



2000 annual report

Introduction



Report of the RMIT Council
for the period 1 January to 31 December 2000

To the Honourable Lynne Kosky MP,
Minister for Post-Compulsory Education, Training and Employment

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, the Council of the Royal Melbourne Institute of Technology (RMIT University) has the honour to transmit to you its annual report for the year ended 31 December 2000.

A handwritten signature in black ink, appearing to read 'D.P. Mercer', with a horizontal line underneath.

Don Mercer
Chancellor
30 March 2001

Introduction

Officially, RMIT has had four names since it was established as the Working Men's College in 1887: it was renamed the Melbourne Technical College (1934), the Royal Melbourne Technical College (1954) and the Royal Melbourne Institute of Technology (1960).

In 1993 the Melbourne College of Decoration and Design combined with RMIT's Faculty of Art and Design to create the TAFE (Technical and Further Education system) School of Design. RMIT merged with Melbourne College of Printing and Graphic Art (MCPGA) in 1995 and with the Melbourne Institute of Textiles (MIText) in 1999.

RMIT was granted university status on 1 July 1992 under the *Royal Melbourne Institute of Technology Act 1992*, when it also merged with the Phillip Institute of Technology. The university is responsible to the Minister for Post-Compulsory Education, Training and Employment.

This report is to be read in conjunction with the executive summary (color) section.

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Corporate governance

The University Council, its committees and the university's senior management team have overall responsibility for:

- ▶ strategic goals and directions;
- ▶ professional, responsible and ethical management practices;
- ▶ sustainable development of physical, human and organisational resources.

This 'Corporate Governance' section of this report describes the role of the University Council and its committees.

The 'Operational Objectives' section outlines RMIT's strategic directions and progress during 2000 towards its goals. It describes management practices and human resources policies that are directly related to corporate governance. These include a code of ethics for the university's staff and operations, and processes for resolving staff grievances and student complaints.

The 'Financial Statements' section includes information about financial management, auditing, directors' responsibilities and interests.

University Council

The university is governed by a Council which consists of:

- ▶ the Chancellor;
- ▶ the Vice-Chancellor and President;
- ▶ a person appointed by the Academic Board;
- ▶ a person appointed by the Board of Technical Studies;
- ▶ 4 to 6 elected staff members;
- ▶ 1 to 2 elected students;
- ▶ the President of the Student Union;
- ▶ 3 people appointed by the Governor-in-Council who are members of the Parliament of Victoria recommended for appointment by a joint sitting of the members of the Legislative Council and the Legislative Assembly;
- ▶ 6 to 8 people appointed by the Governor-in-Council;
- ▶ one person appointed by the Minister;
- ▶ 6 to 9 people appointed by the Council.

Council members participate in the formulation of policy and monitoring of the university's performance. The Council appoints the Vice-Chancellor, Deputy Vice-Chancellors, Pro Vice-Chancellors and Deans of faculties.

Declarations of pecuniary interests have been duly completed by all relevant officers. No senior officer holds

shares as nominee or held beneficially in a statutory authority or subsidiary. Members of Council do not hold shares in RMIT (RMIT does not distribute shares) or in related companies. Council members do not receive remuneration for being Council members. RMIT does not make loans to any councillor or related parties of councillors.

Council members in 2000

Mr Chris Anderson

BA (Hons) Monash
Elected by students

Professor David Beanland

BE, MSc Melb, PhD Salf, ASwTC, TTC, FTSE, FIE Aust, FIREE (Aust)
Vice-Chancellor and President
Ex officio
Retired 30 September 2000

Dr John Burgess

BE, ME Ncle, PhD Edin, DEng Ncle, FTSE, FIE Aust, FICLE
Corporate General Manager, Safety Environment and Research, BHP
Appointed by RMIT University Council

Ms Heather Carmody

Grad Dip Org Change and Dev RMIT, Grad Dip Hlth Sci Curtin, BSoc Sci Curtin, A/ship in Social Sciences
Director, World Competitive Practices
Appointed by the Governor-in-Council

Professor Peter Coloe

BSc (Hons) Monash, PhD Monash, FASM
Head, Department of Applied Biology and Biotechnology
Chair, Academic Board
Ex officio
From 7 August 2000

Ms Colleen Coutts

Grad Dip IR, RMIT
Faculty Executive Officer, Faculty of Life Sciences
Elected by the general staff

Mrs Evelyn Danos

BSc, LLB Monash
Director, James Richardson Corporation Pty Ltd
Appointed by the Governor-in-Council

Professor Ruth Dunkin

BA (Hons) Melb, Grad Dip Mgmt CIAE, MPubAd Harv, PhD Melb
Vice-Chancellor and President
Ex officio
From 2 October 2000

Dr Robert Frater

BSc, BEd, PhD, DScEng Syd
Vice President for Innovation, ResMed Ltd
Appointed by the Governor-in-Council

Ms Eli Giannini

BArch RMIT, MArch RMIT
Director, McGauran Soon Pty Ltd, Architects
Appointed by the Governor-in-Council

Associate Professor Grant Hannan

BA (Hons) Tas, MA Qld, Dip Hist Art Edin
Head, Department of Fine Art, Faculty of Art, Design and
Communication
Elected by the academic staff (higher education sector)

Mr Ross Hepburn

BE Melb, MAdmin Monash
Director, Alora Aberdeen Hire Service
Appointed by RMIT University Council
Treasurer

Ms Sue Johnston

BA Melb, DipEd Monash, BEd LaT, DipLond Film School
Video and Multimedia Manager, Educational Program
Improvement Group
Elected by the academic staff (TAFE sector)

Mr Don Mercer

BSc (Hons) St Andrews, MEd Manchester
Elected by the RMIT University Council
Chancellor

Mr John Mitcham

DipAppChem, Cert M'ment RMIT
Retired Director and General Manager, Manufacturing
Division, Kodak (Australasia) Pty Ltd
Appointed by the RMIT University Council

Mr John Pascoe

BArts (Hons) Monash, TPTC
Director of Schools, Department of Education
Appointed by the Minister
Resigned 11 January 2000

Mr Garry Ringwood

BCom NSW, FSCPA
Executive Director, Executive Interim Management
Appointed by the Governor-in-Council
Deputy Chancellor

Professor Terry Roberts

BAppSci Vic, MSc Oxon, FRSA
Dean, Faculty of Applied Science
Chair, Academic Board
Ex officio
Retired 26 June 2000

Mr Rick Ryan

Elected by students

Mr Ian Sapwell

ARMIT, TTRIC, MIREE (Aust)
Deputy Dean, Faculty of Art, Design and Communication
Chair, Board of Technical Studies
Ex officio

Mr Peter Summers

BA (UWA)
Consultant
Appointed by the Minister
From 5 March 2000

Mr Peter Thomas

BCom Melb, MAICD
Company Director
Appointed by the RMIT University Council

Ms Jane Tongs

BBus (Accounting) RMIT, MBA Melb, ICA, ICD
Company Director
Appointed by the Governor-in-Council
Deputy Chancellor

Ms Jenny Varcoe-Cocks

Dip Bus Studies (VUT)
Consultant
Appointed by the RMIT University Council

Dr Max White

BSc Hons UNSW, MS Lowell, MBA RMIT, PhD Leeds
General Manager, Supertex Industries
Appointed by the RMIT University Council
Resigned 1 March 2000

Dr Roland Williams

BSc, PhD Birm, ChE (UK), MChE (UK), CIGE (UK)
Chair, Australian Magnesium Corporation Ltd
Appointed by RMIT University Council

Secretary: Mr M David Knight, BA(Hons) Melb

Corporate governance

Major committees

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee was established by the University Council to monitor and oversee all audit controls and risk management and all associated policies and procedures. The committee:

- ▶ reviews and approves internal audit arrangements and receives regular reports on internal audit activities;
- ▶ considers the annual financial statements in the light of any comments from the Auditor-General's agent and the Auditor-General's representative, and recommends to Council their adoption;
- ▶ reviews and approves processes and procedures to identify and monitor financial and non-financial risks to the university;
- ▶ receives regular reports on the university's risk management activities;
- ▶ considers any matters having a significant impact on the university's audit and risk management functions and makes appropriate recommendations to the University Council, taking account of activities of other council committees, or to the Vice-Chancellor;
- ▶ considers any appropriate matters referred to it by the University Council or the Vice-Chancellor.

The Audit and Risk Management Committee is a standing committee of the University Council. In 2000 its membership comprised the Chancellor, Vice-Chancellor, three external members of the University Council and two external experts. It was chaired by the Deputy Chancellor, and University Council member, Ms Jane Tongs.

Each year the Audit and Risk Management Committee considers the report of the Auditor-General prior to making recommendations to University Council concerning adoption of the university's annual financial statements. On receipt of the 1999 financial statements, the committee reviewed issues with respect to the interpretation of a new accounting standard for the treatment of grants received in advance, and the accounting treatment of an unfunded Commonwealth superannuation liability. The committee recommended the adoption of the statements. The committee received regular reports on internal audit activities and on the issues arising. Where appropriate, members advised on follow-up actions additional to those already being done. The committee monitored the

implementation of long-term strategic changes arising from previous audits. The committee received reports on Internal Audit's role in monitoring initiatives such as the implementation of the SAP system and the adaptation of accounting systems to the goods and services tax introduced in 2000.

In preparation for 2001, the committee reviewed the internal audit program planned for the period 2001 to 2003. Certain reviews were brought forward to reflect strategic priorities, following which the committee endorsed the program. The committee oversaw a review of options for developing a risk management framework for the university. The goal is to embed risk management into the existing strategic planning and quality processes of the university. Work on this initiative will continue in 2001.

FINANCE AND MAJOR INITIATIVES COMMITTEE

The purpose of this committee is to receive and review the university's annual budget and to recommend its adoption by the University Council. The committee:

- ▶ receives and reviews regular financial reports;
- ▶ reports to Council on the financial situation of the university;
- ▶ receives and reviews policies with regard to investment funds and monitors their effectiveness;
- ▶ receives and reviews the capital program budget and recommends its adoption to Council;
- ▶ advises Council on major initiatives and projects that involve a significant financial commitment and/or a significant non-financial risk;
- ▶ monitors the progress of major programs, initiatives and projects and advises Council of any emerging significant issues.

In 2000 the following areas of university activity were brought to the attention of the Finance and Major Initiatives Committee for its consideration, comment and recommendation as required:

- ▶ Regular finance reports prepared by Financial Services;
- ▶ Budget settings and issues for 2001 prepared by Financial Services;
- ▶ Work in progress relating to RMIT International University Vietnam;
- ▶ Work in progress relating to the RMIT Technology Estate;

- ▶ Acquisition of a replacement Academic Management System, including the letting of a contract to implement the Peoplesoft product for the AMS, with Advanced Strategic Technologies Pty Ltd identified as the implementation partner;
- ▶ Regular reports prepared by Property Services on the status of major building projects and related initiatives within the university;
- ▶ CUB student housing project and the sports and recreation centre, within the framework of the university's strategic facilities plan, itself concerned to align the development of physical resources with the university's broad strategic plan.

HUMAN RESEARCH ETHICS COMMITTEE

The primary role of the Human Research Ethics Committee is to protect the welfare and rights of participants in research. The committee ensures that research proposals conform to the principles laid down in the *National Health and Medical Research Council's National Statement on Ethical Conduct in Research Involving Humans* 1999.

The Human Research Ethics Committee:

- ▶ Considers ethical implications of all proposed research projects involving humans and determines whether or not they are acceptable on ethical grounds;
- ▶ Provides for monitoring, until completion, of research projects involving humans so that the committee may be satisfied that they continue to conform with approved ethical standards;
- ▶ Maintains a record of all the research projects involving humans which are considered, in accordance with the requirements of the *National Statement on Ethical Conduct in Research Involving Humans*. The protocols of research proposals are preserved in the form in which they are approved;
- ▶ Maintains communication with the National Health and Medical Research Council's Australian Health Ethics Committee and provides access, upon their request, to information in the institutional ethics committee's records.

The Human Research Ethics Committee is accountable to the University Council and to the National Health and Medical Research Council through the Australian Health Ethics Committee.

No research by RMIT staff or students involving humans as subjects will be allowed to be conducted unless that experimentation has the prior written approval of the Human Research Ethics Committee or, where appropriate, the Faculty Human Research Ethics Sub-Committee. Researchers from other institutions wishing to conduct research involving people at RMIT must also seek prior approval from the RMIT Human Research Ethics Committee. When requested by the Pro Vice-Chancellor (Research and Development), the Human Research Ethics Committee will review a project proposal from a non-affiliated researcher.

The *National Health and Medical Research Council (NH&MRC) Act* 1992 requires that the Australian Health Ethics Committee develop guidelines for the ethical conduct of research involving humans. It is a requirement of these guidelines that organisations such as RMIT establish an institutional ethics committee. The work of the RMIT Human Research Ethics Committee is monitored

Human ethics research, listed by department, July 1999 to June 2000	
	At-risk projects approved
Faculty of Biomedical and Health Sciences and Nursing	
Applied Biology and Biotechnology	3
Chiropractic, Osteopathy and Complementary Medicine	3
Human Biology and Movement Science	10
Medical Laboratory Science	1
Medical Radiations Science	1
Nursing and Public Health	3
Faculty of Applied Science	
Food Science	1
Psychology and Intellectual Disability Studies	7
Faculty of the Constructed Environment	
Social Science and Planning	1
Other	
Survey	1
Total for reporting period July 1999 to June 2000	31

Corporate governance

by the Australian Health Ethics Committee by way of an annual report to that body.

The committee operates under the *National Statement on Ethical Conduct in Research Involving Humans* 1999. This document is issued by the National Health and Medical Research Council with endorsements by the Australian Vice-Chancellors' Committee, the Australian Research Council and some of the learned academies. It replaces earlier guidelines issued in 1992 and is more detailed and broader in scope. It recognises that ethical issues arise in many areas of research using people as subjects, and not simply, for example, in biomedical research.

The wider focus of the new statement has given useful guidance to the RMIT committee. The research considered by the committee ranges from exercise physiology, influenza vaccine studies and investigations in complementary medicine to a diverse range of psychological, social and educational studies.

Early in 2000 the committee finalised revisions to its terms of reference and procedures documents in response to detailed requirements in the new National Statement. These were approved by the University Council on 1 May 2000.

In the Australian Health Ethics Committee reporting period of July 1999 to June 2000, the RMIT committee met 10 times. It considered at-risk proposals and approved thirty-one. The committee endorsed the approval of 79 minimal-risk projects by various faculty sub-committees.

In the course of its deliberations the committee must satisfy itself that the research method is adequate and that its objectives justify any risk or discomfort to participants. It ensures that investigators have made contingency plans in case a participant becomes distressed or shows unexpected symptoms.

The committee appraises the information to be given to participants to make sure it is fair and sufficient for informed consent. A further aspect is ensuring that people's privacy is respected in the recruitment of participants and in the implementation and documentation of the research.

While the prime objective must be the welfare of participants, the committee also has regard for the safety of researchers and the reputation of the university.

The committee must also take account of some requirements of State legislation and ensure that information is disseminated to researchers whose work may fall within these provisions.

In Victoria, the Radiation Advisory Committee must approve planned research involving ionising radiation after the Human Research Ethics Committee approves it. This means that research using X-rays, DEXA or radioactive tracer must be planned with additional lead-time to allow for the extra approvals before data collection can begin.

Recent amendments to the *Guardianship Act* require that consent be sought from the guardianship list of the Victorian Civil and Administrative Appeals Tribunal for certain types of research involving adults with disabilities which render them incapable of exercising informed consent. This may affect some research at RMIT University involving people with intellectual disabilities where previously investigators obtained consent from next-of-kin.

Many people involved in the committee and sub-committees spend considerable time advising individual applicants on the issues and safeguards to be addressed in planning their research. Early in 2000 the Faculty of Biomedical and Health Sciences and Nursing (now the Faculty of Life Sciences) sponsored a seminar on human research ethics issues with a number of expert speakers. Plans have been made for a contribution to the university's training program for research supervisors.

The *Human Research Ethics Committee Information Package* is updated annually.

The committee monitors the projects it has approved by requiring the immediate reporting of any adverse events or unforeseen situations which have ethical implications. The principal investigators of all approved projects are required to submit annual reports on relevant aspects of their investigation.

Consent forms and plain-language statements have a recourse footnote with contact details should any participants have concerns about how they were treated. During 2000 no complaints were received from participants with regard to research conducted at RMIT.

MEMBERSHIP COMMITTEE

The purpose of this committee is to recommend to University Council the persons to be appointed by the Council. The committee recommends—through the Vice-Chancellor to the Minister for Post-Compulsory Education, Training and Employment—the names of persons for consideration for appointment by the Governor-in-Council.

Following a recruitment process endorsed by the University Council, the committee recommends to Council a person to be elected Chancellor of the university.

The Membership Committee met once in 2000 and at that meeting discussed vacancies on Council for 2001 and made recommendations to Council and to the Vice-Chancellor for filling them. In the course of the discussion, the committee considered again the most suitable composition of external members for Council.

REMUNERATION COMMITTEE

This committee determines the remuneration policies and procedures for all categories of staff in the university as well as the remuneration for members of executive staff of the university. This committee resolves matters relating to the employment of members of the Vice-Chancellor's Executive Team.

The Remuneration Committee met regularly throughout 2000, dealing with remuneration matters affecting executive staff. A significant activity was dealing with issues around the appointment of the new Vice-Chancellor.

PLANNING, QUALITY AND PERFORMANCE COMMITTEE

The purpose of this committee is to receive and review the *Strategic Plan* and recommend it to the University Council. The committee:

- ▶ Monitors the development of the profile, the *Strategic Plan* and other planning processes;
- ▶ Monitors the performance of the university and its various sections and the implementation and integration of quality improvement strategies and processes throughout the organisation;
- ▶ Reports to University Council regularly on key issues relating to planning, quality and performance within the university;
- ▶ Is a source of advice to the Vice-Chancellor on key issues relating to planning, quality and performance within the university;
- ▶ Acts on delegation from Council.

In 2000 the following areas of university activity were brought to the attention of the Planning, Quality and Performance Committee for its consideration, comment and recommendation as required:

- ▶ Implementation of strategic frameworks and performance reporting, in light of recommendations for the integration of the Australian Business Excellence Framework and Balanced Scorecard to assist in performance reporting and evaluation within the university;

- ▶ The university's involvement with the International Standards Organisation (ISO) quality system as part of the university's approach to quality management;
- ▶ Development of the Information Technology Alignment Project, with special reference to business process reengineering within the university;
- ▶ University enrolments and related monitoring of achievement of enrolment targets;
- ▶ Identification by the Planning and Quality Unit of the top 10 student concerns and positive perceptions for 2000, correlation with data for 1999 and actions taken to address issues;
- ▶ Continuing work of the Planning and Quality Unit.

RMIT TECHNOLOGY ESTATE MANAGEMENT COMMITTEE

The purpose of this committee is to oversee the development of the RMIT Technology Estate. This committee:

- ▶ Reports to University Council via the Finance and Major Initiatives Committee on key matters associated with the development of the RMIT Technology Estate;
- ▶ Provides the Finance and Major Initiatives Committee with regular progress reports on the project;
- ▶ Provides reports on the financial aspects of the project to the Finance and Major Initiatives Committee so that the Finance and Major Initiatives Committee may monitor the financial performance of the project and report to Council on any effects the project may have on the university's overall financial position;
- ▶ Is a source of advice to the Vice-Chancellor and to the Chief Executive Officer in relation to the RMIT Technology Estate project.

The RMIT Technology Estate Committee met regularly throughout 2000. The committee's major preoccupations for the year were the construction of student housing on the estate, the construction of the first long-life loose-fit building for potential tenants on the estate and the sale of a parcel of residential land.

Corporate governance

Senior officers' responsibilities

VICE-CHANCELLOR AND PRESIDENT

The Vice-Chancellor and President is the university's chief executive officer and is appointed by the Council.

In 2000, this office was held by Professor David Beanland until his retirement on 30 September. Professor Ruth Dunkin's unanimous appointment, earlier in the year by the university council, then took effect.

DEPUTY VICE-CHANCELLOR

The Deputy Vice-Chancellor is responsible for the seven faculties, integrating the university's education and training, research and development and community service activities in Australia and internationally.

This role was held by Dr Ruth Dunkin until the end of September 2000 when Professor Leon van Schaik was appointed to the position.

DEPUTY VICE-CHANCELLOR (RESOURCES)

The Deputy Vice-Chancellor (Resources) is responsible for strategic advice and overall management of the university's resources and services. This role includes responsibility for development and submission of the annual budget to the University Council and for the management of Human Resources, Financial Services, Property Services and Corporate Affairs. The Deputy Vice-Chancellor (Resources) has overall responsibility for Student Affairs, Learning Technology Services, Information Technology Services and the University Library. The operations of the university solicitor and the university secretary also fall within this portfolio's responsibilities.

This role is held by Professor John Jackson.

PRO VICE-CHANCELLOR (TEACHING AND LEARNING) AND DIRECTOR, TAFE

The Pro Vice-Chancellor (Teaching and Learning) and Director, TAFE, is responsible for the development, implementation, quality assurance and review of the university's teaching and learning programs, and for strategies and policies supporting these activities.

This role is held by Professor Helen Praetz.

PRO VICE-CHANCELLOR (RESEARCH AND DEVELOPMENT)

The Pro Vice-Chancellor (Research and Development) is responsible for providing strategic leadership to RMIT's research activities and to the university's community, regional and industry partnerships. The Research and Development section is supported in research commercialisation and business development by RMIT Innovation Ltd.

This position is held by Professor Neil Furlong.

PRO VICE-CHANCELLOR (INTERNATIONAL)

The Pro Vice-Chancellor (International) is responsible for developing the strategic framework within which the university's international activities, both in Australia and overseas, are carried out. The commercial arm of the section is RMIT International Pty Ltd.

This position is held by Professor Fazal Rizvi.

PRO VICE-CHANCELLOR (ACADEMIC SERVICES AND EQUITY)

The Pro Vice-Chancellor (Academic Services and Equity) is responsible for providing university infrastructure services including the University Library, Student Services and Academic Administration, and Learning Technology Services including the implementation of the Academic Management System.

