



2017 Annual Report

28 February 2018

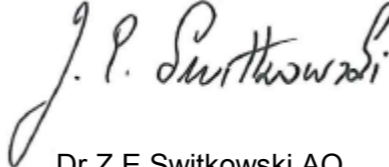
The Hon Gayle Tierney MP
Minister for Training and Skills
Level 1, 2 Treasury Place
East Melbourne VIC 3000

Dear Minister

In accordance with the requirements of regulations under the *Financial Management Act 1994*, I am pleased to submit for your information and presentation to parliament the Annual Report of RMIT University for the year ended 31 December 2017.

The Annual Report was approved by the Council of RMIT University at its meeting on 28 February 2018.

Yours sincerely



Dr Z E Switkowski AO
Chancellor



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About RMIT

RMIT is a global university of technology, design and enterprise in which teaching, research and engagement are central to making an impact and creating life-changing experiences for our students.

Founded in 1887, RMIT is a multi-sector university with more than 87,000 students and 11,000 staff globally. The University enjoys an international reputation for excellence in professional and vocational education, applied and innovative research, and engagement with industry and the community.

RMIT offers postgraduate, undergraduate, VE and online programs, offering students work-relevant pathways between vocational and higher education qualifications. A range of scholarships are available to support education and research.

With three campuses and two sites in Australia, two campuses in Vietnam and a research and industry collaboration centre in Barcelona, Spain, RMIT is a truly global university. RMIT also offers programs through partners in Singapore, Hong Kong, mainland China and Indonesia, and has research and industry partnerships on every continent.

RMIT is ranked in the top 1 per cent of global universities, rising to equal 247th in the 2017 QS World University Rankings. The University is ranked eighth in Australia for employer reputation, and 30th in East Asia and the Pacific.





Strategy, Vision and Values

Strategy to 2020

RMIT's Strategic Plan, *Ready for Life and Work*, sets out the goals and directions that are shaping our university for today and our bright future. At its core, the Strategic Plan is focused on graduating students ready for life and work.

Our Vision

A global university of technology, design and enterprise, built on our founding motto of "a skilled hand, a cultivated mind".

A global university of technology, design and enterprise, built on our founding motto of "a skilled hand, a cultivated mind".

Our Values

Passion

We take pride in RMIT and its achievements and we are deeply committed to extending and deepening RMIT's positive impact.

Impact

RMIT achieves impact through an applied, practice-based approach to meeting contemporary needs. We shape the world for the better through collaborative design, research, learning and problem-solving.

Inclusion

RMIT creates life-changing opportunities for all, welcomes students and staff from diverse backgrounds, and honours the identity and knowledge of Aboriginal and Torres Strait Islander nations. We are an accessible and open institution dedicated to serving the needs of the whole community.

Courage

We are honest and fair in our conduct and relationships. We embrace new thinking and evidence, test it rigorously and apply it to our own learning. We are strongly committed to performance, accountability and value for money. We speak out on issues of importance to our community and the world. We respect the rights of others and our obligations to the health of the planet.

Agility

We are forward-looking, balanced and sustainable in our approach to organisation and resourcing. We are able to adapt quickly and effectively to new pressures and opportunities.

Imagination

We value innovation and creativity as essential qualities of our work and resources for the economy and society. We are committed to developing, applying and sharing new ideas and perspectives.

Mission

Our Mission

Today RMIT aims to create transformative experiences for our students, getting them ready for life and work, and help shape the world with research, innovation, teaching and engagement.

RMIT embraces the task of extending the benefits of a fast-innovating, high-skill knowledge economy to our whole community and our world. We are dedicated to shaping a new urban and industrial renaissance in the global economy. We are driven by impact and focused on the challenges and opportunities emerging around us.

Our distinctive approach links creative ideas with technical knowledge to connect education and research for our community. We empower students to shape their own lives, achieve impact and create valued places for themselves through work and engagement in the wider community.

RMIT understands how to do this during a period of deep technological change – because we have been through it before. We began helping people and organisations make the transition to an industrial society more than a century ago. Today, we embrace the challenge of helping shape a new urban and industrial renaissance in a global economy.

The innovation and pace of change now under way is immense. New industries are being created and others consolidated or renewed. The mass factories of the past are being replaced by clusters of production centred around new knowledge, technology, skills and creativity. Students, workers and institutions need entrepreneurship and teamwork to adapt and succeed.

Today, how we learn is just as important for success as where and what we learn. Being ready for life and work means combining contemporary ideas and deep knowledge with cutting-edge learning skills and methods.

We are passionately committed to growing interdisciplinary expertise and creative thinking, together with practical application and problem-solving directly relevant to the lives of the communities we serve.

Our commitment to serving students from all backgrounds is equally strong. This includes a responsibility to take a leading role in supporting Aboriginal and Torres Strait Islander students, to ensuring access and effective support for students with disadvantaged backgrounds, and to embracing the global diversity and talent of all our students and staff.

In the coming years RMIT will offer programs and research in ways that will:

- enhance creativity and impact
- fully embrace the digital environment
- get students, experts and employers working together
- apply learning through work and enterprise
- draw upon the leading edge of industry practice
- introduce students to potential employers and investors
- encourage students to belong to the life of their cities and their world
- help students to start and succeed in enterprises of their own

We will deploy our distinctive research capabilities to make new discoveries, to innovate through practice and to generate ideas and culture that enrich the economy and community. Our unique mix of interdisciplinary expertise and collaborative clustering will help to solve complex local national and global problems.

For RMIT, this approach is both historically grounded and firmly contemporary. This is how we were established and how we have developed for 130 years.

By building on what we have achieved and embracing the possibilities of digital, economic and social transformation, RMIT will continue to shape the future in a way that no other university can.



Chancellor's Statement

2017 marked the 130th anniversary of the founding of RMIT University. RMIT took the opportunity to celebrate its long history of excellence in design, technology and enterprise, and reflect on the solid foundations that today allow us to serve the RMIT community and its students well into the future.

RMIT began in Melbourne as the Working Men's College - with an intake of 200 students in 1887 - and has evolved into a truly global university with more than 87,000 students around the world.

In September, RMIT celebrated the University's anniversary by opening the New Academic Street (NAS) facilities, which have transformed the City campus and are providing our Melbourne students with best practice facilities to support them both academically and socially. The NAS project ensures that RMIT will continue to provide students, staff and visitors with a unique urban experience in the heart of Melbourne's CBD, as well as contributing to the vibrancy of the city.

2017 also marked the 30th anniversary of one of our major offshore partnerships with the Singapore Institute of Management. Alumni, staff and students celebrated what it means to be part of the global RMIT network. RMIT is the oldest and largest transnational higher education provider in Singapore. In those 30 years we have graduated almost 1 per cent of the Singaporean population. Our RMIT alumni in Singapore contribute their skills to the economy and community in areas that are helping to transform Singaporean industry.

Yes, it was a year to reflect upon our proud history, the distance we've travelled, and to acknowledge the contributions of staff, students and all members of the University community who have made RMIT the vibrant place it is today.

Yet RMIT's outlook remains steadfastly fixed on the future as 2017 heralded the half-way mark of our current five-year Strategic Plan, Ready for Life and Work. The Strategic Plan will lead the University into the future by focusing on graduating students ready for life and work, while also providing lifelong training options for the many looking to upskill.

The Vice-Chancellor Martin Bean CBE and his team continue their mission to improve the unique RMIT student experience, with a commitment to great teaching, world-leading research in targeted areas, inclusion and access, producing desirable graduates in fulfilling careers. As a global university with a focus

on technology, design, enterprise and work integrated learning, RMIT works with industry and the community to provide life-changing experiences for our students, to make a difference in the world.

The quality of the student experience, the excellence of our graduates, and the scale of the alumni community help sustain the RMIT brand in both steady and volatile times.

