
A Platform for the Future	8
Statistical Snapshot	12
About RMIT	13

Review of Activities

Our Students	16
Our People	19
Our Alumni	21
Academic Life	22
Research & Innovation	25
A Global University	28
Industry and Community Engagement	32
Business	34
Design and Social Context	36
Science, Engineering and Technology	38
Pathways for success	40
Buildings & Campus Environment	42

Governance

Governance	46
Senior Officers	50
Organisational Chart	52
Compliance Management	52
Risk Management and Internal Audit	54
RMIT Subsidiaries	54
RMIT Associated Entities	56
Consultancies 2006	59
Glossary	59

Financial Statements

Declarations	64
Auditor General's Report	65
Operating Statement	67
Balance Sheet	68
Statement of Changes in Equity	69
Cash Flow Statement	70
List of Contents of Financial Statements	71
Notes to Financial Statements	72
Balance Sheet for the Year 2006 - 2002 inclusive	111
Income Statement for the Year 2006 - 2002 inclusive	112



Introduction



City campus

Objects of the University

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.

Chancellor's Statement

Professor Margaret Gardner's first full year of leadership of the University was marked by many achievements in teaching and research, continuing improvement in financial performance and the implementation and enhancement of administrative systems. These achievements provided solid evidence that the strategic plan, *RMIT 2010: Designing the Future*, had been widely accepted within the University and by our many supporters. In particular RMIT's recommitment, endorsed by Council, to the provision of high-quality, practically focused education and training with a focus on industry engagement and cross-sector initiatives received strong internal and external support.

The University's successful year was based on the hard work and commitment of all staff and students and a growing culture of collaborative work. The successful 2006 financial performance will enable the University to begin an expanded infrastructure program to enhance future teaching and research activities.

I would like to thank all members of RMIT Council for their hard work and support during the year. Jenny Varcoe-Cox, a member of seven years' standing, who served as Deputy Chancellor in 2006, decided to retire. She has made a valuable contribution to RMIT's work in many ways, including chairing and serving as a member of Council standing committees, selection panels and review groups as well as providing wise counsel on membership and governance issues. Garth Lampe, a member of Council for four years, also retired. His contribution was invaluable to the work of Council and the Planning and Finance Committee.

The Council secretariat continued to provide support of the highest level to Council and the Chancellor.

As evidenced by the Vice-Chancellor's statement and the full RMIT annual report, 2006 was a year of considerable achievement by our students and staff. In 2007, RMIT celebrates its 120th anniversary and I am confident it will continue to build its reputation as a global University grounded in Melbourne and connected to communities and enterprises across the world.



Professor R Dennis Gibson AO
Chancellor



Vice-Chancellor's Statement



Professor
Margaret Gardner AO
Vice-Chancellor and President

In 2006, RMIT built a strong platform to deliver a higher quality of education and research. The year ended with an excellent operating surplus to invest in facilities, services, teaching and learning and research. There were strong teaching and research outcomes and increased student enrolments. This outstanding result is a reflection of the efforts of all RMIT staff and the broader University community.

From its beginnings as the Working Men's College in 1887, RMIT now finds itself in a strong position – financially, academically and strategically – as it enters 2007 and celebrates its 120th year as an institution of learning.

The University's financial sustainability will allow it to pursue substantial investment in buildings and other infrastructure, and in 2006 planning commenced on a number of major projects. In particular, RMIT will develop a Design Hub on part of the former CUB site at the corner of Swanston and Victoria streets. This building will be symbolic of RMIT's design capability and will act as a centre where collaboration can occur between RMIT, industry and the broader design community.

Another important milestone in 2006 was the adoption of the University's *Academic Plan 2006-10*. This plan aims to ensure that our students continue to receive education and training that is internationally recognised, industry relevant and practically focused. This plan will also draw on our capacity as a dual-sector institution to ensure life-long learning opportunities.

A key element of the Academic Plan is the establishment of the Learning and Teaching Investment Fund. Funding will be available for staff development activities or for projects that encourage innovation in teaching – through the adoption of dual-sector qualifications, increased industry collaboration or through the use of teaching methods that improve student experience and outcomes.

RMIT's research capabilities were also highlighted in 2006 with the establishment of four new Research Institutes. Each Institute – Global Cities, Health Innovations, Platform Technologies and Design – reflects an area of expertise within the University and will serve to demonstrate our research capability both nationally and internationally. This new structure will further raise the profile of RMIT in these key areas and will focus existing research funding, as well as help to attract new funding from external sources.



RMIT also maintained its international focus during 2006 despite intense competition for foreign students. With around 8,900 onshore international students and almost 12,500 offshore international students RMIT remains a leader in international education. We now have approximately 100 international partners and RMIT is working to ensure that our students' qualifications are like "global passports" – qualifications that are recognised, and allow our graduates to work, anywhere in the world. In keeping with the international focus, many of our domestic students study part of their degrees or undertake work placements overseas.

In particular, RMIT Vietnam enjoyed incredible success during 2006 with enrolments up more than 75% during the year. RMIT also hosted a visit by Her Excellency Madame Truong My Hoa, the Vice-President of Vietnam, which coincided with RMIT reaching agreement with the Vietnamese Ministry of Education and Training in relation to collaboration on Masters and PhD programs.

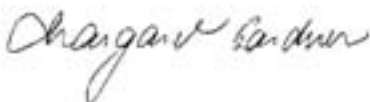
2006 was also a year when RMIT demonstrated its excellence in the areas of occupational health and safety and energy conservation. I am pleased to report that RMIT's WorkCover premiums were reduced substantially during the year in acknowledgement of the substantial progress made by the University on OH&S issues. In addition, RMIT quickly and sensitively responded to staff concerns surrounding Building 108, with independent occupational health and medical experts finding that the building presented no health risk to staff or students.

Further, RMIT has taken the opportunity to improve its "green" credentials by working with other universities, TAFEs and the Sustainable Energy Authority Victoria as part of the Sustainable Campus Group. We are also piloting a green office program in certain buildings at our city campus and working to reduce energy consumption across our operations.

However, 2006 has not been without challenges. One change of particular detriment to the university community was the introduction of bans on compulsory membership of student organisations. Unfortunately, this ban has reduced the funds available to provide for student services, with much of the resultant shortfall being funded directly from operational revenue.

However, in spite of these challenges the University continues to be recognised nationally and internationally as a quality provider of education. The University maintained a high ranking in the *Times Higher Education Supplement* Rankings, being in the top 200 universities in the world and one of the top 10 Australian universities in this ranking. The achievements of RMIT and its staff were recognised through a variety of awards and other honours during 2006. While too numerous to mention here, the following report provides information about a number of these achievements, and I congratulate all of our staff and students for their efforts during the past year.

I am confident that RMIT will continue over the next 120 years to meet the challenges it will face and be a global university of technology.



Professor Margaret Gardner AO
Vice-Chancellor and President



A Platform for the Future

The cover image of this 2006 annual report shows the Graduation Parade as it left RMIT's La Trobe Street campus on the morning of 13 December. It captures a defining moment in the life of the University, when the Class of 2006, accompanied by alumni, academic and general staff, parents and friends, paraded amid banners and balloons through the central street of a city this University has helped shape and been shaped by.

Graduation is the occasion when a University publicly celebrates academic success and the reaching of a goal.

For all who make up the University community such a moment is the result of dedication and work. For students it is the culmination of years. For teachers, it is the result often of decades of acquiring specialist knowledge and the skill of passing on their learning. For the institution, the journey each year of its graduates is the product of a history that becomes ever richer.

In 2006, 16,960 students graduated from RMIT. In Melbourne, 14,675 students graduated, 6,945 with awards conferred (in person or in absentia) at the 2006 Graduation Ceremony at Telstra Dome. Other ceremonies were held in Vietnam (240 graduates), in Hong Kong (634) and mainland China (80), in Singapore (1,169) and Malaysia (162).

The year 2006 was one of many achievements, public and private. Those recognised throughout these pages stand as examples of the student and academic life of RMIT.

Strategic Plan

A strategic plan, *RMIT 2010: Designing the Future*, sets the mission, vision, values and priorities of the University. This plan operated for its first full year in 2006, aligning all operations with the University's mission. The strategic plan spells out the vision to 2010 for RMIT as an institution that is:

- > 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.

Design Leadership

RMIT has long been a leader in all aspects of design. Contributing to this in 2006 was the State Government's commissioning of lab.3000 to design, develop and implement the State of Design 2006. More than 60 events were held at 34 locations around Melbourne, including Federation Square, the Melbourne Museum and Docklands. Its feature event, the inaugural Premier's Award for Design Leadership, drew almost 45,000 visitors to the Melbourne Museum to view 38 short-listed entries.

RMIT dominated the awards, with current and former staff and students winning six of 12 categories.

Stuart Geddes, a postgraduate student in Communication Design, won the Premier's Communication Design Prize for his collaboration on *Is Not Magazine*, a bimonthly publication published on selected inner-city walls. RMIT lecturers Susan Dimasi and Chantal McDonald won the Premier's Fashion and Textile Design Prize for their work through the Material by Product design studio. Steven Swain, a researcher at the Spatial Information Architecture Laboratory (SIAL) at RMIT, was awarded the Premier's Student Built Environment Design Prize for his work on the potential of mathematics as a design technique.

In a March Meet the Experts Breakfast session on the importance of science and engineering in sport, RMIT experts presented their work on the design of equipment such as high-performance bicycles, tennis racquets, snowboards, sports helmets and cooling jackets for athletes.

In November, the RMIT graduating Interior Design students of 2006 presented *index06*, an event and exhibition that each year attracts more than 2,000 people, including design professionals, graduates, students and the general public. The works displayed were the culmination of four years of learning, researching and producing.



The Class of 2006

A Boost for Science

An important part of RMIT's strategic direction is to be among Australia's top research universities.

One important enhancement in 2006 of science research capacity was the establishment of the NanoVic Scanning Probe Facility. This facility will help cement RMIT as a leader in nanotechnology research, the science of matter at the molecular level. A \$700,000 Australian Research Council (ARC) grant enabled the purchase of the equipment, worth more than \$1 million and including a Scanning Near-Field Optical Microscope (SNOM). The device allows researchers to investigate molecular and bio-molecular interactions that occur within nanoscale structures and assemblies. It will be of vital importance to researchers operating at the nanoscale level and will be used by academic and postgraduate students across RMIT, in collaboration with three other universities.

RMIT's success in developing students capable of bringing practical science to the commercial sphere was evident in the 2006 Biotechnology Entrepreneur Program. A total of seven RMIT postgraduate students took part in four nanotechnology and biotechnology enterprises to show their ability to develop

and market new products. A combined group of students from RMIT, the University of Melbourne and Monash University won the Monash University Best Business Plan Award and were runners-up for the Best Community and Environment Award. The group developed a space-saving acrylic rack for histology slides. Synergya, comprising of students from RMIT, the University of Melbourne, Victoria College of Pharmacy and the Ludwig Institute, won the Nanotechnology Victoria Best Annual Report Award and were runners-up for the Bio21 Australia Most Innovative Product Award and also for the 2006 BEP Company of the Year Award. The students developed a set of two-dimensional immune system components that will enable teachers to demonstrate immunology concepts.

Building Business

Throughout the year, Business students brainstormed and debated new ideas with RMIT's Entrepreneur in Residence, culminating in outstanding performances in the 2006 RMIT Business Plan Competition. The annual competition, with a prize pool of almost \$80,000, provides unique networking and mentoring opportunities to some of our most

dynamic business thinkers and turns great ideas into successful enterprises.

Bachelor of Business (Entrepreneurship) students Campbell King and Valjean Boynton won the \$25,000 top prize for their Kegs on Legs enterprise. The home-delivery beverage service, an idea conceived for a class assignment in the first year of their degree, will compete on the world stage as the only Australian team among 16 finalists in the Queen's Entrepreneurs' Competition run by Queen's University in Kingston, Ontario, Canada.





Professor Suresh Bhargava, winner of the Vice-Chancellor's Award for Research Excellence

2006 top researchers

The Vice-Chancellor's Award for Research Excellence, which carries a prize of \$10,000 and a trophy, was presented in December to Professor Suresh Bhargava, of the School of Applied Sciences. During the 2002-05 period considered by the award criteria, Professor Bhargava achieved more than \$1.1 million in research income, including more than \$500,000 in ARC grants. He published 38 internationally refereed papers, many of them frequently cited, and supervised the completions of three higher degree students.

The Vice-Chancellor's Emerging Researcher Award was presented to Dr Sarah Bekessy. This award is open to RMIT-based researchers who have held a PhD for no more than five years. In the award period, Dr Bekessy, a Senior Lecturer in the School of Global Studies, Social Science and Planning, secured about \$400,000 in DEST income and produced three refereed DEST publications with an average of 10.3 citations per paper.

Strong Financial Performance

The 2006 operating result for RMIT and subsidiaries was stronger, building on the success of the financial recovery processes of 2005. The consolidated net operating result increased from \$28.7 million to \$54.9m and was above budget.

For RMIT University, excluding the effect of income received from the Commonwealth for deferred superannuation benefits, revenue increased by \$43.4m, from \$510.7m to \$554.1m. Total expenses on that same basis increased \$23.7m, from \$487.8m to \$510.5m. The operating result rose from \$23.2m to \$50.1m, including the profit on sale of the former CUB site.

On a consolidated basis, with the same exclusions, revenue increased by \$53.8m, from \$561.2m to \$615.1m and was also above budget targets. Total expenses on that same

basis increased \$34.3m, from \$533.0m to \$558.6m.

For the University, the operating result (excluding superannuation) was 9.3% of revenue compared to 4.5% the previous year.

Additional operating grant funding for Teaching and Learning activities from the Australian Government amounted to \$18.7m; with \$6.6m from grants, an \$11.1m increase due to additional student contributions and \$1m by way of additional Commonwealth scholarships.

Commonwealth research grants increased by 10%, from \$24.5m to \$26.9m.

Income received from the Commonwealth for deferred superannuation benefits was lower in 2006, as the estimated liability decreased in 2006. This varies considerably from year to year but has no impact as surplus

revenue is matched by a corresponding expense.

In total, \$65.2m, an additional \$5.2m, was received in State Government financial assistance in 2006.

Course fees and charges increased by \$14.6m to \$171m; an increase of 9.3%. Overseas student fees increased by \$12.2m, largely due to gains recorded in offshore higher education programs. Domestic postgraduate revenue was flat but undergraduate fees increased by 19.2% to \$9.8m. Student full-fee revenue for VET increased 2.9%, or \$0.8m, reflecting the competitive market.

Non-course fees and charges declined by \$2.8m, mainly due to the cessation of compulsory non-academic fees from July 2006 following the implementation of



Dr Sarah Bekessy, winner of the Vice-Chancellor's Award for Research Excellence

Francis Ormond Medal

The Francis Ormond Medal is awarded annually to a member of the general or academic staff who has served with distinction or given meritorious service.

In 2006, awards were made to Gail Birchall and Associate Professor Cliff Da Costa.

Ms Birchall retired in July after service to the University that began in 1983 with her appointment as a secretary in the Department of Leisure Studies at the Phillip Institute of Technology. For many years Ms Birchall worked as a Client Relations Manager with

Property Services. She showed outstanding supervisory and personal skills and worked closely with student groups.

Professor Da Costa is an outstanding teacher whose abilities are appreciated by students and colleagues. He works in the School of Mathematical and Geospatial Sciences at the Bundoora campus where, as well as teaching specialist maths, he teaches statistics to students in Nursing, Chiropractic, Chinese Medicine and Social Science, most of whom have not studied VCE mathematics.



the Commonwealth Government's VSU legislation.

Consultancy and Contract revenue increased by \$2.8m; 17% over the previous year.

Employee benefits and on costs decreased by \$3.0m in 2006, excluding the effect of deferred superannuation benefits.

Academic salaries increased by \$8.0m whereas non-academic salaries decreased by \$0.7m. The ratio of employee benefits to total revenue fell from 62.5% in 2005 to 57.0% in 2006 compared with the 2005 national benchmark of 58%.

Annual leave and long service leave expense decreased by \$12.2m year on year, primarily due to long-serving staff ceasing employment and as a result of a concerted effort to have staff with high entitlements take leave.

The current ratio improved from 65.1% to 87.6%. Current assets increased from \$114.0m to \$153.2m, primarily due to improved operating cash flow, while current liabilities remained static at \$175.0m.

Capital expenditure totalled \$38.3m for the year, with considerable work performed in upgrading buildings and facilities.

Productivity and Efficiency

Support services integration was a key operational focus and contributed greatly to the smooth and cost-efficient running of a complex organisation. Much was achieved in consolidating technical infrastructure in order to provide higher levels of service at lower cost.

As part of an RMIT-wide concentration on services integration and cost control, Information Technology Services (ITS)

implemented strengthened procurement and asset management practices. About \$2.2m was saved on computers and related equipment acquisition.

Streamlining has become a key part of RMIT's IT operations. In recent years a single help desk and a single system has replaced 12 helpdesks running 17 systems. The number of platforms and systems across the University has been rationalised. In this more homogenous environment, ITS staff provide a quality service, deliver a consistent message and play an important role in containing costs. In 2006 this work continued. As a result the University ended the year having gained substantial ground in standardising and consolidating IT platforms that are robust, secure and scaleable.

Statistical Snapshot

Enrolments (headcount) by sector	2002	2003	2004	2005	2006**
Higher Education	38,858	38,977	39,459	39,301	42,118
VET	22,518	22,875	21,198	22,357	20,967
Fee type (load %)	2002	2003	2004	2005	2006
Government-funded (HE/VET)	55/67	52/70	51/68	50/69	49/71
Australian fee-paying (HE/VET)	9/12	9/12	9/8	9/9	9/8
International (HE/VET)	35/19	37/17	39/23	41/20	42/18
Other (HE/VET)	1/2	1/1	1/1	1/2	1/3
By Type	2002	2003	2004	2005	2006
Domestic	44,532	44,495	42,446	42,407	41,738
International:					
Onshore	8,537	8,789	8,585	8,626	8,905
Offshore	8,120	8,176	9,030	9,581	10,603
Vietnam	187	392	596	1,044	1,839
By Award Level	2002	2003	2004	2005	2006
Postgraduate research	1,829	1,812	1,740	1,702	1,684
Postgraduate coursework	8,819	9,142	8,794	8,674	8,714
Undergraduate	28,210	28,023	28,925	28,925	31,720
VET	22,518	22,875	21,198	22,357	20,967
TOTAL	61,376	61,852	60,657	61,658	63,085
Student enrolment and completion	2003	2004	2005	2006**	
HE Student Load (EFTSU/EFTSL)	27,381	28,061	27,893	29,843	
HE Award Program completions (No. of Students)	7,031	7,692	7,780	NA	
VET Student Contact Hours (SCH)	8,394,521	8,361,310	7,825,162	7,577,786	
VET Completions (No. of Students)	4,341	4,479	5,820	5,472	

** 2006 HE enrolment preliminary data as at February 2007. NA: Data not yet available. Source: Official Reports to Government.

Higher Education commencements Melbourne	2002	2003	2004	2005	2006
Domestic students	9,414	8,185	8,405	8,558	8,847
International student	3,092	3,428	3,366	3,325	3,683
TOTAL	12,506	11,613	11,771	11,883	12,530
Foundation Studies Enrolments (headcount)	2004	2005	2006		
Melbourne	332	377	371		
Vietnam	347	406	94*		
Other Offshore	34	34	13		
TOTAL	713	777	448		

* Decline in Foundation Studies enrolments at RMIT Vietnam arises from transition of commencing students into Higher Education Diplomas.

Student Satisfaction (Domestic) %	2003	2004	2005	2006
HE Overall satisfaction	62	64	66	69
VET Overall satisfaction	77	79	83	84
Graduate Outcomes (Domestic) %	2004	2005	2006	
HE Bachelor graduates (full-time employment)	82	84	87	
VET employed after training	78	79	79	

Sources: Course Experience Questionnaire, Graduate Careers Council of Australia; Student Outcomes Survey, NCVET. Figures have been rounded.

Total FTE Staff*	2005	2006
	3,100.09	3,230.33

* FTE – Full-time equivalent. Two people both working 0.5 time fractions = 1 FTE. Data as at 31 December 2006

2006 Australian Research Council Linkage Grant funding			
Applications	Funded	ARC Funding	Industry Collaboration
35	11	\$2,733,368	\$571,854

About RMIT

RMIT University is one of Australia's longest-established educational institutions. It is a global university of technology with its heart in the city of Melbourne. RMIT creates and disseminates knowledge to meet the needs of industry and community and fosters in students the skills and passion to contribute to and engage with the world.

a global
university of
technology
with its heart
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Melbourne



RMIT is now the largest dual-sector education institution in Australia, offering more than 950 programs, ranging from apprenticeship and traineeship training to doctoral programs. The strong professional and vocational orientation of RMIT's programs prepares graduates for employment and active participation in their communities.

Almost 50,000 students were enrolled in 2006 on Victorian campuses in the Melbourne central business district, at Brunswick and Bundoora in the city's northern suburbs and at learning centres in Hamilton and East Gippsland in regional Victoria.

Almost 12,500 students were enrolled in offshore award programs. RMIT has a rapidly growing presence in Vietnam, with 1,839 students enrolled in 2006 at RMIT International University Vietnam's campuses in Ho Chi Minh City and Hanoi. There are strong links with partner institutions providing RMIT award programs in China, Singapore and Malaysia.

RMIT is renowned for collaborating with industry, providing solutions, new ideas and processes that deliver real outcomes for businesses. In 2006, RMIT was again ranked by the UK *Times Higher Education Supplement* as one of the top 200 universities in the world and ranked in the top 10 Australian universities.

Locally and internationally RMIT has a strong reputation for design in such areas as creative arts, furniture design, textiles and fashion, architecture and technology and engineering design. Its information technology, communications, science and education programs are among the most popular in Victoria.

The University also has an excellent reputation in traditional and complementary health sciences, environmental sustainability, advanced manufacturing and business programs.

The University has its origins in the founding of the Working Men's College in La Trobe Street, Melbourne, in 1887.

From its beginning the Working Men's College educated men and women, many studying at night to gain practical skills and improve their prospects in the workplace. That tradition of relevant, industry-focused learning and teaching is unbroken. RMIT continues into its 120th year preparing graduates with the skills, knowledge and attitudes that make them highly employable. It was founded on the philanthropy of prominent grazier Francis Ormond, assisted by public subscription, a grant of land by the colonial government and the energetic support of the Victorian Trades Hall. *The Argus* and *The Age* newspapers were key contributors to the establishment of the college and its direction.

The University is a self-accrediting institution established under Victorian Government legislation. In 2006 it was responsible to the Victorian Minister for Education and Training, The Hon Lynne Kosky MP, then, from December, to the Minister for Skills, Education Services and Employment, The Hon Jacinta Allan MP. RMIT's objects under its Act – which is reproduced in part on page 4 – 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. It is also a major provider of vocational education and training (VET) programs.



Review of Activities



RMIT International University Vietnam Graduation 2006

Our Students

RMIT students reflect the diversity, dynamism and creativity of the city in which they are based. At certificate, diploma and degree level, the student body reveals the character of the University.

In 2006, RMIT continued to be an educator of choice among prospective local and international students. The student body numbered just over 63,000, with almost 12,500 studying at the two campuses of RMIT Vietnam or with offshore award partners.

The University develops flexibility in its graduates, an ability to think critically and creatively, a broad knowledge base, industry-honed skills and a distinct competitive edge in the international job market. The most available recent figures show that 86.8% of RMIT's domestic Higher Education students went into full-time employment after completing their qualification – above the national average.

In 2006, about one-third of RMIT students were enrolled in VET programs. The number of students articulating from VET to Higher Education programs remained high across academic programs. In 2006, 21% of domestic students entered Higher Education from the VET sector. Employability among RMIT VET graduates also remained high, with 79% of graduates finding work within three months, and 34% moving into further study.

Supported

Our students embrace new opportunities and challenges. In 2006, the student experience was extensively researched and evaluated to develop the Transition Framework, an initiative to provide students with a solid foundation for their academic and personal achievements. The development of a Student Charter, a documented outline of the mutual responsibilities of the University and students began in 2006 and will be completed in 2007.

In 2006, the Student Recruitment Team conducted 66 campus tours for 2,868 prospective students, held 54 Tertiary Information Service sessions and made presentations to more than 6,500 students. Much work was done on fitting out an information centre on the corner of La Trobe and Swanston streets that will deliver exemplary service and practical advice to prospective students.

Orientation 2006, with collaboration from student organisations and academic staff and the involvement of more than 200 trained student volunteers, introduced new students to the academic and social culture of the University.

In August, Open Day attracted up to 30,000 people to the city, Brunswick and Bundoora campuses. The following month the Lord Mayor, John So, welcomed new international students at a colourful ceremony at the Melbourne Town Hall. Councillor So again addressed our students in December at a Town Hall reception on the morning of what is believed to be the largest graduation ceremony of its type. That evening more than 27,000 parents and friends watched 5,400 graduates receive their testamurs at Telstra Dome.

Connected

Students connected with RMIT in a variety of ways outside their formal learning. They accessed program, course guides, results and invoices online. The Enrolment On-line (EOL) project went live, with more than 33,000 students – including more than 2,000 TAFE students – enrolling for the 2007 intake. The inclusion of VET programs is an Australian first for a service of this kind. The Hubs, a one-stop services point on each campus, enrolled more than 20,000 VTAC and returning students, conducting more than 150,000 student transactions.

In February, the Vice-Chancellor launched the Learning Lab, an accessible, interactive online classroom helping students target and develop their academic skills. Podcasting and eLearning initiatives further linked students with the University community.



Student Life

In 2006, more than 900 students connected and engaged with the University as volunteers through the RMIT LEAD Program: as mentors, as committee members, as sports club and arts event organisers and as participants in University events. The Career Development and Employment Service launched the award-winning 3Cs (Cross Cultural Communication) Program to connect international students and develop their English conversational skills.

In implementing Federal Government legislation on Voluntary Student Unionism,



the University worked with student organisations to maintain student-focused programs and services. Students trained and nominated for Staff Student Consultative Committees across the academic portfolios, representing the interests of the student body in program-related discussions and planning.

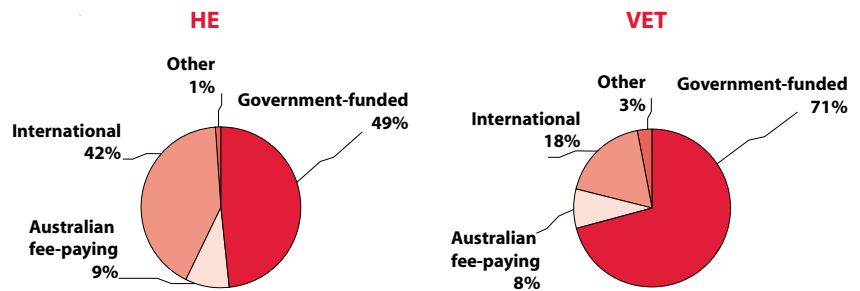
Our students excelled at the Australian and State University Games, displaying a vibrant team spirit on and off the sporting field; they attended Tai Chi classes, yoga classes and meditation in our multi-faith Spiritual Centre; they joined in mental health seminars, skilled migration seminars, RMIT National Volunteer Week, the 13th Annual World Week, a cross-cultural Ramadan celebration and the 2006 Careers Expo, which attracted more than 2,000 final-year students and graduates.

Student awards

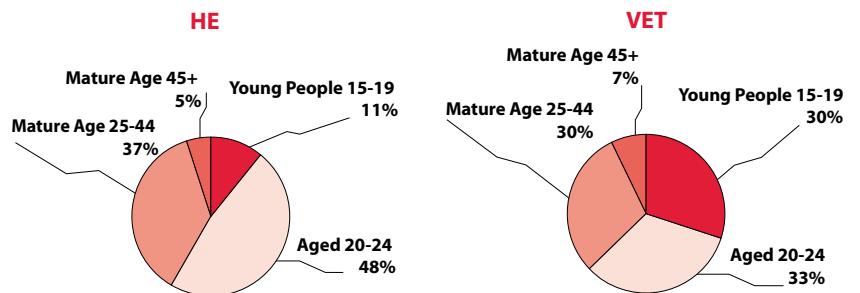
At the 2006 Honorary Awards Conferring Ceremony, RMIT's most outstanding graduates were presented with the University's most prestigious awards. Claire Debaux, a Bachelor of Arts in Textile Design graduate, received the Institute Award (Higher Education) and Christopher Chapman, graduating with a Bachelor of Applied Science in Software Engineering, received the JN McNichol Prize. Two students were awarded the Institute Award (VET): Andrew Pearce, Advanced Diploma of Engineering Technology, and Grant Scicluna, Advanced Diploma of Arts (Professional Writing and Editing). The Beazley Award was made to Carly Simon, an exceptional graduate of the Diploma of Dental Technology program.

More than 2000 student volunteers were honoured in the inaugural Student Life Awards in 2006. Nat Bates was awarded the top honour, Citizen of the Year, for his outstanding organisational, leadership and communication skills.

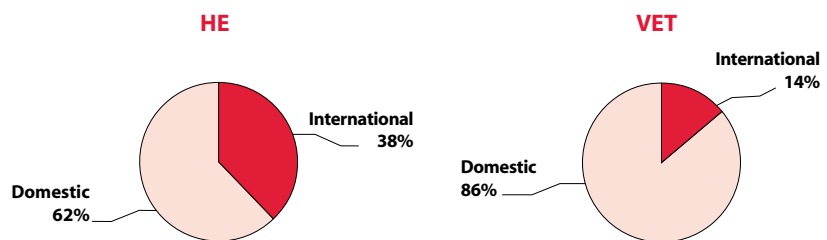
Students by Fee Type (load%)



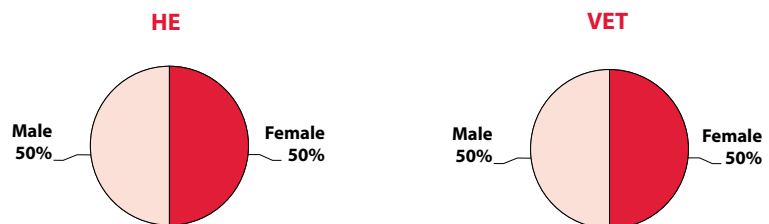
Students by Age Group



Students by Source



Students by Gender



Recipients

of the Outstanding Achievement Award and Encouragement Awards:

Nat Bates	Arts and Culture Award
	Citizen of the Year Award
Josh Mahoney	Media Award
Nima Momeni	Sport and Recreation Award
Ben Carbonaro	Community Award
Nicky Clift	Mentoring Award
Kristian Clancy	Mentoring Award, Encouragement Award
Felicia Cheah	Leadership Award
Ashish Swarup	Representation Award

Equity and Diversity

The Scholarships and Finance Office managed more than \$8 million of Commonwealth and University funds to provide equity-based scholarships to undergraduate and VET students. The University awarded 69 new Fee Equity scholarships, 240 RMIT Study Support Scholarships and, with the support of RMIT partners, Housing and Accommodation Scholarships. RMIT received and allocated 187 Commonwealth Learning Scholarships.