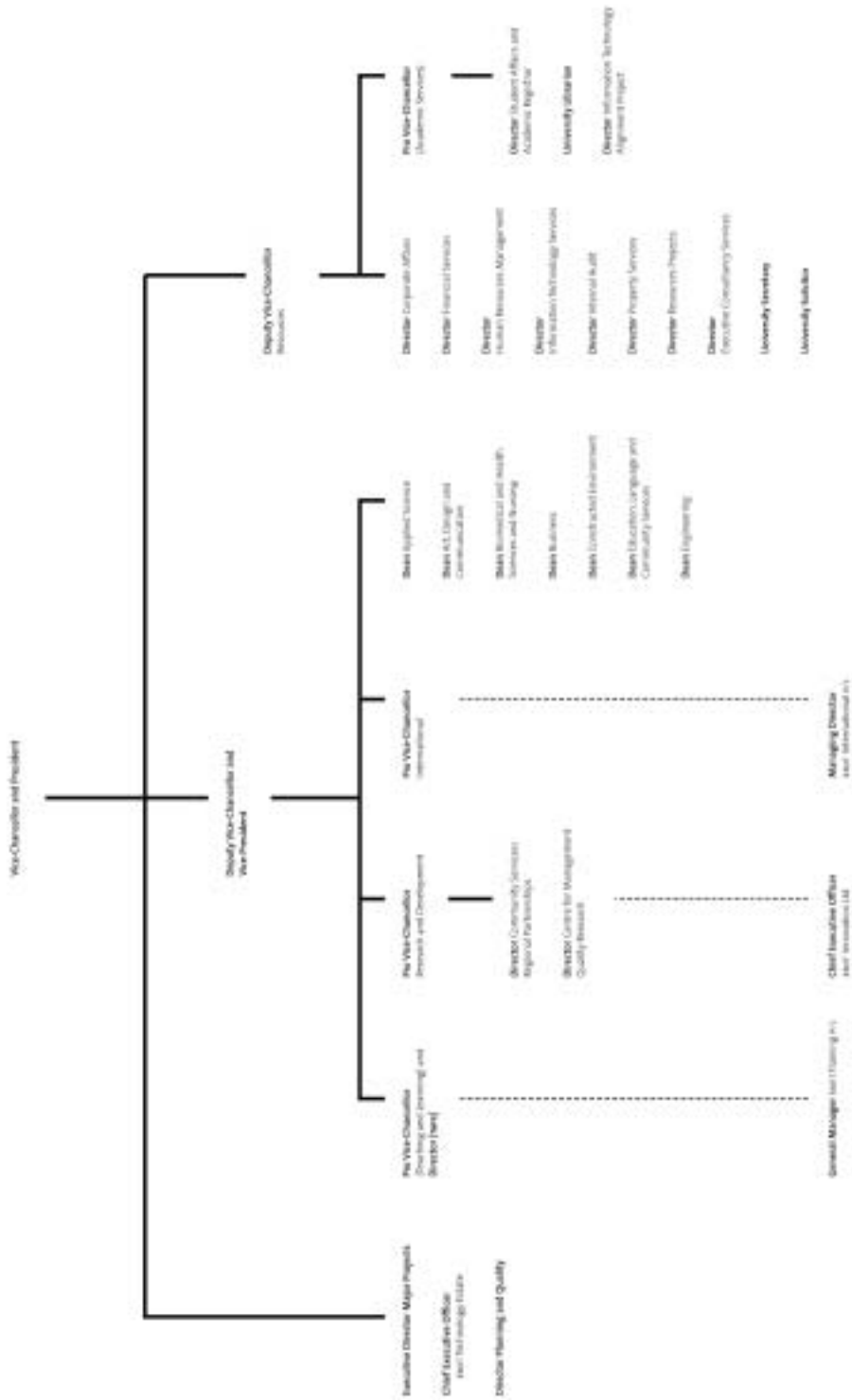
This position is held by Associate Professor Bob Gray.

EXECUTIVE DIRECTOR, MAJOR PROJECTS

The Executive Director, Major Projects, leads the development of specific major new initiatives, domestically and internationally. In 2000 the work of the Major Projects unit focused on the development of RMIT International University Vietnam which has started operations in Ho Chi Minh City and implements projects in other parts of Vietnam. The Executive Director, Major Projects, is general director of RMIT International University Ltd.

This role is held by Professor David Wilmoth.

Organisational summary, January 2000

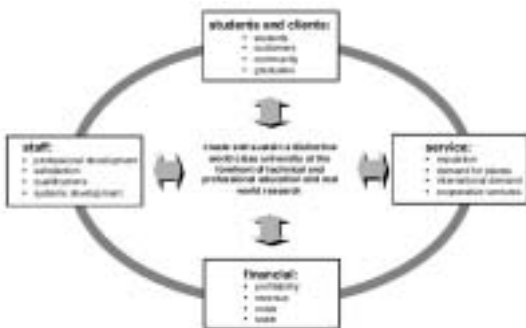
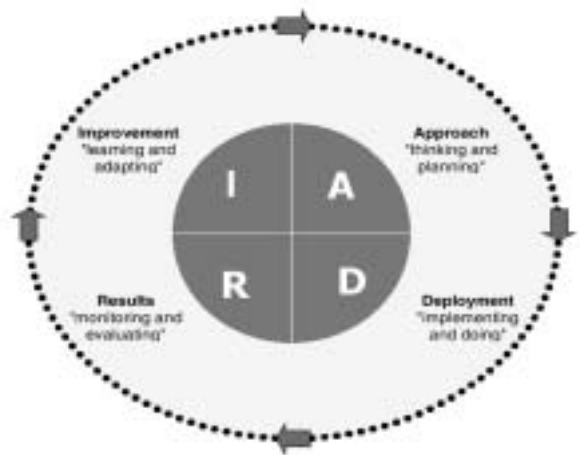


Operational objectives

The university uses a systems approach based on the seven interdependent categories of the RMIT Excellence Framework, adapted from the Australian Business Excellence Framework (ABEF). The categories shown in the framework represent elements of good business practice which, consistently applied, will deliver successful organisational outcomes over the long term.



The approach-deployment-results-improvement cycle will be used to drive improvement in all categories.



The operation of the university will be supported by the development of balanced scorecard reporting—a comprehensive monitoring system to measure performance outcomes in key activity areas.

Areas of strength in 2000

1999 Graduate employment rates (2000 survey) higher than national average (higher education 86 per cent, VET/TAFE 79 per cent).

Proportion of TAFE graduates proceeding to further study equaled national average (38 per cent).

Progress (success) rates in both higher education and VET/TAFE sectors were higher than comparative benchmarks.

Equity results were strong, particularly SES, NESB and women in non-traditional areas.

Initial transformation of financial accounting system to one of activity based costing, resulting in more equitable allocation of funds across the university. This will be fully implemented during 2001.

Faculty of Engineering reported a surplus of \$3.3 million (\$2 million over budget).

'Other government' research grants and contracts income increased by 56 per cent from 1999 (\$3.1 million over budget).

Income from commercial activities increased by 17 per cent from 1999 (\$2.4 million over budget).

Higher education total equivalent full time student unit (EFTSU) load target met, although higher degree research and course work targets were not.

VET/TAFE total student contact hours (SCH) load target exceeded by 6.1 per cent, comprising Australian Qualifications Framework 3 and 4 (9.9 per cent) and AQF 5 and 6 (9.2 per cent) over target.

International off-shore load targets exceeded (higher education 13 per cent, VET/TAFE 18 per cent).

Restructure of human resources group resulting in the development of the People and Organisational Development Unit (POD).

Increased utilisation of staff work plans across the university, although further progress is required.

Initial collection of staff development hours on corporate human resources system (SAP), resulting in an average of 35.85 hours expended on staff development per full time equivalent for the year (compared with the all industry median of 26.36 hours).

Initial collection of staff qualification data reported 86 per cent of faculty staff with a qualification, 36 per cent of these being 'higher degree', while 87 per cent of all university staff have a qualification.

The university again attracted the greatest share of Victorian Tertiary Admissions Centre (VTAC) first preferences (higher education 18.7 per cent, VET/TAFE 30.3 per cent).

International demand (applications) increased by 7 per cent from 1999, with Faculty of Applied Science increasing 47 per cent.

Introduction of formal program renewal procedures implemented for 2001, although further refinement is required.

Preliminary identification of RMIT's 'Investment in the Future' has occurred, outlining development of new products and services, involvement in innovative activities and cross-faculty initiatives.

Areas requiring improvement

Development of process to measure external client and research partner satisfaction levels.

Further development of appropriate indicators and data collection processes to measure research performance.

VET/TAFE overall satisfaction levels declining (52 per cent) despite successful results in graduate outcomes.

Operating expenditure \$18.7 million over budget, and operating surplus \$2.2 million under budget.

Non-government income decreased from 45 per cent in 1999 to 42 per cent in 2000 (university target is 50 per cent).

Higher education international on-shore load decreased 9 per cent from 1999 (386 EFTSU) and was 2 per cent under target (81 EFTSU).

VET/TAFE fee-for-service student contact hours load failed to meet target by 11 per cent (73,627 SCH).

Staff profile reported 64 per cent of staff over 40 years of age, and 54 per cent of staff with length of service less than five years. However, RMIT's separation rate of 14 per cent compares favorably with the education sector median of 15 per cent (1999).

Despite the number of postgraduate course work applications increasing from 1999 to 2000, the ratio of applications to offers continues to decline (1:9 in 1998, 1:7 in 1999 and 1:5 in 2000).

Operational objectives

The balanced scorecard

Perspective: student/client	1998 actual	1999 actual	2000 actual	2000 target	Bench- mark
1.0 Satisfaction					
1.1 Good teaching (HE)	73%	74%	76%	n/a	78%
1.2 Generic skills (HE)	88%	89%	87%	n/a	87%
1.3 Overall satisfaction (HE)	85%	86%	86%	n/a	90%
1.4 Overall satisfaction (TAFE)	55%	53%	52%	n/a	67%
1.5 Overall satisfaction (clients)	qualitative				
1.6 Satisfaction with quality and value of product	not currently available				
1.7 Satisfaction with implementation of student feedback	n/a	n/a	52%	n/a	n/a
1.8 Community involvement	qualitative				
2.0 Graduate outcomes					
2.1 % of HE graduates in full-time employment	81%	84%	86%	n/a	84%
2.2 % of HE graduates proceeding to full-time study	16%	14%	17%	n/a	22%
2.3 % of TAFE graduates employed	70%	75%	79%	n/a	76%
2.4 % of TAFE graduates in further study	40%	37%	38%	n/a	38%
3.0 Student progress					
3.1 Student load progress rate (success) (HE)	87%	86%	n/a	n/a	85%
3.1 Student load progress rate (success) (VET)	79%	75%	79%	n/a	75%
3.2 Net apparent retention rate (HE)	80%	80%	77%	n/a	78%
3.2 Net apparent retention rate (VET)	54%	43%	50%	n/a	n/a
3.3 Grade point average	not currently available				
4.0 Equity					
4.1 Access	Refer to 2000 Consolidated Performance Report (available on request—see page 38] See also pages 14-17 (section B) of this annual report				
4.2 Participation					
4.3 Success					
4.4 Retention					

The balanced scorecard (continued)

Perspective: financial		1998	1999	2000	2000	Bench-
		actual	actual	actual	target	mark
5.0 Profitability						
5.1	Total assets (\$m)	1,097	1,171	1,215	n/a	n/a
5.1	Total liabilities (\$m)	336	350	374	n/a	n/a
5.2	Proportion of non-government income	38%	45%	42%	n/a	50%
5.3	Operating surplus (\$m)	18.9	56.5	18.7	20.9	surplus
5.4	Ratio of current assets/current liabilities	97%	120%	106%	n/a	> 150%
5.4	Ratio of revenue/assets	34%	36%	35%	n/a	> 45%
5.4	Ratio of external debt/revenue	7%	6%	6%	n/a	< 5%
5.4	Ratio of cash and invest/govt op grant	24%	24%	14%	n/a	> 20%
6.0 Revenue						
6.1	Operating revenue (\$m)	n/a	415.8	425.2	408.7	n/a
6.2	Research grants and contracts (\$m)	n/a	16.5	17.8	18.4	n/a
6.3	International student fee income (\$m)	73.7	86.1	94.2	103.6	n/a
6.4	Value of commercial activities (\$m)	n/a	17.2	20.1	17.0	n/a
7.0 Costs						
7.1	Expenditure (\$m)	n/a	359.3	406.5	387.8	n/a
7.2	Distribution of expenditure by activity (ABC)	not currently available				
7.3	Asset quality—proportion 'satisfactory'	61%	64%	67%	n/a	n/a
8.0 scale						
8.1	Student load (HE) EFTSU	23,025	24,250	25,265	24,965	n/a
8.1	Student load (VET) million hours	6.822	8.531	8.278	7.805	n/a
8.2	Proportion of research load (HE) EFTSU	4.2%	4.2%	4.4%	4.6%	n/a
8.3	Student load (COG) (HE) EFTSU	15,150	15,153	14,923	14,660	n/a
8.3	Student load (SOG) (VET) million hours	5.372	6.388	5.998	5.669	n/a
8.4	Student load (international) (HE) EFTSU	6,457	7,334	8,341	7,991	n/a
8.4	Student load (international) (VET) million hours	1.243	1.645	1.589	1.444	n/a
8.5	Enrolments by field of study—total enrolments	53,665	60,368	60,282	n/a	n/a

Operational objectives

The balanced scorecard (continued)

Perspective: staff	1998 actual	1999 actual	2000 actual	2000 target	Bench- mark
9.0 Staff profile					
9.1 Staff distribution (FTE)	n/a	2,981	3,238	n/a	n/a
9.2 Proportion of general staff (FTE)	n/a	48%	51%	n/a	n/a
9.3 Proportion of part-time staff (FTE)	n/a	12%	12%	n/a	9%
9.4 Proportion of women (FTE)	n/a	42%	47%	n/a	50%
9.5 Proportion over 40 years of age (head count)	n/a	65%	64%	n/a	n/a
9.6 Proportion over 5 years of service (head count)	n/a	40%	46%	n/a	n/a
10.0 Staff satisfaction and health					
10.1 Staff satisfaction	not currently available				
10.2 Staff separation rate	n/a	13%	14%	5%	15%
10.3 Average work days lost per OH&S incident	n/a	72	35	0	10
11.0 Staff development					
11.1 Staff work plans	qualitative				
11.2 Staff development hours per FTE	n/a	n/a	36	n/a	26
11.3 Proportion of remuneration on staff development	n/a	1.5%	1.5%	n/a	2.0%
11.4 Proportion of staff with a qualification	n/a	n/a	87%	n/a	n/a
11.5 Staff scholarship outcomes	qualitative				
12.0 Systems development					
12.1 BPR and system development	qualitative				
Perspective: service					
13.0 Service					
13.1 Growth in fee for service places (postgraduate)	n/a	23%	15%	n/a	n/a
13.1 Growth in fee for service places (undergraduate)	n/a	128%	52%	n/a	n/a
13.1 Growth in fee for service places (VET)	n/a	236%	51%	n/a	n/a
13.2 Share of preferences (enrol in following year) (HE)	22%	20%	19%	n/a	n/a
13.2 Share of preferences (enrol in following year) (VET)	25%	31%	30%	n/a	n/a
13.3 Ratio of postgraduate coursework apps to offers	1.9	1.7	1.6	n/a	n/a
13.4 Growth in international demand (1st–3rd prefs)	n/a	n/a	7%	n/a	n/a
13.5 Program and course renewal	qualitative				
Perspective: investment in the future					
14.0 Investment in the future					
14.1 Development of new products/services	qualitative				
14.2 Involvement in innovative activities	qualitative				
14.3 Equipment and infrastructure investment	qualitative				
14.4 Cross-faculty initiatives	qualitative				
14.5 Highlights of key outcomes	qualitative				

Total staff: full time equivalent (FTE) at 31 March 1999 and 2000

Category	Total FTE		Female FTE		% female		% change	
	1999	2000	1999	2000	1999	2000	1998 to 1999	1999 to 2000
Academic	921	929	309	317	34	34	-4.63	3
Teaching	427	511	117	163	27	32	5.41	39
General	1372	1552	815	953	59	61	0.99	17
Executive	98	98	19	18	19	18	-32.14	-5
Total	2818	3090	1260	1451	45	47	-0.79	15

Staff satisfaction

In 2000 there was an 18 per cent decrease in complaints lodged internally. No complaints were lodged against the university externally. Training in dealing with complaints was provided across the university and a comprehensive manual was produced.

- ▶ RMIT Academic and General (PACCT) Staff Enterprise Agreement 2000;
- ▶ RMIT TAFE Teaching Staff Enterprise Agreement 2000;
- ▶ RMIT General (Trades and Services) Staff Enterprise Agreement 2000.

Employment processes

The university has established employment processes to ensure that:

- ▶ employment decisions are based on merit;
- ▶ employees are treated fairly and reasonably;
- ▶ equal employment opportunity is provided;
- ▶ employees have a reasonable avenue of redress against unfair or unreasonable treatment.

Staff at all levels complete annual work plans, personal development plans and performance reviews. The university provides an orientation and induction program (for new staff), customer service training and other professional development opportunities.

During the year, the university successfully concluded negotiations for three new enterprise agreements covering its workforce:

On 7 March, 754 employee days were lost when the National Tertiary Education union and trades unions encouraged their membership to strike for one day in support of its enterprise bargaining negotiations.

The new enterprise agreements are closed and comprehensive, with nominal expiry dates between January and June 2003. They contain initiatives that will change work practices and conditions of employment, leading to increased flexibility and efficiency for the university. The conditions of employment contained in these agreements have totally displaced 13 industry awards and are tailored to suit the operational and strategic requirements of the university.

Special conditions of employment for executive staff and TAFE exempt staff will enable the university to recruit,

Earnings of general staff, March 1999 and 2000

Gender	Technical		Administrative		<\$30,000		>\$40,000	
	<\$30,000	>\$30,000	<\$30,000	>\$40,000	1999	2000	1999	2000
Female %	67	70	10	11	84	74	59	56
Male %	33	30	90	89	16	26	41	44

Workforce data

support and retain skilled and committed staff at the executive level.

Family-friendly flexibilities will ensure that staff are supported, remain committed to the organisation and work in an enriching and stimulating environment.

Streamlined redundancy provisions enable the university to implement efficient and effective management practices.

Annual work planning and performance review systems enable the university to provide a work environment that has clearly defined responsibilities and accountabilities for staff, and rewards excellent performance. A process to manage the implementation of major change will promote a culture of good employee relations and enable the introduction of major change in an orderly and consultative manner.

Rationalised and common conditions of employment, and leave provisions tailored to the business needs of the university, enable the implementation of efficient and effective management practices.

Extended hours of work (TAFE teachers) and hours of work for general (trades and services) staff will ensure the efficient, effective and sustainable use of resources and enable the provision of tailor-made support and advisory services to clients.

A package of flexibility and efficiency measures for security employees, tailored to the specific needs of the university, will ensure efficient use of university resources and implementation of efficient and effective management practices.

Removal of several time allowances and increased flexibility in the allocation of teaching duties (TAFE teachers) will increase efficiency and flexibility. Increased flexibility in casual employment arrangements will enhance the delivery of TAFE programs.

The establishment of a working party to examine issues relating to a new, cost-neutral, RMIT-specific staff classification structure will assist in recruiting, retaining and rewarding skilled staff.

In addition, a number of processes, which are essential to achieving the university's strategy to attract and retain highly skilled and motivated staff, are excluded from enterprise agreements and managed through organisational policies. These include:

- ▶ incremental advancement;
- ▶ academic promotion scheme;
- ▶ 'easing into retirement' scheme.

In 2000 a comprehensive program of training in relation to performance management was delivered across the university to supervisors and staff. Workshops tailored to meet the needs of local areas were delivered across faculties and groups, and formal and informal briefings on performance management were provided to managers on request.

Principles of conduct

A focused complaint service was established for staff and students. In 2000 there was a dramatic decrease in complaints lodged by staff or students with external institutions. In 1998 the branch dealt with eight complaints lodged with either the Victorian Equal Opportunity Commission or the Human Rights and Equal Opportunity Commission. In 2000 no complaints were lodged externally. Internal complaints decreased by 18 per cent.

New pamphlets and posters were produced outlining the rights and responsibilities of staff and students in relation to sexual harassment and discrimination. These were designed in conjunction with Student Services to inform staff and students of their rights and duties under the university's policies.

Staff are bound by the university's code of ethics and various other university policies intended to ensure that in the course of their employment they:

- ▶ act impartially;
- ▶ act with integrity and avoid real or apparent conflicts of interest;
- ▶ accept responsibility for results;
- ▶ provide responsive service.

Examples of key policies and agreements:

- ▶ code of ethics;
- ▶ various clauses in enterprise agreements;
- ▶ cultural diversity and anti-racism policy;
- ▶ equal opportunity;
- ▶ grievance procedure;
- ▶ general responsibilities of staff;
- ▶ outside activities;
- ▶ sexual harassment.

Policies, procedures and enterprise agreements are intranet-accessible via RMIT's human resources web site <http://www.hr.rmit.edu.au>

Occupational health and safety

During the year 201 injuries/incidents were reported by staff, students and visitors to the university, with 74 new WorkCover claims lodged by staff who suffered an injury at work. These figures show an improvement over 1999 figures.

Of the 74 WorkCover claims, 49 involved no time away from the workplace and six claims resulted in more than 20 days' absence.

RMIT recognises the importance of providing a safe and healthy place of work and study and has continued its efforts to incorporate a positive health and safety culture in all aspects of its activities. Improvements have been achieved through programs implemented during 2000:

- ▶ Continuation of major building works that will deliver safer facilities for staff and students;
- ▶ Occupational health and safety and emergency response training for managers and staff;
- ▶ Faculty hazard identification programs;
- ▶ Development and review of policies and guidelines;
- ▶ Creation of faculty-based health and safety committees;
- ▶ Revision of the designated work group structure and the election and training of health and safety representatives.