On the commercial side, the year saw consolidated group revenues reach \$1.3 billion, up 6 per cent on the previous year, with operating cash flows of \$154 million. Given our strong balance sheet and the current low interest rate environment, this cash flow augmented by borrowings is sufficient to fund the near billion dollars of capital investment we expect to make in support of offshore campuses, new infrastructure, IT systems and research facilities over the coming years.

Our brand, reach and financial strength continue to allow RMIT to provide the facilities, technologies and opportunities to graduates who are job-ready and equipped with the skills necessary to succeed in a digital and connected world.

The University continues to be well governed by its Council and I am grateful to my colleagues on Council for their diligence, enthusiasm and wisdom in helping guide our institution. We welcomed Ms Megan Haas, Ms Judith Bornstein and Ms Abena Dove to the Council during 2017 and farewellled Mr Ariel Zohar. I'd especially like to thank the Deputy Chancellor, Ms Janet Latchford, who fulfilled a busy calendar of duties in Melbourne and globally with a sure hand and much dignity and finesse.

RMIT looks forward to the years ahead with confidence, and to consolidating and strengthening its position among its national and international peers. By building on what we have achieved thus far and embracing the many possibilities of digital, economic and social transformation, RMIT will help to shape our students, and the future, in a unique way, furthering our goal to create a leading global university of design, technology and enterprise.

I join with the Vice-Chancellor in thanking all of RMIT University's staff who are creating an environment designed to provide a unique student experience, deliver a highly-regarded credential, and produce graduates ready to make their mark in exhilarating, and sometimes unpredictable, times.



And finally I would like to acknowledge the leadership of our Vice-Chancellor whose vision, energy, and personal example continue to inspire all of us.

Dr Ziggy Switkowski AO
Chancellor

Vice-Chancellor's Statement

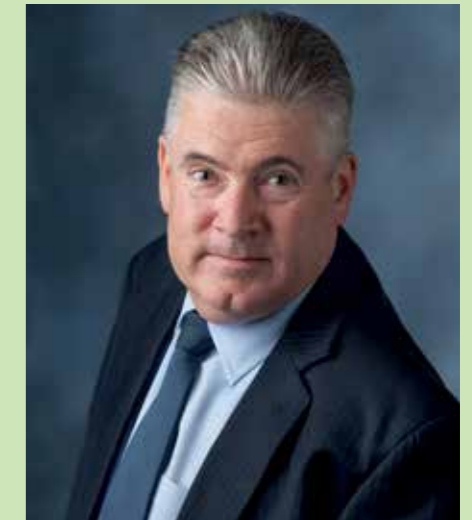
For RMIT, 2017 was a year of continued transformation and renewal.

Our founding motto, "a skilled hand, a cultivated mind", remains as relevant today as it was 130 years ago. These words continue to inspire RMIT's mission, driving us to create transformative experiences for our students and shape the world with research, innovation, teaching and engagement.

Guided by our Strategic Plan, *Ready for Life and Work*, the RMIT community is making progress in implementing our goals under three strategic directions.

As part of these efforts, significant initiatives launched in 2017 include:

- Making meaningful progress on our Reconciliation Action Plan, with the appointment of our first Aboriginal Deputy Pro Vice-Chancellor - Indigenous Education and Engagement, Professor Mark McMillan, launch of our Aboriginal and Torres Strait Islander Employment Plan, and the opening of a new Ngarara Willim Centre at our Bundoora campus.
- A series of industry-relevant 21st century micro-credentials - RMIT Creds - to build our students' enterprise skills. Aligned with core capabilities and industry values, the 34 micro-creds are delivered on a digitally-enabled platform and focus on areas like problem solving, critical thinking and communication.
- An Australian-first collaboration with Apple to deliver their App Development with Swift curriculum through a suite of online and face-to-face courses, providing opportunities to thousands of students to develop digital skills for the future workforce.
- Strengthening the University's research capacity through the appointment of directors to lead our eight Enabling Capability Platforms (ECP), and recruitment of 32 Vice-Chancellor's outstanding researchers. RMIT also enrolled almost 500 new Higher Degree by Research (HDR) students, while the first cohorts of RMIT Vietnam PhD candidates began their research, with 10 doctoral students recruited.
- Completion of the \$220 million New Academic Street transformation of our City campus, enhancing the student experience through new and refurbished indoor and outdoor spaces, major upgrades to the City campus library and student support services, and an industry-leading studio, teaching and production facility, the RMIT Media Precinct.
- Investing in, and driving fundraising to, the reactivation of the Capitol Theatre. Working with the State Government, the project will transform the Melbourne icon into a centre for cutting-edge tertiary education, as well as a cultural landmark and creative space for the city.
- Radically cutting our energy and water use through the completion of our \$128 million Sustainable Urban Precincts Program - the biggest of its kind in the southern hemisphere. The upgrades to 77 buildings across our Melbourne campuses will reduce our annual greenhouse gas emissions by an estimated 32,000 tonnes and cut water use by about 53 million litres a year.
- Transforming our enrolled nursing program to create an immersive learning environment for vocational students, with all teaching conducted at a dedicated education unit based at Northern Health Care Services. The State Government-funded initiative aims to address the enrolled nurse skill shortage and help meet the challenge faced by industry in recruiting and retaining staff.
- Collaborating with the City of Melbourne and University of Melbourne to create an "urban innovation district" to drive investment in the knowledge economy, as part of the Melbourne Innovation Districts (MID) initiative.
- A partnership between RMIT Vietnam and one of Vietnam's leading asset management groups, VinaCapital, to create a four-year term professorship that will support research in economics and the capital market in the rapidly developing nation.
- Bringing our European operations closer to partner universities and top local and international organisations across the knowledge economy and technology sectors, through the relocation of RMIT Europe to Barcelona's innovation and technology district, zone 22.



- A strategic alliance with the Indian Academy of Science and Innovation Research (AcSIR) to deliver a groundbreaking joint PhD program, enabling RMIT and AcSIR students to pursue their doctoral studies across international borders.
- A partnership with Victoria's leading housing organisation Unison, which supports Australia's first Professor of Urban Housing and Homelessness, with a dedicated research team, and an innovative program bringing together academic and industry knowledge to improve the lives of 650,000 Australians experiencing homelessness.