The University provided international scholarships worth \$1.65 million, most of which supported international students undertaking research programs. The number of sponsored students from overseas governments and non-government bodies continued to grow, particularly from Saudi Arabia and the United Arab Emirates. Most of these students undertake English language programs at RMIT English Worldwide before beginning their formal studies.

RMIT's Disability Liaison Unit (DLU) worked with Information Technology Services (ITS) to establish an assistive technology training laboratory and broaden access to assistive technology software across the University. The software enables students to use computers via screen readers, through speech-to-text, print enlarging or mind mapping programs. The DLU also worked closely with the Library's Digitisation Service to meet the formatting requirements of students with a print disability. In Semester 2 all requests for study material – reading packs and textbooks – were electronically formatted.

The RMIT Aboriginal and Torres Strait Islander (ATSI) Unit encourages and provides education pathways to all indigenous Australians enrolled at RMIT and ensures that their cultural, personal, social and academic needs are reflected throughout their University experience. In 2006, our students enrolled in Bachelor of Education programs with an indigenous perspective. Through The First Nation Experience Project in the School of Education, students successfully completed

field placements in indigenous communities in local, interstate and remote areas, including Yirrkala CEC, Shepardson CEC and schools in the Tiwi Islands. The ATSI Unit coordinated celebrations for Reconciliation Week and NAIDOC week and further developed international exchange opportunities in

North America for indigenous students. Future proposals include a study tour to Vietnam for Indigenous Community Development and Art students.

Student Diversity*	2002	2003	2004	2005	2006
All Students					
Female % (HE/VET)	51/46	50/46	50/50	50/50	50/50
International % (HE/VET)	31/15	34/13	35/14	40/15	38/14

By Age Group % (HE/VET)					
Young People 15-19	10/26	9/26	9/21	9/28	11/30
Aged 20-24	43/32	45/33	47/36	48/32	48/33
Mature Age 25-44	41/35	40/34	39/33	38/32	37/30
Mature Age 45+	5/8	5/8	5/9	5/9	5/7

Domestic Students (%) HE/VET					
School leavers	50/14	48/19	43/22	44/15	50/NA
VET articulation	13/NA	10/NA	20/NA	21/NA	21/NA
Overseas born	29/32	28/31	21/26	21/25	21/NA
Non-English speaking background	5/6	5/6	5/9	5/7	5/NA
Rural/remote	10/9	10/9	11/11	10/13	10/NA
Low socio-economic status	14/21	15/21	15/18	15/19	15/NA
Aboriginal and Torres Strait Islanders	0.2/2.0	0.2/1.6	0.2/1.7	0.2/1.8	0.2/NA

* HE 2002-2004 data based on 31 March (Submission One) enrolments while HE 2005-06 based on full-year data.

Intellectual freedom and tolerance is nurtured and rigorous debate encouraged at RMIT. In 2006, two representatives were elected by their fellow students to sit on the RMIT Council. Students are also represented on the University's Academic Board and key University committees, through formal structures as well as less formal settings at program, School, portfolio and University levels.

a voice
for students



Our People

In 2006, RMIT encouraged leadership across the University and worked to support a sense of connection between a large and diverse group of dedicated and talented people.

RMIT employs more than 3,200 fixed-term and permanent staff, with a further 4,000 sessional staff engaged during 2006. Our staff work in central Melbourne, Bundoora East and West, Brunswick, Hamilton and other regional areas in Victoria. In 2006, RMIT Vietnam employed 251 staff, of whom 94 were academics. The Vietnam campus and RMIT's connection with more than 100 partner institutions throughout the world makes our staff part of a globally connected workplace.

In terms of full-time equivalence employment of staff, RMIT is the fifth largest of 18 TAFE institutes in Victoria and the 13th largest of Australia's higher education providers.

People and Culture, the University's human resources group, supports RMIT to develop, reward and retain staff who will embrace the future with energy. Talent management of our staff becomes critical during a time of significant change in the Australian VET and Higher Education sectors. The organisational flexibility required by RMIT to respond to competitive pressures, skill shortages and changing demographics rests on the ability to attract and retain capable staff and to be regarded as an employer of preference.

Key Initiatives

In 2006, teams within People and Culture focused on the initial implementation of the RMIT strategic plan, *RMIT 2010: Designing the Future*, helping to position RMIT to achieve its strategic objectives.

Much was achieved. Collegiality and accountability were strengthened within the extended leadership group. Compliance with the Federal Government's Higher Education Workplace Relations Reforms (HEWRR) secured an additional \$8.5 million in funding. A new Recruitment Unit was created within People and Culture; this unit will help managers recruit skilled staff in a competitive marketplace.

RMIT continued in its goal of being an employer of preference through initiatives such as an equal opportunity online training program *EO Online – Fair Play on Campus* which was launched in 2006. This training tool is available to all staff and forms part of the RMIT induction program.

Induction processes were improved and policies simplified. Attention was paid to workforce planning, the professional development provision of, and the implementation of occupational health and safety strategies that make RMIT a safe place to work.

Diversity and Equity

The major diversity and equity initiative in 2006 was the development of the University's Staff and Student Equity and Diversity Plan 2006-10. The University also made a successful application for Employer of Choice for Women status to the Equal Opportunity for Women in the Workplace Agency (EOWA), a statutory authority within the Commonwealth

Department of Employment and Workplace Relations.

A Workplace Fairness and Diversity Management Unit was established to provide specialised advice, support and technical knowledge to managers and staff across the RMIT community. The unit provides advice and intervention in the areas of bullying, equal employment opportunity, sexual harassment, discrimination, racism, equity and diversity.

An Employment and Career Development Action Plan for 2007-10 was created. This provides the framework for advancing indigenous employment at RMIT.

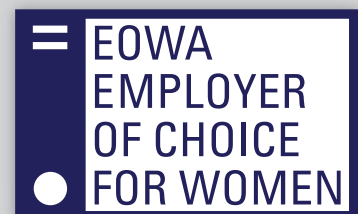
Professional Development

The strategic plan, *RMIT 2010: Designing the Future*, aspires to develop and promote a leadership culture which values responsiveness, engagement, vision and knowledge, and which strengthens accountability. In response to this intention, a leadership program was delivered to more than 100 members of the extended RMIT leadership team, who undertook coaching sessions and became involved in work-based leadership projects that will continue into 2007. In many cases, the work-based projects brought together small groups of senior staff who had never worked together before. The program fostered collegiality between a diverse leadership group and renewed the connection between leaders with the staff they manage.

The Open Program, RMIT's University-wide professional development program, has continually demonstrated an in-built flexibility to support the changing needs of RMIT and is often the first point of contact for internal facilitators or groups in providing



RMIT researchers were among 35 recipients who were awarded Smart Water Fund grants when John Thwaites, Minister for Water, announced \$6 million in funding for water conservation projects.



training to colleagues across the University. In 2006, 197 workshops were conducted and were attended by 2,974 participants. The engagement of RMIT experts as facilitators continued to grow in 2006, representing 65% of workshops delivered. Overall, 95% of participants reported that participation was a useful investment of their time and would increase their effectiveness in the workplace.

Employee Relations

Throughout the year, RMIT continued to work with its staff and relevant unions to improve working conditions. No industrial action was taken in 2006.

In February, the Federal Minister for Education, Science and Training confirmed that the University complied with the Higher Education Workplace Relations Reforms (HEWRRs), ensuring a 5% increase in Commonwealth Grant Scheme (CGS) funding for 2006 and a 7.5% increase in CGS funding for 2007.

The RMIT Security Services Enterprise Agreement 2006 and the RMIT Senior Executive Agreement 2006 were approved and lodged with the Office of the Employment Advocate. The agreements were successfully implemented after lodgement.

Occupational Health and Safety

In 2006, the University Council adopted a Health, Safety and Security Policy that will lead the way in establishing an increasingly systematic approach to health and safety management throughout RMIT. Health and safety throughout the year continued to build on the improvements of 2005 and focused on the prevention of injury through promoting a proactive safety culture. The delivery of training programs, tailored workplace consultancies and the development of enhanced guidelines contributed over the year to an improvement in health and safety performance.

Concerns surrounding Building 108 led the University to commission rigorous environmental testing. Expert reports found that the building presented no health risk to staff or students.

A strong culture of reporting hazards and incidents continued in 2006, with 334 hazards, incidents or near misses reported. Seven of these incidents were reported to WorkSafe because of their serious or potentially serious nature.

Improved claims performance during 2006 led to a reduction in premiums for the fourth consecutive year. Staff lodged 35 claims, 13 fewer than in 2005. Sprain or strain injuries accounted for 51% of all claims for the year, while stress-related illnesses accounted for 25%.

Many staff who contributed to a safe RMIT through voluntary roles were recognised at special events throughout the year and awards were presented for outstanding involvement.

OHS Incidents Reported

	2004	2005	2006
RMIT	378	337	334
% change	+31.7	-10.8	-0.9

Lost-Time Injury Frequency*

	2004	2005	2006
RMIT	5.00	3.93	2.55
% change	+2	-21	-35

* number of lost time injuries recorded per million hours worked

Total Employment

Staff type	Total FTE*		Female FTE*		% Female*		% Female change*
	2005	2006	2005	2006	2005	2006	2005-06
Academic	1,055.45	1,049.83	384.80	393.48	36.46	37.48	2.26
Executive	87.28	89.28	36.28	34.28	41.57	38.40	-5.51
General	1,476.58	1,606.81	874.28	952.14	59.21	59.26	8.91
Teaching	480.78	484.41	209.62	216.57	43.60	44.71	3.32
Total	3,100.09	3,230.33	1,504.98	1,596.47	48.55	49.42	6.08

* FTE – Full-time equivalent. Two people both working 0.5 time fractions = 1 FTE Data as at 31 December 2006. During 2006, general staff numbers increased as a result of the integration of RMIT International Pty Ltd into the University and the appointment of staff to vacant positions that had not been filled at the end of 2005.

New Staff Recruitments

	Female	%	Male	%	Total
2006	181	52	170	48	351
2005	146	51	138	49	284
2004	185	52	169	48	354

Staff-Initiated Turnover (%)

	2004	2005	2006
Less than 3 Years Service	17	20	13
More than 3 Years Service	6	7	6
TOTAL	9	10	7

New Staff recruitments by type

	Female	%	Male	%	Total
Academic (HE)	44	47	50	53	94
Executive (HE and VET)	3	38	5	62	8
General (HE and VET)	106	55	86	45	192
Teaching (VET)	28	49	29	51	57
TOTAL	181	52	170	48	351

Our Alumni

RMIT recognises the importance of alumni relationships. Former students are encouraged to identify strongly with RMIT and to engage with the University throughout their lives.

Many alumni volunteer as network leaders, event planners, advocates, program advisors, mentors or guest speakers and are employers of RMIT work placement students and graduates. In partnership with academic units and other RMIT service areas, Alumni Relations creates engagement opportunities for members of the alumni community and seeks the support of alumni to enhance and enrich RMIT's work.

In 2006, Journalism graduate Claire (Ginger) Gorman, who was awarded a 2006 World Press Institute Fellowship, was the Graduate Speaker for the RMIT Graduation Ceremony. MBA alumnus Swee Loh was appointed to the RMIT Foundation board.

Five prominent alumni were featured in RMIT corporate DVDs. They included Architecture alumni Zahava Elenberg (Managing Director of Elenberg Fraser, Move-in and Zacamoco, and Telstra Young Business Woman of the Year 2003); Cassandra Fahey (known for her vibrant and innovative architecture); Engineering and Business alumnus Daniel Almagor (Founder and President of Engineers Without Borders Australia and Manager of Medivax); MBA alumnus Tim Anderson (General Manager of Avalon Airport and Essendon Airport, Linfox Airports Pty Ltd); and Swee Loh (General Manager – Finance and Administration, E. W. Cox International Pty Ltd).

Alumni have provided opportunities for current students by supporting University projects or establishing scholarships and prizes. Ongoing scholarships and grants provided by RMIT alumnus and former Ford Motor Company chief Jacques (Jac) Nasser AO, by alumnus and former staff member George Alexander AM (through The George Alexander Foundation) and by RMIT alumnus and Saatchi & Saatchi Worldwide Creative Director Bob Isherwood continued to benefit RMIT students in 2006. As a winner of the Tattersall's Award for Enterprise and Achievement in the category of "overcoming personal barriers", alumna Teresa Chu nominated the RMIT Disability Liaison Unit to receive a \$15,000 donation from Tattersall's as part of her prize, a gift that will benefit students using the Disability Liaison Unit in 2007 and beyond.

Membership of RMIT Alumni is free. This has enabled strong networks of knowledge and information exchange to be established around the globe. In 2006, more than 50 alumni networks were active. Through the online alumni directory, alumni events, professional development activities and other opportunities on offer, graduates can maintain and develop connections with fellow alumni and the University. Many alumni return to RMIT for further study or are the parents of the next generation of students.

Alumni are a lasting legacy of the University and are University ambassadors in the communities in which they work and live. Alumni Relations, in collaboration with Schools and other service areas, continued throughout 2006 to assist members of the alumni community to develop a life-long and mutually beneficial relationship with the University and fellow alumni.

2006

Alumni snapshot

Like our students, our graduates represent great diversity in their backgrounds. In 2006 we had 170,139 alumni in more than 100 countries around the world including:

Country	Alumni
Australia	132,390
Singapore	16,824
Malaysia	5,700
Hong Kong	4,108
China	1,921
Indonesia	1,911
Vietnam	1,100
India	902
Thailand	828

an inspiring
role model



Bob Isherwood

RMIT Advertising alumnus and Saatchi & Saatchi Worldwide Creative Director Bob Isherwood established the Victor Greenhalgh Scholarship in 2004 for a disadvantaged student in the School of Creative Media. In 2006, he added the annual Bob Isherwood Advertising Prize for a final-year Advertising student displaying overall excellence. The inaugural award was presented to Erin O'Donnell.

Mr Isherwood regularly returns to RMIT to share his inspiring global perspective with students. He has been selected by the international Clio advertising awards to receive its distinguished Lifetime Achievement Award for 2007.

Academic Life

In 2006, RMIT developed an Academic Plan to give effect to the University's goals to 2010.

RMIT's new Academic Plan charts action in seven broad areas:

- > building on RMIT's established strengths in work-relevant learning and industry engagement to strengthen program quality and relevance;
- > enhancing the quality and flexibility of learning and teaching;
- > strengthening opportunities for students provided by RMIT's "dual sector advantage";
- > ensuring a distinct strategy for Vocational and Technical education within this framework;
- > delivering the "Global Passport" to learning and work for RMIT students through an increased focus on internationalisation in the curriculum, through staff development, and through fostering international mobility;
- > building linkages between research and teaching excellence; and,
- > making significant investment in academic staff development.

In 2006, work was done to prepare for the implementation of the Academic Plan. This included reviewing and improving relevant academic policies, strengthening the governance and management structures around learning and teaching (with further work planned in 2007) and establishing a Learning and Teaching Investment Fund (\$2.6m in 2007).

Substantial work also occurred in developing dual sector qualifications that offer students different pathways into learning and work. The exciting potential in this initiative has been recognised by a \$400,000 grant

from the Australian Government through its Collaborative and Structural Reform Fund. This will support curriculum development across sectors and in partnership with industry.

Work was also directed towards strengthening the academic links between RMIT in Australia and RMIT University Vietnam, in terms of academic and student exchange, program delivery into and out of Vietnam and ensuring close collaboration in academic planning.

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

All in all, 2006 was a year of significant achievements – reflecting the passion, commitment and skills of RMIT's staff and students – and planning for an exciting future.

Teaching Achievements

The Carrick Institute for Learning and Teaching in Higher Education honoured two RMIT staff – Associate Professor Sandra Jones (School of Management) and Associate Professor Iouri Belski (School of Electrical and Computer Engineering) – with a Citation for Outstanding Contribution to Student Learning.

RMIT was recognised in a number of Carrick grants, which support innovative teaching and learning practice, including a project focused on Assessment in Accounting (Associate Professor Kim Watty,

School of Accounting and Law) and a priority grant focusing on Academic Standards in Planning Practice Education (led by Associate Professor Martyn Jones, School of Global Studies, Social Science and Planning). RMIT is also a lead partner in a Leadership Grant (Developing multilevel leadership in the use of student feedback to enhance student learning and teaching practice) led by Associate Professor Robyn Lines of the Learning and Teaching Development Unit. RMIT participated in a number of other successful project grant submissions, including one developed through the Australian Technology Network Teaching and Learning Committee.

The receipt of \$500,000 received from the Australian Government's Learning and Teaching Performance Fund provided further recognition of RMIT's achievements in learning and teaching. RMIT honours its excellent teaching staff through the annual RMIT Teaching Awards.

Supporting Learning and Teaching

Library. In 2006, completion of the major building and refurbishment works at Swanston and Bundoora library sites created more open and flexible study spaces, including new discussion rooms and spaces to facilitate group work. In 2006, there were nearly two million visits to Library sites, and student satisfaction with facilities and with the service provided by Library staff rose significantly over 2004 levels measured by the Student Experience Survey. The Rodski survey instrument, also used in 2006 to gauge student satisfaction, showed a significant improvement on results from 2004 and places

Breaking free of wires

The roll out of wireless computer networking – WiFi – across the University and into the central city neighbourhood continued in 2006. WiFi zones, which allow students and staff to connect wirelessly to the internet, have been installed in all major open spaces on the city, Bundoora and Brunswick campuses. Student use of mobile computing devices for accessing a suite of e-learning tools will continue to grow as portable devices increase in sophistication and fall in price.

The city project offered a chance to extend the reach of the University beyond its physical boundaries. In partnership with the State Library of Victoria, RMIT implemented WiFi in the State Library of Victoria and the food court of Melbourne Central shopping centre. This two-tiered, private/public system is built on the new WiFi Protected Access (WPA) security standard for wireless connectivity.



RMIT above the sector average in terms of client satisfaction.

The Library continued to build its collections in print, e-books collection and the online journal archives. Focus group research revealed that many students have difficulty using e-resources effectively, underlining the importance of library skills training. In 2006, the Library ran more than 1,000 library skills sessions, and this work will continue in 2007.

A new integrated library management system (ILMS) was purchased and installed in 2006. This involved the transfer of data and much behind-the-scenes activity to provide an improved catalogue in 2007.

The Library also continued its support for the work of RMIT Vietnam in the development of Learning Resource Centres in Can Tho and Thai Nguyen, providing Library consultants and training.

Learning and teaching website. In 2006, the Learning and Teaching website was upgraded to provide a strong resource base for RMIT staff. Through the website, RMIT launched an online journal, *ED*, which has proved to be a powerful forum for the exchange of information, ideas and strategies for effective teaching.

Invigorating elearning. In 2006, the Educational Technology Advisory Group (eTAG) brought together all key groups involved with enhancing and supporting the use of information and communication technology in all learning environments. eTAG's work has helped to reinvigorate the elearning agenda and provide a focal point for

addressing issues related to ICT prioritisation, planning and implementation. All RMIT programs and courses will have an online presence by June 2007 – a critical step if the “e” is to eventually drop from “elearning” as online learning environments are embedded in educational design and delivery.

A major upgrade in video conferencing services began in 2006, prioritising remote delivery initiatives for the School of Management and the Division of Nursing and Midwifery. The system will become operative in three stages across 2007, and promises to offer an expanded capability for remote delivery to RMIT partner organisations.

Authentic assessment is a cornerstone of academic practice, and with the ubiquity of online information sources available to students, universities are introducing software services that monitor the originality of assessment output. In 2006, RMIT commenced work on an Academic Integrity initiative to assist all members of the RMIT community, students and staff, to use contemporary elearning services to maintain scholastic standards.

Quality Assurance. A robust quality assurance system is underpinned by a cycle of organisational reviews, involving external audit of all academic and service areas by a panel of internal and external experts. In 2006, five reviews were undertaken, and six are planned for 2007. Action plans arising from the reviews are discussed and endorsed by the Executive and the Academic Board, and outcomes are monitored regularly. Council receives an annual report.

RMIT also has a rigorous system of program quality assurance and program annual reporting. In 2006, these policies and procedures were reviewed to ensure the focus remains on outcomes rather than activity, and to effect a closer alignment with the University's profile planning process.

Academic Staff Development

Academic and VET teaching staff are a vital part of RMIT. Throughout 2006, extensive support for improving staff capabilities was provided through RMIT's Learning and Teaching Development Group. The Academic staff Promotions Policy was also reviewed and amended to align it with RMIT's academic directions. A comprehensive professional development program was developed for VET teaching staff, aligned with the goals of the Academic Plan.

In 2006, the Graduate Certificate in Tertiary Teaching was refreshed and will now include an international education component delivered through RMIT Vietnam. From 2007, the Graduate Certificate is mandatory for all higher education teaching staff new to RMIT, and available to existing staff.

From 2007, the Learning and Teaching Investment Fund will provide significant additional funds for developing staff's capabilities and supporting their contribution to a vigorous scholarship of teaching at RMIT.



RMIT Library

Refurbishment of Swanston (pictured) and Bundoora library sites supported learning and teaching aims.



2006 RMIT University Teaching Awards

Award winners

Category A

Student Centred Teaching HE

Dr Kim Watty,
School of Accounting and Law

Associate Professor Pavla Miller,
School of Global Studies,
Social Sciences and Planning

Category A

Student Centred Teaching, VET

Robyn Colls and team,
School of Education

Chris Clark and team,
School of Fashion and Textiles

Dinah Van Ruyven,
School of Education

Mr Julian Silverman and team,
School of Global Studies,
Social Sciences and Planning

Certificate of Achievement Recipients

Category A

Student Centred Teaching HE

Mr Phred Peterson,
School of Applied Sciences

Dr John Reece,
School of Health Sciences

Mr PJ Radcliffe,
School of Electrical and Computer
Engineering

Category B

Scholarship of Teaching

Associate Professor Heather Fehring, School
of Education

Category C

Research Supervision

Dr Zhao Fang, School of Management

Category D

Institutional Awards

Peter Burton,
School of Electrical and Computer
Engineering

Honorary Awards

The following honorary awards
were made in 2006:

Dr Henry Bosch AO

Doctor of Business *Honoris Causa*
For contribution to business and governance

Dr Chris Masters

Doctor of Communications *Honoris Causa*
For contribution to journalism

Dr Rhonda Galbally AO

Doctor of Social Science *Honoris Causa*
For contribution to social, economic and
health policy

Dr Bulent (Hass) Dellal OAM

Doctor of Social Science *Honoris Causa*
For contribution to multiculturalism

Research & Innovation

RMIT's applied research enhances the economic, social, environmental and cultural wellbeing of society. In 2006, researchers continued to develop understanding within and between disciplines.

RMIT focuses on applied research, often delivered in partnership with those capable of using the outcomes in their products or practice. Research students are strongly supported to ensure they are well equipped to assume professional careers.

A key platform of RMIT's strategy is to focus on interdisciplinary areas of research strength. In 2006, the University announced four new RMIT research institutes to be launched in 2007.

The institutes will target research excellence and scale at international levels. They will expand the opportunities available to staff and student researchers. Twenty-four new PhD scholarships were offered in areas aligned with the new institutes. These scholarships will ensure that students work with quality researchers and have access to the infrastructure to support their research.

Four institutes reached advanced stages of planning regarding their starting themes and performance objectives. Inaugural Directors have been appointed.

Global Cities will focus on global climate change and sustainability, globalisation and cultural change, community sustainability and social infrastructure, urban physical infrastructure, sources of insecurity and risk, global learning and border knowledges. Its inaugural Director is Professor Paul James.

Design will concentrate on intelligent space, products and materials, and urban settings. Its inaugural Director is Professor Mark Burry.

Platform Technologies will concentrate on functionally embedded materials, knowledge-based engineering and embedded information technology. Its inaugural Director is Professor Xinghuo Yu.

Health Innovations will focus on conventional and complementary medicine. It will research and promote knowledge and technology transfer that will enhance Australians' health. It is expected to begin operating in 2007.

Many of RMIT's researchers and research managers contributed in 2006 to planning projects to be undertaken by the new institutes. They identified potential national and international partners and new external funding opportunities. Their work also ensured alignment between the research agenda of the institutes and Schools. A broad spectrum of activities will be built into operational plans for the institutes and be underpinned by strong support from the RMIT Research Investment Fund.

In 2006, significant projects were undertaken in partnership with government, industry and other universities. One example was RMIT's participation in the Melbourne Centre for Financial Studies. This initiative, which received seed funding from the Victorian Government in August 2005, brings together RMIT, the University of Melbourne, Monash University and the Institute of Securities, Banking and Finance (Finsia).

One of the Centre projects in 2006 brought together researchers from the School of

Economics, Finance & Marketing to focus on the compliance costs of regulation of Australian financial services. The outcomes will be an important reference for future studies of financial services regulation, in Australia and abroad.

Researchers from the School of Global Studies, Social Science and Planning are reconstructing the lives of Italian workers in the context of transnational migration and the mining of asbestos. The Italian community recognises this as an important part of its post war migrations history in Australia. The project, The Role of the Wittenoom Asbestos Mine in the Lives and Deaths of Italian Transnational Workers, will also be of use in improving public health and policy responses to the legacy of asbestos disease, both in Australia and Italy.

RMIT has long had an outstanding reputation in the aviation sector through its highly regarded pilot training and avionics programs. The Sir Lawrence Wackett Aerospace Centre is a Civil Aviation Safety Authority of Australia-designated design organisation. Engagement with the industry extends beyond the technical, as demonstrated by RMIT Training's program to deliver English language training to pilots and air traffic controllers and by research such as that in a PhD project Technology, Class and Culture: the case of Australian aviation 1935-1939. This studied the political and cultural forces that shaped the development of Australian aviation in these critical years, especially civil air transport, and aircraft manufacturing.

a Federation Fellowship



Federal Education Minister Julie Bishop and Professor Mark Burry.

Innovation Professor in Architecture and Design Mark Burry was awarded a Federation Fellowship from the Australian Research Council. Professor Burry was recognised for his international leadership in the field of "complex architecture and convergent design". The fellowship is one of Australia's most innovative and prestigious awards. It is intended to develop and retain Australian researchers of international standing. At architect by discipline, Professor Burry has focused his research on the design process; on European architecture, particularly from the 19th century; on the life and work of Antoni Gaudi; and on mixing interdisciplinary design and communication. He is the Inaugural Director of RMIT's new Design Research Institute.

Australian Technology Network

RMIT is a member of the Australian Technology Network along with Queensland University of Technology, University of Technology Sydney, University of South Australia and Curtin University of Technology.

In 2006, RMIT continued to collaborate across the ATN by developing research policy around the emerging national Research Quality Framework and by collaborating on projects that build on the complementary research expertise of the ATN members. The ATN Centre for Metabolic Fitness was established to enable more than 30 researchers across all ATN institutions to work collaboratively on the challenges posed by the emergence in our community of what is termed the "metabolic syndrome"



Co-operative Research Centres

RMIT was a partner in 13 Co-operative Research Centres (CRCs) in 2006, putting it in the top 10 Australian universities in CRC participation. Four of these CRCs, marked below with an asterisk, were wound up when their Commonwealth funding expired on 30 June, 2006. The CRCs that RMIT participated in were:

- > Advanced Automotive Technology;
- > Advanced Composite Structures;
- > Australian Telecommunication*;
- > Bushfires;
- > Construction Innovation;
- > Intelligent Manufacturing Systems*;
- > Interaction Design;
- > Microtechnology*;
- > Photonics*;
- > Polymer;
- > Poultry;
- > Smart Internet Technology; and,
- > Water Quality and Treatment.

RMIT researchers and research students benefit from CRCs through industry co-supervision in leading-edge research environments. CRCs provide real-life work experience and skills in their chosen disciplines.

Federal Grants

In 2006, the ARC announced more than \$4 million dollars in funding to RMIT researchers for projects commencing in 2007 under the Discovery Projects program, which supports excellent fundamental research by individuals and teams, and Linkage programs, which

support collaborative research projects undertaken in partnership with enterprises and organisations. Funding was also provided under the Linkage Infrastructure program for the development of an advanced microscopy facility.

The National Health and Medical Research Council (NHMRC) awarded a researcher in the School of Medical Sciences \$437,000 to study the contribution of the central nervous system to peripheral neural control in obesity and diabetes.

Research Partnerships in Vietnam

RMIT has continued to develop its research program in Vietnam with the establishment of a student cohort funded by the Vietnamese Government in partnership with RMIT. The first funding commitment (Masters and PhD students) was secured in 2006. To support the growth of research at RMIT International University Vietnam, a research co-ordinator was appointed to the South Saigon campus of RMIT Vietnam. In addition to continuing with the research student program and industry engagement, the co-ordinator will facilitate the establishment of nodes of the new research institutes in Vietnam.

In particular the research foci of the Global Cities Institute will include regional issues around globalisation and climate change. The node in Vietnam will provide significant new opportunities for our research staff and students to bring a truly global dimension to the research achievements from this Institute and outcomes of clear relevance to the diverse communities in which RMIT operates.

Celebrating 2006 Research Highlights



To request a copy of *Research Highlights 2006* visit www.rmit.edu.au/rd

Funding for RMIT Discovery Projects: 2004-2007¹

Funding Year	Applications	Funded	Success Rate	Total Funding
2007	64	12	18.8%	\$2,715,512
	(4,033)	(822)	(20.4%)	(\$274,767,586)
2006	57	14	24.6%	\$3,087,376
	(3,742)	(917)	(24.5%)	(\$273,586,773)
2005	53	8	15.1%	\$1,776,720
	(3,414)	(1,055)	(30.9%)	(\$297,541,647)
2004	56	12	21.4%	\$2,146,606
	(3,240)	(875)	(27%)	(\$237,946,364)

Funding for 2007 Round One Linkage Projects: Previous Four Rounds¹

Funding Year	Applications	Funded	Success Rate	ARC Funding	Industry Collaboration
2007 Round One	17	5	29.4%	\$750,446	\$1,474,000
	(485)	(208)	(42.9%)	(\$59,434,944)	(\$105,481,215)
2006 Round Two	13	2	15.4%	\$296,970	\$571,854
	(577)	(206)	(35.7%)	(\$53,980,315)	(\$91,005,817)
2006 Round One	22	9	40.9%	\$2,436,398	\$2,738,460
	(529)	(194)	(36.7%)	(\$58,524,390)	(\$84,240,904)
2005 Round Two	34	14	41.2%	\$2,256,443	\$3,003,344
	(585)	(251)	(42.9%)	(\$60,406,850)	(\$92,655,618)

1 – National figures are shown in brackets

2 – Contribution as stated in application

Higher Degree Research Activity	2002	2003	2004	2005	2006
HDR enrolments	1,829	1,812	1,740	1,702	1,684
HDR EFTSL	1,151.00	1,130.13	1,096.69	1,126.59	1101.03
HDR award program completions	225	241	253	215	NA
DEST-weighted research publications	712	945	1,080	1,176	NA

NA: national competitive data not yet available

Employable Researchers

Recent data from the Postgraduate Research Experience Questionnaire (PREQ, 2005) shows that 94% of RMIT's research degree graduates were working at the time the survey was conducted. Just over half were in the private sector or were self-employed, suggesting that a research degree at RMIT offers pathways to a wide range of careers, including but also beyond the University. More than 80% of research degree graduates were in paid work during their degree – for 60% the work was full-time. Significantly, 75% of these graduates remained with the same employer after completion their research degree. This shows that RMIT's research degree candidates graduate with significant professional experience, in addition to high level research knowledge and skills. They are ideally situated to meet the demands of a knowledge economy.