Organisational health measures for 2000	
Separation rate	14.27%
Work days lost due to sick leave	2.47 days per 100 days
Incident rate	0.65%
Average time lost per incident	33.80 days

Access and equity

The university successfully applied to the Victorian Civil and Administrative Tribunal for an exemption from the *Equal Opportunity Act*, enabling RMIT to set aside two positions for indigenous staff.

There was extensive consultation throughout the university, seeking cooperation from senior management in the promotion of equal opportunities for women in the workplace (previously referred to as 'affirmative action strategies').

Due to changes in federal law, the federal Equal Opportunity for Women in the Workplace Agency did not require a report in 2000. The EEO Branch now reports strategies for female staff to a newly formed steering committee which comprises:

- ▶ Deputy Vice-Chancellor (Resources);
- ▶ Pro Vice-Chancellor (Research and Development);
- ▶ Pro Vice-Chancellor (Teaching and Learning);
- ▶ Dean of Business;
- ▶ Director of People and Organisational Development.

The committee provides an authoritative forum for the EEO Branch to report to, offering the status to both inform and influence the university on matters relating to equal opportunity and gender issues.

The Equal Employment Opportunity Branch supports the business and community demands of RMIT faculties and groups by initiating and coordinating a range of programs

Academic staff by gender and level, March

Gender	Level A		Level B		Level C		Level D		Level E	
	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000
Female %	45	54	40	38	26	29	24	21	20	21
Male %	55	46	60	62	71	71	76	79	80	79

Women in management

Category	Total		Number of women		% female		% change	
	1999	2000	1999	2000	1999	2000	1998 to 1999	1999 to 2000
Executive service	105	98	21	18	20	18	-25	-14
Professor	77	81	14	14	18	17	17	0
Associate Professor	114	116	30	22	26	19	20	-27
Head of department or school (higher education)	35	34	4	3	11	9	0	-25
Head of department or school (VET/TAFE)	7	12	1	2	14	17	-80	100

Executive service = Vice-Chancellor, Deputy Vice-Chancellor, Pro Vice-Chancellor, Dean, Deputy Dean, Director, Head of Department

which promote equity, social justice and the elimination of discrimination and sexual harassment.

The branch is responsible for the development of equal opportunities for women in the workplace and the preparation of the 2001 report for the Equal Opportunity for Women in the Workplace Agency, formerly known as Affirmative Action.

In 2000 the branch provided a range of services to ensure that the university complies with state and federal laws and offers its staff and students a discrimination-free work and study environment.

Staff and students were trained in the university's anti-discrimination policies. Workshops were conducted for staff selected from across the university in dealing with complaints. A comprehensive manual was compiled by the Equal Employment Opportunity Branch and presented to all participants.

The Equal Employment Opportunity Branch provided advice and developed strategies to promote opportunities for career development for female staff members in line with the guidelines set out in the *Equal Opportunity for Women in the Workplace Act 1999*. An updated *Affirmative Action Performance Plan 2000-2003* was developed and distributed throughout the university.

The Equal Employment Opportunity Branch advised and assisted the university's equity units and the Centre for International Students and Scholars during 2000. The branch prepared submissions and appeared before the Anti-Discrimination List of the Victorian Civil and Administrative Tribunal on behalf of the university's Aboriginal and Torres Strait Islander Support and Liaison Unit. The university successfully sought an exemption to set aside two staff positions dedicated to indigenous applicants.

A report was prepared for the Deputy Vice-Chancellor recommending changes in the awarding of Australian Postgraduate Awards and RMIT University Postgraduate Awards to ensure that female applicants are not disadvantaged either directly or indirectly.

STAFF GRIEVANCES AND STUDENT COMPLAINTS

The Equal Employment Opportunity Branch primarily provides services for staff but offers a grievance system for students who allege that staff have sexually harassed them or discriminated against them.

A focused complaint service was established in 2000 for staff and students. In 2000 there was a dramatic decrease in complaints lodged by staff or students with external

	% female	
	1999	2000
HEW 1	N/A	74
HEW 2	66	85
HEW 3	68	66
HEW 4	72	75
HEW 5	62	62
HEW 6	57	61
HEW 7	49	52
HEW 8	40	45
HEW 9	47	44
HEW 10	48	50

institutions. In 1998 the Equal Employment Opportunity Branch dealt with eight complaints lodged with either the Victorian Equal Opportunity Commission or the Human Rights and Equal Opportunity Commission. In 2000 no complaints were lodged externally. Internal complaints decreased by 18 per cent.

New pamphlets and posters were produced in 2000, outlining the rights and responsibilities of staff and students in relation to sexual harassment and discrimination. These were designed in conjunction with Student Services to inform staff and students of their rights and duties under the university's policies.

Student equity indicators, 2000				
<i>Higher education (HE) = DETYA-defined equity population.</i>				
<i>VET population = non-international students.</i>				
	Reference value		HE	VET
Students from a rural background				
Access %	24.3 (Aust) 23.3 (Vic)		10.25	11.32
Participation		1	0.43	0.44
Success in 1999		1	1.04	N/A
Retention		1	1.06	N/A
Students from an isolated rural background	Reference value			
Access %	4.5 (Aust) 0.3 (Vic)		0.23	0.15
Participation		1	0.3	0.47
Success in 1999		1	0.92	N/A
Retention		1	1.01	N/A
Metropolitan students from low socio-economic status backgrounds, <25 years	State reference value			
Access %	25 (Aust) 18 (Vic) 17 (Melb)		17.71	10.14
Participation		1	0.53	0.6
Success in 1999		1	0.99	N/A
Retention		1	1.01	N/A
Metropolitan students from low socio-economic status backgrounds, >25 years	State reference value			
Access %	25 (Aust) 18 (Vic) 17 (Melb)		9.74	22.42
Participation		1	0.27	1.32
Success in 1999		1	0.98	N/A
Retention		1	0.99	N/A
Students with a disability	State reference value			
Access %	4		2.38	5.21
Participation		1	0.64	1.29
Success in 1999		1	0.93	N/A
Retention		1	0.93	N/A
Students from a non-English-speaking background	State reference value			
Access %	5.5		6.08	6.45
Participation		1	0.87	1.06
Success in 1999		1	0.93	N/A
Retention		1	1.02	N/A
Women	Reference value			
Access %	50		52.47	43.83
Participation		1	1.02	0.88
Success in 1999		1	1.08	N/A
Retention		1	1.02	N/A
Aboriginal & Torres Strait Islander	Reference value			
Access %	0.4		0.25	1.77
Participation		1	0.3	3.5
Success in 1999		1	0.92	N/A
Retention		1	0.71	N/A

Completing students (individuals) in 1999, excluding international students, by equity group

	Not disabled	Disabled	Grand total	% disabled		
Higher education	4224	79	4303	2%		
VET	3247	179	3426	5%		
Grand total	7471	258	7729	3%		
	NESB	Not NESB	Grand total	% NESB		
Higher education	263	4040	4303	6%		
VET	205	3221	3426	6%		
Grand total	468	7261	7729	6%		
		Low SES	Grand total	% low SES		
Higher education		610	3816	16%		
VET		624	2983	21%		
Grand total		1234	6799	18%		
	Isolated	Rural	Urban	Grand total	% rural	% isolated
Higher ed	5	391	3818	4214	9%	0.1%
VET	5	390	2988	3383	12%	0.1%
Grand total	10	781	6806	7597	10%	0.1%
	Female	Male	(blank)	Grand total	% women	
Higher education	2402	1901		4303	56%	
VET	1615	1810	1	3426	47%	
Grand total	4017	3711	1	7729	52%	
		ATSI	Not ATSI	Grand total	% ATSI	
Higher education		1	4302	4303	0.02%	
VET		16	3410	3426	0.47%	
Grand total		17	7712	7729	0.22%	

Research activities

The university has implemented a real-world framework of 'research agendas' for grouping its research teams and activities. Each research agenda maps onto an industry or community sector requiring research outcomes.

The university's research investment funds 2001-03 will be paid into each of these research agendas conditionally upon each grouping signing an investment performance agreement. Research income and outputs will be monitored by advisory councils of industry, community and university people for each research agenda.

This strategy and these processes were derived by consultation with key clients including the federal Department of Education, Training and Youth Affairs.

The university is involved in nine Cooperative Research Centres with an average value to the university of approximately \$300,000 each.

ARC Large (now Discovery) Grants and SPIRT grants each average approximately \$150,000 over three years.

Contracts with industry range between \$10,000 and \$9 million.

Research quantum in 2000 was \$3,257,000.

48.8 per cent of research income in 1999 was from industry and other funding.

The university had 172 individual (129.5 full time equivalent) research fellows doing only academic and research work during 2000.

All 20 Undergraduate Research Opportunity Program (UROP) summer research scholarships were taken up during the 1999-2000 selection round. These projects began in December 1999 and were completed by the end of March 2000. Projects were undertaken across a range of disciplines.

For the 1999 federal data collection, the university submitted:

- ▶ 15.17 books;
- ▶ 62.86 book chapters;
- ▶ 258.97 refereed journal articles;
- ▶ 174.09 refereed conference proceedings.

As a result of extensive consulting with clients, the university undertook a review of all its processes pertaining to the commercialisation of university-generated ideas, including spin-off companies. New processes, procedures and practices will be implemented in 2001.

Research income for 1999

National competitive grants	\$2,904,434
Other public sector and non-competitive research funding	\$5,779,669
Industry and other funding	\$8,270,589
Proportion of research income from industry and other non-government sources	48.8%

Income earned from provision of technical services in 2000 was \$4.24 million.

The university's international strategy for research is being developed and in 2001 will augment existing research and development strategies. The university earned \$269,000 in international research grants during 2000.

Examples of research partnerships, and their outcomes, appear in the 'Executive Summary' section of this report and are published at

<http://www.rmit.edu.au/departments/rd/case>

Highlights in 2000 included:

- ▶ \$9 million contract to develop wireless mobile phone technology;
- ▶ Alumina processing improvements;
- ▶ Design of satellite tethering systems;
- ▶ Microprocessor research to support the development of the extendable instruction set computer (EISC);
- ▶ Environmental sustainability links with the University of California, Los Angeles;
- ▶ Olympic canoe paddles;
- ▶ Chinese medicine treatments for seasonal allergic rhinitis;
- ▶ Aircraft ground collision prevention;
- ▶ Sustainable furniture design and manufacture;
- ▶ Solving salt problems;
- ▶ Research confirms bullying problems in a Victorian school;
- ▶ 'Green' housing project saves money on waste removal from building sites.

Significant activities and achievements

RMIT is one of Australia's leading technological universities. Its goal is to undertake world-class, outcome-related research and development, and to support innovation to underpin future economic and social development in the communities in which the university operates.

The university's research planning and investment are tailored to significantly enhance the impact of research under the following research agendas:

- ▶ information technology/e-commerce;
- ▶ advanced manufacturing and materials;
- ▶ improvement of health through biotechnology and drug technology development;
- ▶ environmental sustainability;
- ▶ social (urban and regional) development, including design;
- ▶ globalisation and cultural identity and diversity;
- ▶ entrepreneurship and innovation.

RMIT will share in a \$325 million Federal Government funding package through the establishment of two new Cooperative Research Centres: the Centre for Smart Internet Technology and the Centre for Construction Innovation.

The Cooperative Research Centre for Water Quality and Treatment, in which RMIT is a participant, also received renewed funding from the Federal Government in the package announced in late 2000. The university is a partner in nine Cooperative Research Centres in a range of research areas.

A \$32 million building project, to be completed in 2001, will house the Faculty of Life Sciences on the Bundoora campus. The new building will include teaching space and high-level research space with core facilities in molecular and cellular biology and pharmacology.

A \$12.5 million refurbishment of building 3 on the city campus provides new, state-of-the-art equipment and research facilities for undergraduate and postgraduate science students.

The collection of 1999 research publications, conducted in early 2000, showed a substantial increase (23 per cent unweighted, 29 per cent weighted) in research output over that of 1998. RMIT's research output has maintained an increasing trend since 1997. The university has just over 2 per cent of all research output from Australian

universities in Department of Education, Training and Youth Affairs categories.

A survey commissioned by the federal Department of Industry, Sciences and Resources in 2000 identified a list of 109 medium and larger-scale research facilities in Australia, each with a replacement value of over \$5 million. RMIT facilities listed in the survey include:

- ▶ Interactive Information Institute;
- ▶ Sir Lawrence Wackett Centre for Aerospace Design Technology;
- ▶ Polymer Technology Centre (now part of the Rheology and Materials Processing Centre);
- ▶ Microelectronics and Materials Technology Centre.

In November 2000 the Victorian Government announced the Science, Technology and Innovation Initiative (Round One) Competitive Grants for Infrastructure. Two applications with which RMIT was involved were successful:

- ▶ Bundoora plant biosciences facility: \$7.8 million over two years, led by La Trobe University;
- ▶ Victorian microtechnology and micromanufacturing facility: \$100,000, led by RMIT's Professor David Mainwaring.

RMIT and its industry partners received Australian Research Council funding for 11 new projects under the Strategic Partnerships with Industry-Research and Training (SPIRT) scheme.

A new state-of-the-art electron microscope to be purchased by RMIT will enable researchers to quickly distinguish various chemical elements in biological and other samples for the first time. The microscope, one of two to be purchased with about \$1.5 million funding from the Federal Government and other Victorian universities, will be housed at the university's Microscopy and Microanalysis Facility and shared by researchers from other universities in Victoria and New South Wales. It will be the first time such a research tool has been available to Victorian universities.

The Wool Research Organisation of New Zealand, operating in Australia as LinLab Australia, entered a joint venture with RMIT Innovation Ltd to facilitate service provision for their clients. LinLab's offices are co-located with RMIT Textiles at the university's Brunswick campus.

International activities

The university continued to receive recognition for its leadership in international education, winning the Governor of Victoria Export Award for Education in 2000 for the third consecutive year.

Export services provided by RMIT include:

- ▶ educational programs to on-shore international students and off-shore students;
- ▶ research and consultancy services;
- ▶ training programs;
- ▶ project management and delivery.

Almost 25 per cent of the university's full time staff are involved in export-related activities and almost 5 per cent of staff travel regularly to provide off-shore programs.

The university controls three companies responsible for its international commercial activities. RMIT International Pty Ltd is responsible for international marketing and recruitment, as well as international training and consultancy projects. RMIT Training Pty Ltd houses the Centre for English Language and Learning, which provides English language training and assessment for students in Melbourne and overseas. RMIT Innovation Pty Ltd manages research and development consultancy projects.

The university's principal export markets are Malaysia, Singapore, Hong Kong SAR, Indonesia, China and India.

Total revenue from international activity in 2000 was approximately \$109 million, comprising:

- ▶ \$93.4 million in student fees (on-shore and off-shore);
- ▶ \$15.6 million from RMIT International and RMIT Training projects.

The university earned approximately \$109 million from international activities in 2000. Distribution of these monies within the university is based on a model which takes into account the costs incurred in providing academic programs by various sections of the university. Expenses incurred are rigorously scrutinised through the university's financial reporting procedures to ensure that international activities are viable and accountable. The university runs highly professional business planning and risk management evaluation and undertakes professional scrutiny of agreements, memorandums of understanding and contracts.

Student enrolments

International on-shore student numbers in award programs reached 7555 with off-shore numbers increasing to about 6000. The majority of on-shore growth occurred

in India, China, Sri Lanka, Vietnam and Mauritius. As part of the international component of student numbers, ELICOS student enrolments increased in 2000 with good growth in Korea, Thailand, Japan and China.

The number of students and staff participating in Education Abroad activities increased from 450 in 1999 to 470 in 2000. Education Abroad includes exchange and study abroad programs, study tours and international work placements. Another 400 foreign students undertook Study Abroad activities at RMIT in Australia.

The university committed itself in 2000 to allocate to international students approximately 2 per cent of income generated through the on-shore international student program. Funds are available to students in the form of scholarships, grants and awards. Ten travel grants were awarded in 2000 for Australian and international students to undertake part of their RMIT studies overseas.

RMIT continued its commitment to off-shore graduations, offering its international students the opportunity to graduate in Melbourne, Singapore, Kuala Lumpur, Hong Kong and Wuhan.

A Study Abroad Reference Group was convened by the Pro Vice-Chancellor (International) in 2000 to provide a more coordinated, coherent approach to the development and embedding of education abroad activities in the curriculum. Specific initiatives include:

- ▶ review and development of guidelines and procedures for education abroad activities;
- ▶ establishment of a student exchange club for all prospective, current and returned exchange and study abroad students.

The university has been involved in a number of projects which illustrate its willingness to engage in issues of both social value and social development. In 2000 the university committed to providing support, in the form of 100 per cent tuition fee scholarships, for three East Timorese students to undertake degree or postgraduate programs at RMIT. This is a joint initiative with the Australian Government which will provide the students' living allowances.

RMIT continued to be successful in securing funding from the Department of Education, Training and Youth Affairs under its University Mobility Asia Pacific (UMAP) grants scheme in 2000. Funding of \$77,300 was secured, which will support 29 RMIT students to undertake student exchange activities in Thailand, Malaysia, Vietnam and the United States. The funding also provided support for

teaching staff to travel to these countries, either accompanying students or to further develop relationships with partner institutions.

Overseas visits

Various members of the Chancellery visited off-shore partners during the year. The purposes of such visits included:

- ▶ discussions about delivery of current programs;
- ▶ discussing new initiatives such as research links or access to additional services, for example the university's electronic resources;
- ▶ renewing agreements;
- ▶ attending anniversary and alumni celebrations.

Among other destinations, RMIT staff visited:

- ▶ student exchange partners in the United States of America and Britain;
- ▶ Shanghai Institute of Foreign Trade and Wuhan University in China;
- ▶ Hong Kong Management Association;
- ▶ Singapore Institute of Management and LaSalle-SIA in Singapore;
- ▶ Metropolitan College and the Malaysian Institute of Management in Malaysia.

In order to support the development and delivery of off-shore activities, a suite of off-shore policy and procedure documents was developed and implemented during 2000. These documents include procedures for the off-shore approval processes as well as some costing software which has been of significant value to the faculties when reviewing current and developing new programs for off-shore delivery. This initiative emphasises the importance of ensuring that the university's international operations are characterised by values and practices which enhance and ensure the sustainability of the university.

RMIT International University Vietnam

In 1996 RMIT University was invited by the Government of Vietnam to apply for a licence to operate a subsidiary university in Vietnam. In April 2000 the Government of Vietnam issued an investment licence to RMIT to establish and operate a 100 per cent foreign-owned university.

RMIT is the first university to be issued with such a licence under new regulations. The licence was officially handed over by the Minister for Planning and Investment, Dr Tran Xuan Gia, at a ceremony held in Ho Chi Minh City in

May 2000 and attended by the Australian Minister for Foreign Affairs, the Honorable Alexander Downer, and the Australian Ambassador to Vietnam, His Excellency Michael Mann.

On the basis of this licence, RMIT International University Vietnam commenced operations on 1 January 2001 with an office in Ho Chi Minh City. A city site was leased to enable refurbishment and student programs to commence early 2001.

During 2000 negotiations were conducted with the International Finance Corporation, the private finance arm of the World Bank, and the private finance group of the Asian Development Bank. Firm offers of finance from the two banks were received in November 2000, along with the offer of a major philanthropic contribution to the venture.

Early program offerings at RMIT International University Vietnam include the Master of Professional Accounting, Master of Systems Engineering (continuing), Foundation Studies, English and industry training. Degree programs will commence in September 2001. RMIT International University Vietnam is also active with project work in other cities in Vietnam.

Academic programs are delivered by local and Australian staff using a flexible combination of traditional and on-line delivery modes, self-directed study and support services.

Global University Alliance

RMIT is a founding member of the Global University Alliance, an international partnership established in February 2000. The Global University Alliance uses on-line learning to provide quality education to individuals and enterprises. Enrolment in the first programs started in September 2000. Features of the Global University Alliance include:

- ▶ Service standards to ensure consistent service and foster cross-accreditation of courses (subjects) among the partner institutions;
- ▶ Each institution is responsible for its own academic standards;
- ▶ Offers mainly postgraduate programs, characterised by accessibility, quality, flexibility and interactivity;
- ▶ On-line learning supported by tutoring and other services;
- ▶ Consistent with RMIT's internationalisation policies.

Promotional activities

Corporate marketing program

In 2000 a Public Affairs Unit was created within Corporate Affairs and a Manager, Public Affairs, was appointed. The key aspects of the public affairs program are to build the university's profile in the media, to communicate with opinion leaders in the community and to develop effective interaction between RMIT and government and with appropriate leaders in the corporate sector.

Corporate Affairs also published and implemented a *Corporate Marketing Plan*. This plan defined the university's target audiences and markets, and the ways in which RMIT would differentiate itself from its competitors and demonstrate to the various target markets/audiences that our university is better able to satisfy customer needs in the contemporary environment. The *Corporate Marketing Plan 2000* was a marketing strategy for the whole of RMIT and provided the overall direction for the university's marketing activities. It also provided a framework for faculties and other groups to develop their own specific marketing programs. The *Corporate Marketing Plan 2000* detailed objectives, strategies and projects for brand management, public affairs, corporate and government relations, development and fundraising, publishing and design, web, call centre and internal communication.

All media releases issued by Public Affairs in 2000 are listed at <http://www.rmit.edu.au/cgi-bin/news/news.cgi>

Details of events and activities promoted by Public Affairs and Marketing are featured on the 'What's On@RMIT' web calendar <http://www.whatson.rmit.edu.au> and in the daily e-mail newsletter, 'Today@RMIT'.

The events listed below are some of the key activities undertaken to develop community awareness of RMIT and the services the university provides. These events attracted significant media coverage and widespread support from industry, government and the community.

OPEN DAY

On Sunday 13 August 2000 the university conducted its annual Open Day from 10.00 a.m. to 4.00 p.m. at the city, Brunswick and Bundoora campuses and the Fishermans Bend site.

Imagery on signage and advertising was built around the university's position statement, *The (Your) Future Starts Here*.

An estimated 40,000 people attended the event, up 10,000 from 1999, with people arriving from many parts of Victoria, including a small number of subsidised bus

travellers from regional secondary colleges. The focus of Open Day was on undergraduate and TAFE programs, however a large number of postgraduate enquiries were also received.