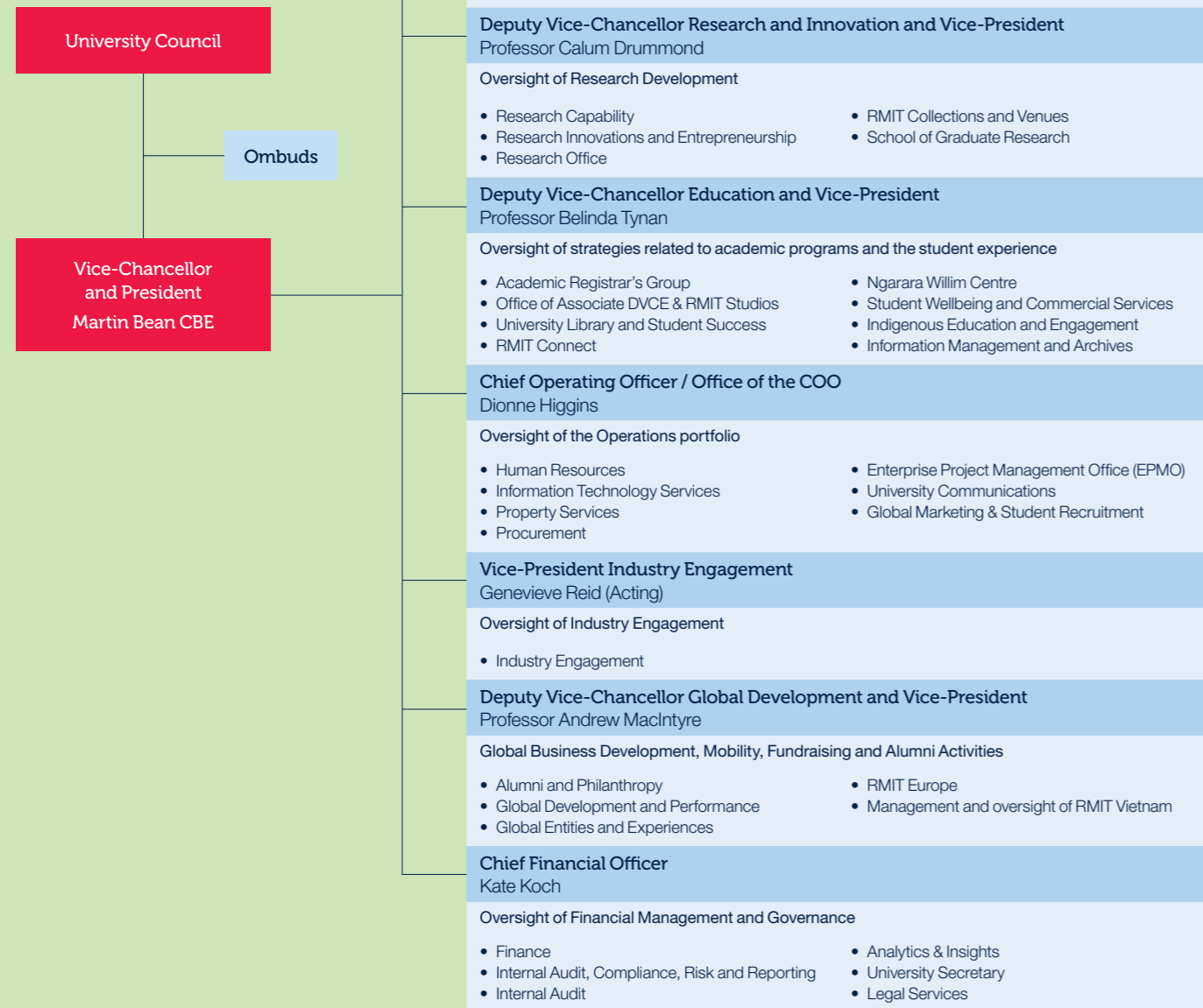
The world is changing like never before and the RMIT community is committed to adapting education to remain relevant and impactful. We solve real world problems with our research and provide practical education for today and tomorrow. In every sense we hold true to our founding purpose.

Energised by new opportunities and grounded in the roots of what we do best, we move confidently into the future.

Martin Bean CBE
Vice-Chancellor and President

Organisational Chart

This organisational chart provides a graphical representation of the management structure of RMIT University as at 31 December 2017. Current versions of the organisational chart are available on RMIT's website.



Senior Officers



Vice-Chancellor and President
Mr Martin Bean CBE
BEEd(Adult) (UTS)

Martin Bean was appointed Vice-Chancellor in January 2015. He previously held the positions of Vice-Chancellor of The Open University, the UK's largest academic institution, and General Manager of Microsoft's Education Products Group.

He has also held executive leadership roles at Novell and other companies integrating technology and learning systems. In 2012, he launched FutureLearn, the UK's first at-scale provider of Massive Open Online Courses.

Martin Bean has won numerous awards in the UK and US for his contribution to education, and in 2015 was awarded a Commander of the Order of the British Empire for services to higher education. In 2014 he was named one of the UK Prime Minister's Business Ambassadors and in 2013 he was awarded an Honorary Doctor of Laws from the University of London.

In 2016 Martin Bean was appointed by the Australian Government to be its representative on the Commonwealth of Learning Board of Governors. He became the Chair of the Australian Technology Network of Universities (ATN) in 2017.



Deputy Vice-Chancellor Research and Innovation and Vice-President
Professor Calum Drummond

BScEd, BSc(Hons), PhD, DSc (Melb), FAICD, FTSE, FRACI, FRSC, CChem

Professor Drummond has a leadership role in nurturing discovery and practice-based research, and in building and enhancing capability in research and innovation across the University.

He joined RMIT in 2014 from CSIRO where he was Group Executive for Manufacturing, Materials and Minerals, and previously Chief of Materials Science and Engineering. He was also the inaugural Vice-President Research at CAP-XX.

He remains an active research professor and has published more than 200 articles and patents in the area of advanced materials. In the past few years, he has been the recipient of the 2018 Ian Wark Medal and Lecture from the Australian Academy of Science, the 2017 Royal Australian Chemical Institute (RACI) Weickhardt Medal, the 2015 Victoria Prize for Science and Innovation, the 2015 HG Smith Memorial Medal from RACI, and a 2016 Fulbright Senior Scholarship.



Chief Executive Officer RMIT Training
Ms Rachel Holthouse

BA (Monash), DipEd (Melb), RSA/ Cambridge CELTA (RMIT), MAppLing (Macquarie), GAICD

Ms Holthouse was appointed to this role in 2009. She previously held senior positions at the University of Melbourne, including Executive Manager of Business Strategy and Operations for the Department of Otolaryngology, home of Australia's renowned Bionics Institute.

She has worked in Asia as Director of Hawthorn-Singapore Language School, and in the UK as Principal of Edinburgh School of English, which included corporate governance responsibilities on the board of UMEE UK Ltd.

Ms Holthouse is committed to the development of high-quality innovative educational products and services. She has established global partnerships with educational organisations and corporations for RMIT Training.



Deputy Vice-Chancellor Education and Vice-President
Professor Belinda Tynan

BA, GradDipEdCurr (Melb), GradDipSec (ACU), GradDipHigherEd (UNSW), Med (USQ), EdD (UWA)

Professor Tynan was appointed to this role in 2016. She was previously Pro Vice-Chancellor Learning, Teaching and Innovation at The Open University in the UK, and Pro Vice-Chancellor Learning, Teaching and Quality at University of Southern Queensland.

Professor Tynan has 30 years' experience in the education sector in Australia, New Zealand, Singapore and the UK and has more than 70 refereed publications. She is a Principal Fellow of the Higher Education Academy and a Fellow of the European Distance Education Network.

She has held a number of international and national leadership roles and is currently an Executive Member of the International Council of Open and Distance Education, Company Director for RMIT Online and an Executive member of Open Universities Australia. You can follow her on Twitter @minbrt.



Pro Vice-Chancellor Business and Vice-President
Professor Ian Palmer

BA(Hons) (ANU), PhD (Monash), FASSA

Professor Palmer's leadership of the College of Business is informed by a distinguished academic career in Australia and overseas.

A previous President of ANZAM and foundation Chair of the Business Academic Research Directors Network, Professor Palmer was elected in 2008 to the US Academy of Management's Organizational Development and Change Division as Representative-at-Large. He was also appointed Chair of the Research Quality Framework Panel 10 for Economics, Commerce and Management, and to Life Membership of ANZAM.

In 2011 Professor Palmer was appointed a Fellow of the Academy of the Social Sciences in Australia and is the past President of the Australian Business Deans Council.



Chief Operating Officer
Ms Dionne Higgins

BBus (La Trobe), CA

Ms Higgins was appointed Chief Operating Officer in September 2016. Prior to joining RMIT, she held executive operations, finance and strategy roles in Pearson's media, publishing and education groups based in London, New York and most recently Hong Kong.

In her previous role as Chief Operations Officer, International, she led a diverse cross-functional team to drive growth, improve efficiency and adapt service models for Pearson's education businesses outside of North America. Her particular focus was to adapt the business for emerging consumer trends and digital innovation.

Ms Higgins spent her early years as a chartered accountant in public practice and consulting.



Chief Executive Officer RMIT Online
Ms Helen Souness

BA, LLB (Hons), GAICD

Ms Souness was appointed to the role of CEO at RMIT Online in August 2017. In this role, she leads the business to support a growing community of learners to successfully navigate the world of work by offering directly relevant, accessible and flexible educational opportunities online.