A Global University

Strategic partnerships across national borders supported RMIT's provision of world-class and globally relevant education in 2006.

With two campuses in Vietnam and significant teaching partnerships in China including Hong Kong, Malaysia and Singapore, RMIT is a global university of technology. Our students are supported by international teaching and learning partnerships and have access to exchange, study-abroad and research opportunities across the globe. RMIT is committed to providing students with an international experience as part of their study program and supports staff in engaging with international peers and networks.

RMIT has linkages with partner organisations located around the world, including leading universities, companies and community groups. Through such alliances RMIT provides students with a range of opportunities that develop their ability to take on the challenges of an increasingly urbanised and technology-driven world.

RMIT is a member of the Global U8 Consortium and of Community Colleges for International Development (CCID), organisations that provide opportunities for building global relationships that strengthen educational programs. Through the Australian Technology Network (ATN) it is linked to the International Strategic Technology Alliance (ISTA), a university network that includes leading tertiary institutes from China, the United Kingdom and the United States.



The RMIT International University Vietnam campus at South Saigon.

RMIT Vietnam

RMIT International University Vietnam (RMIT Vietnam) is a major part of RMIT's strategic plan for developing strong Melbourne and Vietnam campuses that act as twin hubs in the RMIT global network. They are linked and supported by high-quality information and communication technology. Vietnam has a general and academic staff supported by scholars from Melbourne and an active student exchange program is in place.

RMIT Vietnam marked its fifth anniversary in 2006 with a ceremony at its Saigon South campus in Ho Chi Minh City on 25 May. In recognition of the milestone RMIT Vietnam was presented with certificates of merit from the Ho Chi Minh City People's Committee and the Ministry of Planning and Investment.

The highlight of 2006 at RMIT Vietnam was the Graduation Ceremony at Ho Chi Minh City Opera House on 20 November. The Chancellor conferred degrees on 242 undergraduate and postgraduate students, the largest number of RMIT Vietnam graduates to date. The University was honoured by the attendance at the ceremony of the Prime Minister of Australia.

Mr Howard told the Class of 2006 he was proud that "a great Australian institution, RMIT, has played such a significant role in reaching out and providing an opportunity for so many young people to take advantage of the educational support that this great institution offers".

The Prime Minister said the graduation symbolised the future between Australia and Vietnam. He presented the University Teaching Award to Amy Hickman and the President's Student Award to Bachelor of Commerce graduate Nguyen Huu Tri.

The following day RMIT University Vice-Chancellor Professor Margaret Gardner led a ground-breaking ceremony to begin construction of a sports, leisure and accommodation complex at the Saigon South Campus. The \$6.5 million facility, funded by The Atlantic Philanthropies, will house 240 students and include a 2,000-seat indoor stadium, gymnasium, swimming pool and food outlets. It is scheduled to be completed in 2008, adding an important social dimension to the University.



International Students

Students from more than 100 countries make up about one-third 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 2006 was 4,764 (2005, 4,363), making a total international student population (new and continuing) of 8,905 (2005, 8,626).

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

The International Student Information and Support unit provides support and advisory services for international students at RMIT University and is committed to maximising their cultural and networking opportunities.

RMIT University International College commenced its first full year of operations in 2006, offering international students Foundation Studies, including English language tuition, and a range of diplomas with guaranteed pathways to specialised, high-quality degree programs. All enrolment targets of the College were exceeded. Commencing students in foundation studies numbered 392 while 169 students undertook the Diploma of Business.

During the year, RMIT signed a contract with the Australian Agency for International Development (AusAID) to again accept AusAID-funded students from 2007, through the Australian Development Scholarship and the Australian Leadership Awards (ALA) Scholarships program.

Student Mobility

Providing overseas experience is an important aspect of preparing domestic RMIT students to engage economically and culturally with the world and a strategic part of RMIT's goal of providing students with a "Global Passport", a transportable international qualification.

Outbound mobility activities at RMIT include:

- > exchange – one or two semesters of study at a partner university;
- > study tours – two to three weeks of intensive study overseas at partner universities, site visits, industry and other professional briefings;
- > field work – through the Bachelor of International Studies; and Masters and PhD students undertaking research field work;
- > internships – in a variety of programs including the Bachelor of Arts (International Studies) and undergraduate Business programs;
- > clinical placements – in the Medical and Health Sciences;
- > participation in conferences; and
- > international competitions in various disciplines.

For a fourth consecutive year RMIT Vietnam received a Golden Dragon Award. This prestigious award is made to the top 1% of foreign-invested businesses in Vietnam for their contribution to the development of Vietnam's economy. RMIT Vietnam also won the 2006 ANZ Business Excellence Award at the annual Australian Chamber of Commerce Business Awards.

Five RMIT Vietnam student groups were finalists in Auscham's Young Starters Business Grant. Bachelor of Commerce students Nguyen Thien Thanh and Nguyen Xuan Truong won \$US5,000 seed funding as first prize for an online healthcare website project.

RMIT Vietnam is active in partnerships with other educational institutions throughout the country, especially through the development of learning resource centres (LRCs). These modern library-style centres provide resources used by universities to foster teaching and learning. RMIT Vietnam was project manager of an LRC opened at Can Tho University in April 2006. The centre, funded by The Atlantic Philanthropies, is similar to other LRCs established at Hue and Danang Universities. Another is being built at Thai Nguyen University.

Among many collaborative projects between RMIT Vietnam and Vietnamese institutions, Professor Peter Coloe, Head of the School of Applied Science in Melbourne, and RMIT Vietnam PhD candidate Pham Thi Ngoc worked during the year with Ho Chi Minh City's Nong Lam University (formerly the Agriculture and Forestry University) to develop a vaccine against *Edwardsiella ictaluri* bacteria. The bacteria slow the growth of tra catfish, an important aquaculture species. Professor Coloe also worked with the Vietnam Academy of Science and Technology to develop a low-cost method of producing an avian influenza vaccine for poultry.

In December, RMIT Vietnam students assisted in the visit to Vietnam of former United States President Bill Clinton. The Clinton Foundation also provided an internship for Bachelor of Commerce student Tran Vu Mai Hoang, the first Hanoi-based RMIT Vietnam intern to work with a non-governmental agency. The Managing Director of the World Bank, Juan Jose Daboub, was another visitor.

Considerable work was undertaken in 2006 to refine and expand mobility opportunities available to students. New agreements for mobility included an agreement with the Estonian Academy of Arts, providing opportunities for students of Gold and Silversmithing. Two agreements specific to research were made to allow RMIT PhD students to pursue their work at the Berufsakademie-University of Cooperative Research (BA Stuggart), Germany, with funding from the German government, and at the National Chemical Laboratory in Pune, India. In 2006, RMIT signed Memoranda of Understanding with universities in China, France, Korea, Malaysia, the Philippines, Thailand, Vietnam and India. It was the first time the University formed such alliances in India, and it demonstrates RMIT's growing engagement with that country.

In 2006, RMIT sent 200 students on exchange to its partner universities throughout the world for one or two semesters. RMIT received 218 inbound Exchange students and 212 Study Abroad students. They came from countries in Europe, North America, North Asia, South-East Asia and Scandinavia and undertook courses across the University.

In 2006, RMIT provided 95 travel grants to students, an increase of 26 from 2005. The travel grants, which are open to all students at RMIT undertaking study overseas for credit, supported students across the full range

of mobility activities. The total value of the grants was \$160,000.

The Federal Government increased funding for the Endeavour Awards Program, which provides subsidies for inbound and outbound undergraduate student exchange. Under the Endeavour Awards Program round for 2007, RMIT received a three-fold increase in the funds available for mobility compared with 2006. This will provide for a significant increase in activity in 2007, when 27 students and five staff will have an opportunity to develop their international experience.

Inbound students will increase markedly under the program to 42. In hosting students from India, China, Malaysia and Thailand under the scheme, RMIT will provide exchange places and extensive support for the students.

Global Business

A wide range of international projects and programs were undertaken during the year under the coordination of the Global Business Development Unit. Through these projects and programs the University strengthened its international engagement with industry and made a significant contribution to the educational, economic and social progress of the communities it worked among.

The unit managed more than 30 significant TNE programs through RMIT in Melbourne and Vietnam and in association with three key hub partners in Asia (Singapore Institute of Management University in Singapore, the INTI

Group in Malaysia and Shanghai Institute of Foreign Trade in Shanghai, China).

Students managed under TNE arrangements totalled 8,752 in 2006 (2005, 8,388 students). TNE projects and programs contributed gross revenue of \$21.0 million (2005, \$20.4).

Educational Development Projects

The Global Business Development Unit managed and consulted in a range of multilateral and unilateral development assistance projects, including health specialist management and journalism training for groups in and from Indonesia, design work relating to the education sector in the Pacific region, training of school leaders in the Philippines, major contracts with international airlines for flight training, specialist short courses for government clients from China and continued management of two major ASEAN harmonisation projects in the agriculture sector.

Strategies were refined to ensure that global business development is aligned to the University's overall strategic and business planning.

The university secured a number of major training tenders. These included defence force medical training for the Australian Government; the design of a specialist school within the proposed Australian Pacific Technical College for AusAID; projects under the Indonesia-Australia Specialised Training



RIIERP
Program Director
Professor Sylvester Abanteriba

The RMIT International Industry Experience and Research Program (RIIERP)

provides an opportunity for students to undertake training and research programs with companies overseas. The program exposes students to some of the world's best-practice companies and the work ethic of different cultural environments. It also gives RMIT valuable feedback on how the academic and research expertise of our students compares internationally. Firms such as MT-Aerospace, Fujitsu-Siemens, Volkswagen, Airbus and Bentley Motors are strong supporters of the program. Six RMIT postgraduate students under RIIERP grants completed their programs in Germany last year, during which 180 students gained valuable offshore experience. Partner companies have pledged about 210 places for 2007.

Program,; further contracts with the Civil Aviation Flight University of China, Air China and Xiamen airlines in flight training; and delivery of a staff training program for the Asian Development Bank. Major training and development assistance projects contributed \$11.2 million (2005, \$10.4m).

Informit

Informit, the brand that encompasses RMIT Publishing's online products, extended its global presence in 2006. It made strong ground in international sales and added to its users the British Library, the Hong Kong Health Department, Hong Kong Chinese University, the Hong Kong Institute of Education, Massey University (New Zealand), the University of British Columbia, and the National Library Board of Singapore. In doing so it enhanced RMIT's international scholarly reputation.

Top 10 source countries for onshore international commencements 2006

Country	%
China	22
India	13
Malaysia	11
Indonesia	10
Hong Kong	7
Singapore	5
Thailand	4
Vietnam	3
South Korea	3
Japan	3

Offshore Higher Education award completions	No.
Singapore Institute of Management	587
Shanghai Institute Foreign Trade	137
RMIT International University Vietnam	122
Alberton Management Centre	79
Informatics Comp School SGP	75
Hong Kong Management Association	52
Others	130
Total	1,183

Figures are for 2005; completions data for 2006 will be available in May 2007. Data not available for VET.

RMIT's identified strengths in Aerospace and Aviation Engineering are complemented internationally through such projects as aviation English training.



Industry and Community Engagement

RMIT University builds mutually beneficial links with industry and community groups and is an integral part of the development of the societies in which it operates.

RMIT has always maintained close links with industry. For the University, these relationships are an essential part of understanding the skills needs of employers. By working closely with industry, RMIT ensures that its programs continue to be relevant to the contemporary workplace and that RMIT students are equipped with skills and knowledge that make them highly employable.

Industry benefits from the engagement by informing RMIT's practice of teaching and learning. Through formal and informal channels, RMIT listens to industry feedback, refreshes its programs according to the practical needs of the day and focuses its research on areas where industrial application is most likely to bring tangible improvement.

In 2006, the first Aerospace and Aviation forum was held with major industry partners including GKN Aerospace and Hawker de Havilland. It looked at topical issues such as the brain drain to the United States and the need to promote interest in science in secondary schools.

Advertising and Creative Media

The School of Creative Media has a well-established relationship with the advertising industry, which continues to support students through work placements, sponsorship and mentoring. The Advertising Institute of Australasia again sponsored the annual awards evening for graduates of the Diploma of Business (Advertising). Leading agencies recognised the achievements of graduates, who had an opportunity to engage with senior industry executives.

In 2006, an internship program for graduates of the Advanced Diploma of Multimedia (ADoM) was established with one of Australia's largest advertising agencies, George Patterson Y & R. The three-month internship places graduates in creative roles within the agency, with potential for full-time employment. The agency approached the School because it had been impressed with the consistently high quality of graduates from the range of courses the School offers.

Automotive

RMIT Mechanical and Automotive Engineering teams worked during the year with AutoCRC and Futuris, a leading supplier of interior systems and components to the Australian vehicle manufacturing industry. Two projects focused on the design and development of alternative seat adjuster mechanisms and vehicle interior carpet acoustics. In collaboration with several other universities and AutoCRC, RMIT joined forces with Futuris, Air International, the Victorian Partnership for Advanced Computing (VPAC) and Holden in developing final-year undergraduate work projects that will benefit the auto industry.

Engineering

RMIT has more students studying engineering than any other institution in Victoria and has strong links with the industry. The annual engineering prize ceremony held in August 2006 was supported by 37 industry and private sponsors.

Industry and Business Portal

In 2006, the University developed an Industry and Business Portal, a web-based showcase of the range of services RMIT offers to industry in a "one-stop-shop" at www.mit.edu.au/advantage. The portal features an overview of RMIT's capabilities in research, education and training, consultancy, student placements, employing graduates, sponsorship and venue hire.

Health Care

The Division of Nursing and Midwifery worked with the Royal Women's Hospital and the Dandenong Hospital in 2006 to investigate the use of wireless handheld computers by registered nurses in acute clinical units. This project has the potential to significantly change the way nurses work, using wireless devices to access and record patient information, nursing reference information and drug information. By working with the hospitals to develop guidelines on the use of this technology, RMIT is helping to enhance patient safety and quality of care. Such partnerships display RMIT's commitment to developing relationships that have far-reaching benefits for partner organisations and the wider community.

Engagement strategy

Also in 2006, Council approved an Industry Engagement Strategy that aims to build relationships with identified key industries. The strategy provides a framework for developing high-level strategic partnerships with a select number of industries of importance to RMIT, where the University is a known leader in the field and has interdisciplinary strengths. In 2007, RMIT will host an international conference that will bring together academia, industry and community groups to examine ways of developing the graduate attributes required by the future labour force.

Community

RMIT aligns itself closely with industry, government and community groups to foster the economic vitality that underlies and enables employment and social participation.

RMIT is a key stakeholder in the Northern Industry Education and Training Link, a regional partnership of industry, education and government established for the promotion and economic development of Melbourne's north. By taking an active role in such groups RMIT keeps informed of the health, the direction and the skills and research needs of businesses, especially the small to medium manufacturing, engineering and textile businesses that are an important part of the employment base of the region.

Regionally, RMIT Hamilton is active in the issues and opportunities that arise in a rural community.

RMIT's Youth and Community Partnerships Group works with schools, businesses, councils and the Department of Education to support community-based projects in Melbourne's north. In 2006, the Group continued to develop partnerships with primary and secondary schools and provided opportunities for RMIT students to take their learning into the community.

The University also continued to host community organisations and offices. These tenants are key partners of the University and provide opportunities in research, learning, work experience and project activity.

Learning Community Partnerships

In 2006 the Design and Social Context portfolio became the host of RMIT Learning Community Partnerships, which brokers dynamic learning and research opportunities at the Hamilton Learning Centre and through the Learning Networks program.

The Globalism Institute maintained strong, ongoing partnerships with communities and researchers locally and throughout the region, providing a firm basis for comparative analysis of how communities are responding to the challenges of globalisation.

In 2006, an agreement between RMIT and the Salvation Army established a series of programs and activities of benefit to both organisations and to people in great need.

The Salvation Army agreed to work with RMIT in the areas of student learning, research, professional development and consultancy. The partnership allows RMIT students to undertake placements with the Salvo's Crisis Contact Centre in Grey Street, St Kilda, while staff of the centre are encouraged to further their knowledge and skills through study at RMIT.

Also in 2006, the RMIT Refugee Access Scheme encouraged second- and third-year students who had arrived in Melbourne on Temporary Protection Visas to mentor those arriving at RMIT for the first time.

Research brings change

Work in 2006 in the School of Economics, Finance and Marketing showed how RMIT research can have tangible benefits for families. A team was asked by an industry partner, ANZ, to evaluate the impact of financial literacy programs. The results have informed the direction and extended the reach of programs that help financially vulnerable people by instilling good budgeting and saving habits. In 2005, 268 families took part in the program; in 2006 the number grew to more than 400.

Business

Throughout 2006, the six schools of Business showed their strength in a year of advances in industry partnership and work-integrated learning.

Teaching and Learning

Innovation in education in 2006 included a partnership developed between the Graduate School of Business and Open Universities Australia for the school to deliver an online MBA (Executive) program. Two intakes a year are planned for this program, the first in Semester 1 of 2007. The School of Management reached a similar agreement to offer the Bachelor of Business (Logistics and Supply Chain Management).

The School of Economics, Finance & Marketing (EF&M) was a finalist in Financial Services Education Agency Australia's annual awards in the category of Most Innovative use of Technology in Financial Services Education. The agency, the industry-owned peak body for financial services education, was impressed by the school's financial markets trading simulator, the largest tertiary facility of its type in Australia.

External recognition of high standards came from CPA Australia and the Institute of Chartered Accountants in Australia. These two industry bodies re-accredited undergraduate and postgraduate qualifications offered by the School of Accounting & Law.

Associate Professor Eveline Fallshaw, Dean of Academic Development, was a member of the Australian Business Deans Council's teaching and learning network, which received a \$100,000 grant from the Carrick Institute, Australia's premier body devoted to promoting and advancing learning and teaching in higher education. The project, *Business as Usual?*, will investigate sustainability in teaching and learning in Australian university business faculties.

In 2007, priority areas of endeavour will be to increase the percentage of academic staff with doctoral qualifications, to focus on research profile, increase the level of activity in executive education, and review offshore offerings.

Research

Professor Sinclair Davidson was acknowledged as a Peer Review Expert by the United Kingdom Tax Reform Commission in its work on its report *Tax Matters: Reforming the Tax System*. Professor Davidson and Professor Richard Heaney were also awarded a \$210,000 ARC Discovery Grant (2007-09) for their project *Does Australian Corporate Taxation Matter?*

Among ARC grants, Professor Richard Heaney, of EF&M, and Professor Bruce Grundy, of the University of Melbourne, were awarded a \$345,000 Discovery Grant (2007-09) for their project *Storage and the Hotelling Valuation Principle: Understanding the Dynamics of the Oil Industry*.

The School of Accounting & Law obtained a research grant of \$99,850 from the Carrick Institute. The project is titled *Assessing Students Unfamiliar with Assessment Practices in Australian Higher Education*.

Adjunct Professorial appointments 2006

Dr John Bailey	Management
Mr David Boymal	Accounting and Law
Dr Robert Clift	Accounting and Law
Mr Alan Weinn	Management

Industry and Community Engagement

In 2006, Business continued to reinforce its engagement with industry and the community on a number of levels:

- > Sponsorship of recognition of student achievement through the annual prize-giving ceremony;
- > Work placements at VET and undergraduate level;
- > Industry mentors at all levels of study;
- > Involvement from industry and the professions in the form of financial or in-kind sponsorship, mentoring, judging, presentations and career counselling for special events such as the Business Plan competition, the Business Lecture Series, careers days and Open Day;
- > Direct industry experience for staff through Business Faculty in Industry Program projects;
- > Membership of Program Advisory Boards;
- > Providing real-life projects conducted in the classroom;
- > Collaborative research;
- > Appointment of adjunct professors;
- > Easy accessibility to the media for expert commentary and editorial.

Among a host of partnership activities in 2006 was an arrangement under which the School of Management teamed up with the Department of Nursing and Midwifery and International Services to provide a 13-week leadership training program for Indonesian hospital managers. The program was co-ordinated by Ian Woodruff and Gay Edgcombe. Two videos exploring the impact of gender and Islam in Indonesian healthcare leadership were created as part of the program.

Sustainability

Sustainability is part of the curriculum in the core courses in the Master of Business Administration (MBA) and the MBA (Executive) programs. Case studies are used to disseminate advanced knowledge about sustainable practices across business activities.

Academic and Student Achievements

Outstanding student performance included that of the team of International Trade students from the Business TAFE School, who won the tertiary division of the 2006 Austrade Export Plan Competition. Ronita Aghakhan, Georgia Beattie, Michael Clarke, Kellie Mortimer, Nick Shiells and Yan Yan spent the year researching and writing an export plan for Swords Wines to export wine to China.

In the annual Business Plan Competition awards announced in October, Bachelor of Business (Entrepreneurship) students won all but one award.

Business staff featured prominently at the RMIT Media Stars Awards. These awards recognise academic staff who raise awareness of RMIT's depth of expertise and its research strength by being active contributors to public debate. Four of the 10 stars of 2006 came from Business. They were Professor Sinclair Davidson, Dr Stephen Downes, John Lenarcic and Dr Con Stavros.

Schools and Heads of School as at 31 December 2006

Accounting & Law
Professor Sheila Bellamy

Business TAFE
Mr Dale Williams

Graduate School of Business
Professor John Toohey

Business Information Technology
Professor Brian Corbitt

Economics, Finance & Marketing
Professor Tony Naughton

Management
Professor Lynne Bennington

Design and Social Context

In a year of achievement by staff, students and graduates, Design and Social Context (DSC) again showed its capacity to lead and influence through research, teaching and learning.

Teaching and Learning

Two successful School mergers occurred in 2006. In the first, the former School of Social Science and Planning and the School of International and Community Studies formed one of the University's largest schools, the School of Global Studies, Social Science and Planning (GSSSP). In the second, the International Centre of Graphic Technology, with the support of industry, joined the School of Design (TAFE) as a specialist centre.

The DSC teaching and learning team worked with Schools on a number of key initiatives, including new program developments in languages, communication, design, fashion and textiles. A major project was the strengthening and refinement of articulation arrangements between the VET and Higher Education sectors. The annual teaching awards again demonstrated a vast array of innovations and commitment to the student learning experience.

Christine Robertson, Associate Director TAFE, worked with Schools on transition projects aimed at furthering industry

partnerships. These projects covered the furniture industry and supported the development of new offerings for the creative industries. Another key project was the further alignment with State Government funding priorities, particularly in relation to older workers returning to work and skills shortages.

Dr Martyn Jones (GSSSP) led a team that secured \$171,000 in funding from the Carrick Institute for the project Generating Academic Standards for Planning Practice Education. Adrian Miles (School of Applied Communications) was a partner in another Carrick-funded project (led by University of Canberra) examining Digital Learning Communities. Both projects enhance the teaching and learning environment.

RMIT's international reputation was further enhanced when the Gold and Silversmithing program was cited as one of the top 10 programs in the world in the prestigious jewellery design publication *Vogue gioiello*.

Research

Building research profile remained the priority of the Dean Research and Innovation, Professor Tony Dalton. DSC's research income exceeded \$12 million, a 71% increase since 2004.

The Federation Fellowship awarded to Innovation Professor in Architecture and Design Mark Burry was one of many outstanding achievements of a distinguished professorial staff. Associate Professor Chris Chamberlain, Director of the Centre for Applied Social Research, was awarded a contract by the Department of Family and Community Services to undertake a three-year research program titled *Counting the Homeless*. Australia is the first country in the world to count the homeless using census data and Professor Chamberlain is a recognised world leader in this field.

GSSSP received a CERF grant (in conjunction with University of Queensland, Australian National University and University of Melbourne) for a research project hub titled *Applied Environmental Decision Analysis*. Approximately \$7 million will be used over four years to establish this research hub, which addresses Australia's environmental planning, decision-making and policy approaches. This research underpins natural resource management challenges.

Adjunct Professorial appointments 2006

Dr Peter Annear	Global Studies, Social Science and Planning	Dr John Macarthur
Mr James Brearley	Architecture and Design	Professor Michael Ostwald
Mr Trevor Budge	Global Studies, Social Science and Planning	Mr Howard Raggatt
Dr Bill Cope	Global Studies, Social Science and Planning	Dr Nick Richardson
Mr Michael Counihan	Applied Communication	Dr Gyorgy Scrinis
Dr Jennifer Craik	Fashion and Textiles	Dr Chris Shepherd
Mr Garry Emery	Applied Communication	Dr Margaret Simons
Ms Juliana Engberg	Architecture and Design	Dr Judith Smart
Professor Mary Kalantzis	Global Studies, Social Science and Planning	Mr Max Suich
Mr Tom Kovac	Architecture and Design	Dr Stephan Teo
Professor Arun Kumar	Property, Construction and Project Management	Mr Noel Turnbull
Dr Helen Marshall	Global Studies, Social Science and Planning	Mr Peter Williams
Mr Geoffrey Mean	Global Studies, Social Science and Planning	Mr Ralph Wollner
Dr Ching Wah Lam	Education	Mr Garry Woodard
Mr Carey Lyon	Architecture and Design	

Industry and Community Engagement

The participation of staff and students extended beyond the campus perimeters into the city of Melbourne and beyond.

The Learning Network program created a partnership with Microsoft Australia, The Smith Family, Salvation Army and Adult and Community Education (ACE) Centres to form Learning Community Partnerships, which over the past three years have created learning opportunities for more than 2,000 disadvantaged people.

Bachelor of Design (Communication Design) students through the final-year design consultancy service, The Works, designed logos and publications for a range of not-for-profit associations including the Victorian Actors Benevolent Trust, whose patron is the actor John Wood.

Sustainability

The Industrial Design program established a Recycling Incubator in conjunction with the Bachelor of Business (Entrepreneurship). The Incubator challenged students to create business entities or strategies that use waste as their resource. Five business ventures emerged, founded on innovative reuse or recycling processes or on the creation of new products from waste streams. An expert panel from industry and education assessed the plans and provided feedback on the ideas.

Academic and Student Achievements

Associate Professor Patricia Rogers, Director of the Collaborative Institute for Research, Consulting and Learning in Evaluation (CIRCLE), received the American Evaluation Association's Alva and Gunnar Myrdal Practice Award for making a substantial contribution to the professional practice of evaluation. She is the first non-American to receive this award.

Geoff Hogg, Coordinator of the Public Art programs, was appointed Honorary Professor at Xianyang Normal University in China in recognition of his outstanding contribution to the community over the past 30 years.

Professor Elizabeth Grierson, Head of the School of Art, was elected to the executive of the Australian Council of University Art and Design Schools (ACUADS).

Students from the Advanced Diploma of Audiovisual Technology worked with industry partner Transworld International Australia at the 2006 Commonwealth Games. Approximately 40 Advanced Diploma Audio Visual, 15 Diploma of Music Industry and 12 Diploma of Audio Visual Technology students gained valuable experience as camera assistants, sound assistants, loggers and technical assistants during the Games.

Diploma of Arts (Studio Textiles and Design) students swept the 2006 Dreamweaver Design Award at the Furnitex industry exhibition. Maya Grinberg won the award, with fellow students Sonali Kamat second and Anna Theodosios third.

At the Shanghai Art and Design Biennale, RMIT was the only Australian university to receive highly commended awards for three pieces of student work, impressing the judge with the quality of execution and thought in the work.

Two students from the Bachelor of Communication (Advertising) received the advertising industry's most prestigious international award, the 2006 Student Young Guns of the Year, for their Finger Twister advertising campaign. The competition attracted 2,823 entries from 283 companies and 36 countries.

Schools and Heads of School

as at 31 December 2006

Architecture and Design

Architecture and Design

Architecture and Design

Applied Communication

Global Studies, Social Science and Planning

Global Studies, Social Science and Planning

Applied Communication

Global Studies, Social Science and Planning

Applied Communication

Applied Communication

Applied Communication

Applied Communication

Fashion and Textiles

Global Studies, Social Science and Planning

Applied Communication
Ms Lauren Murray

Architecture & Design
Professor Harriet Edquist

Art
Professor Elizabeth Grierson

Creative Media
Professor Peter James Smith

Design (TAFE)
Mr Hendrikus Berkers

Education
Professor Annette Gough

Fashion & Textiles
Mr Keith Cowlshaw

Global Studies, Social Science & Planning
Professor Bruce Wilson

Property, Construction & Project Management
Professor Ronald Wakefield

Science, Engineering and Technology

In a challenging year for the tertiary education sector, Science, Engineering and Technology (SET) continued to improve the quality of its teaching and learning programs and maintained enrolment.

Teaching and Learning

One of several outstanding teaching and learning achievements in 2006 was the establishment of a training program for young indigenous people. The School of Life and Physical Sciences delivered this new entry point to cultural heritage management. The Statewide Heritage Training resulted from a partnership with Aboriginal Affairs Victoria, Parks Victoria, RMIT and the Wurundjeri Tribe Land Compensation and Cultural Heritage Council.

RMIT achieved a major milestone by delivering Australia's first apprenticeship program in Laos. Two Schools – the School of Aerospace, Mechanical and Manufacturing Engineering and the School of Infrastructure, Electrotechnology and Building Services – along with the Australian mining company Oxiana, worked on the delivery of units from a number of RMIT programs. The training model uses the work environment for learning and assessment.

The School of Civil, Environmental and Chemical Engineering also helped address the skills shortage with the Australian Government's allocation of an additional 35 places to the Civil and Infrastructure degree.

Dr Iouri Belski, School of Electrical and Computer Engineering, was awarded a Carrick Institute citation for outstanding contributions to student learning. The award recognises Dr Belski's work in "the creation of innovative methodologies and imaginative resources, which help students in enhancing thinking and problem-solving skills".

Professor Ken Greenwood accepted the position of Head of the School of Health Sciences and commenced in mid-February. Professor Greenwood is a registered psychologist in Victoria and Canberra with extensive experience in research, postgraduate supervision and teaching.

Professor Eleanor Holroyd was also appointed to the School as Professor of Nursing and Head of the Division of Nursing and Midwifery. Professor Holroyd has extensive research experience within a multidisciplinary and multicultural context of nursing, gender studies and anthropology.

Research

In an outstanding example of international recognition for research and clinical practice, RMIT's expertise in Traditional Chinese Medicine was accredited by the World Health Organisation (WHO). The WHO Collaborating Centre for Traditional Medicine – located within the Division of Chinese Medicine – was opened in August. It is the first of its kind in Australia and the first established outside Asia in nearly 10 years.

Embedded industry collaboration is also an important aspect of the SET portfolio's research capacity, exemplified by a project at the RMIT Rheology and Materials Processing Centre. Led by Professor Satinath Bhattacharya, a project to develop nanopigments with UV resistance brought direct benefits to industry. This work focused on the production of nanopigments applied to polymers for industrial and commercial uses. It was carried out in close collaboration with Allied Color Products, a Melbourne manufacturer of specialty preparations and compounds for the plastic and rubber industries.