POSTGRADUATE OPPORTUNITIES

The university hosted a postgraduate information evening in May, a lecture series throughout the year and a postgraduate information week in October to profile the exciting opportunities that exist in postgraduate course work and research in the fields of IT and e-business; architecture, building, planning and social science; art, design and communication; business and management; engineering; applied science; education, language and community services as well as biomedical, health sciences and nursing.

APPRENTICE AND TRAINEESHIPS MARKETING CAMPAIGN

This campaign ran between 31 July and 1 October and targeted 11,406 businesses with direct-mail promotional material designed to encourage enrolments at RMIT of L-profile students. The campaign was supported by advertising and public relations and a coordinated response effort by Corporate Affairs, the office of the Pro Vice-Chancellor (Teaching and Learning) and relevant faculties.

SCHOOLS BULLETIN

Eight hundred copies of the RMIT Schools Bulletin are mailed each term to careers teachers, principals and other key contacts at Victorian secondary schools. The bulletin contains news about career opportunities, student life, new academic programs and RMIT events for students, teachers and parents.

X-MAG

X-Mag is a new resource produced by RMIT to assist Year 10 students with their career planning. It contains useful tips, new information and stories from university and TAFE students. *X-Mag* was launched in March 2000 with an initial print run of 50,000 copies for Year 10 students and careers advisers in Victoria.

BUILDING OPENINGS AND NAMINGS

The printing building and the textiles, clothing and footwear building were both opened at the Brunswick campus in July 2000 by the Honorable Lynne Kosky MP, Minister for Post-Compulsory Education, Training and Employment.

In September the first stage of development at the Hamilton site saw the completion of the front wing of the main building of the RMIT Flexible Learning Centre. The building was officially named the Helen and Geoff Handbury Building to recognise the Handburys' generosity to the RMIT International Community Exchange (RICE) program and to the Flexible Learning Centre in Hamilton.

LIFE IN SPACE

This program, run from 3 to 9 May by the Faculty of Applied Science and Faculty of Engineering, was part of National Science Week for more than 600 Year 9 secondary school students. 'Life In Space' included hands-on science workshops, based around the theme of sustaining human life on other planets and in space, in order for students to experience some of the exciting career opportunities in science and technology. The program was launched by the Honorable Theo Theophanous MLC, Parliamentary Secretary for Education, Employment and Training.

ROBOCUP 2000

The Faculty of Engineering hosted Robocup 2000, the fourth world cup of robot soccer, at the Melbourne Exhibition Centre from Saturday 26 August to Sunday 3 September. Robocup is an international educational and research initiative designed to increase awareness of artificial intelligence and robotics. Over 40,000 people attended Robocup 2000, which was open to the public, and 120 teams played one another.

GLOBAL UNIVERSITY ALLIANCE LAUNCH

In October the university participated in the official worldwide launch in Hong Kong of the Global University Alliance (GUA). The GUA provides a dynamic selection of on-line courses for distance-learners anywhere in the world to link up to the Internet and study from home or the office.

TAFE CAREERS EXPO

The TAFE Careers Expo was hosted by RMIT Engineering in November and drew together industry representatives, training companies and staff from the engineering and applied science faculties. Over 100 certificate, diploma and other training programs were showcased to prospective students as well as information on careers in a variety of areas from aerospace to computer science and telecommunications to food technology.

Corporate publications

During 2000 the following publications were available from the university in hard copy and/or on the internet.

- ▶ Alumni magazine
<http://www.alumni.rmit.edu.au/magazine/>
- ▶ Annual Report 1999
<http://www.rmit.edu.au/About/ar99/ar99.pdf>
- ▶ Brochures and career-planning guides for prospective students, including the X-Mag and Pathways brochure
<http://www.rmit.edu.au/departments/ca/publications/checkit/x-mag.pdf>
<http://www.admissions.rmit.edu.au/pathways/>
- ▶ Brochures and handbooks describing TAFE, bachelor degree and postgraduate programs (print and web)
<http://www.rmit.edu.au/Courses>
- ▶ E-mail News, a weekly newsletter for staff and friends of RMIT <http://www.rmit.edu.au/enews/>
- ▶ Experts Guide <http://www.ca.rmit.edu.au/expert/>
- ▶ Handbooks describing short (non-award) courses
<http://cbs.rmit.edu.au/>
- ▶ Openline, a newspaper for staff
<http://www.rmit.edu.au/openline/>
- ▶ Organisational summary
<http://www.rmit.edu.au/org-summary/>
- ▶ Promotional material for Open Day, student orientation and staff induction
- ▶ Schools Bulletin, a quarterly newsletter for secondary school careers teachers
- ▶ Staff and Student Handbook
<http://handbook.rmit.edu.au/>
- ▶ Strategic Plan
<http://www.rmit.edu.au/About/strategic/>
- ▶ Student diary;
- ▶ Teaching and Learning Strategy
<http://www.teaching.rmit.edu.au/>
- ▶ Today@RMIT, daily e-mail newsletter of events and activities, and the What's On@RMIT web calendar
<http://www.whatson.rmit.edu.au/>

The university's web site <http://www.rmit.edu.au> provides comprehensive information about various aspects of RMIT's operations. Significant sub-sites include:

- ▶ admissions and course information
<http://www.admissions.rmit.edu.au>

Promotional activities

- ▶ human resources <http://www.hr.rmit.edu.au>
- ▶ international <http://www.international.rmit.edu.au>
- ▶ news and media relations
<http://www.rmit.edu.au/news>
- ▶ research and development
<http://www.rmit.edu.au/departments/rd>

Copies of printed and electronic publications are available from the Corporate Affairs Group.

Corporate Affairs Group
RMIT University
GPO Box 2476V
Melbourne Vic 3001
Telephone 61 3 9925 2717

Community and regional partnerships

The university aims to be an active and valued member of the communities in which it operates.

Strategies for achieving this include:

- ▶ Extending RMIT's involvement with communities, industry, schools and local government in regions where RMIT has a presence;
- ▶ Establishing cooperative projects and programs with community groups in areas of community service activity that articulate to learning, research and innovation.

Success in implementing these strategies is measured by community awareness of, and satisfaction with, RMIT and by the value of the university's contribution to the community involved.

INNER MELBOURNE

- ▶ Melbourne Youth Learning Opportunities: a project generated by RMIT staff and community partner organisations to seek to open education and training opportunities to disaffected young people.
- ▶ Whereveruni: a project to provide technology-facilitated access to education and training for people affected by drug abuse.
- ▶ Cooperative activities with schools in inner Melbourne through City Interactive Education Coordinated Area Program (CIECAP).

NORTHERN METROPOLITAN MELBOURNE

- ▶ Project.reX (Regional Electronic Xchange): RMIT logistics students played an important role in this project which aims to encourage more than 200 businesses in Melbourne's north to take up the

challenges of e-commerce and e-communications in supply chain management.

- ▶ Benchmarking for small to medium enterprises.
- ▶ Cooperative activities with schools in inner Melbourne through Northern Interactive Education Coordinated Area Program (NIECAP).
- ▶ The university continues to contribute strongly to the boards and projects of North Link, Northern Industry, Education and Training Link (NIETL) and Northern Area Consultative Committee.
- ▶ Marketing the North: a project to fast-track business location and investment attraction to the northern region of Melbourne.

HAMILTON AND WESTERN VICTORIA

- ▶ Establishment of a Flexible Learning Centre and Centre for Regional and Rural Development
- ▶ The first students began their studies in garment construction and in nursing at this new site. Approximately 40 students in the region enrolled in the Master of Education by project and one PhD student commenced. The new postgraduate program is meeting a strong latent community need.
- ▶ A partnership agreement was signed with Western District Health Service.
- ▶ A major donation was received from Geoff and Helen Handbury of Balmoral and proved critical in commencing operations and in securing government support. The main building at the Flexible Learning Centre was officially named the Handbury Building in July 2000.
- ▶ A major capital grant of \$3.135 million from the Regional Infrastructure Development Fund was announced by the Minister for State and Regional Development, the Honorable John Brumby MP. The Commonwealth Government pledged support of \$200,000.
- ▶ Core staff were appointed to the centre and State Government financial incentives were secured for employment of two IT/multimedia trainees for two years.
- ▶ Memorandums of understanding were signed with Deakin University and South-West Institute of TAFE.
- ▶ Three conferences were hosted: De la Salle University Manila, RMIT Women in Research and the RICE Conference. More than 10 community groups used the centre for meetings.

- ▶ Maintenance and development of local community partnerships for learning and research: more than 50 projects were implemented in 2000.
- ▶ RMIT won the education section of the annual Shire Business Excellence Awards.
- ▶ Publication of *RICE Paper*, a newsletter of activities relating to Hamilton regional partnerships, continues as an annual activity.

EAST GIPPSLAND

- ▶ Maintenance and development of the partnership with East Gippsland Institute of TAFE.
- ▶ Activity developing from RMIT research scholarships focused on the environmental issues of the Lakes system. Students and staff disseminated their work and findings through papers and conferences, locally, nationally and internationally, across areas as varied as the Australasian Natural Resource Law and Policy Conference, the Envirottox Conference and the Ecological Society of Australia Conference. A successful seminar was held in Lakes Entrance to present the university's research scholars and related university capability—good feedback was received both from RMIT and East Gippsland community participants.
- ▶ New collaborations in aquaculture and the dairy industry and with organisations such as the Coastal Board, the Marine and Freshwater Resources Institute and the Department of Natural Resources and Environment.
- ▶ Establishment of the Aquaculture research facility, SEAMEC, at Lakes Entrance.
- ▶ RMIT and East Gippsland Institute of TAFE jointly propose to establish a Research and Education Centre at Lakes Entrance. Feedback from the community on this proposal has been very positive. A capital funding bid was submitted to the State Government.
- ▶ An intercultural exchange program involving AusAID students was conducted successfully in Mallacoota.

REGIONAL LEARNING NETWORKS

Development of a community partnership approach for delivery of learning opportunities by local providers, using learning technologies.

State funding was confirmed in 2000, comprising \$40,000 to extend stage one of the project and \$180,000 to support stage two.

The Commonwealth Government pledged \$110,000 in capital development funding to contribute to information technology infrastructure at community partner sites.

A financial brokering model was developed for the delivery of 50,000 student contact hours distributed through seven learning sites.

State funding of \$18,000 was granted in partnership with a community provider to develop an on-line community of practice to provide professional development to community teaching staff.

OTHER SIGNIFICANT PROJECTS

In Wodonga the Australian Army is very positive about RMIT's engineering training. The Faculty of Engineering also offers plumbing pre-apprenticeship training in collaboration with a local company, and a cohort of students enrolled in an RMIT Master of Education research program at Wodonga Institute of TAFE.

In Wangaratta a partnership is for training developing between RMIT Textiles and The Centre Inc. The Centre is also becoming a member of the RMIT Learning Network.

In north-west Victoria attention has focused on the dryland agriculture areas, particularly the Buloke Shire. Planning commenced for an intercultural exchange program in Birchip for 2001. RMIT accepted an invitation to join the Shire of Buloke's Learning Town Board.

Planning commenced for a pilot international regional partnership in India, proposed to begin in 2001.

Buildings and maintenance

All maintenance work and new projects were carried out in compliance with the *Building Act 1993*. Work on existing facilities that required regulatory upgrading was funded from the property capital expenditure program approved by the University Council. The allocation for this in 2000 was \$10.2 million.

Building works 1999-2000

Type of work	1999	2000
Projects certified for approval	24	16
Works in construction and the subject of mandatory inspections	4	6
Occupancy permits issued	12	32

Environmental indicators for all RMIT sites and campuses in Melbourne, 2000

Indicator	Quantity	Source of data
Waste produced	1219 tonnes	RMIT
Electricity consumed	50,812,342 kWh	Citipower
Gas consumed	11,261,365 MJ	TXU
Greenhouse gas produced	73,594 tonnes	RMIT
Water consumed	228,090 kL	City West Water

Space quality and deficiency ratings of RMIT buildings, 1999-2000

Category—indicator	Percentage of buildings	
	1999	2000
S—satisfactory	64%	67%
A—require expenditure up to 25% of capital replacement value	11%	28%
B—require expenditure of 25-50% of capital replacement value	23%	4%
C—require expenditure >50% of capital replacement value	2%	1%
D—demolition	0	0

The decrease in category B is a direct result of work done to upgrade buildings to category A.

Categories of document

SUBJECT FILES

The university's Central Registry filing system contains policy and procedural files dated up to and including 1990, arranged by subject. Central Registry files after 1990 hold documentation on particular areas such as committees, course/program management and some executive matters.

A decentralised system in the TAFE sector contains policy and procedural files arranged by subject. A decentralised classification system for TAFE files, with local control, was discontinued in 1990.

After 1990, subject files were decentralised and became the responsibility of faculties, administrative groups and other business centres of the university.

PERSONAL FILES

The Human Resources group holds a file for each member of staff, documenting her or his relationship with the university. Student Administration holds a file for each student, documenting the student's relationship with the university. Local staff and student files, while not duplicating documents held centrally, are held in relevant academic and administrative sections.

COMPUTER RECORDS

Core information concerning university administrative functions is held by the Resources section on various databases on the HP3000 and the SAP system, and supplements the information held in hard copy series.

ARCHIVAL MATERIAL

Large numbers of documents dating from the founding of the organisation are preserved in the university archives.

Material prepared by the university under Part 2 of the FOI Act

Published material (guides, procedures et cetera) together with a copy of RMIT's Part 2 statement may be inspected at Academic Administration Services on the city campus. Copies of Part 2 statements may be bought from that address for \$0.20.

Application procedure

An application under the *Freedom of Information Act* should be made in writing to:

Freedom of Information Officer
RMIT University
GPO Box 2476V
MELBOURNE VIC 3001

Documents to which access is granted may be inspected between 8.30 a.m. and 5.30 p.m. Monday to Friday. The freedom of information officer is John Lambrick, e-mail john.lambrick@rmit.edu.au

Requests received in 2000 under the Freedom of Information Act 1992	
Access granted in full	6
Access granted in part	3
Access denied	0
Total requests	9

Implementation of National Competition Policy

The university has developed costing and pricing models that apply all relevant university costs including overhead costs and where appropriate adjusts price to take account of any competitive advantage the university may have.

RMIT is undertaking a pilot study in one of the seven faculties to assess the implications of the Victorian Government's competitive neutrality reforms. The pilot study has placed particular emphasis on the introduction and management of the 'public interest test'.

Fees and charges

In 2000 goods and services tax of 5 per cent was imposed on compulsory non-academic fees (CNAF) and student services and administration fees (SSAF) but there was no increase in CNAF or SSAF.

There was a fee increase of approximately \$50 for a small number of undergraduate and postgraduate programs for local and international full-fee students, where the annual fee for the course is more than \$10,000.

RMIT Training's fee for ELICOS language programs increased by 11 per cent from \$265 to \$295 per week.

Amendments to the *Tertiary Education Act* 1993, enacted in 2000, require the university to publish as part of its annual report details of compulsory non-academic fees collected and the purposes to which these have been applied.

The amendments also require details of monies provided to the student organisations and the way in which those student organisations spent the funds.

The amount of compulsory non-academic fees—referred to as the student general services fees—collected by the university from students and prospective students during the year ended 31 December 2000 is shown in Note 34 to the annual financial statements of the university. The note also shows the purposes for which the university distributed those fees and the amounts of money made available to university operations and student-related organisations.

According to the financial statements received from the RMIT Union, the purposes for which they spent the money made available to them were as shown overleaf.

RMIT Union	2000 \$,000
Income	
Investment income	681
Student general service fees	4,557
Sales revenue	2,864
Other income	1,952
Total income	10,054
Expenditure	
Cost of sales	1,924
Consumables	93
Equipment, repairs and hire	171
Administrative expense	671
Occupancy expenses	196
Other expenses	175
Ski lodge	26
Special events	25
Southern Universities Sports Association	35
Tours	24
Publications	79
Publicity	43
Event management	23
Australian Universities Sport	136
Orientation	64
Programs expenses	110
Grants—sporting clubs	341
Depreciation	799
Salary and related expenses	3,467
Total expenses	8,402
Net surplus/(deficit)	1,652

Student Union Council

The university does not control the Student Union Council and does not consolidate its financial statements into RMIT's consolidated report. At the time of preparation of the university's annual report, the financial statements for the Student Union Council were not available for reporting.

RMIT teaching departments

Provision of student material and support services 2,961

RMIT student services

Provision of student welfare and counselling support 284

Operating results 1996 to 2000 inclusive

	Consolidated					RMIT				
	2000 \$,000	1999 \$,000	1998 \$,000	1997 \$,000	1996 \$,000	2000 \$,000	1999 \$,000	1998 \$,000	1997 \$,000	1996 \$,000
Operating result	22,669	45,739	18,854	10,672	20,939	19,766	42,426	17,808	9229	19,530
Abnormal items	—	15,258	-4406	-7805	-21,641	—	15,258	-4373	-7560	14,018
Operating result after abnormal items	22,669	60,997	14,448	2867	-702	19,766	57,684	13,435	1669	33,548
Income tax	74	669	273	633	459	74	669	232	633	459
Operating result after abnormal items and income tax	22,595	60,328	14,175	2234	-1161	19,692	57,015	13,203	1036	33,089
Extraordinary items	—	—	—	—	—	—	—	—	—	—
Operating result after abnormal items, income tax and extraordinary items	22,595	60,328	14,175	2234	-1161	19,692	57,015	13,203	1036	33,089
Outside equity in operating results and extraordinary items	4	—	—	—	—	—	—	—	—	—
Operating result after abnormal items, income tax, extraordinary items and outside equity	22,591	60,328	14,175	2234	-1161	19,692	57,015	13,202	1036	33,089
Accumulated funds at the beginning of the financial year	276,227	217,950	204,822	203,445	205,434	19,692	253,207	240,004	238,968	205,879
Transfers :										
To reserves	-1705	-2051	-1047	-857	-828	—	—	—	—	—
From reserves	—	—	—	—	—	—	—	—	—	—
Accumulated funds at end of financial year	297,113	276,227	217,950	204,822	203,445	329,914	310,222	253,207	240,004	238,968

ANNUAL REPORT

for the year ended 31 December 2000

Financial results 1996-2000

Summary of balance sheets for the years 1996 to 2000 inclusive

	CONSOLIDATED					RMIT				
	2000	1999	1998	1997	1996	2000	1999	1998	1997	1996
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Current assets										
Cash	28,864	23,397	19,600	22,998	26,739	6,902	3,495	4,689	6,210	11417
Receivables	46,793	37,963	27,562	13,137	17,897	56,832	34,528	24,786	10,544	15423
Investments	25,548	50,609	33,861	28,061	44,024	25,548	50,609	33,861	28,061	44024
Inventories	863	980	1,125	1,266	1,165	—	28	33	264	573
Advances and prepayments	1,369	3,462	2,624	3,185	3,413	1,304	3,284	2,564	3,112	3376
Related corporations	—	—	—	—	—	—	—	9,291	1,589	3152
Total current assets	103,437	116,411	84,772	68,647	—	90,586	91,944	75,224	49,780	77965
Non-current assets										
Receivables	221,675	208,848	204,139	160	200	222,507	222,150	204,139	160	200
Investments	5,190	4,916	4,800	5,751	11,210	5,856	5,603	5,406	6,337	11806
Property, plant and equipment	900,385	855,790	820,412	728,848	691,231	896,227	851,408	815,171	722,666	684955
Intangibles	101	118	135	83	90	35	46	58	—	—
Related corporations	—	—	—	—	—	—	—	969	—	—
Total non-current assets	1,127,351	1,069,672	1,029,486	734,842	702,731	1,124,625	1,079,207	1,025,743	729,163	696961
Total assets	1,230,788	1,186,083	1,114,258	803,489	795,969	1,215,211	1,171,151	1,100,967	778,943	774926
Current liabilities										
Creditors and accrued expenses	22,016	21,795	18,175	23,489	13,672	18,433	18,555	14,584	18,586	10291
Leases	70	82	323	385	395	—	55	300	368	395
Employee entitlements	43,174	36,771	35,513	19,137	23,725	42,095	35,835	34,512	18,157	22880
Revenue in advance	29,154	26,648	25,662	27,078	24,776	24,613	22,277	22,169	14,072	13119
Related corporations	—	—	—	—	—	—	—	6,192	4,781	4088
Total current liabilities	94,414	85,296	79,673	70,089	62,568	85,141	76,722	77,757	55,964	50773
Non-current liabilities										
Creditors and accrued expenses	—	—	—	—	—	11,427	8,421	—	—	—
Borrowings	25,000	25,000	25,000	—	12,500	25,000	25,000	25,000	—	12500
Leases	67	156	155	409	386	—	34	89	345	386
Employee entitlements	252,692	239,730	233,854	26,688	16,313	252,332	239,355	233,517	26,330	15999
Total non-current liabilities	277,759	264,886	259,009	27,097	29,199	288,759	272,810	258,606	26,675	28885
Total liabilities	372,173	350,182	338,682	97,186	91,767	373,900	349,532	336,363	82,639	79658
Net assets	858,615	835,901	775,576	706,303	704,202	841,311	821,619	764,604	696,304	695268
Equity										
Parent entity interest										
Accumulated funds	297,113	276,227	217,950	204,822	203,445	329,914	310,222	253,207	240,004	238968
Reserves	561,400	559,674	557,626	501,481	500,757	511,397	511,397	511,397	456,300	456300
Total parent entity interest	858,513	835,901	775,576	706,303	704,202	841,311	821,619	764,604	696,304	695268
Outside equity interest										
in controlled entities	102	—	—	—	—	—	—	—	—	—
Total equity	858,615	835,901	775,576	706,303	—	841,311	821,619	764,604	696,304	695268

Consultancies

Consultancies during 2000 costing in excess of \$100,000 each				
Vendor	Order value	Invoiced amount	Future commitments	Description
AST Consulting	2,955,743.35	2,803,761.75	151,981.60	SAP support project
SAP Australia Sydney	531,487.00	511,787.00	19,700.00	SAP implementation
Deloitte Consulting	397,372.00	318,185.50	79,186.50	Tender management: desktop and notebook
Moore Stephens HF Services	370,557.20	262,321.00	108,236.20	GST compliance advice
Praxa	315,336.77	311,973.51	3,363.26	Distributed Learning System integration project
Baldowrie Holdings	275,000.00	187,296.27	87,703.73	Marketing strategy, branding
Novell Consulting	227,095.00	206,450.00	20,645.00	Enterprise network architect
Pivotal Management Consultant	210,474.29	201,841.16	8,633.13	Strategic planning
Egon Zehnder International	185,000.00	107,541.75	77,458.25	Executive search: Vice-Chancellor and President
EWV Management Consultancy	170,420.21	161,420.21	9,000.00	Microtechnology activities review
Fluffy Spider Technologies	165,176.48	165,176.48	0.00	Planet 7 capacity planning tool
VFC Pivotal	154,097.50	114,652.00	39,445.50	Activity-based costing project
Silicon Graphics	135,942.96	113,298.87	22,644.09	Graphic consultancy
Spherion Recruitment Solution	134,817.78	91,884.22	42,933.56	Agency recruitment
Shell Services International	134,413.50	50,928.91	83,484.59	EFTPOS/SAP project
Com Tech Communications	133,922.00	87,730.00	46,192.00	Web server project
Cambridge Technology Partners	123,200.00	112,000.00	11,200.00	Customer relationship management scoping project
David McKinna Et Al	119,040.00	110,400.00	8,640.00	Market research
A & V Management Consultants	115,398.75	95,741.50	19,657.25	ABC and GST project
Infosoft	110,000.00	79,388.00	30,612.00	Electronic document management project
SAP Australia Melbourne	109,450.00	88,850.00	20,600.00	SAP implementation
GNR Computer Consultants	109,442.37	106,356.25	3,086.12	Academic Management System implementation project
Ernst and Young	107,875.00	107,875.00	0.00	Risk management consultancy
Total	12,127,917.09	10,698,382.14	1,429,534.95	
586 consultancies less than \$100,000 each	4,836,654.93	4,301,522.76	535,132.17	

Consistent with the requirements of the *Financial Management Act 1994*, RMIT has prepared material on all items listed in the compliance index of this report and details are available on request.