Ms Souness is a senior leader with a career that spans more than 25 years of commercial experience working in digital strategy, marketing and product across market-leading enterprises including Seek, Lonely Planet, Envato and Etsy. She has operated in General Manager, Managing Director and Board Director capacities for Envato, Canteen, Etsy and Sandle.

Most recently as MD of Asia for New York-based digital marketplace Etsy, Helen Souness led her team to triple the size of Etsy's Australian seller community and enter new Asian markets.



Vice-President Industry Engagement
Ms Genevieve Reid (acting)

BA (La Trobe) Grad Dip PR (Deakin), MAICD

Ms Reid was appointed to this role in December 2017. Her sales and relationship management expertise spans more than 25 years working in the technology and services sectors and has taken her to North America, APAC and Europe.

She has a strong track record of driving transformational positive change across a range of markets and technologies, having worked at Oracle Corporation, PricewaterhouseCoopers and Australian public company Computershare.

Ms Reid has also worked extensively as a volunteer in the non-profit sector as Non-Executive director of philanthropic organisation ShareGift Australia and Chair of arts institution Craft Victoria. She is a member of the Public Relations Institute of Australian (PRIA) and the Australian Institute of Company Directors (AICD).



Pro Vice-Chancellor Science, Engineering and Health and Vice-President
Professor Peter Coloe

BSc(Hons), PhD (Monash), FASM

Professor Coloe was appointed to this role in 2008. He served on Council from 1999 to 2008 and chaired the Academic Board from 2000 to 2008. He is also a Professor in Biotechnology and a prolific and internationally recognised researcher with more than 200 publications and five worldwide patents.

Professor Coloe has been an advisor to the Australian Government's Biosecurity Risk Assessment Panel and the Victorian Government taskforce on Biotechnology. He has been a member of the Editorial Board of Microbiology Australia, the Chair of the Qualifications Committee and member of Council of the Australian Society for Microbiology. He is a past-president of the Federation of Asia Pacific Microbiological Societies and member of the International Union of Microbiology.



Deputy Vice-Chancellor Global Development and Vice-President
Professor Andrew MacIntyre

BA(Hons) MA, PhD (ANU), FASSA

Professor MacIntyre is responsible for global development strategies in support of RMIT's overall Strategic Plan. Before joining the University in 2014, he was Professor of Political Science at ANU, where he also served as Dean of the College, Director of the Research School of Asia and the Pacific, and Founding Director of Crawford School of Public Policy.

He was previously a professor and Interim Dean at the University of California San Diego's Graduate School of International Relations and Pacific Studies.

Professor MacIntyre was the founder of the Australia-Indonesia Governance Research Partnership and serves on the Bulletin of Indonesian Economic Studies' editorial board. He is Vice-Chairman of AusPECC and a director of the Asia Foundation in Australia, and is the Chair of RMIT Vietnam, RMIT Europe and RMIT Indonesia.

You can follow him on Twitter @ozajmacintyr.



Deputy Vice-Chancellor
Mr John Barnes

BA (Monash), BEd (Deakin), GradDip BA (Swinburne), GradDip CSP (ACSA), MBA (RMIT)

John Barnes has had extensive involvement in tertiary education, particularly in vocational education. Prior to joining RMIT in 2012, he held senior management positions in TAFE institutes for 16 years, most recently as General Manager, Business Development at Kangan Institute of TAFE.

He was appointed DVC Engagement and Vocational Education in March 2014 and in 2017 was appointed Deputy Vice-Chancellor overseeing the Office of Vocational Education and strategic projects.

Mr Barnes has extensive experience in developing industry relationships, both in Australia and internationally. He is committed to strong educational outcomes in responding effectively to industry, student and government needs.



Chief Financial Officer
Ms Kate Koch

BComm (UNSW), CA, MAICD

Ms Koch was appointed Chief Financial Officer in October 2017. She joined RMIT from Tesco PLC in the UK, where she was responsible for all aspects of finance as well as procurement, transaction services and leading large-scale transformation efforts.

Prior to this, she spent 17 years with Pearson PLC where she held CFO and senior finance roles across publishing, news and education organisations, including CFO of the Asia-Pacific business.

Ms Koch earlier worked at Qantas Airways and Deloitte in Sydney. She is passionate about education, having served as Deputy Chair of Governors at a London school, and she has a strong interest in leading efforts to improve diversity and inclusion in the workplace.



President RMIT Vietnam and Vice-President RMIT University
Professor Gael McDonald

BBus (Massey), MBA (UWA), PhD (LSE)

Professor McDonald commenced as President of RMIT Vietnam in 2014, having previously been Pro Vice-Chancellor of Deakin University's Faculty of Business and Law and Secretary of the Australian Business Deans Council.

Her background has included the roles of Vice-President International, Vice-President Research, Dean of Business and Professor of Business Ethics at Unitec Institute of Technology, New Zealand. She is a past President of ANZAM (Australian and New Zealand Academy of Management) and has also consulted in the private sector.

Professor McDonald has published widely and is author of *Business Ethics: A Contemporary Approach* and co-author of *Surviving and Thriving in Postgraduate Research and Organising an Academic Conference: Guidelines for Scholarly and Financial Success*.



Pro Vice-Chancellor Design and Social Context and Vice-President
Professor Paul Gough

BA(Hons), MA, PhD (Royal College of Art), FRSA, RWA

A painter, broadcaster and writer, Professor Gough has exhibited internationally, most recently in the UK, Canada, New Zealand and Australia. He is represented in several permanent art collections including London's Imperial War Museum, the Canadian War Museum, and New Zealand's National War Memorial.

Professor Gough is a prolific researcher and sought-after research supervisor. He has published five books on the representation of war and peace, more than 100 research papers, and a highly popular book on street artist Banksy.

He has chaired international research assessment schemes in the UK, Australia, Romania, New Zealand and Hong Kong, and has addressed universities and research councils on international research and evaluation schemes.



Executive Director RMIT Europe
Dr Marta Fernandez

MSc (Granada), PhD (UCL), CEng, FRSA

Dr Fernandez was appointed to this role in 2015. Her career has spanned senior management roles in the UK, including Global Research Leader at international consultancy Arup.

Dr Fernandez has a strong interest in urban wellbeing, particularly the impact of design and technology to improve wellbeing in cities, and has been a member of European expert panels for nature-based solutions in cities, active ageing and the built environment.

She holds honorary appointments at University College London and Imperial College Business School and is a member of the Steering Committee of the European Construction Technology Platform and member of the Scientific Advisory Board of Eurac Research.

Academic Schools and Research Platforms

As at 31 December 2017, RMIT University offered programs of study in 17 schools across three academic colleges.

College of Business

School	Head of School
Accounting	Professor Garry Carnegie
Business IT and Logistics	Professor Caroline Chan
Economics, Finance and Marketing	Professor Timothy Fry
Graduate School of Business and Law	Professor Mark Farrell
Management	Professor Pauline Stanton
Vocational Business Education	Mr Graham Airey

College of Design and Social Context

School	Head of School
Architecture and Urban Design	Professor Martyn Hook
Art	Professor Julian Goddard
Education	Professor Andrea Chester
Fashion and Textiles	Professor Robyn Healy
Global, Urban and Social Studies	Professor Robin Goodman
Media and Communication	Professor Lisa French
Property, Construction and Project Management	Professor Ron Wakefield

College of Science, Engineering and Health

School	Head of School
Engineering	Professor Adrian Mouritz
Health and Biomedical Sciences	Professor Charlie Xue
Science	Professor Russel Crawford
Vocational Education, Engineering Health & Sciences	Mr Peter Ryan

RMIT has established eight Enabling Capability Platforms (ECPs) to connect researchers from multiple disciplines under thematic umbrellas, allowing the University to deploy its areas of research excellence to comprehensively address critical local, national, regional and global challenges and capture emerging opportunities.