Adjunct Professorial appointments 2006

Emeritus Professor Herbert Bolotin	Medical Sciences	Aerospace Mechanical & Manufacturing Engineering Professor Nelson Chen Applied Sciences Professor Peter Coloe Civil, Environmental & Chemical Engineering Professor John Buckeridge
Professor Mark Febbraio	Medical Sciences	
Emeritus Professor Harry Fong	Health Sciences	
Dr Howard Hanley	Applied Sciences	
Dr Annette Haworth	Applied Sciences	
Dr Mary Katsikitis	Health Sciences	
Dr Paul Maruff	Health Sciences	
Professor John Mills	Applied Sciences	
Dr Geoffrey Reeves	Electrical and Computer Engineering	
Dr Melvyn Sydney-Smith	Health Sciences	
Dr Frank Thien	Health Sciences	
Dr Christopher White	Electrical and Computer Engineering	

SET's research income from external research grants in 2006 was \$18.4 million.

The capacity and extent of the expertise within the portfolio was also evident when researchers presented to the Department of Defence, showcasing RMIT University's capabilities and expertise for the Joint Strike Fighter project. A number of staff were subsequently invited to provide further input.

RMIT University's Wackett Aerospace Centre secured a prestigious Defence Force contract to support Australia's defence helicopter acquisition. The team will work on the design and operational aspects of the helicopters, monitoring their structural health, formulating a disposal strategy, devising training requirements and conducting cost-benefit analysis.

In the area of research training the success of one of our recent PhD graduates is also worth noting. Dr Amanda Barnard joined the University of Oxford as a Violette and Samuel Glasstone Fellow in the Department of Materials, and an Extraordinary Junior Research Fellow at the Queen's College. Previously she was a distinguished postdoctoral researcher in the Centre for Nanoscale Materials at Argonne National Laboratory in Chicago.

Industry and Community Engagement

In the lead-up to the Commonwealth Games 2006, SET hosted a public forum on the science behind sport, profiling emerging developments in sports technology. SET provided leadership among Victorian stakeholders with both National Science Week and Engineering Week in August. Events included a public lecture on the science of security and a research forum with engineering industry representatives.

SET was well represented at RMIT's first industry council meeting with senior representatives of the aviation industry. The RMIT Aviation Industry Council will advise on developments and industry trends as it meets regularly in the future.

The School of Life and Physical Sciences was awarded a further contract with the Australian Defence Force to provide basic medical assistant training worth more than \$6 million, to deliver training up to 2011. RMIT began training Defence Force medics in 2002 and medical assistants have since seen service in East Timor, Afghanistan, Iraq, Solomon Islands, Bougainville, and with tsunami relief in South-East Asia. In June, the Vice-Chancellor presented prizes at the Graduation/March Out Parade of RMIT-trained Basic Medical Assistants at the Army Logistics Training Centre in the Albury-Wodonga Military Area.

The School of Medical Sciences will soon create a spin-off company from the RMIT Drug Discovery Technologies unit. The new commercial operation will offer pre-clinical toxicology and pharmacology services to the biotechnology and pharmaceutical industries.

Sustainability

During 2006, 12 postgraduate research students under the Energy Conservation and Renewable Energy (Energy CARE) group in the School of Aerospace, Mechanical and Manufacturing Engineering worked on a variety of sustainable energy projects, including solar desalination, generation and storage of hydrogen using renewable energy sources, and power generation from renewable energy. The Master of Engineering (Sustainable Energy) program attracted increased numbers of local and international students.

A team of Environmental Science, Environmental Engineering and Environment (Social Science) students travelled to Vietnam investigate current and proposed solid waste management strategies in Ho Chi Minh City. Working in collaboration with the local Department of Natural Resources and Environment, this is the fifth consecutive year that RMIT undergraduates have worked with community and industry agencies in Vietnam on environmental management projects.

Academic and Student Achievements

The work of Geospatial Sciences staff was well recognised by industry in 2006. Dr Colin Arrowsmith was awarded the Victorian Spatial Excellence Awards for Education and Professional Development by the Spatial Sciences Institute. Lucas Holden was awarded the Gillespie Prize for 2006 from the Institution of Surveyors (Victoria) and Dr David Silcock won the Robert Hoddle Prize for Excellence in Surveying 2006. In addition, Brad Millar, an RMIT graduate from the Surveying program in 2001, was awarded the Surveyors Board prize for the best portfolio of projects leading to registration as a Licensed Surveyor.

Higher Education and VET students from the School of Aerospace, Mechanical and Manufacturing Engineering were recognised on the international stage with their first place in the Formula SAE East Coast competition at the Ford Proving Grounds in Detroit and a second place in the West Coast event in California. The team capped off a memorable year by winning the Australian competition.

Schools and Heads of School as at 31 December 2006

Computer Science &
Information Technology
Professor Heiko Schroder

Electrical & Computer Engineering
Professor Irena Cosic

Health Sciences
Professor Ken Greenwood

Infrastructure, Electrotechnology &
Building Services
Mr Frank Hemmings

Life & Physical Sciences
Ms Cheryl Underwood

Mathematical & Geospatial Sciences
Professor John Hearne

Medical Sciences
Professor Harry Majewski

Pathways for Success

One of RMIT's institutional strengths is its dual system of post-secondary education: a robust vocational education and training (VET) sector alongside the Higher Education sector.

In 2006, RMIT University continued to provide students with flexible pathways between VET and Higher Education awards.

VET at RMIT provides competency-based training across the industry spectrum, from pre-vocational certificate level to Advanced Diploma. These programs develop work-ready, highly employable graduates with practical and industry-developed skills. They also enhance the skills of existing workers ranging from those in low-skills employment to professionals and para-professionals.

In 2006, RMIT streamlined its procedures for introducing new programs, creating an environment in which industry-backed nationally endorsed Training Packages can be more quickly implemented. This ensures that RMIT students are offered the training that modern industries need and employers are prepared to reward.

Pathways allow VET students to articulate into Higher Education programs with recognition of their VET qualifications. They also allow Higher Education students to boost their attractiveness to employers by completing highly regarded skills training through VET qualifications such as the Diploma in Professional Writing and Editing.

An outstanding example of the value added through pathways between VET and Higher Education is the achievement of Husnen Rupani. An international student from the Indian province of Gujarat, he attained excellent results in the Advanced Diploma of Electronics Engineering before entering the third year of the Bachelor of Engineering (Biomedical Engineering). In 2006, he was named Engineers Australia's Young Engineering Officer of the Year. In 2007, he will undertake his Honours year.

A number of programs allow students to undertake integrated higher education and VET programs. Such RMIT dual qualifications are enhanced through industry engagement. The RMIT Information Technology Cadetship, developed in 2006 in partnership with IBM and group training company VICTEC, will be offered from 2007. The scheme will allow newcomers to the IT industry to complete a sequence of qualifications through a combination of recognition of their current skills and experience, learning while they are on the job and in the classroom. Cadets will begin at certificate level and exit with a degree qualification after four years. In 2006, RMIT made plans to introduce a range of dual sector qualifications for 2007 and beyond.

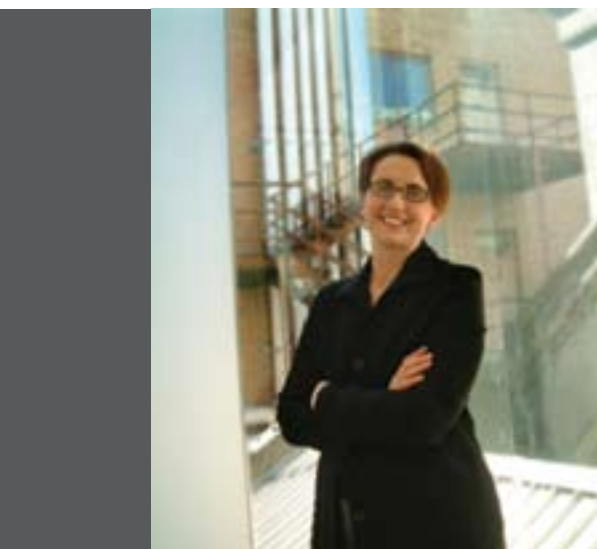
RMIT also worked to address the current national skills shortage. As part of this strategy a campaign was conducted in the later part of the year to attract additional enrolments in

identified shortage areas, expand traineeships and encourage the up-skilling of existing members of the workforce. The targeted "Go V @ RMIT" campaign appealed directly to both employers and prospective learners.

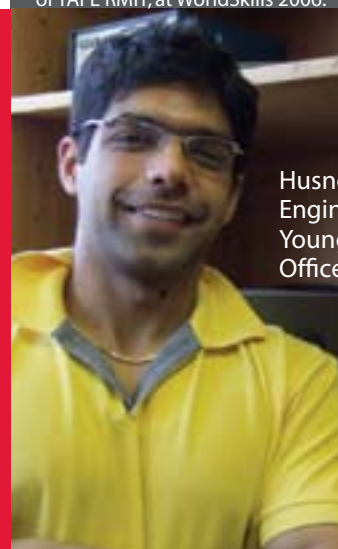
RMIT was highly successful at the 2006 WorldSkills competition at the Melbourne Exhibition Centre. The competition involved more than 450 competitors in more than 40 skill categories and attracted about 55,000 visitors. An RMIT team representing Victoria won the gold medal for design. Ben Dean-White (VET in VCE Multimedia), Adam Ziino (TAFE apprentice mechanical plumber) and Spiridon Dimitropoulos (fourth-year Electrical Engineering) combined their talents to impress the judges with a system that reduces water use in shopping centre cooling towers. Elisha Carter, who in 2005 completed the Certificate III Printing and Graphic Arts (Graphic Prepress), won a gold medal in the printing and graphic arts category.



Dr Grace Lynch (lab.3000), Spiridon Dimitropoulos, Adam Ziino, Ben Dean-White and Allan Ballagh, Director of TAFE RMIT, at WorldSkills 2006.



Dr Roslyn Sayers articulated from an Advanced Diploma of Business (International Trade) to a Bachelor of Business (International Business) (Honours) before completing her PhD (School of Economics, Finance and Marketing) and Marketing in the School of Economics, Finance and Marketing.



Husnen Rupani, Engineers Australia's Young Engineering Officer of the Year.

VET Enrolments (headcount) by Broad Program Level	2002	2003	2004	2005	2006
AQF 5-6 (Dip, Adv Dip)	11,138	10,941	10,862	11,184	9,977
AQF 3-4 (Certs III & IV)	7634	8,812	7,307	8,318	7,960
AQF 1-2 (Certs I & II)	1,870	1,691	1,454	1,480	1,752
VCE/VCAL	797	549	563	554	535
Other*	1,079	882	1,012	821	743
Total	22,518	22,875	21,198	22,357	20,967

* Non-award programs / programs not elsewhere classified.

Key Performance Indicators

In November 2005, the Office of Training and Tertiary Education recommended that TAFE providers present the following key performance indicators as part of their annual reporting. The following are RMIT's 2006 KPIs.

Indicator	RMIT 2006
Module load completion rate*	76.2%
No. of 15-24-year-olds	11,370
No. of 25-64-year-olds	7,144
Total cost per student contact hour (SCH)	\$10.60
Working capital ratio**	0.95:1.00
Net operating margin	7.2%
Revenue per EFT staff	\$98,286
Energy consumption***	RMIT 2006
Gas (MJ)	16,221,240
Electricity (kWh)	10,217,618
Green Power (kWh)	1,021,762

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

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

***2006 figures will be used as baseline for future reporting on consumption changes.

The "Go V @RMIT" campaign highlighted the reach of VET



Buildings & Campus Environment

RMIT maintains an extensive infrastructure to deliver academic programs and research through physical and virtual campuses.

The built environment of RMIT's Melbourne campus has a significant impact on the city landscape in which the University has grown. 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. As a custodian of the city's heritage and as an owner of major properties, the University maintains strong collaborative ties with the City of Melbourne.

In October, RMIT announced the sale of the former Carlton and United Breweries site on the corner of Swanston and Victoria streets. The University will retain 3,000 square metres on the south-east corner of the site for the development of a Design Hub, a significant and innovative academic building. The bulk of the site will be developed commercially by the Grocon Company as a mixed-use complex of shops, apartments, offices and public spaces. Development of the site will be sympathetic to its heritage aspects, retain the Swanston Street vista to the Shrine of Remembrance and weave RMIT more tightly into the fabric of the city.

Another significant project in 2006 was the redevelopment of Building 22 on the corner of Swanston and La Trobe streets as a customer service facility to provide prospective students with information about the University and its programs. The eye-catching building, to be open in Semester 1 of 2007, was designed by architects Ashton Raggatt McDougall, the firm responsible for the 1995 restoration and extension of Storey Hall, which is adjacent. Building 22 retains the same theme and colour scheme as Storey Hall.

Infrastructure Plan

The RMIT Infrastructure Plan provides a forward look at proposed development to the year 2010 and is reviewed and refreshed annually to take account of changing priorities and other issues. Consultation occurred with the University community and a draft plan 2007-10 was produced in late 2006 for finalisation in early 2007. An indicative capital program for the next four years provides for improved student facilities, infrastructure upgrades and risk management considerations.

Infrastructure improvements in 2006 included continued asbestos removal and renewal works to Building 14 (Swanston Street) to enable redevelopment of some floors in 2007. Buildings 56, 57 (Lygon Street) and part of Buildings 10 and 12 (Swanston Street) had extensive internal finish replacements. Cooling pipe work was extended to Buildings 5, 7 and 9 (Bowen Street) from new central plant. Signage was improved and fire safety systems in Buildings 10 and 12 (Swanston Street) and 212 (Bundoora West) were upgraded.

Teaching, Research and Student Facilities

A new 150-seat lecture theatre and three new classrooms were built in Building 56 (Lygon Street). New furniture was provided for 50 new classrooms in this and the adjoining building. A pilot Design Hub was created in Building 91 (Victoria Street), two new games studio laboratories were readied in Building 14 (Swanston Street) and a pre-apprenticeship workshop was built in Building 73 (Orr Street). Control systems were upgraded in five lecture theatres, as were science laboratories in Building 51 (Victoria Street). At the Brunswick campus, screen printing and dye facilities were

refurbished. At Bundoora, the animal facility was extended and upgraded.

Improvements to student facilities in 2006 included further refurbishment of the city libraries to create open, relaxed and collaborative study areas, an upgrade of the student lounge area on the city campus and improvements to the Building 8 (Swanston Street) cafeteria area, including new furniture.

Commitment to Environmental Sustainability

Consistent with RMIT's commitment to the environment, Property Services strove in 2006 to reduce the University's ecological footprint. There was a particular emphasis on energy management and water saving.

RMIT is a member of 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 the Universities of Australia Ecological Development Charter. In 2006, the University continued its involvement with the Greenhouse Challenge, a voluntary program coordinated by the Australian Greenhouse Office.

Property Services and the Global Sustainability Institute participated in the Sustainable Campus Group, a Victorian-based support network for tertiary education institutions. It aims to help institutions develop common reporting indicators and to share knowledge around cultural change programs.

In October, Property Services and the Global Sustainability Institute began a pilot Green Office program. The program is designed to reduce energy use, paper consumption and waste. It was introduced to staff and students



in Buildings 1, 8, 10 and 20 on the city campus and achieved a 5% reduction in energy use, a 68% reduction in recyclables sent to landfill and a significant reduction in paper waste.

An Energy Manager was appointed to increase efficiency of the building automated systems (BAS), including the second stage of the BAS system upgrade. This upgrade will gradually improve control of mechanical services such as escalators, elevators, chillers, boilers and compressors and has the potential to significantly reduce energy use. For example, sensors were installed on escalators in Building 8 on the City Campus. The system allows an automated starting and stopping function activated by traffic flows. Measures were also introduced to reduce resource use by consolidating weekend and after-hours classes.

The University implemented a number of greenhouse gas reduction initiatives, including widespread installation of more efficient T5 lighting systems, installation of movement sensor-managed lighting and the adoption of energy-saving computer monitors. A solar hot water system was installed at the Bundoora West campus.

The persistent drought has focused attention on water use. Property Services worked closely with Yarra Valley Water and City West Water to identify potential savings and innovative technologies suitable for heritage buildings with old plumbing. Management and use of grey and black water was investigated at the City and Bundoora Campuses. Undergraduate and postgraduate Engineering students were involved in water conservation projects and audits throughout 2006.

In October, the University co-hosted an Environmental Expo for RMIT staff, in conjunction with Corporate Express, to

showcase the range of environmentally preferred products available through regular procurement processes.

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	2002	2003	2004	2005	2006
Projects certified for approval	51	25	24	26	37
Works under construction and the subject of mandatory inspections	11	9	10	13	16
Occupancy permits issued	40	16	17	17	22
Maintenance & Other Work Orders	22,475	19,781	18,606	20,947	20,794

Space, Quality & Deficiency Ratings of RMIT Buildings (%)	2002	2003	2004	2005	2006
S - Satisfactory - require periodic maintenance	76	74	67	71	71
A - Require expenditure of 16-36% of CRV	18	20	21	25	24
B - Require expenditure of 37-56% CRV	5	5	5	2	3
C - Require expenditure of 58-78% of CRV	1	1	3	1	1
D - Unsatisfactory - redevelopment	0	0	4	1	1

CRV: capital replacement value

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

Source: Property Services and Energetics



Governance



Governance

Strong corporate governance remained a focus of RMIT in 2006.

Based on its corporate governance charter, Council undertook an annual performance evaluation, 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, the activities of the University and chairing of committees. As well as its regular meetings, Council had two retreats, one focusing on international activities, the other on fundraising.

The Nominations and Corporate Governance Committee of Council 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 2006, subsidiary companies complied with Council-mandated reforms to their governing bodies. Most reviewed their statements of governance principles adopted in 2004, reported on changes to the skills, experience and qualifications of directors and reported on their frameworks for risk management and internal audit.

University Council

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; and
- > 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 as well as the annual budget and business plan and monitoring of the University's performance. The Council appoints the Vice-Chancellor and President and 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 amended in 2006.

Declarations received from Council members have indicated no conflict of interests 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 number AT7800272 PID issued by QBE Insurance (Australia) Ltd and Vero Insurance Limited.

Council Members in 2006

Ms Frances Awcock AM

Appointed Governor in Council member since 27/07/04
BA (Melb), DipLib (RMIT)
Expertise in library sector; leadership in information services and cultural affairs

Mr Allan Ballagh

Elected by the Academic Board; member since 10/02/03
BEng (Electronics) (Deakin), DipEd (Melb), MEd (Leadership & Management) (RMIT), Grad Cert Ent Mgmt (Swinburne)
Director, RMIT TAFE

Professor Peter Coloe

Elected by the Academic Board; member since 07/08/00
BSc (Hons) (Monash), PhD (Monash), FASM
Practising researcher; academic manager

Ms Anne Dalton

Appointed Governor in Council member since 15/04/03
BA (Monash), BLib (Monash), Grad Dip Com Lib (Monash), Grad Cert Pub Sec Mgmt (Griffith)
Partner, Sparke Helmore
Other directorships: Member, Victorian Governance Probity Panel

Mr Terrence Francis

Appointed Governor in Council member since 15/04/03
BEng (Civil) (Melb), MBA (Melb)
Financial and commercial expertise; Managing Director at a licensed bank

Professor Margaret Gardner AO

Vice-Chancellor and President (ex-officio)
Member since 04/04/05
BEng (Hons), PhD (Sydney), DUniv (Griffith) FAIM, FAICD
Broad range of leadership and management experience in the university sector
Other directorships: Member, Carrick Institute of Higher Education, Learning and Teaching

Professor Dennis Gibson AO

Elected by RMIT Council as Chancellor since 14/04/03
BSc (Hons), MSc, PhD (Newcastle upon Tyne), DSc (CNA), DUniv (Sunshine Coast), DUniv (QUT), FTS, FAICD
Broad range of leadership and management experience in the university sector
Other directorships: Chair of two technology start-up companies; Chair, Premier of Queensland's Smart State Awards Selection

Dr Jane Gilmour OAM

Appointed RMIT Council member since 01/01/05
BA (Hons) (ANU), DUP (Sorbonne), FAICD
Financial and commercial expertise; former Chief Executive Officer of Earthwatch Institute (Australia)

Mr Garth Lampe

Appointed by the Minister; member since 30/1/03
BEcon (Hons) (Monash), MEcon (Monash)
Project Director, 2012 Review Office of Gaming and Racing, Department of Justice

Ms Rosemary Lever

Appointed Governor in Council member since 01/03/05
Dip Soc Studies (Melb), B Soc Work (Hons) (Melb)
Senior positions in the Victoria public service; former CEO of the Children's Protection Society and currently Director of Just Ideas; expertise in organisational management, policy development, strategic planning and innovation
Other directorships: Board Member, Peter McCallum Hospital and The Centre for Excellence in Child and Family Welfare

Mr Anthony Lilburne

Elected by the students; member since 01/01/06

Ms Rebecca Lupton

Elected by PACCT staff; member since 01/01/06
Media Technology Officer at the Carlton Library

Ms Voula Messimeri-Kianidis

Appointed Governor in Council member since 27/07/04
BSocWork (RMIT), Grad Dip (Community Development) (RMIT), Grad Dip (Applied Science) (RMIT)
Expertise in health, ethnic and community affairs; Executive Director, Australian Greek Welfare Society
Other directorship: Chair, Federation of Ethnic Communities Council of Australia; Deputy Chair, VITS Language Link; Board Member of Radio Marathon Trust; Deputy Chair, Ethnic Communities Council of Victoria

Professor John Nieuwenhuysen AM

Appointed RMIT Council member since 04/03/02
MA (Natal), PhD (London), FASSA
Director, Monash Institute for the Study of Global Movements
Other directorships: Chair, VITS Language Link; Member, Australian Multicultural Foundation

Mr Helmut Pekarek

Appointed RMIT Council member since 01/01/05
MEng (App Physics) (Tech Uni of Vienna), AICD
Chairman, Boulder Steel Ltd; former Chairman and Managing Director, Siemens Ltd
Other directorship: Director, Asia Pacific Seamless Tubes Ltd; Vice-President, German-Australian Chamber of Industry and Commerce

Mr Dinesh Rajalingham

Elected by the students; member since 01/01/06

Mr Neil Robinson

Elected by Academic Staff (HE); member since 01/01/03
TTTC, Dip App Phys (RMIT), BSc (Hons) (La Trobe), MSc (La Trobe)
Senior Lecturer, Applied Physics, Science, Engineering and Technology portfolio

Ms Moira Schulze

Appointed Governor in Council member since 01/01/05
BA (Melb), DipEd (Admin) (Melb), MEd (Melb)
Consultant in the public and not-for-profit sectors; former CEO, Adult Multicultural Education Services
Other directorships: Hanover Welfare Services; Victorian TAFE Development Centre

Mr Clem Simonetto

Elected by the Academic Staff (VET); member since 16/08/04
BEcon (La Trobe), DipEd (La Trobe)
TAFE Program Co-ordinator, Business portfolio

Mr Trevor Tappenden

Appointed RMIT Council member since 08/08/03
ACA, FAICD
Former Managing Partner of Ernst and Young; independent company director
Other directorships: Chair, Board of Heide Museum of Modern Art; Member, VITS Language Link

Ms Jenny Varcoe-Cocks

Appointed RMIT Council member since 28/02/00
DipBusStud (VUT), FAICD
Broad range of experience in human resources and corporate governance

Mr Derek Young

Appointed RMIT Council member since 10/11/03
MACA (UK), FACA (UK), MASA (Aust)
Financial and commercial expertise; former Managing Director of Accenture Australia Ltd
Other directorship: Chair, Melbourne Theatre Company

Governance

Council Committees

Council committees are established to assist Council in discharging its responsibilities.

In 2006 Council implemented a new committee structure with two new committees:

- > a Planning and Finance Committee has replaced the Finance and Major Initiatives Committee and the Planning Quality and Performance Committee; and,
- > a Campus Development Committee was established to oversee the development of RMIT's buildings and grounds.

Each committee had a work plan of activity to exercise its responsibilities in 2006 and reported to Council on its activities.

Audit and Risk Management Committee

This 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 and acts on behalf of Council 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; and,
- > the adequacy and effectiveness of management, financial control systems and other internal controls of the University and its subsidiaries.

Campus Development Committee

This committee acts on behalf of Council to:

- > consider and recommend to Council the University physical infrastructure masterplan in accord with the University strategic plan; and,
- > consider and review significant proposed developments on campus to ensure that they are consistent with the design principles in the University physical infrastructure masterplan.

Nominations and Governance Committee

This 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 acts on behalf of Council to:

- > recommend candidates for Council vacancies to Council or to the Minister for Skills, Education Services and Employment as appropriate to ensure the Council has an effective balance of relevant skills, experience and knowledge;
- > recommend to Council membership of Council committees and the boards of controlled entities to ensure they have an effective balance of relevant skills, experience and knowledge;
- > recommend to Council a person to be appointed or re-appointed as Chancellor and Deputy Chancellor;
- > ensure appropriate oversight of governance principles and conduct in the controlled entities;
- > recommend to Council changes required to Statutes and Regulations;
- > develop high standards of corporate governance in RMIT Council, including the form of performance evaluation, induction and professional development programs for Councillors; and,
- > recommend candidates to Council for honorary awards.

Planning and Finance Committee

This committee acts on behalf of Council to:

- > receive and review the University's annual budget and business plan and to recommend their approval to Council;
- > receive and 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;
- > receive and review policies with regard to investment funds and to monitor their effectiveness;

- > receive and review the Capital Program Budget and to recommend its adoption to Council;
- > monitor and advise Council on major initiatives and projects that involve a significant financial commitment and/or a significant non-financial risk;
- > monitor the development and implementation of the planning, quality and performance processes across the University;
- > advise Council on the establishment of controlled entities, and the University entering into joint ventures and partnerships; and,
- > monitor the performance of controlled entities through annual reports against business plans and strategic plans.

Remuneration Committee

This 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 (TEC);
- > when required, to consider issues relating to the Vice-Chancellor's contract and make recommendations to Council;
- > to review and set Total Employment Cost (TEC) ranges for all executive staff;
- > to review and approve the performance assessments and bonuses recommended by the Vice-Chancellor for the direct-report senior executives; and,
- > to provide advice to the Vice-Chancellor on executive performance appraisal mechanisms.

Council Performance

Under its charter, one of the University Council's primary responsibilities is to undertake annual reviews of its own

performance. During 2006, the Chancellor undertook structured interviews with individual councillors which focused on an assessment of Council, effectiveness of individual councillors, RMIT's performance and the challenges ahead.

Attendance at Council and Committees in 2006

Name	Council	Audit and Risk Management	Campus Development	Nominations and Governance	Planning and Finance	Remuneration
Frances Awcock	5/6			7/7		
Allan Ballagh	6/6					
Peter Coloe	5/6					
Anne Dalton	6/6	7/7				
Terrence Francis	5/6	6/7			7/9	
Margaret Gardner	6/6		5/5	6/7	9/9	4/4
Dennis Gibson	6/6	6/7	5/5	5/7	8/9	4/4
Jane Gilmour	6/6	6/7	4/5			
Garth Lampe	3/6				4/9	
Rosemary Lever	5/6			6/7		
Antony Lilburne	5/6		5/5			
Rebecca Lupton	4/6					
Voula Messimeri-Kianidis	5/6		3/5			
John Nieuwenhuysen	5/6			5/7		4/4
Dinesh Rajalingam	5/6				6/9	
Helmut Pekarek	4/6				6/9	
Neil Robinson	6/6			7/7		
Moira Schulze	6/6					3/4
Clem Simonetto	6/6				8/9	
Trevor Tappenden	5/6	7/7			8/9	
Jenny Varcoe-Cocks	6/6			6/7		3/4
Derek Young	6/6				7/9	

Senior Officers

The senior officers of RMIT University at 31 December 2006



Vice-Chancellor and President

Professor Margaret Gardner AO, BEcon (Hons), PhD (Sydney), 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, before which she was at Griffith University, as Pro Vice-Chancellor (Business and Equity).

She is a member of the Board of the Carrick Institute for Learning and Teaching in Higher Education. She is also a member of the Business Industry Higher Education Consultative Council.

In 1998, Professor Gardner chaired the tripartite Industrial Relations Taskforce that changed Queensland's industrial relations legislation. In 2001, she chaired the Review of Pathways Articulation through the post-compulsory years at school to further education, training and labour market participation – a review commissioned by Education Queensland and the Department of Employment and Training. Professor Gardner was an auditor with the Australian Universities Quality Agency from 2001 to 2005.



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 Stephen Somogyi MSc (Melb), SM (MIT), FIA, FIAA, ASA, MAICD

In this role Steve Somogyi contributes to the overall operational and system development and effectiveness of RMIT. The position is responsible for the corporate resources areas, including Financial Services, Information Technology Services, Internal Audit and Risk Management, Legal Services, People and Culture, Property Services, the University Secretariat and Chancellery.

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

He was a member of the Australian Prudential Regulation Authority until June 2006. He is a Commissioner on the Safety, Rehabilitation and Compensation Commission and a Director of ING Australia limited and of VERNet Pty Ltd.



Pro Vice-Chancellor Business

Professor Chris Whitaker MA (Cantab), PhD (ANU), FCIT, FIPAA

Professor Whitaker contributes to RMIT's planning, policy and strategic development and provides academic leadership, support and overall management of the six schools within the Business portfolio.

He was appointed Pro Vice-Chancellor (Business) in August 2003 and was Vice-Chancellor of RMIT University from 31 August 2004 to April 2005.

Professor Whitaker has extensive business experience. He joined the Environmental Protection Authority in Western Australia in 1983 and in September 1996 was appointed Director General of Transport for Western Australia. From February 2000 until taking up his position at RMIT he was the Chief Executive and Managing Director of the Melbourne Port Corporation.



**Pro Vice-Chancellor
Design and Social Context**

Professor Alan Cumming MA (Hons) (Auck), PGCE (Lond), PhD (Otago), FRHistS, Emeritus Professor (UNE), Emeritus Professor (QUT)

Professor Cumming contributes to RMIT's planning, policy and strategic development and provides academic leadership, support and overall management of the 11 schools within the Design and Social Context portfolio. His scholarly expertise is the History of Ideas and the History and Philosophy of Education. He has a particular interest in Educational Policy and Teacher Education.

Professor Cumming was Pro-Vice-Chancellor (Academic) at the University of New England, New South Wales.



**Pro Vice-Chancellor
Science, Engineering and Technology**

Professor Daine Alcorn BSc (BioISc)(Hons), MA, PhD (Melb)

Professor Alcorn contributes to RMIT's planning, policy and strategic development and provides academic leadership, support and overall management of the 10 schools within the Science, Engineering and Technology portfolio. Professor Alcorn has a broad-based teaching and learning experience in health and life sciences. She has been closely involved in the development of interactive multimedia teaching programs. Her research is 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 serves on the board of Museum Victoria.