In particular, the following additional documents are available:

- ▶ Details of RMIT's compliance with requirements of the *Public Sector Management and Employment Act 1998*.
- ▶ The *2000 Consolidated Performance Report* details performance measures and outcomes at university and faculty levels. The *Consolidated Performance Report* contains mostly quantitative data supporting the 'Balance Scorecard' table in this annual report.
- ▶ A comprehensive *Annual Report 2000 (Qualitative)* outlines progress during 2000 towards the goals enumerated in the university's five-year strategic plan.

Enquiries should be addressed to:

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Financial statements

for the year ended 31 December 2000

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Statement by Chancellor and Vice-Chancellor

In our opinion:

- (a) The consolidated financial statements of Royal Melbourne Institute of Technology (RMIT) consisting of the profit and loss statement, balance sheet, statement of cash flows and the accompanying notes hereto, present fairly the financial transactions of the university and its subsidiaries as at 31 December 2000 and their financial performance represented by the results of their operations for the year ended on that date.
- (b) These financial statements have been prepared in accordance with the Commonwealth Department of Education, Training and Youth Affairs (DETYA) reporting requirements and pursuant to the Victorian *Financial Management Act 1994*. The *Accounting Standards* issued jointly by the Institute of Chartered Accountants in Australia and the Australian Society of Certified Practising Accountants and other mandatory professional reporting requirements have been complied with where applicable.
- (c) There are reasonable grounds to believe that RMIT will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Councillors:



D. Mercer
Chancellor



R. Dunkin
Vice-Chancellor

Dated at Melbourne this 30th day of March 2001.



AUDITOR GENERAL
VICTORIA

AUDITOR-GENERAL'S REPORT

To the Members of the Parliament of Victoria, the responsible Ministers and the Members of the Council of the Royal Melbourne Institute of Technology

Audit Scope

The accompanying financial report of the Royal Melbourne Institute of Technology for the financial year ended 31 December 2000, comprising a profit and loss statement, balance sheet, statement of cash flows and notes to the financial statements, has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising the Royal Melbourne Institute of Technology and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 31 to the financial statements. The Members of the University's Council are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, the responsible Ministers and the Members of the Council of the Royal Melbourne Institute of Technology as required by the Audit Act 1994.

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 an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. 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 Australian Accounting Standards and other mandatory professional reporting requirements and complies with the 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 the results of their operations and their cash flows.

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

Qualifications

As disclosed in note 2 to the financial statements, the Commonwealth Government has undertaken to reimburse the University in respect of the cost of annual pension payments paid by the University to the State Superannuation Fund in relation to former higher education employees. The University's future call on Commonwealth funding has been recognised as an asset in its balance sheet as at 31 December 2000 and has been valued at \$238.2 million (\$225.2 million as at 31 December 1999), which equates with the amount of the University's unfunded superannuation liability. The corresponding adjustment in the value of this asset of \$13.0 million was recorded as revenue in the profit and loss statement for the year ended 31 December 2000 (\$4.7 million for the year ended 31 December 1999). As the University does not exercise control over the future Commonwealth Government funding associated with the unfunded superannuation liability of the University as at 31 December 2000, a right to these funds should not have been recognised as an asset in the University's balance sheet. Accordingly, the reported assets of the University have been overstated by \$238.2 million (\$225.2 million as at 31 December 1999) and the accumulated funds have been overstated by a similar amount. In addition the associated revenue and the operating result for the year ended 31 December 2000 have been overstated by \$13.0 million (\$4.7 million as at 31 December 1999).

As disclosed at note 18 to the financial statements, the University has reported revenue received in advance relating to advances from the Commonwealth Government of \$13.8 million (\$13.5 million as at 31 December 1999) as a current liability. As the University effectively controlled these funds at 31 December 2000, this amount should have been recognised as revenue in accordance with the requirements of Australian Accounting Standard AAS 15 "Revenue". Accordingly, for the year ended 31 December 2000, grant revenue and the operating result are understated by \$13.8 million (overstated by \$300 000 for the year ended 31 December 1999) and accumulated funds are understated and current liabilities are overstated as at 31 December 2000 by the same amount (\$13.5 million as at 31 December 1999). The \$13.5 million that should have been brought to account in the year ended 31 December 1999 in accordance with the revenue and recognition requirements of AAS 15 has been included as part of grant revenue and the operating result for the year ended 31 December 2000, and has not been disclosed as a prior period adjustment.

Qualified Audit Opinion

In my opinion, except for the effect on the financial report of the matters referred to above, the financial report presents fairly the financial position of the Royal Melbourne Institute of Technology and the economic entity as at 31 December 2000 and the results of their operations and their cash flows for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and complies with the requirements of the Financial Management Act 1994.

MELBOURNE

6 April 2001

J. W. CAMERON

Auditor-General

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
Telephone (03) 8601 7600 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing to the Public Interest

**Profit and loss statement
for year ended 31 December 2000**

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
Operating result	3	22,669	45,739	18,714	42,426
Abnormal items	4	—	15,258	(4,331)	15,258
Operating result after abnormal items		22,669	60,997	14,383	57,684
Income tax	5	74	669	74	669
Operating result after abnormal items and income tax		22,595	60,328	14,309	57,015
Outside equity interest in operating results	21	4	—	—	—
Operating result after abnormal items and income tax attributable to members of RMIT		22,591	60,328	14,309	57,015
Accumulated funds at the beginning of the financial year	7	276,227	217,950	310,222	253,207
Transfers:					
To reserves	20	(1,705)	(2,051)	—	—
From reserves					
Accumulated funds at the end of the financial year	7	297,113	276,227	324,531	310,222

The profit and loss statements are to be read in conjunction with the accompanying notes.

Financial statements

Balance sheet
as at 31 December 2000

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
Current assets					
Cash	8	28,864	23,397	5,379	3,495
Receivables	9	46,793	37,963	56,836	34,528
Investments	10	25,548	50,609	25,548	50,609
Inventories	11	863	980	—	28
Advances and prepayments	12	1,369	3,462	1,304	3,284
Total current assets		103,437	116,411	89,067	91,944
Non-current assets					
Receivables	9	221,675	208,848	222,507	222,150
Investments	10	5,190	4,916	1,991	5,603
Property, plant and equipment	13	900,385	855,790	896,227	851,408
Intangibles	14	101	118	35	46
Total non-current assets		1,127,351	1,069,672	1,120,760	1,079,207
Total assets		1,230,788	1,186,083	1,209,827	1,171,151
Current liabilities					
Creditors and accrued expenses	15	22,016	21,795	18,432	18,555
Leases	16	70	82	—	55
Employee entitlements	17	43,174	36,771	42,095	35,835
Revenue in advance	18	29,154	26,648	24,613	22,277
Total current liabilities		94,414	85,296	85,140	76,722
Non-current liabilities					
Creditors and accrued expenses	15	—	—	11,427	8,421
Borrowings	19	25,000	25,000	25,000	25,000
Leases	16	67	156	—	34
Employee entitlements	17	252,692	239,730	252,332	239,355
Total non-current liabilities		277,759	264,886	288,759	272,810
Total liabilities		372,173	350,182	373,899	349,532
Net assets		858,615	835,901	835,928	821,619
Equity					
Parent entity interest					
Accumulated funds	7	297,113	276,227	324,531	310,222
Reserves	20	561,400	559,674	511,397	511,397
Total parent entity interest		858,513	835,901	835,928	821,619
Outside equity interest in controlled entities	21	102	—	—	—
Total equity		858,615	835,901	835,928	821,619
Contingent liabilities	22				
Commitments	23				

The balance sheet is to be read in conjunction with the accompanying notes.

Statement of cash flows
for the year ended 31 December 2000

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
Cash flows from operating activities					
Inflows:					
Commonwealth Government grants		123,631	121,223	123,631	121,223
Victorian State Government grants		55,072	59,398	55,072	59,398
Higher Education Contribution Scheme					
Student payments		8,570	7,476	8,570	7,476
Higher Education Trust Fund		51,116	51,055	51,116	51,055
Research grants and contracts		12,292	11,015	12,377	11,886
Donations and bequests		1,679	1,563	1,679	1,564
Interest received		5,089	4,732	3,526	3,811
Fees and charges		136,560	114,051	131,876	113,663
Other cash receipts in the course of operations		35,555	40,269	18,255	16,138
		429,564	410,783	406,102	324,214
Outflows:					
Payments of salaries and related costs		259,460	238,467	246,698	228,330
Payments to suppliers in the course of operations		119,122	103,760	112,338	95,270
Interest and other finance costs paid		1,384	552	1,384	552
Income tax paid		147	1,339	74	669
		380,113	344,118	360,494	324,821
Net cash provided by operating activities	24	49,451	66,665	45,608	61,393
Cash flows from investing activities					
Inflows:					
Proceeds from sale of investments		—	5,007	—	5,007
Proceeds from sale of property, plant and equipment		1,639	1,375	1,408	1,308
Cash balance acquired from acquisition of MIText		—	976	—	976
		1,639	7,358	1,408	7,291
Outflows:					
Payment for investments		1,279	200	1,055	200
Transfer of opening RMIT Foundation cash	4	—	—	669	—
Payments for property, plant and equipment		70,296	50,177	69,384	49,829
		71,575	50,377	71,108	50,029
Net cash used by investing activities		(69,936)	(43,019)	(69,700)	(42,738)
Cash flows from financing activities					
Outflows:					
Payments for finance leases		113	98	89	98
Net cash provided by financing activities		(113)	(98)	(89)	(98)
Net increase in cash held		(20,598)	23,548	(24,181)	18,557
Cash at beginning of reporting period		74,006	50,458	54,104	35,547
Cash at end of reporting period	24	53,408	74,006	29,923	54,104

The statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to financial statements

1. Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with *Applicable Accounting Standards, Urgent Issues Group Consensus Views, the Victorian Financial Management Act 1994, Commonwealth Department of Education, Training and Youth Affairs (Reporting Requirements)*, and other authoritative pronouncements of the Australian Accounting Standards Board.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report.

(A) BASIS OF PREPARATION

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

(B) COMPARATIVE FIGURES

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

(C) ROUNDING OF AMOUNTS

The parent entity satisfies the requirements of 9.2.2.(iii) (a) of the *Financial Management Act 1994* regulations and accordingly, amounts in the financial statements and report of operations have been rounded to the nearest thousand dollars.

(D) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all of the entities controlled by RMIT as at 31 December 2000 and the results of all controlled entities for the year then ended. RMIT and its controlled entities together are referred to in this report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated operating statement and balance sheet respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated operating statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for the part of the year during which control existed.

A list of controlled entities is contained in Note 31 to the accounts.

(E) REVENUE RECOGNITION

Operating grants. Revenue is recognised in the accounts upon advice from various government sources. Unconditional grants are brought to account at time of receipt, conditional grants are brought to account in the period to which they relate.

The above accounting treatment complies with Section 2.7 of the Department of Education, Training and Youth Affairs *Guidelines for the Preparation of Annual Financial Reports for the 2000 Reporting Period by Australian Higher Education Institutions*, which requires the advance payment of the Commonwealth grant for operating purposes received in December 2000, relating to the year 2001, to be treated as deferred revenue.

Fees, charges and commercial activities. Revenue from fees, charges and commercial activities comprises earned income (net of returns, discounts and allowances) from the provision of products or services to entities outside the Consolidated Entity. Revenue is recognised when the goods and services are provided, or when the fee in respect of the services provided is receivable and unconditional.

Interest income. Interest income is recognised as it accrues.

Asset sales. The gross proceeds of asset sales are included as revenue of the Consolidated Entity. The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed.

(F) RESEARCH AND DEVELOPMENT—NOTE 3.5

Expenditure on research and development is charged against revenue as and when incurred on the basis that continuing research is part of the overall operations of the Consolidated Entity. Government

grants received or receivable in relation to research and development costs which have been written-off during the current or previous periods are credited to the operating statement.

(G) FOREIGN CURRENCY

All foreign currency transactions during the year have been brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at balance date are translated at the exchange rate existing at that date.

Exchange differences are brought to account in the Operating Statement of the financial period in which they arise.

Assets and liabilities of self-sustaining overseas controlled entities and branches are translated at exchange rates existing at balance date and the exchange rate gain or loss arising on translation is carried direct to a foreign currency translation reserve.

(H) INCOME TAX—NOTE 5

The Consolidated Entity does not provide for Australian income tax as it is exempt from income tax in accordance with the provisions of Section 23(e) of the *Income Tax Assessment Act*. Income tax in other jurisdictions is provided for as required.

(i) Bad and doubtful debts—Note 3.12

General provisions for bad and doubtful debts are maintained to cover non-identified and latent risks inherent in the overall trade debtors transactions and student loan portfolio. Debts which are known to be uncollectable are written off. A provision for doubtful debts is assessed and raised when some doubt as to collection exists.

(J) CASH—NOTE 8

For purposes of the statement of cash flow, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdraft.

(K) RECEIVABLES—NOTE 9

Trade debtors are recognised at the amount receivable as they are generally settled within 60 days. The collectibility of debts is reviewed on an ongoing basis.

(L) INVESTMENTS—NOTE 10

Interest in listed and unlisted securities, other than controlled entities and associates in the consolidated financial statements, are brought to account at cost and income earned is recognised in the operating statement when receivable. Controlled entities and associates are accounted for in the consolidated financial statements as set out in Note 31.

Prior to the preparation of the accounts, the cost of investments in relation to their market value is reviewed. If considered necessary, a provision is made for any permanent diminution in the aggregate carrying value of these investments.

(M) INVENTORIES—NOTE 11

Inventories are measured at the lower of cost and net realisable value. Stock obsolescence is provided for on the basis of the relationship between items of stock and recent sales.

(N) PROPERTY, PLANT AND EQUIPMENT—NOTE 13

Property, plant and equipment are carried at cost or at independent or Councillors' valuation, less, where applicable, any accumulated depreciation or amortisation.

(i) Acquisition. Items of property, plant and equipment are initially recorded at cost and depreciated as outlined below. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. The cost of property, plant and equipment constructed by the consolidated entity includes the cost of materials and direct labour, an appropriate proportion of fixed and variable overheads and capitalised interest.

(ii) Subsequent additional costs. Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefit, in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years. Where these costs represent separate components they are accounted for as separate assets and are separately depreciated over their useful lives to the university.

(ii) Revaluations. Land and buildings are independently valued every three years on an existing use basis of valuation and included in the financial statements at the revalued amounts.

Notes to financial statements

(iii) *Disposal of revalued assets.* The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal and is included in the results in the year of disposal.

(iv) *Depreciation and amortisation items of property, plant and equipment, including buildings and leasehold property but excluding freehold land, are depreciated or amortised using the straight line method over their estimated useful lives to the university.*

The depreciation rates used for each class of asset are as follows:

Buildings	1.0% – 2.0%
Plant and equipment	3.0% – 10.0%
Leased plant and equipment	3.0% – 10.0%
Computer equipment	10.0% – 33.3%
Computer software	10.0% – 25.0%
Library collections	20.0%

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

(v) *Leased plant and equipment.* Leases of plant and equipment under which the parent entity or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense of the accounting period in which they are incurred. Capitalised lease assets are amortised on a straight line basis over the term of the relevant lease, or where it is likely the consolidated entity will obtain ownership of the asset, over the life of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the statement of financial performance. Also refer Note 16.

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of

the pattern of benefits to be derived from the lease property.

(O) TRADE AND OTHER CREDITORS—NOTE 15

These amounts represent liabilities for goods or services provided to the consolidated financial year and which are unpaid. Trade accounts payable are generally settled within 60 days.

(P) EMPLOYEE ENTITLEMENTS—NOTE 17

(i) *Wages, salaries and annual leave.* Liabilities for wages, salaries and annual leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) *Sick leave.* Sick Leave entitlements are non-vesting and are paid only upon a valid claim for Sick Leave by an employee. The amount of Sick Leave expected to be taken in future reporting periods is less than entitlements which are expected to accrue in those periods, therefore no provision for Sick Leave has been recognised.

(iii) *Long service leave.* The liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. In determining the liability, consideration is given to expected future wages and salary levels, experience of employee departures and periods of service. Related on-costs have also been included in the liability.

Expected future payments are discounted using interest rates set out by the Department of Treasury and Finance, which most closely match the terms of maturity of the related liabilities.

The proportion of Long Service Leave estimated to be payable within the next financial year is included in the Statement of Financial Position under Current Liabilities. The balance is included under Non-Current Liabilities.

(iv) *Superannuation.* Superannuation schemes exist to provide benefits to the employees upon retirement, disability or death. The contributions made to these schemes by the parent entity and other controlled entities and the emerging cost incurred from unfunded schemes are expensed in the Operating Statement.

(v) *Unfunded superannuation liabilities.* In accordance with *Accounting and Financial Reporting Bulletin*

No. 23 issued in January 1999 by the Department of Treasury and Finance under the State of Victoria's *Financial Management Act 1994* and the *Revised Instructions for the Preparation of Annual Financial Reports by Australian Higher Education Institutions* issued July 1997 by the Department of Education, Training and Youth Affairs (DETYA) the effects of the unfunded superannuation liabilities of the university and its controlled entities have been recorded in the operating statement and the balance sheet.

The Commonwealth Government has undertaken to provide funding for emerging superannuation costs in its grants to the university and to recover the State's share of the cost directly from the State Government. There is no executed agreement between either the Commonwealth Government or the Victorian Government and the university which guarantees the future provision of those funds, but there is a strong expectation that it will occur. Further information is set out in Note 2.

Details in respect of the individual schemes and the amount of the unfunded superannuation liability determined by the actuary of the Victorian Superannuation Fund is set out in Note 27.

(vi) *Recoverable amount of non-current assets.* The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows rising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in the profit or loss in the reporting period in which the recoverable amount write down occurs.

(Q) BORROWINGS—NOTE 19

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(R) BORROWINGS COSTS

Borrowings costs are recognised as expenses in the period in which they are incurred, except where they are included in the cost of qualifying assets.

(S) NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

Financial instruments traded in an organised financial market (trades securities)—current quoted market bid price for an asset or offer price for a liability adjusted for any transaction costs necessary to realise the asset or settle the liability. Quoted market prices are available for listed, options, debentures and other equity and debt securities;

Monetary financial assets and liabilities not traded in an organised financial market—cost basis carrying amounts of trade debtors, trade accounts payable and accruals (which approximates net market value);

Fixed rate loans and bills of exchange—current risk adjusted market rates;

Investments in shares and other equity securities and debentures and other debt securities not traded in an organised financial market (other investments)—director's estimates of net market values based on future net cash flows, including transaction costs necessary to realise the securities, discounted at current risk adjusted market rates; and

Interest rate swaps—amounts quoted by the consolidated entity's bankers to realise favourable contracts or settle unfavourable contracts.

(T) DERIVATIVE FINANCIAL INSTRUMENTS

The consolidated entity is exposed to changes in interest rates, foreign exchange rates and commodity prices from its activities. The consolidated entity uses interest rate swap contracts as a means to manage these risks.

Interest payments and receipts under interest rate swap contracts are recognised on an accruals basis in the operating statement as an adjustment to interest expense during the period.

The net amount receivable or payable under interest rate swap agreements is progressively brought to account over the period to settlement. The amount recognised is accounted for as an adjustment to interest and finance charges during the period and

Notes to financial statements

included in other debtors or other creditors at each reporting date.

(U) GOODS AND SERVICES TAX (GST) SYSTEM CHARGES

Costs incurred to update existing systems or to design, develop and implement new systems to deal with the GST are charged as expenses as incurred, except where they result in an enhancement of future economic benefits and are recognised as an asset.

(V) MAINTENANCE AND REPAIRS

Plant of the consolidated entity is required to be overhauled on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with Note 1(n). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

2. Accounting treatment for unfunded superannuation liabilities

In January 1999, the State Minister of Finance issued a directive under the State of Victoria's *Financial Management Act 1994* requiring Victorian universities to recognise in their financial statements the aggregate unfunded superannuation liability.