Enabling Capability Platform	Director
Advanced Manufacturing and Fabrication	Professor Ivan Cole
Advanced Materials	Professor Rachel Caruso
Biomedical and Health Innovation	Professor Magdalena Plebanski
Design and Creative Practice	Professor Larissa Hjorth
Global Business Innovation	Professor Anne-Laure Mention
Information and Systems (Engineering)	Professor Mark Sanderson
Social Change	Professor Julian Thomas
Urban Futures	Distinguished Professor Billie Giles-Corti

Statistical Snapshot

Sector/Level Enrolments (headcounts)	2015	2016*	2017 ¹
Higher Education (HE)	62,138	64,182	68,119
Postgraduate Research	2,115	2,199	2,256
Postgraduate Coursework	9,964	10,705	12,643
Undergraduate	46,650	47,852	49,642
Associate Degree	3,409	3,426	3,578
Open Universities Australia (OUA)	4,601	4,235	3,296
Postgraduate	727	777	812
Undergraduate	3,874	3,458	2,484
Vocational Education (VE)	15,179	14,573	14,783
Diploma and Advanced Diploma (AQF 5-6)	7,536	7,730	8,316
Certificates III and IV (AQF 3-4)	5,674	5,248	4,900
Certificates I and II (AQF 1-2)	320	350	318
VCE/VCAL	458	534	615
Other ²	1,191	711	634
Foundation Studies (FS)	1,103	1,292	1,267
Total	83,021	84,232	87,465

Student Fee Type Enrolments (Headcounts)	2015	2016*	2017 ¹
Higher Education (HE)	62,138	64,182	68,119
Domestic	34,112	35,148	37,428
International Onshore	11,330	12,590	14,725
International Offshore	10,443	10,105	9,606
Vietnam	6,055	6,092	6,123
Indonesia	198	247	237
Vocational Education (VE)	15,179	14,573	14,783
Domestic	14,211	13,378	13,270
International Onshore	947	1,090	1,309
International Offshore	21	105	204

Student Load	2015	2016*	2017 ¹
Student Load EFTSL HE	46,007	47,337	49,436
Student Contact Hours VE	6,977,224	6,781,432	7,036,894

Award Completions	2015	2016*	2017 ¹
Higher Education (HE)	16,432	16,483	17,536
Postgraduate Research	278	245	329
Postgraduate Coursework	3,275	3,482	3,927
Undergraduate (including Associate Degrees and Diplomas)	12,879	12,756	13,280
Vocational Education (VE)	5,659	6,042	5,719
Total	22,091	22,525	23,255

Graduate Outcomes and Satisfaction in % ³	2015	2016*	2017 ¹
Higher Education (HE)			
Graduate in full-time employment	65.6	70.0	72.2
Graduate in part-time employment	30.8	27.7	28.1
Graduate in further full-time study	15.3	19.7	17.3
Graduate in enterprise formation	5.6	6.7	6.1
Overall satisfaction	76.9	78.8	76.7
Generic skills	73.1	80.4	78.9
Vocational Education (VE)			
Graduate in employment	65.9	69.1	67.5
Graduate in further study	53.7	51.9	53.4
Graduate in enterprise formation	11.2	8.9	6.7
Overall satisfaction	85.0	83.6	83.3
Generic skills	78.8	74.5	77.6

¹ Some 2017 indicators are provisional and will not be finalised until Q2 2018. HE and VE data excludes Foundation Studies and OUA unless specified. VE student load converted using Student Contact Hours/720.

² Non-award programs not elsewhere classified.

³ Based on graduate survey four months out.

*Some 2016 historical values updated to reflect final position.

Financial Performance

The consolidated 2017 net operating result for RMIT University and its subsidiaries was \$70.9 million, continuing the strong results of recent years. RMIT University's operating result was \$51.0 million or 4.3 per cent of revenue.

The University met all financial budget objectives in 2017:

1. Revenue of \$1.1b exceeded the budgeted target by 7.1%
2. Earnings before Interest Tax and Depreciation (EBITDA) of \$154.5m exceeded the budgeted target by 9.5%.

For the consolidated group, revenue increased to \$1,306.5 million in 2017 from \$1,226.1 million in 2016. Expenditure increased to \$1,233.8 million from \$1,131.0 million, resulting in the operating result of \$70.9 million after income tax. Cash balances for the group ended the year at \$75.7 million.

The following comments refer to RMIT University only, unless otherwise specified.

Revenue increased to \$1,185.8 million from \$1,127.0 million. Australian Government Financial Assistance – including HECS-HELP and VET FEE-HELP – increased to \$599.8 million from \$581.8 million driven by an increase in student numbers.

Vocational Education (VE) specific State Government grants totalled \$46.8 million, an increase of \$13.8 million on 2016, mainly due to increased student numbers, price increases and a small number of one-time grants. VET FEE-HELP was replaced by the VET Student Loan program and combined revenue from both sources decreased slightly to \$21.3 million from \$22.2 million.

Course fees and charges increased to \$418.6 million from \$395.5 million, or 5.6 per cent. International fee-paying student revenue increased by 13 per cent (or \$44.8 million) to \$391.7 million. Other fees and charges increased by 6.8 per cent to \$13.2 million, most of which is used to fund student activities.

Expenditure increased by 7 per cent to \$1,133.4 million, from \$1,059.2 million in 2016.

Employee benefits and on-costs increased by 7.3 per cent to \$670.9 million. Salary increases were due to pay rises incurred in line with the enterprise bargaining agreement, combined with increases in employee headcount to teach the increased student load.

Repairs and maintenance decreased by \$20.0 million to \$19.7 million due to completion of major capital maintenance works.

The operating result attributed to VE was a profit of \$1.4 million, compared to a profit of \$2.4 million in 2016. Revenue increased slightly by \$0.5 million to \$183.1 million, while total expenses increased by \$1.4 million to \$181.7 million.

Current assets decreased to \$134.9 million from \$142.4 million, due to a reduction in current receivables and with cash and cash equivalents decreasing over the previous period.

Current liabilities increased by \$5.5 million mainly due to increases in trade creditors of \$13.8 million offset by a decrease in provisions of \$8.3 million.

The net value of property, plant and equipment has increased by \$321.3 million, with completion of several large property project and revaluation of buildings and land the two key factors behind the year on year increase.

Total outstanding syndicated loan facilities at the end of 2017 were \$290.0 million compared to \$220.0 million at the end of 2016.

The University has also secured a \$US100 million loan from private investors at fixed cost with tenors of 20, 25 and 30 years. The funding will be drawn down in January 2018.

From a main subsidiaries perspective, RMIT Vietnam delivered a profit of \$2.0 million, compared to \$5.2 million in 2016 as local competition intensified and demand for English courses reduced.

RMIT Training delivered a \$13.1 million profit compared to \$4.4 million in 2016 as delivery of Foundations Studies moved to this subsidiary from RMIT University.

Report of Operations



Report of Operations

RMIT's Strategic Plan to 2020, *Ready for Life and Work*, defines three directions RMIT will pursue:

- Create life-changing experiences by offering transformative education and connected pathways to students from all backgrounds
- Go forward with passion and purpose, empowering our people with smarter, simpler systems and managing our resources for a sustainable future
- Shape the world by focusing on high-impact research and collaboration, embedding industry and enterprise into everything we do, and deepening our global reach and outlook

With many achievements that illustrate our significant progress on realising these ambitious goals, included in this report are some highlights. More information on RMIT's progress can be found on www.rmit.edu.au.

Soaring success

RMIT students represented the Southern Hemisphere in the finals of the 2017 Airbus Fly Your Ideas competition, a global hunt for ideas to transform the aviation industry.

The students travelled to France after making the last stage of the €30,000 competition, the only Australian team and one of just five finalist teams chosen from more than 350 entries worldwide.

The three aerospace engineering students spent a week at the Airbus ProtoSpace facility in Toulouse, where they had the chance to prototype, test and visualise their transformative idea.