**Pro Vice-Chancellor
International and Development**

Dr Madeleine Reeve BA (Melb), BEd (Monash) MEd (CCA), PhD (James Cook)

Dr Reeve's responsibilities include domestic and international student recruitment, the University's public relations, fundraising, identifying and facilitating business and commercial enterprise and meeting community needs in the local and international communities that RMIT serves. She oversees the establishment of new models of interaction and partnership in a wide range of locations.

Dr Reeve is a Director of RMIT International Pty Ltd, RMIT Training Pty Ltd and RMIT International University Vietnam. She has extensive experience as a teacher and senior administrator and in marketing and business development across the secondary, VET and higher education sectors in Australia and internationally.



**Pro Vice-Chancellor
Research and Innovation**

Professor Neil Furlong BSc (Hons) (Melb), PhD (Brunel), FTSE

Professor Furlong leads RMIT's development of discovery and practice-based research. He builds and enhances capability across the University in research and innovation.

He is directly responsible for Research Partnerships; Research Support; RMIT's Research Training Group; and the four Virtual Research and Innovation Institutes – Globalisation, Global Sustainability, Interactive Information (I-Cubed) and Biotechnology.

Professor Furlong was Chief Research Scientist/Program Manager at CSIRO and is 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**

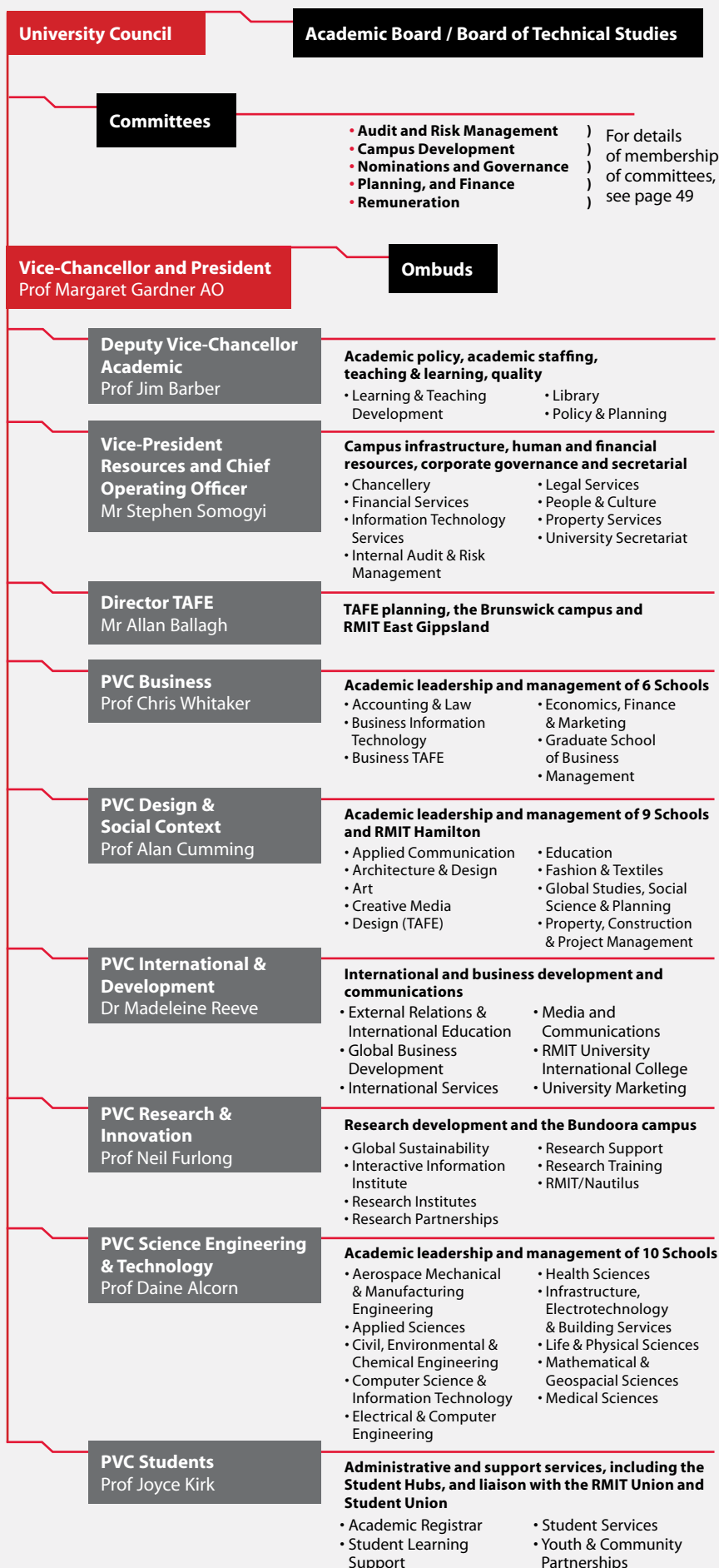
Professor Joyce Kirk BA (Syd), DipEd (Syd), MLitt (NE), MA (Lib) (CCA), PhD (UTS)

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 the administrative, academic and teaching staff to implement and enhance a University-wide student-focused learning environment. Her portfolio includes responsibility for the Academic Registrar's Group, the Student Services Group and Student Hubs.

Before taking up her position at RMIT, Professor Kirk was Dean of the Faculty of Humanities and Social Sciences at University of Technology Sydney (UTS). She maintains an active interest in the field of information management. She is a member of the editorial boards of international and national journals and joins professional and research conferences as a program committee member and speaker.

Organisational Chart

as at 31 December 2006



Compliance Management

Freedom of Information

During the reporting period, the University received 7 applications under the *Freedom of Information Act 1982*.

Access granted in full: 3
Access granted in part: 3
Access denied: 1
Pending: 0

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 Officers are lawyers 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.

Procedures

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://prod.mams.rmit.edu.au/2r9d9qd05nm5.pdf>

Disclosures

- 1) Number and types of disclosures made during the year: Nil.
- 2) Number of disclosures referred during the year by the public body to the Ombudsman for determination as to whether they are public interest disclosures: Nil.
- 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 declined 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 2006.

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.

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

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.

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 2006, the University complied with the *Education Services for Overseas Students Act 2000* and the National Code of Practice 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.

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 schedule of fees and charges for 2004-07 is available on the RMIT web site at www.rmit.edu.au/fs/schedules.

Fees and Charges

In 2006, there were no significant changes to the level of fees charged to students by the University.

Tuition Fees

In 2006, average domestic non-government funded fees increased by 4.6%. International onshore student fees were increased by 3.6% on average. Tuition fees charged to State Government-funded VET students were increased from \$1.28 per student contact hour to \$1.31 per student contact hour, as per Ministerial guidelines.

Compulsory Non-Academic Fees

As a consequence of the introduction of Voluntary Student Unionism legislation with effect from 1 July 2006, the Compulsory Non-Academic Fee charged to HE domestic and international HE and TAFE students and the Student Services and Administration Fees charged to local TAFE students was not levied after that date. The charges for January to June 2006 were increased over those applying in 2005 as set out below.

The Compulsory Non-Academic Fee charged to HE international students increased by 2.9%. Student Services and Administration Fees charged to local TAFE students increased by 5.3%. The amount of compulsory non-academic fees collected by the University from students and prospective students during the year ended 31 December 2006 is shown in Note 46 to the annual financial statements of the University. The note also shows the purpose for which the University distributed those fees and the amounts of money made available to the University operations and student-related organisations.

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 are charged has reduced from 362 in 2005 to 350 in 2006.

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:
Associate Director,
Media and Communications
RMIT University
GPO Box 2476V, Melbourne Vic 3001

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.

The University continued to apply sound processes for identifying, evaluating and managing the risks faced by the University throughout 2006. 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 guidelines which are consistent with the principles of the relevant Standard (AS/NZS 4360);
- > Portfolio risks included in the University-wide risk profile and were rated from an enterprise-wide perspective;

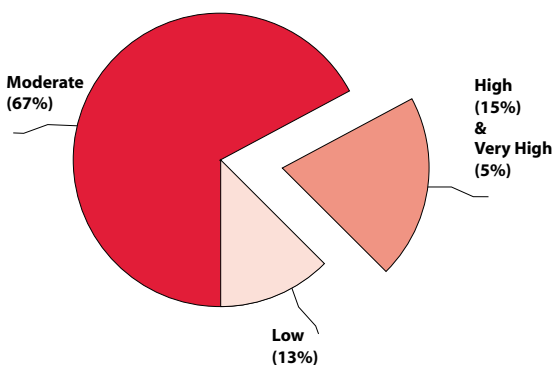
- > Training University staff in risk management; and,
- > Quarterly reporting by RMIT's controlled entities on outcomes of risk management activities to the RMIT Council Audit and Risk Management Committee.

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.

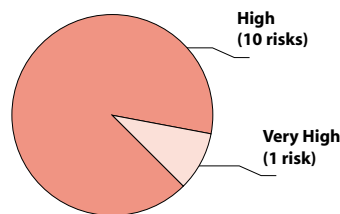
The total number of risks monitored across all operating groups increased from 97 to 123 during 2006. Eleven key University-wide risks (down from 13 in 2005) were categorised as either "Very High" or "High". These were subject to active management by the senior executive group during the year to ensure 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 2006.

2006 University Risk Profile

123 Risks Monitored Across all Operating Group



11 Key Enterprise Wide Risks Actively Managed by the Executive Group



RMIT Subsidiaries

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 2006.

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. The RMIT Foundation is managed by a board of trustees whose actions are governed by a trust deed ratified by the Parliament of Victoria. The deed makes the trustees responsible for the prudent management of the funds they invest and manage on behalf of RMIT University. A trusteeship is an honorary appointment which reflects the trustees' professional acumen and standing.

At the end of 2006, the RMIT Foundation had \$11.97 million of net assets, an increase of \$3.12 million over the 2005 result. This increase was derived from the healthy performance of the managed investments and those gifts, donations and benefactions received by the Foundation. A detailed financial report of the RMIT Foundation is provided to the Auditor-General of Victoria each year, in the form of an annual report. As a wholly owned entity of RMIT University, RMIT Foundation's financial performance is integrated into the financial reporting of the University.

In 2006, the RMIT Foundation disbursed \$600,000 in the form of scholarships, research grants, international visiting fellowship grants, awards and prizes to individual students, research units and Schools of RMIT. These funds facilitate international engagement across disciplines within RMIT and create enduring institution-to-institution alliances at a national and international level. The RMIT Foundation Visiting Fellowship Program and the support given to research units are critical avenues of scholarly reflection and debate. These activities are just two examples of the philanthropy of individuals, organisations and foundations which are fundamental to maintaining a robust, thoughtful and global learning environment.

RMIT International Pty Ltd

RMIT International is the University's commercial arm responsible for promoting and developing its global business initiatives. These functions were transferred to the University in mid-2006. The company continued to trade, with existing contracts managed by the University.

Offices in Melbourne, Jakarta, Port Moresby and Wuhan, China, contributed to international business development, consultancy, training, research and project management services.

A number of significant international projects were secured. These included continued short-term training programs delivered both within and from Indonesia in health services management and journalism; design of a Health and Community Services School as part of the Australia Pacific Technical College (in formation); and the delivery of specialised training programs for government clients from China. RMIT also enhanced its reputation as a major flight trainer for the Chinese aviation industry by renewing contracts with Air China and Xiamen Airlines and winning a new program with the Civil Aviation Flight University of China. Two comprehensive ASEAN harmonisation projects in the agriculture sector continued, as did training of school leaders in the Philippines and management training of the next generation of Chinese leaders in Tianjin. Successful work was done in 2006 on the submission of major Australian Defence Force-related training tenders. Overall, 37 international projects with a total contract value of more than \$26 million were delivered in 2006.

RMIT Innovation Ltd

RMIT Innovation Ltd was established to assist the University commercialisation of RMIT's research and development. The company holds the University's shareholding in Spatial Vision Innovations Pty Ltd. Consistent with Board and University Council decisions of 2001, the company has ceased trading.

RMIT International University Vietnam

The principal activity of RMIT Vietnam, under a 50-year Government of Vietnam licence granted in 2001 as a 100% foreign invested entity, is to conduct education and training activities for both undergraduate and postgraduate levels, scientific and applied research in the areas of science and engineering, technology, economics and foreign languages, and provide services directly serving training, research and development, as above. RMIT Vietnam experienced substantial student growth (70%) in 2006.

RMIT Vietnam Holdings Pty Ltd

RMIT Vietnam Holdings Pty Ltd, incorporated on 24 May 2001, is a wholly owned entity of RMIT University and a holding company for RMIT International University Vietnam. RMIT Vietnam Holdings is also involved in the management of philanthropic-funded activities in Vietnam, including the provision of state-of-the-art learning resource centres at four Vietnamese universities in Hue, Danang, Can Tho and Thai Nguyen.

RMIT Training Pty Ltd

RMIT Training is composed of three business units: RMIT English Worldwide, RMIT Publishing and, until August 2006, RMIT Workforce Solutions. The company operates the businesses as separate operations and all are profitable. A number of services are provided to RMIT University annually; for example, administration and marketing of RMIT short and single courses, the management of the JET employment portal for apprentices and trainees and support for RMIT offshore programs in delivery of English language training.

RMIT Union

RMIT Union supports local and international, Higher Education and TAFE students and staff who participate in sporting, cultural and community activities. In addition to offering an extensive range of programs to students and staff, RMIT Union operates a range of services such as catering, printing and copying facilities and childcare.

In 2006, the organisation implemented a risk assessment approach that is consistent with that of RMIT University. RMIT Union is responding and adapting to current legislative changes and challenges to secure its long-term future as a major contributor to the quality of the RMIT student experience.

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 now Queensland.

The company was reappointed to the Whole of Victorian Government panel for the provision of e-services and the NSW Government panel for Software Development Services, and appointed to the Queensland GISC 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 Associated Entities

RMIT's engagement with industry, professional, regional and community organisations and its investment in research and innovation through spinoff companies and partnerships in cooperative research centres results in the University holding an interest in a number of associated entities. This interest may be a share of ownership, or significant shared reputational or financial risk.

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 2006	Level of risk to RMIT	
				Financial	Reputational
RMIT Village Old Melbourne Tuscan GPO Melbourne Pty Limited Transfield (OMH) Pty Limited	To provide reasonably priced, clean and safe accommodation for students in a vibrant and supportive community environment.	The Village is affiliated with RMIT and RMIT co-operates with the Village in relation to operation and marketing of the Village.	The Village provided 10 Accommodation Scholarships to RMIT students and gave practical support on Open Day.	Low	Low
AARNET	AARNet provides high-capacity, cost-effective Internet services to the education and research communities and their research partners.	RMIT holds c. 2.6% of shares.	The AARNet network underwent a successful upgrade in 2006 in both the volume of traffic it can handle and the number of key Australian Research and Education institutions that it connects to.	Low	Low
Advanced Automotive Technology CRC (AutoCRC)	Through strategic industry-led research collaborations AutoCRC will deliver smarter, safer, cleaner manufacturing and vehicle technology for Australia's benefit.	RMIT holds c. 7.90% of shares.	Commenced with research activities in 2006. The CRC has undertaken significant steps to initiate collaborative research among all CRC partners with 22 research projects established by end of the year. RMIT has taken a lead role by undertaking six research contracts in the first instance and managing the CRC Education Program.	Low	Low
Advanced Composite Structures Ltd	To pursue commercialisation opportunities for its patented advanced composite structures technologies.	RMIT is a member of the company.	The company continued to pursue commercialisation opportunities for its patented advanced composite structures technologies. It was awarded supplementary funding from the Commonwealth to pursue a helicopter program with new members.	Low	Low
CRC for Advanced Composite Structures Ltd	The CRC's primary aim is to provide 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.		The CRC for Advanced Composite Structures acts as a commercialisation agent on behalf of Advanced Composite Structures Ltd and conducted research on the analysis and development of advanced composites for aircraft and ships. The CRC continues to provide funding for scholarships and conference attendance for RMIT research students.		
Analytica Ltd	A change in corporate strategy has resulted in a focus on drug delivery devices and disposal of the diagnostic business.	RMIT holds c. 1% of shares.	Significant steps have been achieved in development and commercialisation in a range of medical devices. Sales are expected to commence in Australia before 31 December 2006.	Low	Low
Australasian CRC for Interaction Design Pty Ltd	Established to perform creative, rigorous research, un-blinkered by disciplinary boundaries.	RMIT holds c. 14% of shares.	Established wholly owned subsidiary company, ACID Services Pty Ltd, for commercialising research. Commercialisation capabilities increased. Online IP registry and project catalogue established.	Low	Low
Australian Higher Education Industry Association (AHEIA)	AHEIA is 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 during 2006.	Low	Low
Analytica Ltd	A change in corporate strategy has resulted in a focus on drug delivery devices and disposal of the diagnostic business.	RMIT holds c. 1% of shares.	Significant steps have been achieved in development and commercialisation in a range of medical devices. Sales are expected to commence in Australia before 31 December 2006.	Low	Low
Australasian CRC for Interaction Design Pty Ltd	Established to perform creative, rigorous research, un-blinkered by disciplinary boundaries.	RMIT holds c. 14% of shares.	Established wholly owned subsidiary company, ACID Services Pty Ltd, for commercialising research. Commercialisation capabilities increased. Online IP registry and project catalogue established.	Low	Low
Australian Higher Education Industry Association (AHEIA)	AHEIA is 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 during 2006.	Low	Low

Name	Principal Objects	RMIT Interest	Performance during 2006	Level of risk to RMIT	
				Financial	Reputational
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.	As Research Quality Framework fully implemented, all projects are peer reviewed. Additional funding was obtained from new partnerships to expand future range of research.	Low	Low
Australian Mathematical Sciences Institute	An unincorporated joint venture that promotes and enhances mathematical sciences.	RMIT holds c. 12.5% interest.	The institute has conducted a diverse and successful range of workshops and theme programs. Founding Partner in Australian Centre of Excellence for Risk Analysis (ACERA).	Low	Low
Polymers CRC Ltd	To conduct 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.	Four research programs have been established. Project teams have begun research and commercialisation strategies have been developed for each of the programs.	Low	Low
Australian Photonics Cooperative Research Centre	Unincorporated joint venture with a management company (Australian Photonics Pty Ltd), which has the rights to exploit the intellectual property developed by the CRC.	RMIT holds c. 5% interest.	Wound up during the year.	Low	Low
Australian Poultry CRC	An unincorporated entity that conducts research to assist the poultry industry.	RMIT holds no equity, but participates in projects run by the CRC.	RMIT is involved with two projects. One project successfully completed in 2006. Another project, which is continuing successfully, involves isolating Marek's Disease virus, which causes tumours in chickens, and sending the virus for evaluation at University of New England.	Low	Low
Australian Telecommunications Cooperative Research Centre (ATCRC)	Established to provide a cooperative environment for developing and commercialising the technologies that will drive a new generation of telecommunications.	RMIT holds c 13% interest.	Wound up during the year.	Low	Low
Australian Vice-Chancellors' Committee Ltd	The Australian Vice-Chancellors' Committee advances higher education through voluntary, cooperative and coordinated action.	RMIT's interests are represented at the AVCC via the Vice-Chancellor, who is a member of the committee.	The AVCC has continued its role as the peak lobby group for the higher education sector in arguing for legislation to be refined. More than 19 formal submissions to major government reviews and federal parliamentary committee inquiries were made in 2006.	Low	Low
Biocomm International Ltd	Bringing together some of the world's leading education, research and commercial organisations and maximising commercialisation benefits in the biotechnology and life science markets.	RMIT holds c. 3.37% of shares in Biocomm Services Pty Ltd and c. 8.33% of Biocomm International Ltd	Companies were dissolved in November 2006.	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. 1% of shares and is a member of the company.	In 2005 the 38 universities which are shareholders in IDP Education Australia Ltd decided to transfer IDP's business into a new company, IDP Education Pty Ltd. This transfer was effected in September 2006. Seek Ltd was the preferred bidder for 50% equity shareholding in IDP Education Pty Ltd.	Low	Low
Melbourne Community Television Consortium Ltd (Channel 31)	A not-for-profit television service providing locally based entertainment, education and information. Channel 31 provides access and representation to the many diverse communities within Victoria.	RMIT provides facilities, sponsorship and bank overdraft guarantee. Leases production studio and transmission facilities from RMIT.	Channel 31 provided training opportunities for RMIT students and a TV broadcast facility.	Low	Low
Melbourne Co-Operative Bookshop Group Ltd (RMIT Bookshop)	To provide textbooks, reference books and stationery to students at the cheapest possible prices to service the communities at RMIT University.	The bookshop provides discounts to students and staff of RMIT.	Sales stabilised in 2006 and the bookshop achieved a break-even result. Responsibility for the bookshop on the Bundoora Campus was transferred from RMIT Union to the Melbourne Co-operative Bookshop Group, which also operates the RMIT Bookshops on the City campus and at Building 108.	Low	Medium
Nanotechnology Victoria Ltd	Nanotechnology Victoria's vision is to develop 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.	2006 saw a busy investment program in which substantial funds were invested via the research partners as well as to industry demonstration and outreach programs. As a result Nanotechnology Victoria has achieved a strong profile in Victoria and around Australia and has met all government requirements.	Low	Low
Numdaji Kwei Children's Centre (Bundoora Child Care Centre)	To provide 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 Union provides annual funding to the child care centre.	RMIT Union provided funding towards the centre's operating expenses.	Low	Low

Name	Principal Objects	RMIT Interest	Performance during 2006	Level of risk to RMIT	
				Financial	Reputational
Open Universities Australia Pty Ltd (Open Learning Australia)	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.	Increase in numbers of Open University Australia students enrolled in RMIT units of study and an increase in the number of RMIT programs offered throughout, at both undergraduate and graduate levels.	Low	Medium
Queensland University of Technology and 20 Other (CRC for Construction Innovation)	Focuses on the needs of the property, design, construction and facility management sectors.	RMIT holds c. 10% interest.	CRC is proceeding well.	Low	Low
RMIT Student Union	The Student Union (SU) is a representative body of RMIT students. Its aim is to advance the educational, welfare, social life, and cultural activities of its members. It is run by students, in the interest of students.	Wellbeing of students, provision of services, representation.	The SU undertook a major restructure of operations in 2006 as a result of RMIT's implementation of the Federal Government's VSU legislation. The SU continues to be the main democratic representative body for RMIT students. The SU has worked with the University to address issues of concern to students such as the academic calendar and special consideration in assessment.	Low	Low
Smart Internet Technology CRC Pty Limited	To combine research in artificial intelligence (AI), 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 the shares.	Acceleration in commercialisation activities. Bid for seven-year funding in 2006 under the name of Smart Services CRC.	Low	Low
Triple R Broadcasters Ltd (3RRRFM)	Triple R is 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 non-for-profit company whose shareholders are 37 Australian universities.	RMIT holds c. 2% of the shares.	All of UniSuper's investment strategies returned strong results and out-performed their benchmarks for the 2006 financial year.	Low	Low
VERNet Pty Ltd	To deploy 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. 12.9% "B" Class shares	VERNet is rolling out its physical Victorian network over 2006 and 2007. Once completed, the VERNet network will allow RMIT to connect its major Melbourne campuses via a high-speed network.	Low	Low
Victorian Institute of Chemical Sciences Limited (VICS)	The institute is dedicated to the advancement of the chemical sciences in Victoria.	RMIT is a member of the company.	Has continued to operate a range of activities via the three University members (RMIT, Monash and Melbourne) in line with its board-endorsed business plan. Considered to be meeting all requirements of the government operational grant.	Low	Low
Victorian Partnership for Advanced Computing Ltd (VPAC)	To provide 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.	2006 saw the continuation of funding to support the advanced computing needs of the members, covering areas of grid computing, bioengineering and materials, and industry – the latter featuring a significant contract with Holden. VPAC has become a member of the new Automotive Co-Operative Research Centre through which it will focus on a range of automotive challenges including design.	Low	Low
Victorian TAFE Association	The VTA is 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.	In 2006 preparation began for enterprise bargaining negotiations for a new TAFE teachers' agreement due to begin in 2007. Facilitated advice from the State Government on the implications of the new <i>Public Sector Employment (Award Entitlements) Act 2006</i> .	Low	Low

Consultancies 2006

Vendor Name	Order Amount(\$)	Invoiced Amount (\$)	Further Commitments (\$)	Description
Entity Solutions	758,648	758,648	-	Student Life Cycle Project
Icon Recruitment	672,484	585,046	87,438	Student Life Cycle Project
Resource 23 Pty Ltd	547,085	547,085	-	Student Life Cycle Project
OSA Group	389,830	389,830	-	Employee Assistance Program
Interpro Australia Pty Ltd	378,100	306,340	71,760	Student Life Cycle Project
Allegro Recruitment Consulting	303,766	303,766	-	Student Life Cycle Project
Oxygen Business Solutions Pty Ltd	286,194	286,194	-	SAP Consulting
S1 Consulting	277,022	277,022	-	Student Life Cycle Project
Paxus Australia Pty Ltd	288,773	246,653	42,120	Student Life Cycle Project
Lee Hecht Harrison Pty Ltd	214,875	214,875	-	Outplacement Services & Career Assistance
Southern Medical Services Pty Ltd	188,663	188,663	-	Building 108 – Medical Services
Builtsmart Interactive	185,760	185,760	-	Equity Database Development
Grace Lynch & Associates	197,833	172,833	25,000	Integrated Engineering Pathways Project
Greythorn Pty Ltd	183,730	168,730	15,000	Student Life Cycle Projects
Petersoft Consulting Pty Ltd	167,850	167,850	-	Student Life Cycle Project
ABL Action Based Learning & Dev	154,339	154,339	-	Course Preparation & Delivery
Sustainable Risk Management	148,243	148,243	-	Building 108 – Environmental Testing
Robert Walters Technology Division	216,817	144,331	72,486	Web Development
Potato Point Pty Ltd	141,302	141,302	-	Public/Indigenous/Community Housing Project
Box Hill Institute of TAFE	139,023	139,023	-	Language Literacy & Numeracy Program
Runwell Investments Pty Ltd	133,500	133,500	-	VP (Resources)*
CXC Consulting Pty Ltd	183,050	131,347	51,704	Student Life Cycle -Project
Urcot Limited	127,377	127,377	-	Teaching & Workshops
Dattner Grant Pty Ltd	142,748	127,076	15,672	Leadership Program
Total	6,284,263	5,918,756	365,507	

* Before Stephen Somogyi joined the staff of RMIT, his services were provided through a consulting company.

1047 Consultancies of less than \$100,000	7,460,789	7,460,789	0
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Glossary

AEU	Australian Education Union	IECD	International, Enterprise and Community Development
ARC	Australian Research Council	MBA	Master of Business Administration
ATN	Australian Technology Network of universities	NH&MRC	National Health and Medical Research Council
CEQ	Course Experience Questionnaire	NTEU	National Tertiary Education Union
CERF	Commonwealth Environment Research Facility	OH&S	Occupational Health and Safety
Course	Prior to 2001, referred to as a Subject	Program	A collection of courses leading to a University award
CRC	Cooperative Research Centre	PVC	Pro Vice-Chancellor
DEST	Department of Education, Science and Technology	RMIT	Royal Melbourne Institute of Technology
EFTSU	Equivalent Full-time Student Unit	TAFE	Technical and Further Education
ENTER	Equivalent National Tertiary Entrance Rank	VCAL	Victorian Certificate and Advance Learning
ESOS Act	Education Services for Overseas Students	VCE	Vice-Chancellor's Executive
HE	Higher Education	VET	Vocational Education and Training
HECS	Higher Education Contribution Scheme	VTAC	Victorian Tertiary Admissions Centre
HEW	Higher Education Worker		

Compliance Index

The annual report of RMIT University is prepared in accordance with:

FMA	<i>Financial Management Act 1994</i>
FRD	Financial Reporting Directions
SD	Standing Directors of the Minister for Finance issued under the Financial Management Act 1994
TEA 1993	<i>Tertiary Education Act 1993</i>
PAEC	Decision of Public Accounts and Estimates Committee of Parliament
RUG	Victorian Government response to the Review of University Governance
ESOS	<i>Education Services for Overseas Students Act 2000</i>
DEST	Department of Education, Science and Training

This index was prepared to facilitate identification of compliance with statutory disclosure requirements

Clause	Disclosure	Pg
Report of operations		
FRD 10	Compliance index	60-61
FRD 21(1)(a), (b), (c), (d)	Disclosure of responsible persons and executive officers' remuneration	107-108
FRD 21(2)(a), (b), (c)	Disclosure of remuneration of executive officers	107-108
FRD 22; SD 4.2(g) (h)	General and financial information	1-59 (gen) 64-112 (fin)
SD 4.2 (j)	Signature of Chancellor or nominee	inside cover
	Date of meeting at which Council approved or delegated approval of annual report	inside cover

General information		
FRD 22 (a)	Manner in which the University was established	13
FRD 22 (a)	Relevant Minister	13
FRD 22 (a)	Objectives, functions, powers and duties	4, 13
FRD 22 (a)	Nature and range of services, people and communities served	4, 13
FRD 22 (a)	Administrative structure	46-52
FRD 22 (a)	Members of the Council	47
FRD 22 (a)	Occupants of senior offices and areas of responsibility	50-51
FRD 22 (a)	Organisational chart	52
FRD 22 (a)	Workforce data for current and previous year; statement on application of merit/equity principles	19-20
FRD 22 (a)	Statement on occupational health and safety matters	20

Financial year information		
FRD 22 (a)	Summary of the financial results with comparative results for the preceding four years	111-112
FRD 22 (a)	Summary of significant changes in financial position	10-11
FRD 22 (a)	Operational objectives and performance including significant activities and achievements	5-61
FRD 22 (a)	Major changes or factors affecting the achievement of operational objectives	10-11
FRD 22 (a)	Events subsequent to balance date which may have a significant effect on operations in subsequent years	98
FRD 22 (a)	Consultancies in excess of \$100,000	59
FRD 22 (a)	Consultancies less than \$100,000	59
FRD 22 (a)	Disclosure of ex-gratia payments	N/A
FRD 21A (1)(d)	Disclosure of responsible persons' related transactions	109

Other relevant information		
FRD 22 (a)	Application and operation of the Freedom of Information Act 1982	52
FRD 22 (a)	Compliance with the Building Act 1993	43
FRD 22 (a)	Compliance with the Whistleblowers Protection Act 2001 (section 104)	52-53
FRD 22 (a)	Statement that information is available on request to the relevant Minister	53
FRD 22 (a)	Implementation and compliance with National Competition Policy	53
FRD 22 (a)	Summary of environmental performance	42-43

Additional information on request subject to the provision of the FOI Act		
FRD 22 (a)	Declarations of pecuniary interests	53
FRD 22 (a)	Shares held by senior officers	N/A
FRD 22 (a)	Publications	53
FRD 22 (a)	Changes in prices, fees, charges, rates and levies	53
FRD 22 (a)	Major external reviews	53
FRD 22 (a)	Major research and development activities	25-27
FRD 22 (a)	Overseas visits	53
FRD 22 (a)	Promotional, public relations and marketing activities	53
FRD 22 (a)	Occupational health and safety matters	20
FRD 22 (a)	Industrial relations, accidents and disputes	19-20
FRD 22 (a)	List of major committees sponsored by the University	48-49

Superannuation liabilities and disclosure		
FRD 23	Name and type of scheme	99-100
FRD 23	Basis for calculating superannuation contributions	99-100
FRD 23	Cost to the University for the scheme during the year	99-100
FRD 23	Amount of contributions to defined contribution schemes outstanding at balance date	99-100
FRD 23	Details of any loan to the University from the scheme	99-100
FRD 23	If superannuation liabilities are recognised, details for each plan, accrued benefits, market value, etc	99-100

Additional information		
TEA 1993 (s121)	Compulsory non-academic fees, subscriptions and charges	53
PAEC (Dec 1997)	International initiatives and strategies	28-31
PSMEA (s 7 & 8)	Employment processes and principles of conduct for public sector employees	19-20
RUG	Statement that public funds are allocated to the purposes specified by the Government or other public funding body	53
RUG	Council's risk management strategy	54
RUG	Summary table of financial performance of the University's associates and commercial ventures	103
ESOS	Compliance with ESOS Act 2000	53
DEST	Internal grievance and complaint procedures; complaints to and investigated by the Ombudsman	53
DEST	Website address for the current and previous annual reports	inside cover

Financial statements		
FMA 49(a), (b), (c), (d), (e) SD 4.2 (a)	Prepared in accordance with Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements (including Urgent Issues Group Consensus Views and Statements of Accounting Concepts), Financial Reporting Directions and Business Rules	72
SD 4.2 (b)	Comprised Income Statement and Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and Notes to the financial statements.	68-113
SD 4.2(c)	Signed and dated by the accountable officer, CFAO and a member of the responsible body	64
SD 4.2 (d)	Expressed in the nearest dollar	77
SD 4.2 (e)	Reviewed and recommended by the audit committee or responsible body prior to finalisation and submission	inside cover



Financial Statements

for the year ended 31 December 2006



Royal Melbourne Institute of Technology and Subsidiaries
Australian Business Number (ABN): 49 781 030 034
Financial Report for the year ended 31 December 2006

Councillors' Declaration

Royal Melbourne Institute of Technology and Subsidiaries

COUNCILLORS' DECLARATION YEAR ENDED 31 DECEMBER 2006

In our opinion:

The consolidated financial statements of Royal Melbourne Institute of Technology (RMIT) consisting of the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flows Statement and the accompanying notes thereto, present fairly the financial position of the University and its subsidiaries as at 31 December 2006 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

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 2006 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 2006 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. Enlund
Chief Finance and Accounting Officer

Dated at Melbourne
This 28 day of March 2007



AUDITOR GENERAL
VICTORIA
INDEPENDENT AUDIT REPORT

Royal Melbourne Institute of Technology

To the Members of the Parliament of Victoria and Members of the Council of the University

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the financial year ended 31 December 2006 relates to the financial report of Royal Melbourne Institute of Technology included on its web site. The members of the Council of the Royal Melbourne Institute of Technology are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. 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 this web site.