In bringing to account the unfunded superannuation liability, the entity has also recognised the existence of a receivable (asset) of the same value from the Commonwealth Government. The Commonwealth Government has in the past provided funding to cover the cost of emerging cost superannuation. The entity asserts that Section 14(1) of the States Grants (General Purposes) Act 1994 acknowledges the

existence of a constructive obligation on the Commonwealth to universities to enable them to satisfy this emerging debt on an annual basis.

Although the Commonwealth Government has undertaken to provide funding for the emerging superannuation costs in its grants to universities and to recover the State's share of the costs directly from the State Government, there is no executed agreement between either the Commonwealth or State Government and RMIT which guarantees the future provision of these funds, but there is a strong expectation that it will continue to do so. Based on a cost sharing arrangement with the Commonwealth, the State of Victoria has committed to make contributions to the Commonwealth equivalent to approximately 28% of the unfunded liabilities in relation to university employees. The remaining 72% is to be met by the Commonwealth.

The net movement during the year in the "Superannuation Deferred Benefit" liability and the corresponding asset "Government Contribution for Superannuation" has resulted in an increase of \$13.m (1999—\$4.7m). This net movement has been brought to account through the Operating Statement.

The above accounting treatment has resulted in the entity recording in its Balance Sheet a deferred receivable from the Commonwealth Government—Note 9—and a deferred liability for superannuation—Note 27—of \$238.2m (\$225.2m—1999).

The deferred liability as recorded in the accounts was assessed by the Victorian Superannuation Fund actuary as at 30 June 2000—Note 27.

3. Operating result

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
Revenue					
Commonwealth Government grants	3.1	124,168	122,948	124,168	122,948
Higher Education Contribution Scheme					
Student contributions	28	8,570	7,476	8,570	7,476
Commonwealth payments	28	51,116	51,055	51,116	51,055
Victorian State Government grants	3.2	55,072	59,398	55,072	59,398
Superannuation					
Deferred government contributions		12,975	4,721	12,975	4,721
Commonwealth supplementation		1,271	282	1,271	282
Fees and charges	3.3	135,165	117,058	130,731	117,016
Investment income	3.4	4,994	4,704	3,431	3,783
Consultancy and contract research	3.5	12,292	11,015	12,377	11,886
Other revenue	3.6	46,137	47,565	28,248	22,931
Total operating revenue		451,760	426,222	427,959	401,496
Expenses					
Employee benefits	3.7	280,632	243,390	267,604	233,273
Depreciation and amortisation	3.8	24,914	26,479	23,821	25,236
Borrowing costs	3.9	1,385	570	1,384	570
Buildings and grounds	3.10	18,806	16,508	17,990	15,598
Book value on sale of property, plant and equipment	3.11	1,945	1,625	1,764	1,597
Bad and doubtful debts	3.12	375	1,024	330	956
Other	3.13	101,034	90,887	96,352	81,840
Total operating expenses		429,091	380,483	409,245	359,070
Operating result		22,669	45,739	18,714	42,426

Notes to financial statements

3. Operating result (continued)

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
3.1. COMMONWEALTH GOVERNMENT GRANTS (EXCLUDING HECS)					
Operating purposes excluding HECS		117,858	117,942	117,858	117,942
Special research assistance:					
Teaching hospitals		—	—	—	—
Capital development pool		—	—	—	—
Large research		516	572	516	572
Strategic partnership with industry		922	1,197	922	1,197
Research fellowship		120	59	120	59
International researcher exchange		—	—	—	—
Research centres		—	—	—	—
Research infrastructure equipment and facilities		977	—	977	—
Indigenous researcher's development		—	—	—	—
Special research initiatives		—	—	—	—
Learned academic special projects		—	—	—	—
Small research		192	175	192	175
Infrastructure		585	528	585	528
Australian Postgraduate Awards		1,621	1,659	1,621	1,659
International postgraduate research scholarships		445	380	445	380
		5,378	4,570	5,378	4,570
		123,236	122,512	123,236	122,512
Other Commonwealth Government grants received:					
Equipment		—	—	—	—
Other		932	436	932	436
Sub-total other Commonwealth Government grants received		932	436	932	436
Total Commonwealth Government grants received excluding HECS		124,168	122,948	124,168	122,948
3.2. VICTORIAN STATE GOVERNMENT GRANTS					
TAFE recurrent		49,388	46,487	49,388	46,487
TAFE capital		3,087	10,093	3,087	10,093
TAFE other		2,597	2,818	2,597	2,818
Total State Government grants		55,072	59,398	55,072	59,398

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
3. Operating result (continued)					
3.3. FEES AND CHARGES					
Student enrolment fees		10,362	9,295	10,082	9,295
Continuing education		7,253	8,026	8,159	8,026
Fee paying overseas students		93,415	85,403	93,424	85,361
Fee paying non-overseas postgraduate students		13,334	12,256	13,334	12,256
Fee paying non-overseas undergraduate students		1,820	1,457	1,826	1,457
Other		8,981	621	3,906	621
Total fees and charges		135,165	117,058	130,731	117,016
3.4. INVESTMENT INCOME					
Interest received and receivable		4,994	4,704	3,431	3,783
Total investment income		4,994	4,704	3,431	3,783
3.5. CONSULTANCY AND CONTRACT RESEARCH					
Commonwealth Government		6,511	3,503	6,511	3,503
Victorian State Government		2,084	1,909	2,084	1,909
Local government		61	147	61	147
Industry and other		3,636	5,456	3,721	6,327
Total consultancy and contract research		12,292	11,015	12,377	11,886
3.6. OTHER REVENUE					
Professional management and consulting fees		21,880	29,623	16,254	10,844
Property rental		2,259	2,616	2,250	2,616
Product sales		11,248	6,800	2,784	2,606
Proceeds from sale of property, plant and equipment		1,639	1,375	1,408	1,308
Donations and bequests	▲	3,566	1,291	2,669	1,563
Scholarships		956	915	956	915
Gains (losses) from foreign exchange		41	2	15	2
Other		4,548	4,943	1,912	3,077
Total other		46,137	47,565	28,248	22,931

▲ RMIT received in 2000, by way of a bequest, equipment to the value of \$990,000 (1999—nil).

Notes to financial statements

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
3. Operating result (continued)					
3.7. EMPLOYEE BENEFITS					
Salaries					
Academic		107,945	99,185	107,945	99,185
Non-academic		88,715	77,776	77,571	68,145
		196,660	176,961	185,516	167,330
Salary related expenses					
Contributions to superannuation and pension schemes:					
Emerging cost		17,582	16,679	17,582	16,679
Funded		22,611	21,272	21,595	20,855
Deferred employee benefits for superannuation		12,975	4,721	12,975	4,721
Payroll tax		13,214	10,416	12,893	10,409
Workers' compensation		2,657	2,097	2,511	2,020
Long service leave expense		2,600	2,056	2,519	2,071
Annual leave expense		12,333	9,188	12,013	9,188
Total salary related expenses		83,972	66,429	82,088	65,943
		280,632	243,390	267,604	233,273
3.8. DEPRECIATION AND AMORTISATION					
Buildings		9,023	9,151	9,023	8,974
Building plant and improvements		688	168	78	77
Equipment, motor vehicles and furniture and fittings		12,725	14,670	12,242	13,695
Library collections		2,478	2,490	2,478	2,490
		24,914	26,479	23,821	25,236
3.9. BORROWING COSTS					
Interest on finance leases		—	18	—	18
Interest to other corporations		1,385	552	1,384	552
		1,385	570	1,384	570
3.10. BUILDING AND GROUNDS					
Facilities related—maintenance and service		9,171	8,235	9,170	8,235
Occupancy expenses		6,705	6,138	5,890	5,228
Minor works expenses		2,930	2,135	2,930	2,135
		18,806	16,508	17,990	15,598

3. Operating result (continued)	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
3.11. PROFITS FROM SALES OF PROPERTY, PLANT AND EQUIPMENT					
(a) Sales in the ordinary course of business of property, plant and equipment have given rise to gross receipts amounting to:					
		1,669	1,375	1,408	1,308
(b) Net profit from sale of property, plant and equipment					
Equipment		57	56	38	19
Software		118	—	16	—
Motor vehicles		89	25	30	23
		264	81	84	42
(c) Net losses from sale of property, plant and equipment					
Equipment		172	86	72	86
Motor vehicles		280	245	280	245
Leased equipment		88	—	88	—
		540	331	440	331
(d) Written down value of asset sold in ordinary course of business					
		1,945	1,625	1,764	1,597
3.12. BAD AND DOUBTFUL DEBTS					
(a) Bad debts written off in the operating statement					
Trade debtors		—	29	—	29
Student debtors		—	—	—	—
		—	29	—	29
(b) Amounts set aside to provision for doubtful debts:					
Trade debtors		375	393	330	332
Student debtors		—	602	—	595
		375	995	330	927
Total bad and doubtful debts expense		375	1,024	330	956
(c) Bad debts written off against provision for doubtful debts					
Trade debtors		3,041	35	3,039	35
Student debtors		—	—	—	—
		3,041	35	3,039	35

Notes to financial statements

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
3. Operating result (continued)					
3.13. OTHER EXPENSES					
Scholarships, grants and prizes		9,721	10,055	20,195	19,022
Telecommunications		6,740	5,691	6,514	5,463
Non-capitalised equipment		6,598	5,200	6,386	5,080
Travel, staff development and entertainment		9,805	7,726	9,269	7,388
Inventory used		16,809	16,434	12,887	13,654
Net diminution in value of non-current assets		(21)	139	12	92
Research and development costs written off		389	—	—	—
Operating lease rental expenses		6,654	3,396	6,088	3,396
Net foreign exchange loss		—	5	—	5
Marketing, advertising and public relations		15,421	13,684	11,387	11,006
Administrative expenses		12,840	13,594	13,752	9,593
Finance, legal and other		6,026	4,307	5,516	4,295
Other expenses		10,052	10,656	4,346	2,846
		101,034	90,887	96,352	81,840

3.14. OTHER CHARGES AGAINST REVENUE FOR THE YEAR

Amortisation or diminution in respect of:

Intangible assets	17	17	12	12
Investment	—	160	—	80
Bad debts written off	—	29	—	29
Amounts set aside to provisions				
Doubtful debts	375	960	330	892
Employee entitlements	14,601	11,232	14,508	11,259

4. Abnormal items

Transfer of net assets from Melbourne Institute of Textiles	—	15,258	—	15,258
Transfer of net assets to RMIT Foundation	—	—	(4,331)	—
	—	15,258	(4,331)	15,258

RMIT Foundation

RMIT has transferred the net assets associated with its trust funds to RMIT Foundation as at 1 January 2000

Current assets

Cash	170
Investments—bills of exchange	499

Total current assets	669
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Non-current assets

Investments	3,662
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Net assets	4,331
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The non-current investments do not represent cash or cash equivalents and as such have no effect on the current year cash flow statement.

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
4. Abnormal items (continued)					
Royal Melbourne Institute of Technology and Melbourne Institute of Textiles					
<p>The Melbourne Institute of Textiles was acquired by Royal Melbourne Institute of Technology on 1 January 1999, in accordance with a Determination of the Minister for Finance dated 21 July 1998.</p> <p>Assets and liabilities of Melbourne Institute of Textiles as at 31 December 1998 were as follows.</p>					
Current assets					
Cash					976
Receivables					829
Investments					2,000
Inventories					100
Advances and prepayments					74
Total current assets					3,979
Non-current assets					
Investments					80
Property, plant and equipment					13,495
Total non-current assets					13,575
Total assets					17,554
Current liabilities					
Creditors and accrued expenses					482
Employee entitlements					245
Deferred revenue					771
Total current liabilities					1,498
Non-current liabilities					
Employee entitlements					798
Total non-current liabilities					798
Total liabilities					2,296
Net assets					15,258

Notes to financial statements

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
5. Income tax					
Income tax expense attributable to off-shore operations		74	669	74	669
6. Auditors' remuneration					
Remuneration of the auditor of the parent entity for:					
Auditing or reviewing the financial report		184	108	149	71
Other services		—	—	—	—
		184	108	149	71
7. Accumulated funds					
Surplus balance at beginning of year		276,227	217,950	310,222	253,207
Transfers to reserves		(1,705)	(2,051)	—	—
		274,522	215,899	310,222	253,207
Surplus for the year		22,591	60,328	14,309	57,015
Surplus balance at end of year		297,113	276,227	324,531	310,222
8. Cash					
Cash at bank and on hand		2,008	3,295	(452)	746
Deposits at call		26,856	20,102	5,831	2,749
		28,864	23,397	5,379	3,495

Deposits at call: The deposits are bearing floating interest rates between 6.0% and 6.1% (1999—4.9% and 5.0%).

g. Receivables	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
Current					
Trade debtors		15,814	14,801	12,931	11,825
Less provision for doubtful debts		(833)	(3,722)	(690)	(3,397)
		14,981	11,079	12,241	8,428
Student loans and student debtors		8,853	8,031	8,259	7,358
Less provision for doubtful debts		(1,027)	(1,030)	(987)	(988)
		7,826	7,001	7,272	6,370
Loans and advances		535	329	535	329
Government grants receivable		4,364	2,267	4,364	2,267
Government contributions—superannuation	▲	16,500	16,500	16,500	16,500
Interest receivable		165	305	165	305
Other debtors		2,422	482	1,806	94
Amounts receivable from:					
Wholly owned subsidiaries		—	—	13,933	235
Other related parties		—	—	20	—
		23,986	19,883	37,323	19,730
Total current		46,793	37,963	56,836	34,528
Non-current					
Loans and advances		—	148	—	148
Government contributions—superannuation	▲	221,675	208,700	221,675	208,700
Amounts receivable from:					
Wholly owned subsidiaries		—	—	832	13,302
Other related parties		—	—	—	—
Total non-current		221,675	208,848	222,507	222,150
Total receivables		268,468	246,811	279,343	256,678

▲ The *States Grants (General Purposes) Act 1994* Section 14 provides for the Commonwealth and State Governments to meet the costs of unfunded superannuation liabilities which as determined for RMIT by the Victorian Superannuation Fund at 30 June 2000 amounted to \$238.2 million (1999—\$225.2 million). The amount has been treated as deferred income with a corresponding liability being recorded as a deferred expense under 'Employee entitlements' (Note 28) and consequently has no affect on the year end net assets position of the university.

Notes to financial statements

	Note	CONSOLIDATED		RMIT	
		2000	1999	2000	1999
		\$,000	\$,000	\$,000	\$,000
10. Investments					
Current					
Securities—at cost					
Bills of exchange accepted or endorsed by banks		24,544	50,609	24,544	50,609
Listed Investments—at cost					
Government and semi-government stocks and bonds		1,004	—	1,004	—
Total current		25,548	50,609	25,548	50,609
Non-current					
Listed Investments—at cost					
Government and semi-government stocks and bonds		1,058	1,008	1,058	1,008
Managed trust funds		3,865	3,663	—	3,663
Unlisted investments—at cost					
Shares in controlled entities		—	—	702	702
Shares in non-related companies		427	405	311	310
Less provision for diminution in value of investment		(160)	(160)	(80)	(80)
Total non-current		5,190	4,916	1,991	5,603
Total investments		30,738	55,525	27,539	56,212
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:					
Current					
Bills of exchange accepted or endorsed by banks		25,138	50,890	24,639	50,890
Government and semi-government stocks and bonds		1,110	—	1,110	—
		26,248	50,890	25,749	50,890
Non-current					
Government and semi-government stocks and bonds		1,103	1,097	1,103	1,097
Managed trust funds		4,144	3,730	—	3,730
		5,247	4,827	1,103	4,827
		31,495	55,717	26,852	55,717
The aggregate net fair value of other investments (excluding shares in associates) are:					
Non-current					
Shares in non-related companies—unlisted		36	325	—	310

Significant terms and conditions

Bills of exchange, government and semi-government stocks and bonds are held until their maturity dates, which range between 30 days and 10 years.

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
11. Inventories					
Wool stocks		—	4	—	4
Trading stock		688	976	—	24
Work in progress		175	—	—	—
		863	980	—	28

12. Advances and prepayments

Library subscriptions		237	40	237	40
Salaries and allowances		1	1,799	-	1,796
Workcare		936	848	899	806
Interest		154	109	154	109
Other		41	666	14	533
		1,369	3,462	1,304	3,284

13. Property, plant and equipment

Land		213,689	213,343	213,689	213,343
Buildings		588,429	547,371	588,429	547,371
Building plant and improvements		5,305	5,666	2,659	2,690
Equipment, motor vehicles and furniture and fittings		37,611	37,261	36,099	35,855
Library collections		7,318	7,156	7,318	7,156
Capital works in progress		48,033	44,993	48,033	44,993
		900,385	855,790	896,227	851,408

The following are details of the valuation basis of these assets, together with depreciation and amortisation provided:

Land

—at cost		3,184	2,838	3,184	2,838
—at independent valuation—31.12.1998		210,505	210,505	210,505	210,505
		213,689	213,343	213,689	213,343

Buildings

—at cost		57,426	11,394	57,426	11,394
—at independent valuation—31.12.1998		549,318	544,951	549,318	544,951
		606,744	556,345	606,744	556,345

Less accumulated depreciation

—at cost		(488)	(397)	(488)	(397)
—at independent Valuation—31.12.1998		(17,827)	(8,577)	(17,827)	(8,577)
		588,429	547,371	588,429	547,371

Notes to financial statements

13. Property, plant and equipment (continued)	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
Buildings, plant and improvements					
—at cost		6,249	6,374	2,971	2,906
—at directors' valuation—31.12.1995		3,206	3,206	—	—
		9,455	9,580	2,971	2,906
Less accumulated depreciation					
—at cost		(2,234)	(1,363)	(312)	(216)
—at directors' valuation—31.12.1995		(1,916)	(2,551)	—	—
		5,305	5,666	2,659	2,690
Equipment, motor vehicles, furniture and fittings					
—at councillors'/directors' valuation—1.7.92					
Equipment		16,047	18,536	16,047	18,536
Furniture and fittings		217	88	217	88
Software		360	357	360	357
Motor vehicles		102	147	102	147
Works of Art		1,057	1,057	1,057	1,057
		17,783	20,185	17,783	20,185
—at councillors'/directors' valuation—1.1.95					
Equipment		8,110	8,110	8,110	8,110
Total equipment, motor vehicles, furniture and fittings		25,893	28,295	25,893	28,295
Less accumulated depreciation		(10,803)	(16,334)	(10,803)	(16,334)
		15,090	11,961	15,090	11,961
—at cost					
Equipment		83,675	74,369	80,333	70,094
Software		3,481	3,543	3,231	3,281
Furniture and fittings		7,601	6,036	7,542	5,976
Financed leased equipment		206	459	—	265
Motor vehicles		3,535	3,265	3,249	2,925
Works of art		109	106	103	100
		98,607	87,778	94,458	82,641
Accumulated depreciation		(76,086)	(62,478)	(73,449)	(58,747)
		22,521	25,300	21,009	23,894
Total equipment, motor vehicles, furniture and fittings		124,500	116,073	120,351	110,936
Total accumulated depreciation		(86,889)	(78,812)	(84,252)	(75,081)
		37,611	37,261	36,099	35,855

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
13. Property, plant and equipment (continued)					
Library collection					
—at councillors'/directors' valuation—1.7.92		12,674	12,674	12,674	12,674
Less accumulated depreciation		(12,674)	(12,674)	(12,674)	(12,674)
—at cost		21,589	18,775	21,589	18,775
Less accumulated depreciation		(14,271)	(11,619)	(14,271)	(11,619)
		7,318	7,156	7,318	7,156
Capital works in progress—at cost		48,033	44,993	48,033	44,993
Total assets		1,036,683	971,783	1,026,051	959,972
Total accumulated depreciation		(136,298)	(115,993)	(129,824)	(108,564)
		900,385	855,790	896,227	851,408
14. Intangibles					
Licenses and rights		100	100	—	—
Intellectual property		58	58	58	58
		158	158	58	58
Amortisation		(57)	(40)	(23)	(12)
		101	118	35	46
15. Creditors and accrued expenses					
Current					
Trade and other creditors		22,016	18,796	17,184	15,556
State Government grants repayable		—	2,999	—	2,999
Amounts receivable from:					
Wholly owned subsidiaries		—	—	—	—
Other related parties		—	—	1,248	—
		22,016	21,795	18,432	18,555
Non-current					
Amounts receivable from:					
Wholly owned subsidiaries		—	—	—	—
Other related parties		—	—	11,427	8,421
		—	—	11,427	8,421
		22,016	21,795	29,859	26,976

Trade accounts payable are generally settled within 30 days. The councillors consider the carrying amounts of trade and other accounts payable approximate their net fair values.

Notes to financial statements

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
16. Finance lease liabilities					
Finance leased equipment capitalised					
Current		70	82	—	55
Non-current		67	156	—	34
		137	238	—	89
Lease commitments in respect of capitalised finance leases are payable as follows:					
Due within one year		81	101	—	62
Due after one year, but within five years		77	172	—	37
Due after five years		—	—	—	—
		158	273	—	99
Less: future finance charges		21	35	—	9
Total lease liability		137	238	—	90
17. Employee entitlements					
Current					
Accrued salaries		6	28	—	—
Annual leave		23,062	17,063	22,244	16,335
Long service leave		3,606	3,180	3,351	3,000
Superannuation—deferred benefits	▲	16,500	16,500	16,500	16,500
Total current		43,174	36,771	42,095	35,835
Non-current					
Long service leave		31,017	31,030	30,657	30,655
Superannuation—deferred benefits	▲	221,675	208,700	221,675	208,700
Total non-current		252,692	239,730	252,332	239,355
Total employee entitlements		295,866	276,501	294,427	275,190

▲ The 'superannuation—deferred benefits' relates to unfunded superannuation liabilities for RMIT which have been determined by the Victorian Superannuation Board at 30 June 2000 at \$238.2 million (1999—\$225.2 million). The increase in liabilities between 1999 and 2000 has been shown against relevant items under the operating revenue and operating expenses in the operating statement.