Run in partnership with UNESCO, the contest challenges teams to answer challenges identified by Airbus to provide sustainable future solutions for the industry.

RMIT's team Aquarius - Philipp Klink, Anil R. Ravindran and Kerry Phillips - won the €15,000 second prize with their idea for a removable fire retardant tank that could quickly change any aircraft into an aerial firefighting tool.



Students Kerry Phillips, Anil R. Ravindran and Philipp Klink with RMIT Senior Lecturer, Dr Graham Dorrington, in Toulouse. © Airbus S.A.S. Photo: H. Gousse / Master Films

Reconciliation in action

Together, the RMIT community has made meaningful progress in bringing our Reconciliation Action Plan (RAP) to life in 2017 and is creating a shared understanding of our journey.

The University appointed its first Aboriginal Deputy Pro Vice-Chancellor – Indigenous Education and Engagement, Professor Mark McMillan. The Wiradjuri man is supporting the University with our aspirations to create a shared future between Indigenous and non-Indigenous people, as set out in the RAP.

The RMIT Aboriginal and Torres Strait Islander Employment Plan was launched in 2017, while the University's Colleges and Portfolios developed individual RAP Indigenous Engagement Plans.

Other significant events to mark our progress forward in recognising and acknowledging Indigenous business at RMIT were: the opening of the Bundoora campus Indigenous student centre; membership of Supply Nation – the Australian leader in supplier diversity, which connects organisations with Indigenous businesses across the country; and recognition of the work of Indigenous education champion Lois Peeler AM, who received an RMIT honorary doctorate in 2017.



Ngarara Willim Centre director Stacey Campton with the General Manager of the Victorian Aboriginal Education Association, Lionel Bamblett, and RMIT Vice-Chancellor and President, Martin Bean CBE, celebrating the first anniversary of the RMIT RAP at Bundoora campus.



Campus transformation

The completion of RMIT's \$220 million New Academic Street project in 2017 transformed the City campus, delivering 32,000 square metres of new and refurbished indoor and outdoor space for students to study, collaborate and socialise in.

More than just a building project, the revitalised precinct enabled RMIT to address key areas critical to enhancing the student experience – upgrading our City library, used by 1 in 2 students every week, and improving student support services through RMIT Connect.

Students and staff also now have access to an industry-leading studio, teaching and production facility, the RMIT Media Precinct, which provides a focal point for cross-discipline collaboration and integrated learning. The precinct is also home to the RMIT ABC Fact Check team, a new collaboration between the University and ABC News.

The project has opened up the campus to the city, with laneways, entrances, balconies and glass-filled arcades creating a new open space in the heart of Melbourne.



Apple Vice President of Environment, Policy and Social Initiatives, Lisa Jackson, with Greg Curcio and Jason Fabbri, digital innovators joining the app economy with the support of RMIT Activator.

Industry connectivity

RMIT launched an Australian-first collaboration with Apple in 2017, working with the tech giant to deliver their App Development with Swift curriculum through a suite of online and face-to-face courses. The collaboration will enable thousands of students to join the booming app economy and develop the digital skills they need for the future workforce.

The tailored, industry-focused courses complement RMIT's existing software engineering and computer science degrees, and highlight the University's ongoing commitment to fostering digital start-ups, evident through RMIT Activator's support to the entrepreneurial community.

As part of its commitment to improving digital literacy, the University offered 100 school teacher scholarships for the online Swift course, while a free summer coding school at RMIT will give secondary students the chance to learn the basics of coding in Swift.

As part of the collaboration, students and alumni also have the opportunity to develop their digital skills through a new "Digital Solution Design" program delivered by RMIT Activator.

Recognising research impact

RMIT research makes a positive difference for our communities. We measure success on the benefits our research delivers and are committed to tackling complex challenges facing our society, environment and economy.

The ARC Training Centre in Lightweight Automotive Structures (ATLAS) was launched to transform Australia's automotive industry and develop new lightweight materials and manufacturing technologies. ATLAS is led by RMIT working closely with Deakin University, the Australian National University, the Ford Motor Company, CSIRO and 11 local and international partners.

RMIT is host to the new Future Social Service Institute — a collaboration with the Victorian Government and Victorian Council of Social Service to jointly tackle the challenges of social service reform.

Intellectual Property developed by RMIT PhD students led to three patent applications being supported by Boeing.

The 2017 Eureka Prize for Outstanding Early Career Researcher was awarded to Associate Professor Madhu Bhaskaran for her unbreakable and transparent devices that could be worn like "electronic skin". The electronics could help the fight against skin cancer, detect dangerous gases in mines and eventually become an integral part of daily life and healthcare.

The prestigious 2017 Clunies Ross Innovation Award was presented to Distinguished Professor Mike Xie for the development and subsequent worldwide adoption of his techniques that significantly reduce weight and energy consumption in motor vehicles and aircraft, and enable stunning new bridge and building designs.

The Royal Australian Chemical Institute 2017 Physical Chemistry Division Medal was awarded to Professor Irene Yarovsky for outstanding contributions by an individual to the field of Physical Chemistry in Australia.

The RACI Weickhardt Medal was presented to Professor Calum Drummond for contributions to Australia's economic prosperity through outstanding advances in chemistry and materials science research.

Other 2017 highlights include:

- global medical technology firm Stryker selected RMIT to lead a major new research project, "Just in time implants" that could transform surgical treatment of tumours and bone cancer, and dramatically improve patient and healthcare outcomes. The project is supported by the Innovative Manufacturing Cooperative Research Centre
- researchers developed education and training to improve maternal and infant healthcare in Indonesia
- popular art installation Floe was part of The National Gallery of Victoria's Triennial exhibition, enjoyed by thousands of visitors
- work with ANZ to improve financial literacy and well-being for people with a disability
- the first comprehensive research on "revenge porn" was referenced by Australian lawmakers.



2017 Eureka Prize winner, Associate Professor Madhu Bhaskaran. Photo: Brendon Thome/Getty Images



Graduations

RMIT's graduation celebrations again took over the centre of Melbourne, with a parade along Swanston Street followed by the University's biggest ever graduation event at Docklands stadium. More than 7,800 graduates, including 140 doctoral candidates, celebrated their achievements in front of about 40,000 guests and RMIT staff.

In Vietnam, more than 1,300 students graduated in four ceremonies at Saigon South campus and in Hanoi. More than 3,600 RMIT students graduated in ceremonies across Asia including in Singapore, Hong Kong, China and Indonesia, while RMIT's partnership with the Singapore Institute of Management celebrated its 30th year.

Ceremonies in Katherine and Alice Springs saw 23 local health service workers graduate with a Diploma of Community Services in Alcohol and Other Drugs, designed to meet vocational training needs in better managing social issues in Northern Territory communities.

Students and Staff

Careers and Employability

A suite of new industry-relevant 21st century micro-credentials to build students' enterprise or "soft" skills were launched in 2017, with more than 4,500 students registering for the pilot program. The 34 RMIT Creds are aligned with industry values and core capabilities, such as communication, creative thinking and leadership.

RMIT's industry mentoring program continued to expand in 2017, supporting more than 1,000 mentoring partnerships between students and industry professionals. A total of 1,320 industry mentors are now registered with the program, an increase of more than 400 since 2016.

About 3,030 students took part in the Future Ready program, developing skills to boost their employability and prepare for graduate life, while more than 3,000 enrolled in Future Edge, RMIT's co-curricular student employability program. The number of students using RMIT's Job Shop has grown by 266 per cent from 2016.

In Vietnam, participation in the Personal Edge program focusing on in-demand skills increased significantly in 2017, driven by the launch of a gamified app that enables students to create a digital portfolio of their experiences and credentials.