Scope

The Financial Report

The accompanying financial report for the year ended 31 December 2006 of Royal Melbourne Institute of Technology consists of the Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, notes to and forming part of the financial report, and the supporting declaration. The financial report includes the consolidated financial statements of the economic entity, comprising 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 41 to the financial statements.

Members' Responsibility

The Members of the Council of Royal Melbourne Institute of Technology are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act* 1994, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.



AUDITOR GENERAL
VICTORIA

Independent Audit Report (continued)

These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the University's and the economic entity's financial position, and their financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

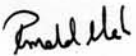
Independence

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. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of Royal Melbourne Institute of Technology and the economic entity as at 31 December 2006 and their financial performance and cash flows for the year then ended.

MELBOURNE
29 March 2007


D.D.R. Pearson
Auditor-General

Operating Statement

for the year ended 31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Revenue from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	170,468	160,587	170,468	160,587
HECS-HELP – Australian Government payments	3	64,815	55,870	64,815	55,870
FEE-HELP	3	14,607	12,441	14,607	12,441
State and local Government financial assistance	4	65,235	60,042	65,235	60,042
HECS-HELP – Student Payments		12,769	11,452	12,769	11,452
Fees and charges	5	206,592	187,977	182,434	170,729
Investment income	6	5,342	4,034	3,745	2,906
Consultancy and contract research	7	37,959	39,091	24,988	23,103
Other revenue	8	31,892	29,722	14,639	13,595
		609,679	561,216	553,700	510,725
Deferred government superannuation contributions		(14,851)	29,466	(14,851)	29,466
Total revenue from continuing operations		594,828	590,682	538,849	540,191
Expenses from continuing operations					
Employee benefits and on costs	9	343,691	344,301	316,316	319,332
Depreciation and amortisation	10	28,131	26,506	25,302	23,574
Repairs and maintenance	11	15,937	13,558	15,578	13,157
Finance costs	12	22	914	446	973
Bad and doubtful debts	13	976	1,255	1,451	1,309
Other expenses	14	164,482	146,432	143,156	129,456
		553,239	532,966	502,249	487,801
Deferred employee benefits for superannuation		(14,851)	29,466	(14,851)	29,466
Total expenses from continuing operations		538,388	562,432	487,398	517,267
Operating result before income tax		56,440	28,250	51,451	22,924
Income tax expense (benefit)	17	1,437	(543)	1,312	(319)
Net operating result for the year		55,003	28,793	50,139	23,243
Net operating result attributable to minority interest	33	(146)	(115)	-	-
Net operating result attributed to RMIT entity		54,857	28,678	50,139	23,243

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

Balance Sheet

as at 31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	18	89,798	59,557	59,006	31,814
Trade and other receivables	19	88,349	46,434	90,354	49,380
Inventories	20	543	888	-	-
Assets classified as held for sale	21	-	29,875	-	29,875
Other non-financial assets	26	4,436	3,500	3,908	2,947
Total current assets		183,126	140,254	153,268	114,016
Non Current Assets					
Trade and other receivables	19	270,509	285,463	270,509	285,463
Available for sale financial assets through equity	22	8,447	6,956	-	-
Other financial assets	23	173	174	823	822
Property, plant and equipment	24	1,044,799	1,040,994	1,030,443	1,021,486
Deferred tax asset	17(c)	484	66	387	-
Intangible assets	25	46	2,140	-	2,093
Total non-current assets		1,324,458	1,335,793	1,302,162	1,309,864
Total assets		1,507,584	1,476,047	1,455,430	1,423,880
LIABILITIES					
Current					
Trade and other payables	27	58,830	58,284	48,040	51,571
Interest bearing liabilities	28	-	-	21,156	13,724
Provisions	29	81,826	89,064	80,497	87,516
Current tax liabilities	17(c)	224	239	130	239
Other liabilities	30	27,795	30,531	17,280	22,016
Total current liabilities		168,675	178,118	167,103	175,066
Non-current liabilities					
Interest bearing liabilities	28	8,825	9,541	-	-
Provisions	29	274,467	286,124	274,174	284,800
Deferred tax liabilities	17(c)	32	21	-	-
Total non-current liabilities		283,324	295,686	274,174	284,800
Total liabilities		451,999	473,804	441,277	459,866
Net Assets		1,055,585	1,002,243	1,014,153	964,014
Equity					
RMIT entity interest					
Contributed equity					
Reserves	31	547,281	557,548	501,497	510,154
Retained surplus	32	507,925	444,462	512,656	453,860
Total RMIT entity interest		1,055,206	1,002,010	1,014,153	964,014
Minority interest	33	379	233	-	-
Total equity		1,055,585	1,002,243	1,014,153	964,014

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

Statement of Changes in Equity

for the year ended 31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Total equity at the beginning of the financial year		1,002,243	965,079	964,014	931,289
Adjustment to reserves on adoption of AASB 132 and AASB 139 - net of tax	31	-	886	-	-
Available for sale financial assets revaluation		382	528	-	-
Disposals through revaluation reserve	31	(30)	(34)	-	-
Gain on revaluation of land and buildings, net of tax	24	-	9,482	-	9,482
Dividends paid		(51)	-	-	-
Exchange differences on translation of foreign operations	31	(1,962)	133	-	-
Net income recognised directly in equity		(1,661)	10,995	-	9,482
Operating result for the year		55,003	28,793	50,139	23,243
Total recognised income and expense for the year		53,342	39,788	50,139	32,725
Transactions with equity holders in their capacity as equity holders					
Contribution of equity		-	(1)	-	-
Disposal of investment in subsidiary	32	-	(2,623)	-	-
		-	(2,624)	-	-
Total equity at the end of the financial year		1,055,585	1,002,243	1,014,153	964,014
Total recognised income and expense for the year is attributable to:					
Members of RMIT		53,196	39,673	50,139	32,725
Minority interest	33	146	115	-	-
		53,342	39,788	50,139	32,725

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

Cash Flow Statement

as at 31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Cash flows from operating activities					
Australian Government					
CGS and Other DEST Grants	42.1	137,663	134,039	137,663	134,039
Higher Education Loan Programmes	42.2	77,408	72,863	77,408	72,863
Scholarships	42.3	4,578	3,636	4,578	3,636
DEST research	42.4	20,361	19,098	20,361	19,098
ARC grant - Discovery	42.5(a)	2,475	1,948	2,475	1,948
ARC grant - Linkages	42.5(b)	3,953	3,482	3,953	3,482
Other Australian Government Grants		797	727	797	727
State Government Grants		65,888	60,042	65,888	59,463
HECS-HELP – Student payments		12,769	11,452	12,769	11,452
Receipts from student fees and other customers					
Consultancy and contract research		35,702	39,116	26,995	23,164
Fees and charges		206,931	186,051	180,539	167,601
Other cash receipts in the course of operations		32,194	23,666	10,732	7,935
Dividends received		605	169	-	-
Interest received		4,652	3,865	3,655	2,877
Receipt of GST from Australian Taxation Office		10,719	11,159	10,694	10,960
Payments to suppliers (inclusive of GST) and employees		(546,136)	(498,394)	(499,309)	(456,003)
Interest & other finance costs paid		(22)	(914)	(446)	(973)
Income tax paid		(422)	(347)	(1,808)	(184)
Net cash inflow (outflow) from operating activities	36(b)	70,115	71,658	56,944	62,085
Cash flows from investing activities					
Proceeds from sale of investments		332	4,038	-	3,729
Proceeds from sale of property, plant & equipment		3,805	1,182	3,135	1,131
Payment for investments		(3,229)	(1,601)	(1,776)	(1,580)
Payment for intangible assets		(262)	(1,414)	(267)	(1,276)
Payments for property, plant & equipment		(39,346)	(43,564)	(38,276)	(37,375)
Net cash inflow (outflow) from investing activities		(38,700)	(41,359)	(37,184)	(35,371)
Cash flows from financing activities					
Proceeds from borrowings		-	-	-	1,901
Dividends paid by controlled entities to outside equity interests		(51)	-	-	-
Repayment of borrowings		(716)	(3,582)	7,432	(3,500)
Net cash inflows (outflow) from financing activities		(767)	(3,582)	7,432	(1,599)
Net increase (decrease) in cash and cash equivalents		30,648	26,717	27,192	25,115
Cash and cash equivalents at the beginning of the financial year		59,557	32,025	31,814	6,699
Effects of exchange rate changes on cash and cash equivalents		(407)	815	-	-
Cash and cash equivalents at end of year	36(a)	89,798	59,557	59,006	31,814

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

Contents of the notes to the Financial Statements

Note		Page.
1	Statement of Significant Accounting Policies	72
2	Disaggregation information	78
Revenue		
3	Australian Government financial assistance	81
4	State and Local Government financial assistance	81
5	Fees and charges	82
6	Investment income	82
7	Consultancy and contracts	82
8	Other revenue	82
Expenses		
9	Employee benefits and on costs	83
10	Depreciation and amortisation	83
11	Repairs and maintenance	83
12	Finance cost	83
13	Bad and doubtful debts	84
14	Other expenses	84
15	Significant items of revenue and expenditure	84
16	Sales of assets	85
17	Income tax	85
Assets		
18	Cash and cash equivalents	86
19	Trade and other receivables	86
20	Inventories	86
21	Assets classified as held for sale	87
22	Available for sale financial assets through equity	87
23	Other financial assets	87
24	Property, plant and equipment	88
25	Intangible assets	91
26	Other non-financial assets	92
Liabilities		
27	Trade and other payables	92
28	Interest bearing liabilities	92
29	Provisions	93
30	Other liabilities	94
Equity		
31	Reserves	94
32	Retained surplus	95
33	Minority interest	95
34	Contingent liabilities and contingent assets	96
35	Commitments for expenditure	96
36	Notes to statement of cash flows	97
37	Economic dependency	98
38	Events occurring after reporting date	98
39	Superannuation contributions	99
40	Financial instruments	100
41	Details of subsidiaries	103
42	Acquittal of Commonwealth Government financial assistance	104
43	Remuneration of auditors	107
44	Responsible persons and executive officers	107
45	Related parties	109
46	Amenities and service fees	110

Notes to the Financial Statements

31 December 2006

1 Statement 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

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), the Financial Management Act 1994, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the requirements of the Department of Education, Science and Training and other State/Australian Government legislative requirements.

Compliance with IFRSs

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 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 AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the RMIT's accounting policies. The areas involving a higher degree of judgment or 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 2006 are amounts receivable from customer and students amounting to \$26.635m.

The council members believe that the full amount of the debt is not recoverable and as such has set aside a doubtful debt provision amounting to \$2.778m.

1.02 Financial effects of changes to accounting policies

In the financial year ended 31 December 2006, the RMIT changed its accounting policy in relation to:

Employee benefits

Previously, the amount expected to be settled as long service leave in the following year was disclosed as a current liability and recorded at nominal value. The remaining balance of the provision (i.e. the portion not expected to be paid in the following year) was disclosed as non-current liability and recorded at its present value.

Under the new policy, as described in Note 1.24, the current portion of the liability now includes all amounts to which the University's employees are presently entitled.

The change in policy, when applied retrospectively to the year ended 31 December 2005, was deemed not to materially affect the overall balance of the provision for the year and is therefore only a reclassification of existing balances as detailed below;

	Current	Non-current
Amount reported as per new policy		
Annual leave - at nominal value	17,186	-
Annual leave - at net present value	9,258	-
Long service leave - at net present value	44,120	2,156
	70,564	2,156

Amount previously reported in the financial statements for 31 December 2005

Annual leave - at net present value	18,639	7,805
Long service leave - at net present value	2,204	44,072
	20,843	51,877

1.03 Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of RMIT as at 31 December 2006 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 operating statement and balance sheet respectively.

1.04 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

Notes to the Financial Statements

31 December 2006

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 operating statement.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, 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 currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold or borrowings repaid, a proportionate share of such exchange differences are recognised in the operating statement as part of the gain or loss on sale.

1.05 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 and duties and taxes paid. All revenue is stated net of the amount of goods and services tax (GST). Revenue is recognised for the major business activities as follows:

(i) Government financial assistance

Revenue is recognised in the accounts upon advice from various government sources. Grants received where the consolidated entity controls the grant (non-reciprocal) are brought to account at the time of receipt. Grants received that are not fully controlled (reciprocal) are brought to account in the period to which they relate.

(ii) Fees and Charges

Revenue from fees and charges comprises earned income (net of returns, discounts and allowances) from the provision of products or services to entities and individuals outside the RMIT Consolidated Group. Revenue is recognised when the goods and services are provided, or when the fee in respect of the services provided is receivable and non-reciprocal.

(iii) Investment income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

(iv) Consultancy and contract

Contract revenue, which is reciprocal, is either recognised when the service has been provided or, where applicable in accordance with the percentage of completion method where 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.

1.06 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 tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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.

Notes to the Financial Statements

31 December 2006

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

1.07 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 35(b). 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.

1.08 Acquisitions of assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares 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 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. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the operating 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 entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

1.09 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the operating statement 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 purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

1.10 Cash and cash equivalents

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.

1.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables and other debtors are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful 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. 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. The amount of the provision is recognised in the operating statement.

1.12 Inventories - Note 20

Inventories are measured at the lower of cost and net realisable value. Cost is measured on the basis of specific identifiable cost and in the case of inventory held for distribution replacement cost if this is lower than cost of acquisition. Costs are assigned to individual items of inventory on the basis of weighted average costs. 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.

1.13 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 recognised 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.

1.14 Investments and other financial assets

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 re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in

Notes to the Financial Statements

31 December 2006

the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) Receivables

Receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. 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.

(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 non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments 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 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.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the operating statement as gains and losses from investment securities.

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.

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 operating statement. Impairment losses recognised in the operating statement on equity instruments are not reversed through the operating statement.

1.15 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 appropriate quoted market price for financial liabilities is the current ask price.

Net fair values of financial instruments are determined on the following bases:

- Monetary financial assets and liabilities not traded in an organised financial market - cost basis carrying amounts of cash at bank, deposits, bills of exchange, foreign currency bank accounts (translated at applicable rate of exchange at balance date) receivables, payables and interest bearing liabilities
- Non-current receivables - amortised cost (Net Present Value)
- Available for sale financial assets - current quoted market bid price
- Shares in non related companies - cost less any estimate of impairment
- Government Stocks (short term) - current quoted market bid price

1.16 Property, plant and equipment - Note 24

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation. Land and buildings valuations are conducted on periodic, but at least triennial, valuations an external independent valuer based on reference to market-based evidence and value in use.

All other plant and equipment is stated at historical cost less depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 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 operating statement. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred out to retained earnings.

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying amount may be impaired. The recoverable amount of plant and equipment is assessed with reference to the higher of fair value less costs to sell or value in use.

For plant and equipment, impairment losses are recognised in the operating statement. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Notes to the Financial Statements

31 December 2006

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:

	2005 Years	2006 Years
Buildings	25 - 100	25 - 100
Plant, equipment, furniture and fitting and motor vehicles	4 - 20	4 - 20
Leasehold improvements	25 - 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 (2005 - \$2,000). The library collections are capitalised on an individual unit bases, 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.

1.17 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.

1.18 Intangible assets

Software costs are charged as expenses in the period in which they are incurred.

1.19 Deferred employee benefits for superannuation - Note 39

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, Science and Training (DEST) the effects of the unfunded superannuation liabilities of RMIT and its subsidiaries were recorded in the operating 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.

AASB 119 Employee Benefits requires that the estimated present value of superannuation obligations recognised in the financial statements should be determined as at balance date. These financial statements recognise estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 30 June 2006. As there is no net impact on the balance sheet or operating statement from these superannuation obligations (due to recognition of a corresponding receivable), the costs of providing an actuarial assessment at balance date (31 December 2006) outweigh the benefits. RMIT has therefore elected not to obtain an estimate of its superannuation obligations as at balance date. Consequently superannuation obligations (and corresponding receivable) are stated in the financial statements based on estimates prepared 6 months in arrears.

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.

1.20 Trade and other creditors - Note 27

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.

1.21 Interest bearing liabilities

Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the operating statement over the period of the borrowings using the effective interest method.

Interest bearing liabilities 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.

1.22 Finance costs - Note 12

Finance costs incurred for the construction of any qualifying asset are expensed as incurred in accordance with Financial Reporting Directive (FRD) 105. All other borrowing costs are also expensed.

1.23 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 more likely than not 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.

1.24 Employee benefits - Note 29

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, annual leave and accumulating sick 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.

Notes to the Financial Statements

31 December 2006

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and oncosts 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.

Provisions made for unconditional long service leave is classified as a current liability, where the employee has a present entitlement to the benefit. A non-current liability includes long service leave entitlements accrued for employees with less than 7 years of continuous service.

(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 plus unrecognised actuarial gains (less unrecognised actuarial losses) 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 charged or credited to income over the employees' expected average remaining working lives.

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 39.

(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 entity 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.

1.25 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, refer to note 35, are recorded net of GST, except where there is non-recoverable GST.

1.26 Insurance

The RMIT Consolidated Group specifically carries the following types of insurance:

- property;
- fidelity (crime);
- professional indemnity;
- general liability;
- travel/personal accident;
- general third party;
- directors and officers;
- company reimbursement;
- journeyman;
- 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.

1.27 Rounding of amounts

All dollar amounts in this financial report (except where indicated) have been rounded to the nearest thousand dollars for presentation.

Notes to the Financial Statements

31 December 2006

	Higher Education 2006 \$'000	TAFE 2006 \$'000	Total RMIT 2006 \$'000	Higher Education 2005 \$'000	TAFE 2005 \$'000	Total RMIT 2005 \$'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 university - consolidated totals are not included.						
(i) Operating Statement						
Revenue from continuing operations						
Australian Government financial assistance						
Australian Government grants	170,379	89	170,468	160,587	-	160,587
HECS-HELP – Australian Government payments	64,815	-	64,815	55,870	-	55,870
FEE-HELP	14,607	-	14,607	12,441	-	12,441
State and local Government financial assistance	2,163	63,072	65,235	1,834	58,208	60,042
HECS-HELP – Student Payments	12,769	-	12,769	11,452	-	11,452
Fees and charges	153,508	28,926	182,434	142,627	28,102	170,729
Investment income	3,142	603	3,745	2,467	439	2,906
Consultancy and contract research	23,346	1,642	24,988	21,732	1,371	23,103
Other revenue	13,830	809	14,639	12,043	1,552	13,595
	458,559	95,141	553,700	421,053	89,672	510,725
Deferred government superannuation contributions	(14,851)	-	(14,851)	29,466	-	29,466
	443,708	95,141	538,849	450,519	89,672	540,191
Expenses from continuing operations						
Employee benefits and on costs	251,740	64,576	316,316	255,663	63,669	319,332
Depreciation and amortisation	20,968	4,334	25,302	18,845	4,729	23,574
Repairs and maintenance	13,307	2,271	15,578	11,085	2,072	13,157
Finance costs	422	24	446	966	7	973
Bad and doubtful debts	703	748	1,451	971	338	1,309
Other expenses	122,963	20,193	143,156	111,819	17,637	129,456
	410,103	92,146	502,249	399,349	88,452	487,801
Deferred employee benefits for superannuation	(14,851)	-	(14,851)	29,466	-	29,466
Total expenses from continuing operations	395,252	92,146	487,398	428,815	88,452	517,267
Operating result before income tax	48,456	2,995	51,451	21,704	1,220	22,924
Income tax expense (benefit)	1,311	1	1,312	(321)	2	(319)
Net operating result for the year	47,145	2,994	50,139	22,025	1,218	23,243

Notes to the Financial Statements

31 December 2006

	Higher Education 2006 \$'000	TAFE 2006 \$'000	Total RMIT 2006 \$'000	Higher Education 2005 \$'000	TAFE 2005 \$'000	Total RMIT 2005 \$'000
(ii) Balance Sheet						
Current assets						
Cash and cash equivalents	48,393	10,613	59,006	20,572	11,242	31,814
Trade and other receivables	81,708	8,646	90,354	44,683	4,697	49,380
Assets classified as held for sale	-	-	-	29,875	-	29,875
Other non-financial assets	3,130	778	3,908	2,462	485	2,947
Total current assets	133,231	20,037	153,268	97,592	16,424	114,016
Non-current assets						
Trade and other receivables	270,509	-	270,509	285,463	-	285,463
Other financial assets	823	-	823	822	-	822
Property, plant and equipment	790,519	239,924	1,030,443	783,492	237,994	1,021,486
Deferred tax asset	387	-	387	-	-	-
Intangible assets	-	-	-	1,970	123	2,093
Total non-current assets	1,062,238	239,924	1,302,162	1,071,747	238,117	1,309,864
Total assets	1,195,469	259,961	1,455,430	1,169,339	254,541	1,423,880
Current liabilities						
Trade and other payables	41,520	6,520	48,040	44,791	6,780	51,571
Interest bearing liabilities	21,156	-	21,156	13,724	-	13,724
Provisions	70,411	10,086	80,497	78,884	8,632	87,516
Current tax liabilities	129	1	130	237	2	239
Other liabilities	13,080	4,200	17,280	18,868	3,148	22,016
Total current liabilities	146,296	20,807	167,103	156,504	18,562	175,066
Non-current liabilities						
Provisions	273,166	1,008	274,174	283,973	827	284,800
Total non-current liabilities	273,166	1,008	274,174	283,973	827	284,800
Total liabilities	419,462	21,815	441,277	440,477	19,389	459,866
Net assets	776,007	238,146	1,014,153	728,862	235,152	964,014
Equity						
RMIT entity interest						
Reserves	362,157	139,340	501,497	370,814	139,340	510,154
Retained surplus	413,850	98,806	512,656	358,048	95,812	453,860
Total equity	776,007	238,146	1,014,153	728,862	235,152	964,014

The allocation of assets and liabilities to the Higher Education or TAFE Divisions are made on the following basis.

Cash Assets

Bank accounts that have been specifically established for either the Higher Education or TAFE Division have been so allocated to that Division, all other account balances allocated on a proportional basis.

Receivables

Receivables that are able to be directly attributable to either Higher Education or TAFE Division have been so applied, all other trade debtors have been allocated on a proportional basis.

Other Financial Assets

These have been allocated between either the Higher Education or TAFE Division based on their direct relationship to the Divisions established at the time of acquisition of the asset.

Other Assets

These have been allocated to either the Higher Education or TAFE Division based on the nature of the asset and its relevance to the Divisions.

Property, Plant and Equipment

These have been 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 that are able to be 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 based 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 solely 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 that is able to be directly attributable to either Higher Education or TAFE Division has been so applied, all other revenue in advance has been allocated on a proportional basis.

Notes to the Financial Statements

31 December 2006

	Higher Education 2006 \$'000	TAFE 2006 \$'000	Total RMIT 2006 \$'000	Higher Education 2005 \$'000	TAFE 2005 \$'000	Total RMIT 2005 \$'000
(iii) Statement of Changes in Equity						
Total equity at the beginning of the financial year	728,862	235,152	964,014	700,001	231,288	931,289
Gain on revaluation of land and buildings, net of tax	-	-	-	6,836	2,646	9,482
Net income recognised directly in equity	-	-	-	6,836	2,646	9,482
Operating result for the year	47,145	2,994	50,139	22,025	1,218	23,243
Total recognised income and expense for the year	47,145	2,994	50,139	28,861	3,864	32,725
Total equity at the end of the financial year	776,007	238,146	1,014,153	728,862	235,152	964,014
(iv) Statement of Cash Flows						
Cash flows from operating activities						
Australian Government						
CGS and Other DEST Grants	137,663	-	137,663	134,039	-	134,039
Higher Education Loan Programmes	77,408	-	77,408	72,863	-	72,863
Scholarships	4,578	-	4,578	3,636	-	3,636
DEST research	20,361	-	20,361	19,098	-	19,098
ARC grant - Discovery	2,475	-	2,475	1,948	-	1,948
ARC grant - Linkages	3,953	-	3,953	3,482	-	3,482
Other Australian Government Grants	708	89	797	727	-	727
State Government Grants	2,163	63,725	65,888	1,834	57,629	59,463
HECS-HELP – Student payments	12,769	-	12,769	11,452	-	11,452
Receipts from student fees and other customers						
Consultancy and contract research	25,353	1,642	26,995	21,793	1,371	23,164
Fees and charges	153,855	26,684	180,539	131,961	35,640	167,601
Other cash receipts in the course of operations	10,526	206	10,732	5,693	2,242	7,935
Interest received	3,076	579	3,655	2,435	442	2,877
Receipt of GST from Australian Taxation Office	7,486	3,208	10,694	7,672	3,288	10,960
Payments to suppliers (inclusive of GST) and employees	(408,909)	(90,400)	(499,309)	(371,851)	(84,152)	(456,003)
Interest & other finance costs paid	(422)	(24)	(446)	(966)	(7)	(973)
Income tax paid	(1,806)	(2)	(1,808)	(184)	-	(184)
Net cash inflow (outflow) from operating activities	51,237	5,707	56,944	45,632	16,453	62,085
Cash flows from investing activities						
Proceeds from sale of investments	-	-	-	3,729	-	3,729
Proceeds from sale of property, plant & equipment	3,072	63	3,135	994	137	1,131
Payment for investments	(1,776)	-	(1,776)	(1,580)	-	(1,580)
Payment for intangible assets	(267)	-	(267)	(1,276)	-	(1,276)
Payments for property, plant & equipment	(31,877)	(6,399)	(38,276)	(29,421)	(7,954)	(37,375)
Net cash inflow (outflow) from investing activities	(30,848)	(6,336)	(37,184)	(27,554)	(7,817)	(35,371)
Cash flows from financing activities						
Proceeds from borrowings	7,432	-	7,432	1,901	-	1,901
Repayment of borrowings	-	-	-	(3,500)	-	(3,500)
Net cash inflows (outflow) from financing activities	7,432	-	7,432	(1,599)	-	(1,599)
Net increase (decrease) in cash and cash equivalents	27,821	(629)	27,192	16,479	8,636	25,115
Cash and cash equivalents at the beginning of the financial year	20,572	11,242	31,814	4,093	2,606	6,699
Cash and cash equivalents at end of year	48,393	10,613	59,006	20,572	11,242	31,814
	Total Revenue	Total Revenue	Net Operating Results	Net Operating Results	Total Assets	Total Assets
	2006	2005	2006	2005	2006	2005
(b) RMIT Consolidated Entity	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geographical						
Australia	554,480	557,163	53,579	26,195	1,476,027	1,444,980
South East Asia	40,348	33,519	1,424	2,598	31,557	31,067
	594,828	590,682	55,003	28,793	1,507,584	1,476,047

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
3 Australian Government financial assistance including HECS-HELP and other Australian Government loan programmes					
(a) Commonwealth Grants Scheme and Other Grants	42.1				
Commonwealth Grants Scheme		115,662	109,042	115,662	109,042
Indigenous Support Fund		185	149	185	149
Equity Programmes		375	436	375	436
Workplace Reform Programme		1,516	1,473	1,516	1,473
Capital Development Pool		1,157	1,571	1,157	1,571
Superannuation Programme		18,891	18,818	18,891	18,818
Collaboration & Structural Reform Programme		465	207	465	207
Total Commonwealth Grants Scheme and Other Grants		138,251	131,696	138,251	131,696
(b) Higher Education Loan Programmes	42.2				
HECS-HELP		64,815	55,870	64,815	55,870
FEE-HELP		14,607	12,441	14,607	12,441
Total Higher Education Loan Programmes		79,422	68,311	79,422	68,311
(c) Scholarships	42.3				
Australian Postgraduate Awards		2,509	2,170	2,509	2,170
International Postgraduate Research Scholarships		359	290	359	290
Commonwealth Education Cost Scholarships		661	388	661	388
Commonwealth Accommodation Scholarships		1,049	788	1,049	788
Total scholarships		4,578	3,636	4,578	3,636
(d) DEST - Research	42.4				
Institutional Grants Scheme		5,477	5,231	5,477	5,231
Research Training Scheme		13,263	12,636	13,263	12,636
Research Infrastructure Block Grants		1,621	1,231	1,621	1,231
Total DEST - Research		20,361	19,098	20,361	19,098
(e) Australian Research Council					
(i) Discovery	42.5(a)				
Project		2,317	1,948	2,317	1,948
Fellowships		158	-	158	-
Total discovery		2,475	1,948	2,475	1,948
(ii) Linkages	42.5(b)				
Special Research Initiatives		58	57	58	57
Infrastructure		-	110	-	110
International		75	-	75	-
Projects		3,873	3,315	3,873	3,315
Total linkages		4,006	3,482	4,006	3,482
(f) Other Australian Government financial assistance					
Equipment		-	-	-	-
Other		797	727	797	727
Total other Australian Government financial assistance		797	727	797	727
Total Australian Government financial assistance		249,890	228,898	249,890	228,898
Reconciliation					
Australian Government grants		170,468	160,587	170,468	160,587
HECS-HELP - Australian Government payments		64,815	55,870	64,815	55,870
Other Australian Government loan programmes [FEE-HELP]		14,607	12,441	14,607	12,441
Total Australian Government financial assistance		249,890	228,898	249,890	228,898
4 State and Local Government financial assistance					
Recurrent grants		57,552	55,062	57,552	55,062
Capital grants		3,568	2,697	3,568	2,697
Other grants		4,115	2,283	4,115	2,283
Total State and Local Government financial assistance		65,235	60,042	65,235	60,042