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
18. Revenue in advance					
Government advances—Commonwealth Government		13,754	13,465	13,754	13,465
Student fees		10,970	9,519	10,859	8,812
Projects fees		4,387	3,564	—	—
Other		43	100	—	—
		29,154	26,648	24,613	22,277
19. Borrowings					
Non-current—unsecured					
Commercial bills of exchange—fully drawn		25,000	25,000	25,000	25,000
(a) Commercial bill acceptance facility:					
The unsecured bill acceptance facility may be drawn at any time and is subject to annual review. The bill acceptance facility has been drawn as a source of primarily, long term finance and is available until the year 2004.					
Credit facility available		25,000	25,000	25,000	25,000
Amount utilised		25,000	25,000	25,000	25,000
Unused credit facility		—	—	—	—
(b) Credit card facility					
The consolidated entity has entered into an arrangement with its bankers for the provision of a corporate credit card facility at no interest, provided the debt outstanding is repaid on a month basis.					
Credit facility available		7,500	7,500	7,500	7,500
Amount utilised		5,358	4,829	5,358	4,829
Unused credit facility		2,142	2,671	2,142	2,671

Notes to financial statements

20. Reserves	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
Consolidated reserves					
Balance at beginning of year		559,674	557,626	511,397	511,397
Transfers from/(to) accumulated funds		1,705	2,051	—	—
Revaluation of land and buildings		21	—	—	—
Foreign exchange losses		—	(3)	—	—
Balance at end of year		561,400	559,674	511,397	511,397
Represented by:					
Asset revaluation reserve		551,255	551,234	511,397	511,397
Fixed asset replacement reserve		1,507	1,337	—	—
Capital projects reserve		8,763	7,229	—	—
Foreign currency translation reserve		(137)	(137)	—	—
Capital profits reserve		11	11	—	—
		561,400	559,674	511,397	511,397
Movements in reserves during the year were:					
Asset revaluation reserve					
The asset revaluation reserve was created to record the revaluation of property, plant and equipment.					
Balance at beginning of year		551,234	551,234	511,397	511,397
Revaluation of land and buildings		21	—	—	—
Balance at end of year		551,255	551,234	511,397	511,397
Fixed asset replacement reserve					
The fixed asset replacement reserve is to be used for replacing assets that exist on the asset register.					
Balance at beginning of year		1,337	1,132	—	—
Transfers from accumulated funds		170	205	—	—
Balance at end of year		1,507	1,337	—	—
Capital projects reserve					
The capital project reserve is to be used for major projects over \$10,000.					
Balance at beginning of year		7,229	5,383	—	—
Transfers from accumulated funds		1,534	1,846	—	—
Balance at end of year		8,763	7,229	—	—
Foreign currency translation reserve					
The foreign currency translation reserve is to be used for recognition of foreign currency movement.					
Balance at beginning of year		(137)	(134)	—	—
Foreign exchange losses		—	(3)	—	—
Balance at end of year		(137)	(137)	—	—
Capital profits reserve					
Capital profits set aside for future capital expenditure.					
Balance at beginning of year		11	11	—	—
Movement during year		—	—	—	—
Balance at end of year		11	11	—	—

21. Outside equity interest in controlled entities	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
Interest in:					
Share capital		98	—	—	—
Reserves		—	—	—	—
Accumulated funds		4	—	—	—
		102	—	—	—
22. Contingent liabilities (other than provided for in the accounts)					
Guarantees					
(a) RMIT has guaranteed the bank overdraft of Melbourne Community Television to a limit of:		220	200	220	200
(b) RMIT has guaranteed contract performance to various organisations to the extent of:		620	530	530	530
Litigations					
Claims for unspecified damages have been lodged against the consolidated entity. The consolidated entity has disclaimed liability and is defending the actions. Legal advice indicates that it is unlikely that any significant liability will arise.					
23. Commitments					
(a) Operating leases					
Commitments for future lease payments exist under current non-cancellable lease agreements held by the consolidated entity.					
Future minimum rental payments for leased premises:					
Due within one year		1,335	779	1,305	751
Due after one year, but within five years		5,939	665	5,902	606
		7,274	1,444	7,207	1,357
Future minimum rental payments for leased computers:					
Due within one year		3,569	842	3,515	821
Due after one year, but within five years		4,576	1,680	4,508	1,680
Due after five years		—	300	—	300
		8,145	2,823	8,023	2,802

Notes to financial statements

23. Commitments (continued)	Note	CONSOLIDATED		RMIT	
		2000	1999	2000	1999
		\$,000	\$,000	\$,000	\$,000
(b) Capital and other commitments					
The consolidated entity has a commitment with respect to capital and other expenditure which has been contracted for at balance date.					
Plant and equipment					
Due within one year		1,558	2,370	1,558	2,370
Building works					
Due within one year		10,697	15,218	10,697	15,218
Other non-capital commitments					
Due within one year		6,232	1,588	6,232	1,580
		18,487	19,176	18,487	19,168

24. Notes to the statement of cash flows

(a) Reconciliation of cash

For the purpose of the statements of cash flows, cash represents cash on hand, at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the reporting period is shown in the statement of cash flows and is reconciled to the related items in the financial statements as follows.

Cash at the beginning of year					
Cash at bank and at hand		3,295	1,914	746	1,724
Short-term money market deposits		20,102	17,686	2,749	2,965
Bills of exchange accepted or endorsed by banks		50,609	30,858	50,609	30,858
		74,006	50,458	54,104	35,547
Cash at the end of year					
Cash at bank and at hand		2,008	3,295	(452)	746
Short-term money market deposits		26,856	20,102	5,831	2,749
Bills of exchange accepted or endorsed by banks		24,544	50,609	24,544	50,609
		53,408	74,006	29,923	54,104
Cash movement for the year		(20,598)	23,548	(24,181)	18,557

24. Notes to the statement of cash flows (continued)	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
(b) Non-cash financing and investing activities					
During the reporting period RMIT acquired equipment by means of finance leases or through donations. These acquisitions are not reflected in the statement of cash flows.					
		990	98	990	98
(c) Reconciliation of net cash provided by operating activities to operating surplus					
Operating surplus for the year		22,591	60,328	14,309	57,015
Eliminate items classified as investing/financing activities					
Loss/(gain) on sale of property, plant and equipment	3.11	277	252	356	291
Eliminate non-cash flows					
Unrealised foreign exchange (gain)/loss	3.6	—	(2)	—	—
Depreciation on plant, property and equipment	3.8	24,915	26,479	23,821	25,236
Donation of equipment		(990)	—	(990)	—
Net assets transfer from Melbourne Institute of Textiles	4	—	(15,258)	—	(15,258)
Net assets transfer to RMIT Foundation	4	—	—	4,331	—
Amortisation of investments	3.14	—	160	—	80
Bad debts written off	3.14	—	29	—	29
Amortisation of intangible assets	3.14	17	17	12	12
Interest on finance leases	3.14	—	18	—	18
Change in operating assets and liabilities					
Net (increase)/decrease in receivables		(21,656)	(14,282)	(22,665)	(16,663)
Net (increase)/decrease in inventories		116	245	28	106
Net (increase)/decrease in prepayments		2,094	(763)	1,981	(645)
Net increase/(decrease) in deferred revenue		2,506	(3,737)	2,336	(4,614)
Net increase/(decrease) in creditors		215	2,367	2,852	4,948
Net increase/(decrease) in employee entitlements		19,366	10,812	19,237	10,838
Net cash provided by operating activities		49,451	66,665	45,608	61,393

25. Events subsequent to balance date

There have been no events which have occurred since balance date which have effected or which may materially affect the accounts.

26. Segment information

The university operates in the field of education predominantly in Australia and provides teaching and research services.

Notes to financial statements

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
27. Superannuation commitments					
Funds to which any RMIT consolidated entity contributes:					
(a) Defined benefits schemes					
State Superannuation Fund—closed		17,582	16,679	17,582	16,679
Superannuation Scheme Australian Universities		12,199	13,364	12,124	13,332
State Employees Retirement Benefits Scheme—closed		55	118	55	118
(b) Defined contribution schemes					
Victorian Superannuation Fund		4,708	2,924	4,708	2,924
Advance Credit—closed		21	—	—	—
AMP—closed		6	—	3	—
Australian Retirement Fund		38	8	—	—
Hesta—closed		13	—	—	—
Host Plus		78	74	—	—
Retail Employees Superannuation Trust		19	12	—	—
RMIT Superannuation Plan—closed		246	376	246	360
RMIT Union Tailored Superannuation		165	208	—	—
AXA Australia Tailored Superannuation Fund		457	253	18	—
ANZ Superannuation		8	—	—	—
Superannuation Trust of Australia		36	1	—	—
Tertiary Education Superannuation Scheme		4,517	4,162	4,439	4,156
Zurich Superannuation		42	—	3	—
MLC Superannuation		2	—	—	—
BT Lifetime Superannuation		2	—	—	—
		40,194	38,179	39,178	37,569

STATE SUPERANNUATION FUND

RMIT has in its staffing profile a number of employees who are members of the State Superannuation Fund, administered by the Government Superannuation Office.

As at 30 June 2000, the Superannuation Fund was carrying total liabilities for member benefits, in excess of the value of the scheme's assets. Hence, unfunded superannuation liabilities exist which are recognised in the financial statements of the scheme. The notional share of this public sector employee superannuation scheme's unfunded liabilities attributable to RMIT, as assessed by the scheme as at 30 June 2000, amounted to \$238.2 million (1999—\$225.2 million).

In January 1999 the Victorian Department of Treasury and Finance issued *Accounting and Financial Reporting Bulletin 23* under the *Financial Management Act 1994*, requiring Victorian universities to recognise in their financial statements the unfunded superannuation liability.

The *State Grants (General Purposes) Act 1994* section 14 provides for the Commonwealth and the State Governments to meet the costs of unfunded superannuation liabilities as they emerge. As stated in the Financial Statements for the State of Victoria 1997–98, based on a cost sharing arrangement with the Commonwealth, the State is only required to make a contribution to the Commonwealth equivalent to approximately 28% of unfunded liabilities in relation to university employees. The remaining 72% is to be met by the Commonwealth. The State has reported its liability accordingly.

27. Superannuation commitments (continued)

For the 1998 annual report, the Victorian Minister for Finance recommended that the financial statements were presented on the basis that both a liability and an offsetting asset be recognised in respect of the unfunded superannuation obligations. The same presentation has been followed in 2000.

The basis for this treatment is:

- (a) The Commonwealth Government has provided funds for the unfunded superannuation liabilities of universities since funding responsibility for higher education transferred to the Commonwealth in 1975. The Commonwealth has confirmed its intention to continue making these payments in the current triennium.
- (b) The Victorian Government Solicitor has advised that it is appropriate for universities to recognise a receivable from the Commonwealth and State governments on the grounds they have a legal claim on the funding of their unfunded superannuation liabilities.

The Commonwealth Department of Education, Training and Youth Affairs' "Instructions for Preparing Annual Financial Reports for the 2000 Reporting Period" also requires that the unfunded superannuation obligations are treated as an asset and liability.

SUPERANNUATION SCHEME AUSTRALIAN UNIVERSITIES

The last actuarial investigation was completed on 18 May 2000 and conducted as at 31 December 1999. The investigation was conducted by Mr. Grant Harslett (FIA, FIAA) of Towers Perrin.

The conclusion of the actuarial assessment noted funds were considered adequate to satisfy all benefits payable in the event of termination of the plan and voluntary or compulsory termination of employment of each employee.

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
As at 30 June:					
Accrued benefits of the plan were:		126,563	105,791	126,423	105,761
Net market value of the plans' assets was:		138,189	123,650	138,049	123,620
Surplus		264,752	229,441	264,472	229,381
Vested benefits of the plan were:		126,563	105,791	126,423	105,791

BASIS FOR CALCULATING EMPLOYER'S CONTRIBUTION TO:

- (a) Defined benefits schemes

State Superannuation Fund. RMIT is required to contribute as and when Higher Education Sector contributors become beneficiaries under the scheme. 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 13.4%
- New Scheme 7.3%, 8.8%, 9.8% or 10.8% based on member's selection

Superannuation Scheme Australian Universities. RMIT's contribution rates throughout 2000 were at either 7% for those employees contributing 3.5% or at 14% for those employees contributing 7% of base salary.

State Employees Retirement Benefits Scheme. Presently, RMIT is required to contribute on account of eligible employees at the rate of 15% of salary. This increased from 1st May 1993 to 20% of salary and 105% of pensions paid.

Notes to financial statements

27. Superannuation commitments (continued)

(b) 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 8%.

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%).

Tertiary Education Superannuation Scheme. RMIT is required to contribute on account of members of Superannuation Scheme for Australian Universities at the rate of 3% of salary and for other eligible employees at the rate of 3% of salary from 1 January 1992, 4% from 1 July 1992, 5% from 1 January 1993, 6% from 1 January 1995 and 7% from 1 July, 1998, and from 1 July 2000 at the rate of 8%.

Advance Credit, AMP, ANZ Superannuation, Australian Retirement Fund, AXA Australia Tailored Superannuation Fund, BT Lifetime Superannuation, Colonial State Bank, Hesta, Host Plus, Local Authorities Superannuation, Retail Employees Superannuation Trust, Superannuation Trust of Australia, Zurich Superannuation. The employer is required to contribute on account of eligible employees from 1 January 1992 at the rate of 3% of salary, from 1 July 1992 at the rate of 4%, from 1 January 1993 at the rate of 5%, from 1 July 1995 at the rate of 6%, from 1 July 1998 at the rate of 7% and from 1 July 2000 at the rate of 8%.

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 was \$1.108 million (1999—\$1.324 million).

28. Acquittal of Commonwealth Government grants

Amounts received and expended pursuant to the *Higher Education Funding Act 1988*, excluding HECS:

	2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
	Operating grant, excluding HECS		HECS		Teaching hospitals		Capital development	
Teaching and Learning								
Grants in advance (paid in the previous reporting period, including Commonwealth superannuation supplementation)	9,293	9,533	4,041	4,079	—	—	—	—
Plus grants received during reporting period (including Commonwealth superannuation supplementation)	118,024	117,702	51,116	51,055	—	—	—	—
Contributions actually received from students	—	—	8,570	7,476	—	—	—	—
	127,316	127,235	63,727	62,610	—	—	—	—
Less grants in advance (received in reporting period for next reporting period including Commonwealth superannuation supplementation)	9,459	9,293	4,232	4,041	—	—	—	—
Accrual adjustments {specify}	—	—	—	—	—	—	—	—
	9,459	9,293	4,232	4,041	—	—	—	—
Revenue attributed to the reporting period	117,858	117,942	59,496	58,569	—	—	—	—
Plus surplus prior year	458	473	—	—	—	—	—	—
Funds available for the reporting period	118,316	118,415	59,496	58,569	—	—	—	—
Less expenses in current reporting period	117,972	117,957	59,496	58,531	—	—	—	—
Surplus for reporting period	344	458	—	38	—	—	—	—

28. Acquittal of Commonwealth Government grants (continued)

	2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
	Large Research		Strategic Partnership With Industry		Research Fellowship		International Researcher Exchange	
Australian Research Council								
Grants in advance (paid during previous reporting period)	26	32	60	65	5	5	—	—
Plus grants received during reporting period	500	566	862	1,192	115	59	—	—
	526	598	922	1,257	120	64	—	—
Less grants in advance (received in reporting period for next reporting period)	—	26	—	60	—	5	—	—
Accrual adjustments {specify}	—	—	—	—	—	—	—	—
	—	26	—	60	—	5	—	—
Revenue attributed to the reporting period	526	572	922	1,197	120	59	—	—
Plus surplus prior year	372	278	663	654	26	25	—	—
Funds available for the reporting period	899	850	1,584	1,851	146	84	—	—
Less expenses in current reporting period	540	478	1,232	1,188	116	58	—	—
Surplus for reporting period	359	372	352	663	30	26	—	—

28. Acquittal of Commonwealth Government grants (continued)

	2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
	Research Infra- structure Equipment and facilities		Indigenous Researchers' Development		Special Research Initiatives		Learned Academic Special Projects	
Australian Research Council (continued)								
Grants in advance (paid during previous reporting period)	—	—	—	—	—	—	—	—
Grants received during reporting period	977	—	—	—	—	—	—	—
	977	—	—	—	—	—	—	—
Less grants in advance (received in reporting period for next reporting period)	—	—	—	—	—	—	—	—
Accrual adjustments {specify}	—	—	—	—	—	—	—	—
Revenue attributed to the reporting period	977	—	—	—	—	—	—	—
Plus surplus prior year	—	—	—	—	—	—	—	—
Funds available for the reporting period	977	—	—	—	—	—	—	—
Less expenses in current reporting period	110	—	—	—	—	—	—	—
Surplus for reporting period	867	—	—	—	—	—	—	—

28. Acquittal of Commonwealth Government grants (continued)

	2000	1999	2000	1999	2000	1999	2000	1999
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
	Small Research-		Infrastructure		Australian Postgraduate Awards		International Postgraduate Research Scholarships	
DETYA Research Grants								
Grants in advance (paid during previous reporting period)	—	—	—	42	—	—	—	—
Plus grants received during reporting period	207	175	633	486	1,621	1,659	445	380
	207	175	633	528	1,621	1,659	445	380
Less grants in advance (received in reporting period for next reporting period)	15	—	49	—	—	—	—	—
Accrual adjustments {specify}	—	—	—	—	—	—	—	—
	15	—	49	—	—	—	—	—
Revenue attributed to the reporting period	192	175	585	528	1,621	1,659	445	380
Plus Surplus Prior Year	147	135	185	216	567	474	184	226
Funds available for the reporting period	339	310	770	744	2,187	2,133	630	606
Less expenses in current reporting period	165	163	332	559	1,739	1,566	395	422
Surplus for reporting period	175	147	438	185	449	567	235	184

28. Acquittal of Commonwealth Government grants (continued)

Category of grant	2000	1999	2000	1999	2000	1999
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
	Amount of unspent grant as at 31 December		Amount of unspent grant that it is more likely will be approved by the Commonwealth for carry forward		Amount of unspent grant that it is more likely will be recovered by the Commonwealth for carry forward	
Summary of unspent grants						
Operating, excluding HECS	344	458	344	458	—	—
HECS	—	38	—	38	—	—
Teaching Hospitals	—	—	—	—	—	—
Capital Development Pool	—	—	—	—	—	—
Large Research	359	372	359	372	—	—
Strategic Partnership with Industry	352	663	352	663	—	—
Research Fellowship	30	26	30	26	—	—
International Researcher Exchange	—	—	—	—	—	—
Research Centres	—	—	—	—	—	—
Research Infrastructure Equipment and Facilities	867	—	867	—	—	—
Indigenous Researcher's Development	—	—	—	—	—	—
Special Research Initiatives	—	—	—	—	—	—
Learned Academic Special Projects	—	—	—	—	—	—
Small Research	175	147	175	147	—	—
Infrastructure	438	185	438	185	—	—
Australian Postgraduate Awards	449	567	449	567	—	—
International Postgraduate Research Scholarships	235	184	235	184	—	—
Total	3,249	2,640	3,249	2,640	—	—

Notes to financial statements

29. Expenses attributed to functions	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
(a) Total expenses attributed to functions					
Academic staff salaries		107,945	99,185	107,945	99,185
Academic staff salary related costs		43,495	37,000	43,494	37,000
Non-academic staff salaries		88,715	77,886	77,571	68,145
Non-academic staff salary related costs		27,502	24,598	25,619	24,222
Depreciation					
Buildings		9,711	9,229	9,101	9,052
Equipment, motor vehicles, furniture and fittings		12,725	14,841	12,242	13,695
Library collection		2,478	2,490	2,478	2,490
Intangible assets		5	17	—	12
Other expenses		123,540	110,516	117,820	100,548
Deferred employee benefits for superannuation		12,975	4,721	12,975	4,721
Total expenses by functions		429,091	380,483	409,245	359,070
(b) Expenses attributed to functions					
Academic activities:					
Academic staff salaries		106,406	93,821	106,406	93,821
Academic staff salary related costs		43,106	34,778	43,105	34,778
Non-academic staff salaries		38,320	35,693	38,319	35,693
Non-academic staff salary related costs		11,321	11,663	11,322	11,663
Depreciation					
Buildings		3,238	3,202	3,238	3,202
Equipment, motor vehicles, furniture and fittings		7,415	9,010	7,415	9,003
Library collection		—	—	—	—
Intangible assets		—	—	—	—
Other expenses		55,706	48,753	54,376	48,751
		265,512	236,920	264,181	236,911
Libraries:					
Academic staff salaries		—	—	—	—
Academic staff salary related costs		—	—	—	—
Non-academic staff salaries		6,829	6,707	6,829	6,707
Non-academic staff salary related costs		1,976	2,839	1,976	2,839
Depreciation					
Buildings		2,086	2,099	2,086	2,099
Equipment, motor vehicles, furniture and fittings		188	267	188	267
Library collection		2,478	2,490	2,478	2,490
Intangible assets		—	—	—	—
Other expenses		3,060	1,763	3,060	1,763
		16,617	16,165	16,617	16,165

29. Expenses attributed to functions (continued)	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
(b) Expenses attributed to functions (continued)					
Other academic support services					
Academic staff salaries		1,539	2,561	1,539	2,561
Academic staff salary related costs		389	448	389	448
Non-academic staff salaries		3,507	2,057	3,507	2,057
Non-academic staff salary related costs		1,057	643	1,057	643
Depreciation					
Buildings		194	196	194	196
Equipment, motor vehicles, furniture and fittings		890	840	890	840
Library collection		—	—	—	—
Intangible assets		—	12	—	12
Other expenses		7,808	4,737	7,808	4,737
		15,384	11,494	15,384	11,494
Student services					
Academic staff salaries		—	—	—	—
Academic staff salary related costs		—	—	—	—
Non-academic staff salaries		7,564	7,251	4,494	4,217
Non-academic staff salary related costs		1,435	1,385	1,038	909
Depreciation					
Buildings		618	232	55	55
Equipment, motor vehicles, furniture and fittings		278	676	93	85
Library collection		—	—	—	—
Intangible assets		5	5	—	—
Other expenses		5,544	6,158	1,395	1,513
		15,444	15,707	7,075	6,779
Buildings and grounds					
Academic staff salaries		—	—	—	—
Academic staff salary related costs		—	—	—	—
Non-academic staff salaries		7,664	7,047	7,664	7,047
Non-academic staff salary related costs		1,952	1,834	1,952	1,834
Depreciation					
Buildings		2,686	2,653	2,686	2,653
Equipment, motor vehicles, furniture and fittings		216	443	216	443
Library collection		—	—	—	—
Intangible assets		—	—	—	—
Other expenses		17,470	16,315	17,469	16,315
		29,988	28,292	29,987	28,292