Student Activity

Student participation in life on campus continued to grow, with more than 3,300 active members of RMIT clubs and collectives in 2017 – an increase of 9 per cent on 2016. At the Southern University Games, the RMIT Redbacks team was crowned overall champion for the third year running, while two teams represented RMIT at the Indigenous University Games held in Geelong.

The number of students who took part in global experiences grew by 23 per cent, with 3,278 students travelling overseas on study tours and exchanges. A suite of global experience programs was also launched in 2017, with 250 students completing the Global Leader Experience (GLE) at RMIT Melbourne. More than \$600,000 in New Colombo Plan funding was awarded to support international internships in Australia for RMIT Vietnam students.

Learning and Teaching

Implementation began on a new state-of-the-art learning management system at RMIT in 2017, with Canvas replacing Blackboard for 5,000 students. RMIT Vietnam was the first campus to begin using Canvas and shift all its offerings into the system. Across the University, more than 2,000 courses have now been built in Canvas, with all courses to be taught through the new tool in 2018.

A new focus on scholarly activity saw the creation of the RMIT Learning and Teaching Academy in 2017. The new academy is building scholarly and research activities through supervision of research students and Academy Fellows. Initiatives have included a set of seven core modules for the new Learning and Teaching Essentials – Higher Education (ELT-HE) program, which was successfully piloted for new HE staff. A number of multi-modal events were held for staff, focusing on issues emerging in tertiary education and RMIT.

Diversity and Equity

Progressing gender equality was a strong focus, with female representation in senior roles increasing by 9 per cent since 2015. RMIT Council is now composed of equal numbers of men and women and the number of female leaders in the Vice-Chancellor's Executive has also increased. The 2017 target for female representation in senior leadership roles (37 per cent) will be lifted in 2018 to 42 per cent. The proportion of women in STEM positions was addressed through initiatives such as the Athena SWAN program. These actions, among others, form part of a long-term plan to make RMIT an Employer of Choice in diversity and inclusion.

RMIT won the 2017 GLOBE (Gay and Lesbian Organisation of Business and Enterprise) Community Award for "Protecting our Community" and achieved a "Bronze" rating in its first submission for the Australian Workplace Equality Index, highlighting the work done to support diversity and inclusion. The University actively supported marriage equality in the lead up to the 2017 same-sex marriage postal survey.

A total of 228 Victorian secondary schools are now part of the Schools Network Access Program (SNAP), an equity access scheme that gives priority entry to RMIT for eligible applicants. More than 2,600 students received an RMIT offer through SNAP for 2017 entry – an increase of 10 per cent on 2016.

In 2017, RMIT Vietnam awarded 111 scholarships worth AU\$1.78 million to prospective and current students. As well, RMIT Vietnam fully funded two new scholarships enabling Vietnamese women to gain doctorates, supporting their participation in research and leadership within traditionally male-dominated fields.

Health, Safety and Wellbeing

RMIT became one of the first universities in Australia to commit to a process of restorative justice as part of a suite of responses in relation to sexual harassment and assault. Other initiatives included training for staff in how to respond to the disclosure of sexual offences, increasing specialist student support staff, and partnering with CASA House for counselling services and training for students on respectful relationships, consent and bystander intervention. RMIT also announced its commitment to a three-year, whole-of-University change project that recognises students' mental health and wellbeing as a core institutional priority.

The Global Safety Model project, a framework for managing health and safety at RMIT, was rolled out across the University in 2017. The new software solution for reporting hazards and incidents was made available for all employees, while safety leadership training for RMIT's most senior groups was completed. A range of resources to support mental health were developed, with a pilot program conducted to proactively identify and explore current issues affecting mental wellbeing.

Workforce Profile

RMIT is three years into our Strategic Plan to 2020, *Ready for Life and Work*. This vision for RMIT is delivered to our students, industry partners and the community through our workforce. In 2017, the focus was ensuring our people were working in a diverse and inclusive culture with fulfilling roles, underpinned by the skills required today, and into the future. We believe creating a positive culture with career at the centrepiece of the employee experience will translate into great outcomes for all stakeholders.

Staff Engagement

The 2017 Staff Survey showed RMIT's overall engagement score remained stable from 2015. Continued strengths were in high job satisfaction and role clarity, with improvement in questions related to career opportunities and the proportion of people satisfied with recognition. Each college, school and portfolio has committed to developing their own employee engagement action plan based on both current strengths as well as areas for improvement. An enterprise level plan will also be developed, which will include improving cross-unit collaboration and simplifying our processes.

Leadership Capability and Workforce Development

RMIT's capability development frameworks recognise the core practices of our diverse workforce and articulate the enabling capabilities that underpin success. In 2017, the University continued to develop our leaders through the Be Ready Leadership program, with more than 700 participants across Australia and Vietnam.

Code of Conduct

The Code of Conduct for Staff defines how RMIT's values are demonstrated in the University's day-to-day activities and outlines the standards of behaviour expected by all members of the RMIT staff community. The Code of Conduct principles can be viewed at: www.rmit.edu.au/about/governance-and-management/governance/policies/staff-ethics-integrity-policy/code-of-conduct

Students and Staff

Occupational Health and Safety

	2015	2016	2017
Lost time injury frequency rate	2.07	2.73	2.01
Change to previous year	+14%	+32%	-26%
WorkCover claims submitted	37	33	34
Change to previous year	+15%	-10%	+3%
OHS incident reports	370	541	299
Change to previous year	-13%	+46%	-55%
WorkSafe notifiable incidents	23	20	12
Change to previous year	+77%	-13%	-40%
WorkSafe improvement notices	1	0	3

OHS Hazards, Incidents, Standard Claims, Associated Costs

	2015	2016	2017
Number of lost-time standard claims per 100 FTE	0.23	0.21	0.16
Average cost per claim (payment to date + estimate of outstanding claim cost)	\$21,361	\$53,201	\$48,493
Hazard and incident reports/100FTE	3.7	5.41*	2.99

*Increase in hazard and incident reporting reflects greater focus on health and safety across RMIT and implementation of the Global Safety Model project

Employment Statistics – Melbourne

Staff Type	Total FTE*		Female FTE*		% Female	
	2016	2017	2016	2017	2016	2017
Academic (HE)	1,895	2,038	757	841	40	41
Teaching (VET)	679	607	329	290	48	48
Professional	2,348	2,540	1,474	1,548	63	61
Executive	95	91	36	45	38	49
Total	5,017	5,276	2,596	2,724	52	52

New staff recruitments	Female	%	Male	%	Total
Academic (HE)	154	51.16	147	48.84	301
Teaching (VET)	27	58.7	19	41.3	46
Professional	370	59.87	248	40.13	618
Executive	14	77.78	4	22.22	18
Total	565	57.47	418	42.53	983

Employment Type	Headcount		FTE*	
	2016	2017	2016	2017
Full time ongoing	2,731	2,786	2,731	2,786
Part time ongoing	506	487	328	317
Fixed term and casual	6,860	7,152	1,972	2,177
Total	10,097	10,425	5031	5280

Employment Statistics – Vietnam

Staff Type	Total FTE*		Female FTE*		% Female	
	2016	2017	2016	2017	2016	2017
Academic (HE)	128	128	46	46	36	36
English language programs	60	63	16	16	27	26
Professional	385	349	254	227	66	65
President's office	13	14	5	4	38	29
Total	586	555	321	293	55	53

New staff recruitments	Female	%	Male	%	Total
Academic (HE)	19	33	39	67	58
English	8	22	29	78	37
Professional	53	62	33	38	86
Executive	0	-	2	100	2
Total	80	44	103	56	183

Employment Type	Headcount		FTE*	
	2016	2017	2016	2017
Full time ongoing	523	521	523	521
Part time ongoing	33	15	18	10
Fixed term and casual	75	53	46	24
Total	631	589	586	555

*FTE – full-time equivalent (two people both working 0.5 time fraction = 1 FTE).
Data as at 31 December 2017.
All employees have been correctly classified in the workforce data collections.