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2006 \$'000	2006 \$'000	2006 \$'000
5 Fees and charges					
Course fees and charges					
Fee paying overseas students		158,720	140,158	141,984	129,813
Continuing education		6,456	5,638	6,456	5,638
Fee paying domestic postgraduate students		8,740	8,967	8,740	8,967
Fee paying domestic undergraduate students		15,441	13,789	9,811	8,232
Fee paying domestic non-award students		1,896	2,032	1,896	2,032
Other domestic course fees and charges		2,631	2,440	2,122	1,769
Total course fees and charges		193,884	173,024	171,009	156,451
Other non-course fees and charges					
Amenities and service fees	46	9,886	12,963	9,298	12,774
Late fees		261	27	261	27
Library fines		85	156	85	156
Registration fees		213	194	113	-
Rental charges		417	235	-	-
Other fees and charges		1,846	1,378	1,668	1,321
Total other fees and charges		12,708	14,953	11,425	14,278
Total fees and charges		206,592	187,977	182,434	170,729
6 Investment income					
Interest received and receivable		4,737	3,865	3,745	2,906
Dividend received and receivable		605	169	-	-
Total investment income		5,342	4,034	3,745	2,906
<i># Entities investment income is unrestricted</i>					
7 Consultancy and contracts					
Consultancy		6,934	10,720	4,037	5,483
Contract research					
Commonwealth Government		7,388	7,258	7,388	7,258
Victorian State Government		3,124	1,561	3,124	1,561
Local Government		329	64	329	64
Industry and other		8,794	7,829	8,794	7,829
		19,635	16,712	19,635	16,712
Other contract revenue					
Seminar and conference fees		1,161	757	1,161	757
Project management services		9,800	10,493	-	-
Service fees		371	319	97	61
Other		58	90	58	90
		11,390	11,659	1,316	908
Total consultancy and contract		37,959	39,091	24,988	23,103
8 Other revenue					
Net gain on disposal of property, plant & equipment	16	5,834	88	5,883	95
Product sales		11,827	12,341	1,401	2,719
Donations and bequests		5,675	1,320	399	623
Scholarships and prizes		1,142	2,613	1,142	921
Property rental		2,771	2,409	3,498	3,135
Foreign exchange gains		122	34	107	34
Net gain on sale of available-for-sale financial asset	16	16	3,618	-	3,618
Supplier rebate		705	-	705	-
Other		3,800	7,299	1,504	2,450
Total other revenue		31,892	29,722	14,639	13,595

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
9 Employee benefits and on costs					
Academic					
Salaries		150,422	139,961	140,961	132,960
Contributions to superannuation and pension schemes:					
Emerging cost	39(i)	16,018	14,855	16,018	14,855
Funded		18,460	17,128	18,381	17,087
Payroll tax		8,815	8,345	8,694	8,226
Workers' compensation		1,011	1,233	992	1,215
Long service leave expense		(576)	6,425	(576)	6,425
Annual leave expense		8,994	8,838	8,968	8,797
Total academic		203,144	196,785	193,438	189,565
Non-academic					
Salaries		107,293	107,804	91,757	92,433
Contributions to superannuation and pension schemes:					
Emerging cost	39(i)	4,681	4,865	4,681	4,865
Funded		15,173	15,552	13,712	14,070
Payroll tax		6,139	6,155	5,794	5,882
Workers' compensation		746	961	659	871
Long service leave expense		(854)	2,011	(899)	1,722
Annual leave expense		7,369	10,167	7,174	9,924
Other		-	1	-	-
Total non-academic		140,547	147,516	122,878	129,767
Total academic & non-academic employee benefits & on costs		343,691	344,301	316,316	319,332
Deferred employee benefit for superannuation		(14,851)	29,466	(14,851)	29,466
Total academic & non-academic employee benefits & on costs		328,840	373,767	301,465	348,798
10 Depreciation and amortisation					
Depreciation					
Buildings		12,255	11,757	11,985	11,593
Building plant and improvements		1,399	1,500	638	713
Equipment, motor vehicles & furniture and fittings		11,340	10,755	9,570	9,138
Library collection		2,271	1,722	2,271	1,722
Total depreciation	24	27,265	25,734	24,464	23,166
Amortisation					
Software licences & rights		838	408	838	408
Intellectual property		28	364	-	-
	25	866	772	838	408
Total depreciation and amortisation		28,131	26,506	25,302	23,574
11 Repairs and maintenance					
Buildings		14,740	12,372	14,454	12,083
Equipment		1,197	1,186	1,124	1,074
Total repairs and maintenance		15,937	13,558	15,578	13,157
12 Finance costs					
Interest to other corporations		22	914	446	973
Total borrowing costs expensed		22	914	446	973

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
13 Bad and doubtful debts					
Bad debts written off in the Operating Statement:					
Trade debtors		2,128	12	-	12
Student debtors		420	145	420	145
		2,548	157	420	157
Amounts set aside to allowance for doubtful receivables:					
Trade debtors		(2,591)	(127)	12	(73)
Student debtors		1,019	1,225	1,019	1,225
		(1,572)	1,098	1,031	1,152
Total bad and doubtful debt expense		976	1,255	1,451	1,309
Bad debts written off against provision for doubtful debts					
Trade debtors		-	580	-	572
Student debtors		-	755	-	755
		-	1,335	-	1,327
14 Other expenses					
Scholarships, grants and prizes		29,036	26,630	32,651	30,192
Non-capitalised equipment		5,301	5,182	5,064	4,861
Advertising, marketing and promotional expenses		9,680	7,869	11,364	13,640
General consumables		9,713	7,960	7,133	5,669
Printing and stationery		4,527	5,342	4,271	5,044
Minimum lease payments on operating leases		21,946	22,749	17,655	18,491
Rental, hire and other leasing fees		74	-	-	-
Telecommunications		5,080	5,087	4,572	4,378
Travel, staff development and entertainment		14,085	12,355	11,510	10,002
Net loss on sale of available-for-sale financial asset	16	-	14	-	-
Net diminution in value of non-current assets		1,775	1,580	1,775	1,581
Foreign exchange losses		305	(127)	49	79
Occupancy expenses		9,738	8,694	7,912	6,897
Debt forgiveness		2,618	-	-	-
Audit fees, bank charges, legal costs, insurance and taxes	43	5,116	3,434	2,910	2,888
Contractors and consultancy fees		27,536	21,698	20,797	14,779
Patents, copyright and licences		1,192	1,250	1,154	1,164
Impairment of assets		1,535	554	1,680	554
Memberships and subscription fees		1,615	1,556	1,615	1,556
Computer software support and maintenance		8,085	5,257	8,085	5,257
Other expenses		5,525	9,348	2,959	2,424
Total other expenses		164,482	146,432	143,156	129,456
15 Significant items of revenue and expenditure					
Revenue					
Net profit from the sale of shares in Subsidiary - Inquirion Pty Ltd		-	1,144	-	2,485
Net profit from the sale of freehold land	=	7,854	-	7,854	-
Expenditure					
Staff separation payments		10,649	10,798	9,681	10,798
Amortisation or diminution in respect of investments		1,775	1,556	1,775	1,556
=					
In November 2006, the former CUB site was sold pursuant to a conditional contract. The sale may be rescinded if the purchaser does not receive planning approval for the proposed development within 12 months of the Minister for Education consenting to the sale. In addition, the sale price may increase based upon a contractual formula in relation to the size of the proposed development.					

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
16 Sales of assets					
Proceeds from disposal of assets					
Investments		332	4,038	-	3,729
Property, plant & equipment		42,805	1,182	42,135	1,131
Total proceeds from sale of assets		43,137	5,220	42,135	4,860
Carrying amount of assets disposed					
Investments		316	434	-	111
Property, plant & equipment		33,889	1,094	33,170	1,036
Intangibles		3,082	-	3,082	-
Total carrying amount of assets sold		37,287	1,528	36,252	1,147
Net gain/(loss) on sale of assets		5,850	3,692	5,883	3,713
17 Income tax					
(a) Income tax expense					
Current tax		1,437	(543)	1,312	(319)
Deferred tax expense		-	-	-	-
Under (over) provided in prior years		-	-	-	-
		1,437	(543)	1,312	(319)
(b) Numerical reconciliation of income tax expense to prima facie tax payable					
Tax at the Australian Tax Rate of 30% (2005 - 30%)		1,437	469	1,312	(319)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:					
Debt forgiveness		-	(777)	-	-
Sundry items		-	(36)	-	-
Under (over) provision in prior years		-	(199)	-	-
Income tax expense		1,437	(543)	1,312	(319)
(c) Deferred tax					
Deferred tax assets					
Current		-	-	-	-
Non-current		484	66	387	-
		484	66	387	-
Deferred tax liabilities					
Current		224	239	130	239
Non-current		32	21	-	-
		256	260	130	239
Net deferred tax liabilities		228	(194)	257	(239)

Tax losses carried forward

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets (2005: Nil) in respect of losses that can be carried forward against future taxable income.

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
18 Cash and cash equivalents					
Cash at bank and on hand	‡	17,829	22,378	7,031	3,190
Deposits at call		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
Total cash assets		89,798	59,557	59,006	31,814
‡	Refer to note 34a(i) for information on a Debt Service Reserve Account as guarantee for the borrowings of a subsidiary.				
19 Trade and other receivables					
Current					
Trade debtors		15,547	16,161	9,472	7,529
Less allowance for doubtful receivables		(189)	(2,790)	(142)	(130)
		15,358	13,371	9,330	7,399
Student loans & student debtors		11,088	9,745	11,088	9,745
Less allowance for doubtful receivables		(2,589)	(1,570)	(2,589)	(1,570)
		8,499	8,175	8,499	8,175
Loans and advances		2	-	2	-
Government grants receivable		1,860	429	1,860	429
Deferred government contributions for superannuation	◆	18,500	18,500	18,500	18,500
Interest receivable		178	93	122	32
Other debtors and accrued income		43,952	5,866	43,729	5,623
Amounts receivable from subsidiaries		-	-	10,703	9,933
Allowance for impairment		-	-	(2,391)	(711)
		64,492	24,888	72,525	33,806
Total current receivables		88,349	46,434	90,354	49,380
Non-current					
Other debtors		1,909	2,049	1,909	2,049
Allowance for impairment		(517)	(554)	(517)	(554)
Deferred government contributions for superannuation	◆	269,117	283,968	269,117	283,968
Total non-current receivables		270,509	285,463	270,509	285,463
Total receivables		358,858	331,897	360,863	334,843
Bad and doubtful receivables					
The Consolidated Group has recognised a loss of \$1.266m (2005: recovery \$1.266m) in respect of bad and doubtful receivables during the year ended 31 December 2006. Refer Note 13.					
Government contributions - superannuation					
◆ 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 2006 amounted to \$287.617m (2005 - \$302.468m). Refer Notes 1.19 and 29.					
20 Inventories					
Current					
Trading stock		432	748	-	-
Work in progress		111	140	-	-
Total inventories		543	888	-	-

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
21 Assets classified as held for sale					
Current assets					
Freehold land		-	29,875	-	29,875
Total assets classified as held for sale		-	29,875	-	29,875
22 Available for sale financial assets through equity					
Non current					
Investments in managed trust funds - at fair value		8,447	6,956	-	-
Balance 1 January		6,956	6,301	-	-
Additions		1,438	485	-	-
Disposals (sale and redemption)		(329)	(325)	-	-
Revaluation		382	495	-	-
Balance 31 December		8,447	6,956	-	-
Represented by:					
Financial assets under funds management - equity securities		6,439	4,902	-	-
Financial assets under funds management - fixed interest		2,008	2,054	-	-
Total available for sale financial assets through equity		8,447	6,956	-	-
23 Other financial assets					
Non-current					
Investments traded on organised markets					
Government and semi-government stocks and bonds		15	16	-	-
Other (non-traded) investments					
Unlisted shares in subsidiaries	#	-	-	803	803
Less Provision for diminution in value of investment		-	-	(101)	(101)
Unlisted shares in non-related companies		5,716	3,941	5,599	3,823
Less Provision for diminution in value of investment		(5,558)	(3,783)	(5,478)	(3,703)
Total other financial assets		173	174	823	822
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 and semi-government stocks and bonds		15	16	-	-
Unlisted investments		158	158	823	822
Total other financial assets		173	174	823	822

Refer to note 34a(ii) for information on a limited recourse share mortgage as guarantee for the borrowings of a subsidiary.

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
24 Property, plant and equipment					
Land and buildings		977,713	967,573	968,302	957,822
Leasehold improvements		5,277	8,146	5,560	6,095
Equipment, motor vehicles & furniture and fittings		43,307	49,627	38,079	41,921
Library collections		18,502	15,648	18,502	15,648
		1,044,799	1,040,994	1,030,443	1,021,486
The following are details of the valuation basis of these assets, together with depreciation and amortisation provided:					
Land and buildings					
Land - at independent valuation #	◆	251,612	251,612	251,612	251,612
Buildings - at independent valuation #	◆	701,503	701,503	700,633	700,633
Buildings - at cost		25,476	8,977	16,582	-
Less accumulated depreciation		(12,735)	(197)	(11,985)	-
Net book value		714,244	710,283	705,230	700,633
Buildings under construction - at cost					
Construction costs (not depreciated)		11,857	5,678	11,460	5,577
Total land and buildings		977,713	967,573	968,302	957,822
Leasehold improvements - at cost					
		15,811	16,070	7,292	7,188
Less accumulated amortisation & impairment		(10,534)	(7,924)	(1,732)	(1,093)
Net book value		5,277	8,146	5,560	6,095
Equipment, motor vehicles, furniture & fittings - at cost					
Equipment		152,455	151,212	143,545	139,475
Equipment under construction (not depreciated)		-	2,404	-	2,404
Furniture & fittings		4,599	4,854	4,259	4,136
Motor vehicles		3,347	3,638	3,298	3,339
Works of art		1,163	1,169	1,163	1,163
		161,564	163,277	152,265	150,517
Less accumulated depreciation		(118,257)	(113,650)	(114,186)	(108,596)
Net book value		43,307	49,627	38,079	41,921
Library collection - at cost					
		39,663	34,538	39,663	34,538
Less accumulated depreciation		(21,161)	(18,890)	(21,161)	(18,890)
Net book value		18,502	15,648	18,502	15,648
Development costs					
		2,615	2,615	-	-
Less accumulated depreciation		(2,615)	(2,615)	-	-
Net book value		-	-	-	-
Total assets		1,210,101	1,184,270	1,179,507	1,150,065
Less accumulated depreciation		(165,302)	(143,276)	(149,064)	(128,579)
Net book value		1,044,799	1,040,994	1,030,443	1,021,486

An independent valuation of land and buildings was carried out as at 31 December 2005 by Craig Cunningham & Co (Real Estate) Pty Ltd. The valuation has been determined on the following basis: Land at market, Buildings at market or depreciated replacement cost.

◆ Land and buildings valued at \$221.111m (2005 - \$218.455m) is 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.

Notes to the Financial Statements

31 December 2006

	Note	Land \$'000	Buildings \$'000	Buildings under construction \$'000	Leasehold improvements \$'000	Equipment, motor vehicles, furniture & fittings \$'000	Library collection \$'000	Total \$'000
24 Property, plant and equipment (continued)								
RMIT Consolidated Entity								
1 January 2005								
- cost		-	246	21,954	19,350	148,084	29,217	218,851
- valuation		260,720	696,119	-	-	-	-	956,839
Accumulated depreciation		-	(27)	-	(7,091)	(104,239)	(17,168)	(128,525)
Net book amount		260,720	696,338	21,954	12,259	43,845	12,049	1,047,165
Opening net book amount		260,720	696,338	21,954	12,259	43,845	12,049	1,047,165
- additions		-	-	20,828	632	16,783	5,321	43,564
- adjustment due to revaluation		20,385	(10,903)	-	-	-	-	9,482
- assets classified as held for sale	21	(29,875)	-	-	-	-	-	(29,875)
- transfer from capital works in progress		382	36,427	(37,107)	(610)	908	-	-
- reclassification		-	(89)	-	89	-	-	-
- disposals		-	-	-	(2,724)	(1,396)	-	(4,120)
- depreciation	10	-	(11,757)	-	(1,500)	(10,755)	(1,722)	(25,734)
- foreign currency translation gain/(loss)		-	267	3	-	242	-	512
Closing net book amount		251,612	710,283	5,678	8,146	49,627	15,648	1,040,994
31 December 2005								
- 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
1 January 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 from capital works in progress		-	4,865	(6,245)	71	1,309	-	-
- disposals		-	(22)	-	(98)	(3,893)	-	(4,013)
- depreciation		-	(12,255)	-	(1,399)	(11,340)	(2,271)	(27,265)
- reclassification		-	-	-	-	(1,592)	-	(1,592)
- impairment		-	-	-	(1,535)	-	-	(1,535)
- foreign currency translation gain/(loss)		-	(659)	(19)	-	(458)	-	(1,136)
Closing net book amount		251,612	714,009	11,857	5,277	43,542	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

Notes to the Financial Statements

31 December 2006

	Note	Land \$'000	Buildings \$'000	Buildings under construction \$'000	Leasehold improvements \$'000	Equipment, motor vehicles, furniture & fittings \$'000	Library collection \$'000	Total \$'000
24 Property, plant and equipment (continued)								
Parent entity								
1 January 2005								
- cost		-	-	12,588	10,765	141,643	29,217	194,213
- valuation		260,720	695,249	-	-	-	-	955,969
Accumulated depreciation		-	-	-	(960)	(100,590)	(17,168)	(118,718)
Net book amount		260,720	695,249	12,588	9,805	41,053	12,049	1,031,464
Opening net book amount								
- additions		-	-	20,730	228	11,096	5,321	37,375
- adjustment due to revaluation		20,385	(10,903)	-	-	-	-	9,482
- assets classified as held for sale	21	(29,875)	-	-	-	-	-	(29,875)
- transfer from capital works in progress		382	27,969	(27,741)	(610)	-	-	-
- reclassification		-	(89)	-	89	-	-	-
- disposals		-	-	-	(2,704)	(1,090)	-	(3,794)
- depreciation	10	-	(11,593)	-	(713)	(9,138)	(1,722)	(23,166)
Closing net book amount		251,612	700,633	5,577	6,095	41,921	15,648	1,021,486
31 December 2005								
- 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
1 January 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 from 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)
- transfer to intangible assets		-	-	-	-	(1,560)	-	(1,560)
Closing net book amount		251,612	705,230	11,460	5,560	38,079	18,502	1,030,443
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

Notes to the Financial Statements

31 December 2006

Note	CONSOLIDATED			RMIT		
	Software, licences & rights \$'000	Intellectual property \$'000	Total \$'000	Software, licences & rights \$'000	Intellectual property \$'000	Total \$'000
25 Intangible assets						
RMIT Consolidated Entity						
1 January 2005						
Cost	4,846	2,305	7,151	4,846	-	4,846
Accumulated amortisation	(3,621)	(1,358)	(4,979)	(3,621)	-	(3,621)
Net book amount	1,225	947	2,172	1,225	-	1,225
Year Ended 31 December 2005						
Opening net book amount	1,225	947	2,172	1,225	-	1,225
- additions	124	31	155	124	-	124
- Transfer from equipment under construction	1,152	-	1,152	1,152	-	1,152
- disposals	-	(568)	(568)	-	-	-
- Revaluation increments (decrements)	-	1	1	-	-	-
- amortisation charge	(408)	(364)	(772)	(408)	-	(408)
Closing net book amount	2,093	47	2,140	2,093	-	2,093
31 December 2005						
Cost	6,122	86	6,208	6,122	-	6,122
Accumulated amortisation	(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	(3,060)	(22)	(3,082)	(3,082)	-	(3,082)
- amortisation charge	(838)	(25)	(863)	(838)	-	(838)
Closing book amount	22	24	46	-	-	-
31 December 2006						
Cost	-	110	110	-	-	-
Accumulated amortisation	-	(64)	(64)	-	-	-
Net book amount	-	46	46	-	-	-

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
26 Other non-financial assets					
Current					
Library subscriptions prepaid		1,669	1,245	1,669	1,245
Withholding tax		-	245	-	245
Workcover		-	30	-	-
Other prepayments		2,767	1,980	2,239	1,457
Total other non-financial assets		4,436	3,500	3,908	2,947
27 Trade and other payables					
Current					
Trade and other creditors	28(d)	58,710	57,864	47,920	43,315
OS-HELP Liability to Australian Government		120	420	120	420
Amounts payable to subsidiaries		-	-	-	7,836
Total payables		58,830	58,284	48,040	51,571
28 Interest bearing liabilities					
Current - unsecured					
Amounts payable to subsidiaries		-	-	21,156	13,724
Commonwealth Government Loan	28(a)	-	-	-	-
Total current unsecured interest bearing liabilities		-	-	21,156	13,724
Non-current - secured					
Bank loan	28(b)	8,825	9,541	-	-
Total non-current unsecured interest bearing liabilities		8,825	9,541	-	-
Total interest bearing liabilities		8,825	9,541	21,156	13,724
Financing arrangements					
(a) RMIT standby arrangements with Commonwealth Bank					
The unsecured bill acceptance facility may be drawn at any time.					
The bill acceptance facility has been established as a source of (primarily) long term finance.					
Credit facility available		40,000	40,000	40,000	40,000
Amount utilised		-	-	-	-
Unused credit facility		40,000	40,000	40,000	40,000
The facility with respect to \$30m expires on 23 November 2007, the remaining \$10m is subject to annual review.					
(b) Subsidiary long term loan facility					
Credit facility available		USD\$	USD\$	USD\$	USD\$
A subsidiary has a long term facility of US\$7.25m each with two international finance organisations.		14,500	14,500	-	-
Amount utilised		(7,000)	(7,000)	-	-
Unused credit facility		7,500	7,500	-	-
The loan 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 7.62% (2005 - 6.86%) at 31 December 2006. 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.	34(a)				

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
(c) Bank overdraft facility					
A subsidiary has arranged an overdraft facility which is secured by a floating charge over its assets.					
Credit facility available		50	50	-	-
Amount utilised		-	-	-	-
Unused credit facility		50	50	-	-
(d) 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.					
Credit facility available		7,500	7,500	7,500	7,500
Amount utilised		(900)	(834)	(900)	(834)
Unused credit facility		6,600	6,666	6,600	6,666
29 Provisions					
Current					
Provision for restructuring costs		2,107	-	2,107	-
Employee benefits and oncosts					
Annual leave - at nominal value		17,358	17,186	16,597	15,843
Annual leave - at net present value		7,354	9,258	7,354	9,257
Long service leave - at net present value		36,507	44,120	35,939	43,916
Deferred benefits for superannuation	◆	18,500	18,500	18,500	18,500
Total current provisions		81,826	89,064	80,497	87,516
Non-current					
Employee benefits and oncosts					
Long service leave - at net present value		5,350	2,156	5,057	832
Deferred benefits for superannuation	◆	269,117	283,968	269,117	283,968
Total non-current provisions		274,467	286,124	274,174	284,800
Total provisions		356,293	375,188	354,671	372,316
Employee benefits					
Provision for employee benefits and oncosts - current		79,719	89,064	78,390	87,516
Provision for employee benefits and oncosts - non-current		274,467	286,124	274,174	284,800
Aggregate employee benefits		354,186	375,188	352,564	372,316
Number of employees at the end of the reporting period:					
		No.	No.	No.	No.
Full-time equivalent academic		1,564	1,578	1,534	1,537
Full-time equivalent non-academic		1,778	1,831	1,696	1,564
Full-time equivalent casual		338	477	338	342
		3,680	3,886	3,568	3,443
Average number of employees during the year		3,783	3,945	3,506	3,474
The following assumptions were adopted in measuring the present value of long service leave and retirement gratuity entitlements:					
Weighted average increase in employee costs		5.1%	5.3%	5.1%	5.3%
Weighted average discount rates		6.2%	5.4%	6.2%	5.4%
Weighted average settlement period		18yrs	18yrs	18yrs	18yrs
◆ A total consolidated unfunded liability for retirement benefits of \$287.617m (2005 - \$302.468m) accruing to beneficiaries of the State Superannuation Scheme has been recorded in the Balance Sheet as a liability. Refer Notes 1.19 and 39.					

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
30 Other liabilities					
Current					
Australian Government unspent financial assistance		810	7,001	810	7,001
Monies held in trust		2,381	2,775	-	-
Research grants		2,897	890	2,897	890
Student fees		20,969	19,556	13,113	13,937
Projects fees		243	83	-	-
Other		495	226	460	188
Total current other liabilities		27,795	30,531	17,280	22,016
31 Reserves					
Consolidated reserves					
Balance at beginning of year		557,548	546,553	510,154	500,672
Transfers from/(to) retained surplus		(8,657)	-	(8,657)	-
Revaluation of land & buildings		-	9,482	-	9,482
Foreign exchange gains/(losses)		(1,962)	133	-	-
Adjustment on adoption of AASB 132 and AASB 139		-	886	-	-
Disposals through revaluation reserve		30	(34)	-	-
Unrealised valuation gain taken to equity		382	528	-	-
Balance at end of year		547,281	557,548	501,497	510,154
Represented by:					
Asset revaluation reserve		541,349	550,005	501,497	510,154
Fixed asset replacement reserve		637	637	-	-
Capital projects reserve		10,000	10,000	-	-
Foreign currency translation reserve		(7,437)	(5,474)	-	-
Scholarship reserve		1,000	1,000	-	-
Available for sale revaluation reserve		1,732	1,380	-	-
Balance at end of year		547,281	557,548	501,497	510,154
Movements in reserves during the year were:					
Asset revaluation reserve					
Balance at beginning of year		550,006	540,523	510,154	500,672
Transfers from/(to) retained surplus		(8,657)	-	(8,657)	-
Revaluation of land		-	20,385	-	20,385
Revaluation of buildings		-	(10,903)	-	(10,903)
Balance at end of year		541,349	550,005	501,497	510,154
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		(5,475)	(5,607)	-	-
Foreign currency translation gains (losses)		(1,962)	133	-	-
Balance at end of year		(7,437)	(5,474)	-	-
Scholarship reserve					
Balance at beginning of year		1,000	1,000	-	-
Balance at end of year		1,000	1,000	-	-

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Available for sale revaluation reserve					
Balance at beginning of year		1,380	-	-	-
Adjustment on adoption of AASB 132 and AASB 139		-	886	-	-
Disposals through revaluation reserve		(30)	(34)	-	-
Unrealised valuation gain taken to equity		382	528	-	-
Balance at end of year		1,732	1,380	-	-
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.					
Available for sale revaluation reserve					
Changes in fair value are taken to available for sale revaluation reserve, as described in note 1.14.					
32	Retained surplus				
	Retained surplus at beginning of year	444,462	418,407	453,860	430,617
	Net operating result attributable to RMIT entity	54,857	28,678	50,139	23,243
	Dividends paid	(51)	-	-	-
	Transfers to / (from) reserves	8,657	-	8,657	-
	Disposal of investment in subsidiary	-	(2,623)	-	-
	Retained surplus at end of year	507,925	444,462	512,656	453,860
33	Minority interest				
	Outside equity interest in subsidiaries comprises:				
	Interest in accumulated funds at the beginning of the year	118	3	-	-
	Interest in net operating result	146	115	-	-
	Interest in accumulated funds at the end of the year	264	118	-	-
	Interest in share capital	115	115	-	-
	Total outside equity interests in controlled entities	379	233	-	-

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
34	Contingent liabilities and contingent assets				
	(a) Contingent liabilities				
	The RMIT Consolidated Entity and RMIT has contingent liabilities at 31 December 2006 in respect of:				
	Guarantees				
	Guarantees for contract performance	53	590	39	576
	Guarantees for the borrowings of a subsidiary - note 28(b)				
	(i) security over a bank account designated as a Debt Service Reserve Account established and maintained by RMIT in Australia;	18	US\$2,100	US\$2,100	US\$2,100
	(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	23			
	(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.		US\$7,000	US\$7,000	-
	Litigations				
	There are no current outstanding claims which have the potential to impact adversely on the business of RMIT or its subsidiaries.				
	(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	5,043	4,770	-	-
	Contingent Liabilities				
	Due within one year	5,526	11,108	-	-
	Due after one year but within five years	5,043	5,684	-	-
		10,569	16,792	-	-
35	Commitments for expenditure				
	(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	1,319	545	1,319	545
	Building works				
	Due within one year	6,188	5,904	6,158	5,874

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
(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					
		5,824	5,477	5,824	5,131
		11,311	8,851	11,311	8,541
		14,717	12,758	14,717	12,758
		31,852	27,086	31,852	26,430
Future minimum rental payments for leased equipment					
		7,229	7,206	7,183	7,102
		5,894	7,055	5,882	7,012
		13,123	14,261	13,065	14,114
Operating leases - as lessor					
Leases contracted for at the reporting date but not recognised as assets					
Future minimum rental receivable					
		1,111	1,008	1,111	1,008
		2,518	1,717	2,518	1,717
		454	-	454	-
		4,083	2,725	4,083	2,725
The weighted average interest rate impact of the leases is 3.9% (2005 - 2.3%)					
(c) Other expenditure commitments					
		7,061	11,277	7,061	11,277
		11,002	16,339	11,002	16,339
		453	1,359	453	1,359
		18,516	28,975	18,516	28,975
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 expenditure of \$8.3m to complete the relevant research and satisfy those commitments.					
36	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					
		22,378	16,954	3,190	4,137
		18,736	15,144	10,181	2,553
		18,434	-	18,434	-
		9	9	9	9
		-	(82)	-	-
		59,557	32,025	31,814	6,699

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
36	Notes to statement of cash flows (Continued)				
	Cash at the End 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 movement for the year	30,241	27,532	27,192	25,115
	(b) Reconciliation of operating result after income tax to net cash inflow from operating activities				
	Operating result for the period after income tax	55,003	28,793	50,139	23,243
	Eliminate non-cash flows in net result				
	Unrealised foreign exchange (gain)/loss	-	341	-	-
	Loss/(gain) on sale of property, plant & equipment 14	(5,834)	(88)	(5,883)	(95)
	Loss/(gain) on sale of available-for-sale financial asset 8	(16)	(3,604)	-	(3,618)
	Depreciation on property plant & equipment 10	27,265	25,734	24,464	23,166
	Diminution in value of investment 14	1,775	1,580	1,775	1,580
	Provision for doubtful debts 13	(1,572)	1,098	-	1,152
	Bad debts written off/(written back) 13	2,548	157	420	157
	Debt forgiveness	2,618	-	-	-
	Amortisation of intangible assets 10	866	772	838	408
	Allowance for impairment 14	1,498	554	1,643	554
	Change in assets and liabilities				
	Net (increase) / decrease in current receivables	(6,369)	(7,281)	(3,934)	(2,541)
	Net (increase) / decrease in inventories	345	101	-	-
	Net (increase) / decrease in other assets	(936)	18	(961)	95
	Net increase / (decrease) in revenue received in advance	(2,342)	4,900	(4,736)	3,778
	Net increase / (decrease) in payables	(268)	15,223	(3,531)	10,673
	Net increase / (decrease) in current tax liability	(422)	(890)	(496)	(503)
	Net increase / (decrease) in employee entitlements (excluding deferred superannuation)	(4,044)	4,250	(2,794)	4,036
	Net cash flows from operating activities	70,115	71,658	56,944	62,085
37	Economic dependency				
	The RMIT Consolidated Entity is reliant on a significant volume of its revenue being derived from:				
	Commonwealth Government financial assistance	265,752	265,622	242,427	265,622
	Victorian State Government financial assistance	63,166	61,603	68,359	61,603
		328,918	327,225	310,786	327,225
	The percentage of the RMIT consolidated entity revenue was sourced from:				
	Commonwealth Government financial assistance	44.98%	44.97%	44.99%	49.17%
	Victorian State Government financial assistance	10.69%	10.43%	12.69%	11.40%
38	Events occurring after reporting 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.				