Notes to financial statements

for the year ended 31 December 2000

29. Expenses attributed to functions (continued)	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
(b) Expenses attributed to functions (continued)					
Administration and other general institutional services					
Academic staff salaries		—	2,803	—	2,803
Academic staff salary related costs		—	1,774	—	1,774
Non-academic staff salaries		17,776	11,569	14,888	11,531
Non-academic staff salary related costs		8,574	6,209	8,064	6,199
Depreciation					
Buildings		842	847	842	847
Equipment, motor vehicles, furniture and fittings		3,517	3,281	3,316	2,992
Library collection		—	—	—	—
Intangible assets		—	—	—	—
Other expenses		23,732	24,738	31,448	28,132
		54,441	51,221	58,558	54,278
Other					
Academic staff salaries		—	—	—	—
Academic staff salary related costs		—	—	—	—
Non-academic staff salaries		7,055	7,452	1,870	893
Non-academic staff salary related costs		1,187	135	210	135
Depreciation					
Buildings		47	—	—	—
Equipment, motor vehicles, furniture and fittings		221	324	124	65
Library collection		—	—	—	—
Intangible assets		—	—	—	—
Other expenses		10,220	8,052	2,264	(663)
		18,730	15,963	4,468	430
Deferred employee benefits for superannuation					
Academic staff salary related costs		9,237	3,340	9,237	3,340
Non-academic staff salary related costs		3,738	1,381	3,738	1,381
		12,975	4,721	12,975	4,721
Total expenses attributed to functions		429,091	380,483	409,245	359,070

30. Additional financial instruments disclosures

(i) Interest rate risk

The consolidated entity's exposure to interest rate risk, repricing maturities and the effective interest rates on financial instruments at balance date are:

	Note	Weighted average effective interest rate		Floating interest rate		1 year or less		1–5 years		Over 5 years		Non-interest bearing		Total	
		2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
		%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
31 December 2000															
Assets															
Cash		4.35	3.10	2,008	3,295	—	—	—	—	—	—	—	—	2,008	3,295
Short term deposits		6.03	4.94	26,856	20,102	—	—	—	—	—	—	—	—	26,856	20,102
Receivables				—	—	—	—	—	—	—	—	30,293	21,610	30,293	21,610
Advances and prepayments				—	—	—	—	—	—	—	—	1,369	3,462	1,369	3,462
Bills of exchange		5.92	4.88	24,544	50,609	—	—	—	—	—	—	—	—	24,544	50,609
Government stocks—short term		6.94	8.63	—	—	1,004	—	—	—	—	—	—	—	1,004	—
Government stocks—long term		7.52	7.52	—	—	—	—	1,058	1,008	—	—	—	—	1,058	1,008
Managed trust funds		11.10	5.44	3,865	3,663	—	—	—	—	—	—	—	—	3,865	3,663
Shares in non-related companies				—	—	—	—	—	—	—	—	267	245	267	245
				57,273	77,669	1,004	—	1,058	1,008	—	—	31,929	25,317	91,264	103,994
Liabilities															
Trade and sundry creditors				—	—	—	—	—	—	—	—	22,016	21,795	22,016	21,795
Finance leased equipment capitalised				—	—	70	82	67	156	—	—	—	—	137	238
Borrowings		6.30	5.88	25,000	25,000	—	—	—	—	—	—	—	—	25,000	25,000
Interest rate swaps				—	(3,000)	—	3,000	—	—	—	—	—	—	—	—
—notional principal amounts				25,000	22,000	70	3,082	67	156	—	—	22,016	21,795	47,153	47,033
Net financial assets (liabilities)				32,273	55,669	934	(3,082)	991	852	—	—	9,913	3,522	44,111	56,961

Notes to financial statements

30. Additional financial instruments disclosures (continued)

(ii) Credit risk

The consolidated entity has not obtained any collateral or other security for its financial assets, they are unsecured. The carrying amounts of financial assets net of any provisions included in the consolidated balance sheet represent the consolidated entity's maximum exposure to credit risk in relation to these assets. Where entities have a right of set-off and intend to settle on a net basis, this set-off has been reflected in the financial statements in accordance with accounting standards.

(iii) Market risk

The consolidated entity's exposure to market risk is borne by the secure investments placed in bank accepted commercial bills and 11.00 a.m. deposits through the short term money market.

(iv) Reconciliation of net financial assets to net assets

	Note	Consolidated	
		2000 \$,000	1999 \$,000
Net financial assets as above		44,111	56,961
Non-financial assets and liabilities			
Inventories	11	863	980
Government contributions—superannuation	9	238,175	225,201
Property, plant and equipment	13	900,385	855,790
Intangibles	14	101	118
Employee entitlements	17	(295,866)	(276,501)
Revenue in advance	18	(29,154)	(26,648)
Net assets per balance sheet		858,615	835,901

30. Additional financial instruments disclosures (continued)

(v) Net fair values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are as follows.

	Note	2000		1999	
		Carrying amount \$,000	Net fair value \$,000	Carrying amount \$,000	Net fair value \$,000
Financial assets					
Cash	8	2,008	2,008	3,295	3,295
Short term deposits	8	26,856	26,856	20,102	20,102
Receivables	9	30,293	30,293	21,610	21,610
Advances and prepayments	12	1,369	1,369	3,462	3,462
Bills of exchange	10	24,544	25,138	50,609	50,890
Government stocks—short term	10	1,004	1,110	—	—
Government stocks—long term	10	1,058	1,103	1,008	1,097
Managed trust funds	10	3,865	4,144	3,663	3,730
Shares in non-related companies—unlisted	10	267	267	245	325
		91,264	92,288	103,994	104,511
Financial liabilities					
Trade and sundry creditors	15	22,016	22,016	21,795	21,795
Finance leased equipment capitalised	16	137	137	238	238
Borrowings	19	25,000	25,000	25,000	25,000
		47,153	47,153	47,033	47,033

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.

Notes to financial statements

31. Details of controlled entities

	Notes	Class of shares	Place of incorporation	% ownership	Shares held		Contribution to consolidated entity's surplus	
					1999	2000	1999	2000
Controlled entities—corporate								
RMIT Resources Limited	(a)	Limited by guarantee	Victoria, Australia				—	(79)
Meltech Services Limited	(b)	Limited by guarantee	Victoria, Australia				—	—
RMIT Training Pty Limited	(c)	Ordinary	Victoria, Australia	100	502,000	502,000	846	718
RMIT Innovations Limited	(d)	Limited by guarantee	Victoria, Australia				(104)	64
Spatial Vision Innovations Pty Ltd	(j)	Ordinary	Victoria, Australia	51	102,000	—	4	—
RMIT International Pty Ltd	(e)	Ordinary	Victoria, Australia	100	200,002	200,002	505	514
RMIT (Malaysia) Sdn Bhd	(f)	Ordinary	Kuala Lumpur, Malaysia	100	2	2	(20)	(9)
Citytech Pty Ltd	(g)	Ordinary	Victoria, Australia	100	12	12	—	—
Controlled entities—other								
RMIT Union	(h)	Unincorporated body					1,652	2,076
RMIT Foundation	(i)	Unincorporated body					1,052	549
							3,935	3,833

- (a) RMIT Resources Ltd is a company incorporated under the Corporations Law, limited by guarantee and without a share capital. The liability of members at balance date was limited to \$48 being 24 members with a liability of \$2 each.
- (b) Meltech Services Limited is a company incorporated under the Corporations Law limited by guarantee and without a 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 Limited is a subsidiary of RMIT.
- (c) RMIT Training Pty Ltd is a company incorporated under the Corporations Law with a share capital of 502,000 ordinary shares of \$1 each.
- (d) RMIT Innovations Limited is a company incorporated under the Corporations Law, limited by guarantee and without a share capital. The liability of members at balance date was limited to \$60 being six members with a liability of \$10 each. Each of the six members was a nominee of RMIT as at 31 December 1999.
- (e) RMIT International Pty Ltd is a company incorporated under the Corporations Law with a share capital of 200,002 ordinary shares of \$1 each.

31. Details of controlled entities (continued)

- (f) RMIT (Malaysia) Sdn Bhd is a company incorporated under the Malaysian *Companies Act 1965* with an issued share capital of two ordinary shares of RM\$1 each which are held by RMIT.
- (g) Citytech Pty Ltd is a company incorporated under the Corporations Law with an issued share capital of 12 ordinary shares of \$1 each which are held by RMIT.
- (h) The RMIT Union is an unincorporated body. The union has been consolidated with RMIT in order to comply with AAS24—*Consolidated Financial Reports*.
- (i) The RMIT Foundation is a trust and its principal purpose is fund raising and to conduct research, construct teaching facilities, provide for scholarships and to engage visiting scholars. The trust is controlled by the RMIT Council.
- (j) Spatial Vision Innovations Pty Ltd is a company incorporated under the Corporations Law with a share capital of 200,000 ordinary shares of \$1 each. The company is a subsidiary of RMIT Innovations Limited which hold 51% of the issued capital.

32. Directors' and executives' remuneration	Note	CONSOLIDATED		RMIT	
		2000	1999	2000	1999
		\$,000	\$,000	\$,000	\$,000
(a) Directors' remuneration					
Income received or due and receivable by all councillors/directors of each entity in the consolidated entity from all companies in the consolidated entity and any related bodies corporate, including insurance premiums to indemnify liabilities while acting as a councillor/director.					
		3,107	2,288	1,155	934
Income received or due and receivable by all councillors/directors of the parent entity from the parent entity and any related bodies corporate, including insurance premiums to indemnify liabilities while acting as a director					
				1,155	934
Number of parent entity councillors/directors whose income from the parent entity and any related bodies corporate was within the following bands:					
\$0				Number	Number
\$60,000–\$69,999				17	16
\$70,000–\$79,999				—	1
\$80,000–\$89,999				1	1
\$110,000–\$119,999				2	—
\$120,000–\$129,999				—	1
\$130,000–\$139,999				3	—
\$140,000–\$149,999				—	1
\$310,000–\$319,999				1	1
\$390,000–\$399,999				—	—
\$400,000–\$409,000				—	1
				1	—

Notes to financial statements

32. Directors' and executives' remuneration (continued)	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
(b) Executive officers' remuneration					
Income received or due and receivable by Australia-based executive officers (including executive councillors/directors) of the consolidated entity, from all entities in the consolidated entity and any related entities, whose income is \$100,000 or more					
		2,312	1,746	1,829	1,402
Income received or due and receivable by Australia-based executive officers (including executive councillors/directors) of the parent entity, from the parent entity and any related bodies corporate, whose income is \$100,000 or more					
		1,829	1,402	1,829	1,402
The number of executive officers whose income was within the following bands:					
		Number	Number	Number	Number
		\$110,000–\$119,999	2	2	—
		\$120,000–\$129,999	1	1	—
		\$140,000–\$149,999	2	1	1
		\$150,000–\$159,999	1	1	1
		\$160,000–\$169,999	1	2	1
		\$180,000–\$189,999	2	1	2
		\$200,000–\$209,999	—	1	—
		\$310,000–\$319,000	1	—	—
		\$390,000–\$399,000	—	1	—
		\$400,000–\$409,000	1	—	—
(c) Retirement and superannuation payments					
Amounts paid directly on retirement from office or to prescribed superannuation funds for the provision of retirement benefits for:					
		Principal executive officer	1,039	—	1,039
(d) Responsible persons related disclosures					
In accordance with the directions of the Minister for Finance under the <i>Financial Management Act 1994</i> , the following disclosures are made for the responsible Ministers and responsible Members of Council.					
(i) Responsible ministers:					
The names of persons who were the responsible persons at anytime during the financial year were:					
The Honorable Lynne Kosky MP					

32. Directors' and executives' remuneration (continued)

(ii) The names of each person holding the position of member of Council during the financial year were:

Anderson, C	Mercer, D
Beanland, D (retired 30/9/2000)	Mitcham, J
Burgess, J	Pascoe, J
Carmody, H	Ringwood, G
Coloe, P	Roberts, T
Coutts, C	Ryan, R
Danos, E	Sapwell, I
Dunkin, R	Summers, P
Frater, R	Thomas, P
Giannini, E	Tongs, J
Hannan, G	Varcoe-Cocks, J
Hepburn, R	White, M
Johnston, S	Williams, R

(iii) Transactions with members of Council related entities are as follows:

Mr R Hepburn is a Director of Alora Aberdeen Hire Pty Ltd, which provided catering equipment to the university on normal commercial terms and conditions.

Ms A Nido (resigned 13 December 1999) was a consultant and former director of Ernst & Young, Chartered Accountants which provided internal audit services on normal commercial terms and conditions.

The aggregate amounts in respect of the following types of transactions with Members of Council and their related parties were:

	Note	CONSOLIDATED		RMIT	
		2000 \$,000	1999 \$,000	2000 \$,000	1999 \$,000
Internal audit services		—	212	—	212
Hire of equipment		20	—	20	—

33. Related parties

The following related party transactions occurred during the financial year and were conducted on normal terms and conditions unless otherwise stated.

(a) Transactions with associated entities:

RMIT and its associated entities work together on a number of projects involving the flow of funds between each entity on normal commercial terms and conditions and at market rates. Other than these normal business dealings, there were no other transactions with the associated entities.

Notes to financial statements

	Note	CONSOLIDATED		RMIT	
		2000	1999	2000	1999
		\$,000	\$,000	\$,000	\$,000
33. Related parties (continued)					
(b) Aggregate amounts receivable from, and payable to, associated entities:					
Current receivables					
Wholly owned subsidiaries					
Other associated entities					
Non-current receivables					
Wholly owned subsidiaries				832	13,302
Current payables					
Other associated entities				1,248	—
Non-current payables					
Other associated entities				11,427	8,421
34. Student general service fees					
In accordance with the <i>Tertiary Education (Amendment) Act</i> 1994, the following compulsory non-academic fees were collected by the RMIT from students and prospective students:					
Fees collected					
General service fee		6,989	5,347	6,989	5,347
Enrolment fee		3,092	3,948	3,092	3,948
		10,081	9,295	10,081	9,295
Distribution of fees by way of grants to:					
Student Union Council		2,334	1,920	2,334	1,920
RMIT Union		4,557	3,209	4,557	3,209
RMIT teaching departments		2,961	3,141	2,961	3,141
RMIT student services		284	251	284	251
RMIT administrative departments		—	556	—	556
		10,136	9,077	10,136	9,077

The collection and distribution of fees has been audited in accordance with the *Tertiary Education (Amendment) Act* 1994.

The annual report of RMIT is prepared in accordance with:

- ▶ *Financial Management Act 1994 (FMA)*;
- ▶ Directions of the Minister for Finance issued under section 8 of the *Financial Management Act 1994 (MFD)*;
- ▶ Decisions of Public Accounts and Estimates Committee of Parliament (PAEC);
- ▶ *Public Sector Management and Employment Act 1998(PSMEA)*;
- ▶ *Tertiary Education Act 1993 and Tertiary Education (Amendment) Act 1994 (TEA)*.

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

In the table below, **E** represents the executive summary (color) section of this report and **F** represents the full report (printed in black-and-white).

Disclosure requirement		Location in this report	
Clause	Disclosure	Section	Page
MFD 9.1.2(i)	Report of operations contains general and financial information	<i>passim</i>	
MFD 9.1.2(ii)	Signature and date of report	F	1
MFD 9.1.3(i)(a)	Manner in which the university was established	F	1
MFD 9.1.3(i)(a)	Relevant Minister	F	85
MFD 9.1.3(i)(b)	Objectives, functions, powers and duties	F	68
		E	4, 6
MFD 9.1.3(i)(c)	Nature and range of services, people and communities served	E	4, 6
MFD 9.1.3(i)(d)	Administrative structure	F	3
MFD 9.1.3(i)(d)(i)	Members of the Council and director	F	3, 9
MFD 9.1.3(i)(d)(ii)	Occupants of senior offices and areas of responsibility	F	9
MFD 9.1.3(i)(d)(iii)	Organisational chart	F	10
MFD 9.1.3(i)(e)	Workforce data for current and previous year; statement on application of merit and equity principles	F	16, 19
MFD 9.1.3(i)(f)	Application and operation of <i>Freedom of Information Act 1982</i>	F	32
MFD 9.1.3(ii)(a)	Summary of financial results with comparative results for preceding four years	F	34
MFD 9.1.3(ii)(b)	Significant changes in financial position	E	18-19
MFD 9.1.3(ii)(c)	Operational objectives and performance including significant activities and achievements	F	11
MFD 9.1.3(ii)(d)	Major changes or factors affecting the achievement of operational objectives	E	18-19
MFD 9.1.3(ii)(e)	Events subsequent to balance date which may have a significant effect on operations in subsequent years	F	68
MFD 9.1.3(ii)(f)	Consultancies in excess of \$100,000	F	37
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MFD 9.1.3(ii)(h)	Compliance with <i>Building Act 1993</i>	F	31
MFD 9.1.3(ii)(i)	Additional information available on request	F	38
MFD 9.1.3(ii)(j)	Compliance index	F	88
MFD 9.1.3(ii)(k)	Implementation of National Competition Policy	F	33
MFD 9.1.3(iv)(a)	Declarations of pecuniary interests	F	3
MFD 9.1.3(iv)(b)	Shares held by senior officers	F	3

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MFD 9.1.3(iv)(e)	External reviews	F	Nil
MFD 9.1.3(iv)(f)	Research and development activities	F	23
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PAEC (December 1997)	International initiatives and strategies	F	25
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MFD 9.2.3(iii)(d)	Reserves and transfers to and from reserves	F	42
MFD 9.2.3(iv)(a)	Liabilities secured by a charge on assets		Nil
MFD 9.2.3(iv)(b)	Material contingent liabilities secured over assets		Nil
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MFD 9.2.3(iv)(f)	Assets received without adequate consideration	F	52
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MFD 9.4.2(ii)	Remuneration of all councillors	F	84
MFD 9.4.2(iii)	Councillors' remuneration in bands of \$10,000	F	84
MFD 9.4.2(iv)	Executive officers' remuneration	F	85
MFD 9.4.2(v)	Payments relating to councillors' retirement	F	85
MFD 9.4.2(vi)(a)	Loans made, guaranteed or secured to a councillor or related party	F	3 (nil)
MFD 9.4.2(vi)(b)	Loans made, guaranteed or secured to a councillor or related party	F	3 (nil)
MFD 9.4.2(vii)	Aggregate amount of loans made to councillors and repayments received	F	3 (nil)
MFD 9.4.2(vii)(a)	Share and share option transactions by councillors	F	3 (nil)
MFD 9.4.2(vii)(a)(i)	Shares and share options acquired by councillors	F	3 (nil)
MFD 9.4.2(vii)(a)(ii)	Shares and share options disposed of by councillors	F	3 (nil)
MFD 9.4.2(vii)(a)(iii)	Shares and share options held by councillors on the reporting date	F	3 (nil)
MFD 9.4.2(vii)(b)	Terms and conditions of favorable share or share option transactions by councillors	F	3 (nil)
MFD 9.4.2(ix)	Other transactions by councillors		3 (nil)
MFD 9.4.2(ix)(a)	Types of transactions by councillors		3 (nil)
MFD 9.4.2(ix)(b)	Terms and conditions of transactions by councillors		3 (nil)
MFD 9.4.2(ix)(c)	Combinations of type and terms of transactions by councillors		3 (nil)
MFD 9.4.2(ix)(c)(i)	Names of councillors making transactions		3 (nil)
MFD 9.4.2(ix)(c)(ii)	Aggregate amount of councillors' transactions		Nil
MFD 9.4.2(x)(a)	Aggregate amounts of revenue or expense resulting from councillors' transactions		Nil
MFD 9.4.2(x)(a)(i)	Interest revenue resulting from councillors' transactions		Nil
MFD 9.4.2(x)(a)(ii)	Dividend revenue resulting from councillors' transactions		Nil
MFD 9.4.2(x)(a)(iii)	Interest expense resulting from councillors' transactions		Nil
MFD 9.4.2(x)(a)(iv)	Provisions for doubtful receivables and write-downs resulting from councillors' transactions		Nil
MFD 9.4.2(x)(b)	Aggregate amounts receivable and payable resulting from councillors' transactions		Nil
MFD 9.4.2(x)(c)	Aggregate amounts of provisions for doubtful receivables resulting from councillors' transactions		Nil

Compliance index

Disclosure requirement		Location in this report	
Clause	Disclosure	Section	Page
MFD 9.4.2(x)(c)(i)	Doubtful receivables relating to councillors' loans		Nil
MFD 9.4.2(x)(c)(ii)	Other doubtful receivables relating to amounts receivable from and payable to councillors		Nil
MFD 9.4.2(x)(d)(i)	Benefits derived by councillors from transactions		Nil
MFD 9.4.2(x)(d)(ii)	Any other benefits derived by councillors		Nil
MFD 9.4.2(xi)	Transactions with, receivables from and payables to councillors and related parties	F	86
MFD 9.4.2(xi)(i)	Councillors' transactions, receivables and payables occurring in a normal employee, customer or supplier relationship	F	86
MFD 9.4.2(xi)(ii)	Councillors' transactions, receivables and payables that are trivial or domestic in nature		Nil
MFD 9.4.2(xii)	Transactions with another public-sector entity	F	86
PSMEA s.7	Employment processes	F	16
PSMEA s.8	Principles of conduct for public-sector employees	F	17

The financial statements were prepared using the definitions described in:

- MFD 9.4.3
- MFD 9.4.3(i)
- MFD 9.4.3(ii)
- MFD 9.4.3(iii)

The university's financial reports were prepared in accordance with requirement of MFD 9.2.3(i) that the financial reporting be useful for making and evaluating decisions about allocating resources and discharging the accountability of management or governing body.

This *Annual Report* should be read in conjunction with the *Executive Summary*.

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