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
39 Superannuation contributions					
Funds to which RMIT or any controlled entity contributed to during the financial year:-					
(a) Defined benefit schemes					
State Superannuation Fund - closed		20,699	19,720	20,699	19,720
UniSuper DBP/ICP		-	26,702	-	26,702
State Employees Retirement Benefits Scheme - closed		101	98	101	98
(b) Defined contribution schemes					
Victorian Superannuation Fund		3,141	3,417	3,127	3,315
UniSuper DBP/ICP		26,333	-	26,331	-
AMP - closed		13	-	-	-
Australian Retirement Fund		-	22	-	-
AXA Australia Tailored Superannuation Fund		624	639	25	31
Bashir & Mehri Superannuation Fund		-	7	-	-
Fitzgerald Services P/L Superfund		59	-	-	-
Health Super		1,751	15	1,751	2
Hesta - closed		-	2	-	2
Host Plus		-	180	-	-
Vision Super (Local Authorities Superannuation)		-	6	-	-
MLC Superannuation		-	2	-	-
MTAA Superannuation		22	2	-	-
Norwich Superannuation Fund		-	7	-	-
Retail Employees Superannuation Trust		1	50	1	-
RMIT Superannuation Plan - Closed		757	143	757	138
AXA / National Mutual Life Association		478	189	-	-
Superannuation Trust of Australia		211	265	-	-
Tertiary Education Superannuation Scheme		-	23	-	-
Other		142	908	-	868
		54,332	52,397	52,792	50,876

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 2006, 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 2006, amounted to \$287.617m (2005 - \$302.468m). 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%.

Notes to the Financial Statements

31 December 2006

39 Superannuation contributions (continued)

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 2% 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.

Australian Retirement Fund	}	
Bashir & Mehri Superannuation Fund	}	
Fitzgerald Services P/L Superfund	}	
Health Super	}	
Hesta - closed	}	
Host Plus	}	
Vision Super (Local Authorities Superannuation)	}	The employer is required to contribute on account of eligible employees at the rate of 9%.
MLC Superannuation	}	
MTAA Superannuation	}	
Norwich Superannuation Fund	}	
Retail Employees Superannuation Trust	}	
Superannuation Trust of Australia	}	
Tertiary Education Superannuation Scheme	}	
Other	}	

The rates quoted above relate to all the funds for both 2006 and 2005.

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 2006 was \$2.340m (2005 - \$2.141m).

40 Financial instruments

(i) Financial risk management

RMIT Consolidated Entity activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest risk and price risk), credit risk and cash flow interest rate risk. RMIT Consolidated Entity'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 Entity.

Notes to the Financial Statements

31 December 2006

(ii) Liquidity risk

Liquidity risk is managed by the University's Internal Audit, management and Finance Committee through the monitoring of current forecasts. The University has also established a standby facility of \$10 million to provide short-term cash should the need arise.

(iii) Foreign currency risk

The RMIT Consolidated Entity has transactional currency exposures. Such exposure arises from the purchase in currencies other than the local currency.

(iv) Interest rate risk

The RMIT Consolidated Entity's exposure to interest rate risk, and the effective weighted average interest rate for classes of financial assets and financial liabilities are set out below:

	Note	Floating interest rate \$'000	Fixed Interest Maturing			Non Interest Bearing \$'000	Total \$'000
			1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000		
31 December 2006							
Assets							
Cash at bank and on hand	18	17,829	-	-	-	-	17,829
Deposits at call	18	71,511	-	-	-	-	71,511
Bills of exchange	18	-	-	-	-	-	-
Foreign currency bank accounts	18	458	-	-	-	-	458
Receivables	19	-	-	-	-	358,858	358,858
Available for sale financial assets	22	2,008	-	-	-	6,439	8,447
Deferred tax assets	17(c)	-	-	-	-	484	484
Government stocks - short term	23	-	15	-	-	-	15
Shares in non-related companies	23	-	-	-	-	158	158
		91,806	15	-	-	365,939	457,760
Weighted average interest rate		4.98%	0.14%				
Liabilities							
Payables	27	-	-	-	-	58,820	58,820
Deferred tax liabilities	17(c)	-	-	-	-	256	256
Interest bearing liabilities	28	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
31 December 2005							
Assets							
Cash at bank and on hand	18	22,378	-	-	-	-	22,378
Deposits at call	18	18,736	-	-	-	-	18,736
Bills of exchange	18	18,434	-	-	-	-	18,434
Foreign currency bank accounts	18	9	-	-	-	-	9
Receivables	19	-	-	-	-	331,897	331,897
Available for sale financial assets	22	2,054	-	-	-	4,902	6,956
Deferred tax assets	17(c)	-	-	-	-	66	66
Government stocks - short term	23	-	16	-	-	-	16
Shares in non-related companies	23	-	-	-	-	158	158
		61,611	16	-	-	337,023	398,650
Weighted average interest rate		4.07%	0.14%				

Notes to the Financial Statements

31 December 2006

40 Financial instruments (continued)							
Liabilities							
Payables	27	-	-	-	-	58,284	58,284
Deferred tax liabilities	17(c)	-	-	-	-	260	260
Interest bearing liabilities	28	9,541	-	-	-	-	9,541
		9,541	-	-	-	58,544	68,085
Weighted average interest rate		6.25%					
Net financial assets (liabilities)		52,070	16	-	-	278,479	330,565

(v) Credit risk

The RMIT Consolidated Entity has not obtained any collateral or other security for its financial assets. The credit risk on financial assets, excluding investments, of the RMIT Consolidated Entity which have been recognised on the Balance Sheet, is the carrying amount, net of any provision for doubtful debts. The RMIT Consolidated Entity minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties and by performing extensive due diligence procedures on major new customers.

(vi) 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	
		2006 \$'000	2005 \$'000
(viii) Reconciliation of net financial assets to net assets			
Net financial assets as above		389,849	330,565
Non-financial assets and liabilities			
Inventories	20	543	888
Other non-financial assets	26	4,436	3,500
Assets classified as held for sale	21	-	29,875
Property, plant and equipment	24	1,044,799	1,040,994
Intangible assets	25	46	2,140
Provisions	29	(356,293)	(375,188)
Other liabilities	30	(27,795)	(30,531)
Net assets per balance sheet		1,055,585	1,002,243

	2006		2005	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000

(viii) Net fair values

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	17,829	17,829	22,378	22,378
Deposits at call	18	71,511	71,511	18,736	18,736
Bills of exchange accepted or endorsed by banks	18	-	-	18,434	18,434
Foreign currency bank accounts	18	458	458	9	9
Trade and other receivables	19	358,858	358,858	331,897	331,897
Other financial assets					
Government and semi-government stocks and bonds	23	15	15	16	16
Available for sale financial assets	22	8,447	8,447	6,956	6,956
Unlisted shares in non-related companies	23	158	158	158	158
Deferred tax assets	17(c)	484	484	66	66
		457,760	457,760	398,650	398,650

Notes to the Financial Statements

31 December 2006

Financial Liabilities						
Trade and other payables	27	58,830	58,830	58,284	58,284	
Deferred tax liabilities	17(c)	256	256	260	260	
Interest bearing liabilities	28	8,825	8,825	9,541	9,541	
		67,911	67,911	68,085	68,085	

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.

41 Details of 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 1.03:

	Notes	Class of Shares	Place of Incorporation	Ownership		Shares Held		Net equity	
				2006	2005	2006	2005	2006	2005
				%	%	No.	No.	\$'000	\$'000
Controlled entities - corporate									
RMIT International Pty Ltd	(a)	Ordinary	Australia	100	100	200,002	200,002	(1,643)	350
RMIT Training Pty Ltd	(b)	Ordinary	Australia	100	100	502,000	502,000	5,034	3,416
RMIT Innovation Limited	(c)	Limited by guarantee	Australia	100	100	-	-	(651)	(718)
Spatial Vision Innovations Pty Ltd	(d)	Ordinary	Australia	49.73	49.73	102,000	102,000	631	444
RMIT (Malaysia) Sdn Bhd	(e)	Ordinary	Malaysia	100	100	235,000	235,000	3	3
RMIT Vietnam Holdings Pty Ltd	(f)	Ordinary	Australia	100	100	12	12	21,964	17,766
RMIT International University Vietnam	(g)	Vietnam investment licence	Vietnam	100	100	-	-	15,804	11,013
Meltech Services Ltd	(h)	Limited by guarantee	Australia	100	100	-	-	-	-
Controlled entities - other									
RMIT Union	(i)	Unincorporated body						10,990	15,520
RMIT Foundation	(j)	Unincorporated body						11,974	8,851
								64,106	56,645

(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 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 \$60 being six members with a liability limited to \$10 each.

(d) Spatial Vision Innovations Pty Ltd is a company incorporated under the Corporations Act 2001 with ordinary shares of 205,128 (2005 - 205,128) of \$1 each. The company is a subsidiary of RMIT Innovation Limited by virtue of its financial control and the power to appoint the board. RMIT Innovation Limited holds 49.73% (2005 - 49.73%) of equity in company.

(e) RMIT (Malaysia) Sdn. Bhd. is a company incorporated under the Malaysian Companies Act 1965 with issued share capital of 235,000 ordinary shares of RM1 each, which are held by RMIT. The company was placed into voluntary liquidation on 6 February 2004.

Notes to the Financial Statements

31 December 2006

- (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 to hold funds for distribution to operations at the RMIT International University Vietnam (RIUV) Campus and RMIT's investment in RIUV. 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 Union is an unincorporated body. Its principal purpose is to provide support services to RMIT students.
- (j) RMIT Foundation is a trust. Its principal purpose is to raise funds, provide grants to RMIT for the conduct of research, construction of teaching facilities, provide for scholarships and to engage visiting scholars.

	Note	Commonwealth Grants Scheme#		Indigenous Support Fund		Equity Programmes*		Workplace Reform Programme	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
42 Acquittal of Commonwealth Government financial assistance									
42.1 DEST – Teaching and Learning									
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)		114,591	109,586	185	149	375	436	1,516	1,473
Net accrual adjustments		1,071	(544)	-	-	-	-	-	-
Revenue for the period	3(a)	115,662	109,042	185	149	375	436	1,516	1,473
Accrual surplus from the previous year		-	-	-	-	137	38	-	-
Total accrual revenue		115,662	109,042	185	149	512	474	1,516	1,473
Less accrual expenses		115,662	109,042	185	149	441	337	1,516	1,473
Accrual surplus for reporting period		-	-	-	-	71	137	-	-

Includes the basic Commonwealth Grant Scheme (CGS) grant amount, CGS–Regional Loading and CGS–Enabling loading

* Includes Higher Education Equity Program and students with Disabilities Program

Parent entity (HEP) ONLY

	Note	Capital Development Pool		Superannuation Programme		Collaboration & Structural Reform Programme		Total	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
DEST – Teaching and Learning (Continued)									
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)		1,157	1,571	19,374	20,617	465	207	137,663	134,039
Net accrual adjustments		-	-	(483)	(1,799)	-	-	588	(2,343)
Revenue for the period	3(a)	1,157	1,571	18,891	18,818	465	207	138,251	131,696
Accrual surplus from the previous year		865	-	-	-	-	-	1,002	38
Total accrual revenue		2,022	1,571	18,891	18,818	465	207	139,253	131,734
Less accrual expenses		1,693	706	18,891	18,818	57	144	138,445	130,669
Accrual surplus for reporting period		329	865	-	-	408	63	808	1,065

Notes to the Financial Statements

31 December 2006

Parent entity (HEP) ONLY						
HECS-HELP (Australian Government payments only)						
Note	2006		2005		Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
42.2 Higher Education Loan Programmes						
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	63,813	58,374	13,595	14,489	77,408	72,863
Net accrual adjustments	1,002	(2,504)	1,012	(2,048)	2,014	(4,552)
Revenue for the period	3(b)	64,815	55,870	14,607	12,441	79,422
Accrual surplus from the previous year	-	-	-	-	-	-
Total accrual revenue		64,815	55,870	14,607	12,441	79,422
Less accrual expenses		64,815	55,870	14,607	12,441	68,311
Accrual surplus for reporting period		-	-	-	-	-

* For 2004, FEE-HELP figures will equal PELS and BOTPLS amounts

Parent entity (HEP) ONLY						
Note	Australian Postgraduate Awards		International Postgraduate Research Scholarship		Commonwealth Education Costs Scholarships	
	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
42 Acquittal of Commonwealth Government financial assistance (continued)						
42.3 Scholarships						
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	2,509	2,170	359	290	661	388
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	3(c)	2,509	2,170	359	290	661
Accrual surplus from the previous year	663	941	69	247	1,188	1,188
Total accrual revenue		3,172	3,111	428	537	1,849
Less accrual expenses		4,125	2,448	636	468	388
Accrual surplus for reporting period		(953)	663	(208)	69	1,188

Parent entity (HEP) ONLY				
Note	Commonwealth Accommodation Scholarships		Total	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
42.3 Scholarships (continued)				
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	1,049	788	4,578	3,636
Net accrual adjustments	-	-	-	-
Revenue for the period	3(c)	1,049	788	4,578
Accrual surplus from the previous year	4	-	1,924	2,376
Total accrual revenue		1,053	788	6,502
Less accrual expenses		995	784	6,398
Accrual surplus for reporting period		58	4	1,924

Notes to the Financial Statements

31 December 2006

Parent entity (HEP) ONLY									
	Note	Institutional Grants Scheme		Research Training Scheme		Research Infrastructure Block Grants		Total	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
42.4 DEST Research									
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)		5,477	5,231	13,263	12,636	1,621	1,231	20,361	19,098
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(d)	5,477	5,231	13,263	12,636	1,621	1,231	20,361	19,098
Accrual surplus from the previous year		-	-	-	-	246	753	246	753
Total accrual revenue		5,477	5,231	13,263	12,636	1,867	1,984	20,607	19,851
Less accrual expenses		5,477	5,231	13,263	12,636	1,659	1,738	20,399	19,605
Accrual surplus for reporting period		-	-	-	-	208	246	208	246

Parent entity (HEP) ONLY			
	Note	2006 \$'000	2005 \$'000
42 Acquittal of Commonwealth Government financial assistance (continued)			
42.5 Australian Research Council Grants			
(a) Discovery			
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)		2,317	1,948
Net accrual adjustments		-	-
Revenue for the period	3(e)(i)	2,317	1,948
Accrual surplus from the previous year		880	509
Total accrual revenue		3,197	2,457
Less accrual expenses		2,143	1,577
Accrual surplus for reporting period		1,054	880

Parent entity (HEP) ONLY											
	Note	Special Research Initiatives		Linkage International		Infrastructure		Projects		Total	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
42.5 Australian Research Council Grants											
(b) Linkages											
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)		58	57	75	-	-	110	3,820	3,315	3,953	3,482
Net accrual adjustments		-	-	-	-	-	-	53	-	53	-
Revenue for the period	3(e)(ii)	58	57	75	-	-	110	3,873	3,315	4,006	3,482
Accrual surplus from the previous year		147	90	-	-	110	-	1,445	1,241	1,702	1,331
Total accrual revenue		205	147	75	-	110	110	5,318	4,556	5,708	4,813
Less accrual expenses		154	-	-	-	110	-	3,671	3,111	3,935	3,111
Accrual surplus for reporting period		51	147	75	-	-	110	1,647	1,445	1,773	1,702

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
43 Remuneration of auditors					
Auditing or reviewing the financial reports of the entity or any entity in the consolidated entity					
Auditor-General of Victoria		266	268	227	171
Total accounting and auditing services		266	268	227	171

44 Responsible persons and executive officers

(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 Ministers for the period 1 January 2006 to 31 December 2006.

The Hon. Lynne Kosky MP - 1 January 2006 to 10 December 2006

Ms Jacinta Allan MP - 11 December 2006 to 31 December 2006

Remuneration of the Ministers is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Member's 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

NAME

Awcock, F.

Ballagh, A.

Coloe, P.

Dalton, A.

Francis, T.

Gardner, M.

Gibson, R. D.

Gilmour, J.

Lampe, G. Term expired 31.12.2006

Lever, R.

Lilburne A Term expired 31.12.2006

NAME

Lupton R

Messimeri-Kianidis V.

Nieuwenhuysen, J.

Pekarek, H

Rajalingam D Term expired 31.12.2006

Robinson, N.

Schulze, M

Simonetto, C.

Tappenden, T.

Varcoe - Cocks, J. Resigned 31.12.2006

Young, D.

(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:

\$ 0

Less than \$10,000

\$ 10,000 - \$ 19,999

\$ 20,000 - \$ 29,999

\$ 30,000 - \$ 39,999

\$ 40,000 - \$ 49,999

\$ 60,000 - \$ 69,999

\$ 70,000 - \$ 79,999

\$ 80,000 - \$ 89,999

\$ 90,000 - \$ 99,999

\$100,000 - \$109,999

\$110,000 - \$119,999

	2,704	3,660	1,039	1,225
	2006 No.	2005 No.	2006 No.	2005 No.
\$ 0	6	2	5	2
Less than \$10,000	9	6	6	-
\$ 10,000 - \$ 19,999	7	17	7	13
\$ 20,000 - \$ 29,999	-	2	-	-
\$ 30,000 - \$ 39,999	-	1	-	-
\$ 40,000 - \$ 49,999	1	-	1	-
\$ 60,000 - \$ 69,999	-	1	-	1
\$ 70,000 - \$ 79,999	-	1	-	1
\$ 80,000 - \$ 89,999	-	2	-	1
\$ 90,000 - \$ 99,999	1	3	-	2
\$100,000 - \$109,999	1	1	-	-
\$110,000 - \$119,999	-	1	-	-

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
44 Responsible persons and executive officers					
\$140,000 - \$149,999		-	3	-	1
\$160,000 - \$169,999		-	1	-	1
\$170,000 - \$179,999		2	-	2	-
\$210,000 - \$219,999		-	1	-	-
\$250,000 - \$259,999		-	1	-	-
\$270,000 - \$279,999		1	-	-	-
\$310,000 - \$319,999		-	2	-	1
\$370,000 - \$379,999		-	1	-	-
\$410,000 - \$419,999		1	-	-	-
\$430,000 - \$439,999		-	1	-	-
\$500,000 - \$509,999		1	-	1	-
		30	47	22	23
(c) Executive Officers Remuneration					
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		3,155	3,797	1,802	2,354
Total remuneration of executive officers		3,724	5,531	2,175	3,796
The number of executive officers whose total remuneration was within the following bands:		2006 No.	2005 No.	2006 No.	2005 No.
\$100,000 - \$109,999		1	-	-	-
\$110,000 - \$119,999		1	1	-	-
\$120,000 - \$129,999		-	2	-	-
\$130,000 - \$139,999		-	2	-	-
\$140,000 - \$149,999		-	2	-	-
\$150,000 - \$159,999		2	-	-	-
\$160,000 - \$169,999		-	1	-	1
\$170,000 - \$179,999		-	1	-	-
\$180,000 - \$189,999		2	-	-	-
\$200,000 - \$209,999		-	1	-	-
\$210,000 - \$219,999		-	1	-	1
\$220,000 - \$229,999		1	3	-	3
\$230,000 - \$239,999		-	2	-	2
\$240,000 - \$249,999		-	1	-	1
\$250,000 - \$259,999		4	1	4	1
\$260,000 - \$269,999		2	-	2	-
\$270,000 - \$279,999		1	-	1	-
\$280,000 - \$289,000		-	1	-	1
\$310,000 - \$319,999		-	2	-	1
\$340,000 - \$349,999		1	-	1	-
\$410,000 - \$419,999		1	-	-	-
\$440,000 - \$449,999		-	1	-	1
\$730,000 - \$739,999		-	1	-	1
		16	23	8	13
The number of executive officers whose income was less than \$100,000.		-	2	-	2
Remuneration of executive officers also includes annual leave, long service leave and termination payments made during the period.					

Notes to the Financial Statements

31 December 2006

		CONSOLIDATED		RMIT	
		2006	2005	2006	2005
Note		\$'000	\$'000	\$'000	\$'000
45	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 44.				
	(b) Controlled entities				
	Interests in subsidiaries are set out in note 41.				
	(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	913	7,005	9,798
	- Fees and charges	-	-	4,238	5,451
	- Donations and bequests	-	1,799	1,969	567
	- Interest income	-	-	1,214	706
	- Rental income	-	-	752	754
	Purchase of services				
	- Marketing expenses	-	-	5,344	9,504
	- Grants, scholarships and prizes	-	1,799	6,637	6,618
	- Consulting services	262	913	778	550
	- Rental expense	-	-	752	754
	- Interest expense	-	-	1,070	706
	Investment of capital	5,902	2,591	-	-
	Loans to related parties				
	Loans advanced by:				
	Subsidiaries	-	-	-	2,927
	Loans repayments to:				
	Subsidiaries	-	-	382	-
	Interest expense				
	RMIT	-	-	1,070	706
	(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:				

Notes to the Financial Statements

31 December 2006

	Note	CONSOLIDATED		RMIT	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Current Receivables					
Subsidiaries		-	-	10,703	9,222
Current Payables					
Subsidiaries		-	-	-	7,836
Interest bearing liabilities					
Subsidiaries		-	-	21,156	13,724
An allowance for impairment has been raised in relation to outstanding balances of current receivables		-	-	2,391	711
(f) Forgiveness of debts					
As part of the sale transaction for the sale of Inquirion Pty.Ltd.RMIT forgave a receivable as part of the sale agreement	-	-	-	-	2,210
(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 5.6% (2005 - 5.5%).					
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.					
46 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	9,367	5,404	9,178
Enrolment fee		3,894	3,596	3,894	3,596
		9,886	12,963	9,298	12,774
Distribution of fees by way of grants to:					
Student Union Council		2,080	3,421	2,080	3,421
RMIT Union		3,172	5,451	3,172	5,451
RMIT Teaching Departments		4,467	3,785	3,879	3,596
RMIT Student Services		167	306	167	306
		9,886	12,963	9,298	12,774

Balance Sheet for the years 2006 to 2002 inclusive

	Consolidated					RMIT				
	AIFRS			AGAAP		AIFRS			AGAAP	
	2006	2005	2004	2003	2002	2006	2005	2004	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current assets										
Cash and cash equivalents	89,798	59,557	32,107	30,062	57,543	59,006	31,814	6,699	2,769	21,152
Trade and other receivables	88,349	46,434	42,713	53,356	44,117	90,354	49,380	47,438	55,924	45,630
Inventories	543	888	989	1,059	1,056	-	-	-	-	-
Assets classified as held for sale	-	29,875	-	-	-	-	29,875	-	-	-
Other Financial Assets	-	-	-	-	1,014	-	-	-	-	1,014
Other non-financial assets	4,436	3,500	3,518	5,677	2,854	3,908	2,947	3,042	2,752	2,737
Total current assets	183,126	140,254	79,327	90,154	106,584	153,268	114,016	57,179	61,445	70,533
Non-current assets										
Trade and other receivables	270,509	285,463	254,502	220,665	231,478	270,509	285,463	254,502	223,477	234,290
Available for sale financial assets through equity	8,447	6,956	-	-	-	-	-	-	-	-
Other financial assets	173	174	5,729	4,412	3,785	823	822	934	934	1,930
Property, plant and equipment	1,044,799	1,040,994	1,047,165	1,022,067	995,995	1,030,443	1,021,486	1,031,464	1,014,890	988,133
Deferred tax asset	484	66	-	-	-	387	-	-	-	-
Intangible assets	46	2,140	2,172	1,450	1,887	-	2,093	1,225	-	11
Other non-financial assets	-	-	332	54	43	-	-	-	-	-
Total non-current assets	1,324,458	1,335,793	1,309,900	1,248,648	1,233,188	1,302,162	1,309,864	1,288,125	1,239,301	1,224,364
Total assets	1,507,584	1,476,047	1,389,227	1,338,802	1,339,772	1,455,430	1,423,880	1,345,304	1,300,746	1,294,897
LIABILITIES										
Current liabilities										
Trade and other payables	58,830	58,284	45,836	28,130	27,814	48,040	51,571	40,898	24,591	22,132
Interest bearing liabilities	-	-	3,582	3,680	15,000	21,156	13,724	15,323	3,680	15,000
Finance lease liabilities	-	-	-	-	4	-	-	-	-	-
Provisions	81,826	89,064	43,589	39,055	48,996	80,497	87,516	41,470	37,501	47,626
Current tax liabilities	224	239	-	-	-	130	239	-	-	-
Other liabilities	27,795	30,531	22,856	24,520	25,925	17,280	22,016	18,238	19,679	21,221
Total current liabilities	168,675	178,118	115,863	95,385	117,739	167,103	175,066	115,929	85,451	105,979
Non-current liabilities										
Trade and other payables	-	-	-	-	26	-	-	-	10,527	13,567
Interest bearing liabilities	8,825	9,541	8,986	3,500	35,000	-	-	-	3,500	35,000
Finance lease liabilities	-	-	-	-	10	-	-	-	-	-
Provisions	274,467	286,124	299,299	263,906	265,088	274,174	284,800	298,086	263,179	264,363
Deferred tax liabilities	32	21	-	-	-	-	-	-	-	-
Total non-current liabilities	283,324	295,686	308,285	267,406	300,124	274,174	284,800	298,086	277,206	312,930
Total liabilities	451,999	473,804	424,148	362,791	417,863	441,277	459,866	414,015	362,657	418,909
Net assets	1,055,585	1,002,243	965,079	976,011	921,909	1,014,153	964,014	931,289	938,089	875,988
Equity										
RMIT entity interest										
Reserves	547,281	557,548	546,553	641,280	617,890	501,497	510,154	500,672	345,311	566,397
Accumulated funds	507,925	444,462	418,407	334,699	304,089	512,656	453,860	430,617	592,778	309,591
Total RMIT entity interest	1,055,206	1,002,010	964,960	975,979	921,979	1,014,153	964,014	931,289	938,089	875,988
Outside equity interest in controlled entities	379	233	119	32	(70)	-	-	-	-	-
Total equity	1,055,585	1,002,243	965,079	976,011	921,909	1,014,153	964,014	931,289	938,089	875,988

Income Statement for the years 2006 to 2002 inclusive

	Consolidated					RMIT				
	AIFRS			AGAAP		AIFRS			AGAAP	
	2006	2005	2004	2003	2002	2006	2005	2004	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from continuing operations										
Australian Government financial assistance										
Australian Government grants	170,468	160,587	138,685	145,307	135,858	170,468	160,587	138,685	145,307	135,858
HECS-HELP – Australian Government payments	64,815	55,870	47,817	63,316	53,070	64,815	55,870	47,817	63,316	53,070
FEE-HELP	14,607	12,441	10,659	8,250	5,277	14,607	12,441	10,659	8,250	5,277
State and local Government financial assistance	65,235	60,042	59,246	67,168	65,948	65,235	60,042	59,213	67,168	65,948
HECS-HELP – Student payments	12,769	11,452	8,331	8,148	8,180	12,769	11,452	8,331	8,148	8,180
Fees and charges	206,592	187,977	174,169	175,627	170,626	182,434	170,729	160,816	162,763	160,112
Investment income	5,342	4,034	1,463	2,113	1,857	3,745	2,906	809	842	401
Consultancy and contract research	37,959	39,091	41,187	42,956	17,567	24,988	23,103	25,720	27,212	17,567
Other revenue	31,892	29,722	24,329	50,698	79,454	14,639	13,595	10,687	31,900	31,834
	609,679	561,216	505,886	563,583	537,837	553,700	510,725	462,737	514,906	478,247
Deferred government superannuation contributions	(14,851)	29,466	35,837	10,813	3,116	(14,851)	29,466	35,837	10,813	3,116
Total revenue from continuing operations	594,828	590,682	541,723	574,396	540,953	538,849	540,191	498,574	525,719	481,363
Expenses from continuing operations										
Employee benefits and on costs	343,691	344,301	340,179	321,486	315,193	316,316	319,332	316,830	298,729	297,853
Depreciation and amortisation	28,131	26,506	26,561	27,771	27,800	25,302	23,574	24,037	24,055	24,461
Repairs and maintenance	15,937	13,558	14,562	11,293	18,989	15,578	13,157	14,112	10,929	17,954
Finance costs	22	914	397	965	2,422	446	973	882	964	2,017
Bad and doubtful debts	976	1,255	(229)	11,870	3,189	1,451	1,309	(242)	11,767	3,848
Other expenses	164,482	146,432	149,716	158,274	170,488	143,156	129,456	132,004	131,523	149,335
	553,239	532,966	531,186	531,659	538,081	502,249	487,801	487,623	477,967	495,468
Deferred employee benefits for superannuation	(14,851)	29,466	35,837	10,813	3,116	(14,851)	29,466	35,837	10,813	3,116
Total expenses from continuing operations	538,388	562,432	567,023	542,472	541,197	487,398	517,267	523,460	488,780	498,584
Operating result before income tax	56,440	28,250	(25,300)	31,924	(244)	51,451	22,924	(24,886)	36,939	(17,221)
Income tax expense (benefit)	1,437	(543)	1,154	298	587	1,312	(319)	742	339	509
Operating result from continuing operations	55,003	28,793	(26,454)	31,626	(831)	50,139	23,243	(25,628)	36,600	(17,730)
Net operating result attributable to minority interest	(146)	(115)	(92)	(102)	183	-	-	-	-	-
Net operating result attributed to RMIT entity	54,857	28,678	(26,546)	31,524	(648)	50,139	23,243	(25,628)	36,600	(17,730)

MISSION

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.

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