Student Diversity

All Students %	2015	2016*	2017 ¹
Higher Education			
Female	48	48	47
Male	52	52	53
Vocational Education			
Female	40	41	42
Male	60	59	58

Age Group %	2015	2016*	2017 ¹
Higher Education			
15-19	11	12	12
20-24	58	58	57
25-44	28	28	29
45+	2	2	2
Vocational Education			
15-19	28	28	31
20-24	34	34	35
25-44	31	30	27
45+	7	8	7

Equity (Domestic) %	2015	2016*	2017 ¹
Higher Education (Undergraduate only)			
School leavers	42	43	45
VET student admissions to Higher Education	17	20	24
Overseas born	21	21	21
Non-English speaking background	6	6	7
Rural/remote	9	10	10
Low socio-economic status (postcode)	16	17	16
Aboriginal and Torres Strait Islanders	0.4	0.5	0.6
Vocational Education			
School leavers	16	17	17
Overseas born	27	28	30
Non-English speaking background	11	12	13
Rural/remote	13	11	11
Low socio-economic status (postcode)	21	20	21
Aboriginal and Torres Strait Islanders	1.1	1.2	1.1

HE and VE Broad Field of Education (Load in EFTSL/EFTS)	2015	2016*	2017 ¹
Natural and Physical Sciences	2,524	2,763	2,756
Information Technology	2,715	3,412	3,496
Engineering and Related Technologies	8,800	9,357	9,412
Architecture and Building	4,560	4,694	4,735
Agriculture, Environmental and Related Studies	297	285	277
Health	3,502	3,803	3,885
Education	1,335	1,356	1,336
Management and Commerce	18,873	19,357	19,270
Society and Culture	4,308	4,445	4,496
Creative Arts	7,857	8,323	8,396
Mixed Field Programs	927	1,060	1,149
Total	55,698	58,855	59,210

HE and VE Attendance Type/Mode	2015	2016*	2017 ¹
Full Time	54,742	56,382	58,302
Internal	50,063	51,232	53,834
Multi-modal ²	4,679	5,150	4,468
Part Time	21,382	21,015	21,247
Internal	20,716	20,430	20,647
Multi-modal ²	666	585	600
Distance/Fully online	1,193	1,358	3,359
Open Universities Australia (OUA)	4,601	4,235	3,296
Foundation Studies (FS)	1,103	1,292	1,267
Total	83,021	84,282	87,471

¹ Some 2017 indicators are provisional and will not be finalised until Q2 2017. HE and VE data excludes Foundation Studies and OUA unless specified. VE student load converted using Student Contact Hours/720.

² Multi-modal refers to both internal and external mode of attendance.

*Some 2016 historical values updated to reflect final position.

Student Fee Type Enrolments (HE and VE Load in %)

Student Fee Type %	HE	VE
Government funded	48	70
Australian fee paying	7	20
International Onshore	22	9
International Offshore	14	1
Vietnam	9	0

Age Group %	HE	VE
15-19	23	31
20-24	51	35
25-44	23	27
45+	2	7



Sustainability and Resource Usage

A cornerstone of our Ready for Life and Work strategy is how we engage and work with our community to embed sustainability across learning, teaching, research and operations.

Energy efficiency

The completion of the Sustainable Urban Precincts Program (SUPP) marked a step change improvement not only to RMIT's emissions profile, but also significantly improved system performance and end user experience. The "once in a generation" project completed works in 77 buildings across our City, Brunswick and Bundoora campuses. As a result of SUPP we achieved our carbon emissions reduction target of 25 per cent by 2020 four years early.

RMIT also joined forces with key Melbourne organisations in 2017 to support the development of a new wind farm in Ararat, Victoria. In a first for Australia, the consortium combined their purchasing power to take the project to market. The group, led by the City of Melbourne, includes organisations such as Australia Post, National Australia Bank and Zoos Victoria.

RMIT plans to purchase about 25 per cent of its electricity from the project, further reducing the emissions profile of the University.

In 2017, the University also ramped up the roll out of on-site renewable energy, doubling capacity through two new solar installations at its City campus. The projects were integrated into course content and case studies to enhance student learning outcomes.

Sustainability Ambassadors

The first Student Sustainability Ambassadors program at RMIT was launched in 2017, with 20 students from a range of disciplines trained as leaders to create a more sustainable campus. Students received recognition of their efforts on their academic transcript, as part of the Future Edge employability program.

Celebrating success

RMIT received national recognition for its sustainability efforts through a number of awards, including the Best "Smart Energy" Project in the National Energy Efficiency Awards for SUPP. The Building 51 Bike Hub won a Green Gown in the "Facilities and Services" category for delivering significant sustainability benefits, while the School of Engineering received the "Learning, Teaching and Skills" Green Gown for its Vietnam – United Nations Sustainable Development Goals Study Tour.

Sustainability reporting

RMIT produces a Sustainability Annual Report in accordance with the Global Reporting Initiative (GRI) Standard which further details our sustainability indicators and achievements.

Resource Usage	2007 (Baseline)	2015	2016	2017
Water consumption per EFTSL (kL/EFTSL)	5.7	5.2	5.3	5.3
Greenhouse gas emissions (tCO ₂ -e)	79,124	64,798	55,917	51,703
Emissions Offset (tCO ₂ -e)	1,648	14,325	13,000	12,000

	2017
Reduction in emissions from 2007 baseline	-33.8%
Reduction in water consumption from 2007 baseline	-11.6%

RMIT set a greenhouse gas emissions reduction target of 25% by 2020 from a 2007 baseline. As we met and exceeded this target four years early, the University will be launching a new carbon management plan in 2018 which will set a trajectory to 2030. RMIT has also made a commitment to offset 20 per cent of the University's electricity profile through the purchase of carbon offsets or equivalent.

University Governance



Governance

RMIT University is governed by a Council that in 2017 consisted of:

- the Chancellor
- the Vice-Chancellor
- the Chair of the Academic Board
- three persons appointed by the Governor in Council
- one person appointed by the Minister
- four persons appointed by Council
- one person elected by students
- one person elected by staff

RMIT University was established and is governed in accordance with the Royal Melbourne Institute of Technology Act 2010 (Vic). The responsible Minister is the Honourable Gayle Tierney, MLC, Minister for Training and Skills.

Consistent with the Act, the Council is RMIT's governing body and has responsibility for the general direction and superintendence of the University.

Accordingly, Council members participate in approval of the University's strategic direction, annual budget and annual operating plan, and in monitoring the University's performance. The Council appoints the Vice-Chancellor and President.

Members of Council, as required by legislation, have duly completed declarations of director-related transactions. No member of Council holds shares as a nominee or beneficiary in any statutory authority or subsidiary related to the University. Members of Council do not hold shares in RMIT (no shares are distributed by RMIT) or in related companies. Council members who are not staff of the University may choose to receive remuneration for being members of Council. RMIT does not make loans to Councillors or related parties of Councillors.

As part of its commitment to good governance practices, in 2003, the University Council adopted a charter containing broad governance principles. This charter is reviewed regularly. Declarations received from Council members have indicated no conflict of interest or pecuniary interest other than remuneration disclosed in the financial statements.

The University has paid a premium for an insurance policy for the benefit of the directors and employees of RMIT and controlled entities of RMIT.

In accordance with its charter, the Council reviews its performance regularly. An evaluation was conducted in 2017. As well as its regular meetings, Council had two strategic discussions in 2017, the first focusing on research and innovation, and the second on strategic priorities and focus areas.

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

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

Controlled entities conducted their business in accordance with their constitutions and charters.

RMIT is compliant with the Voluntary Code of Best Practice for the Governance of Australian Universities.



L to R: Mr Gary Hogan AM CSC, Ms Amanda Way (University Secretary), Ms Megan Haas, Ms Judith Bornstein, Ms Rhonda O'Donnell, Associate Professor Debra Bateman, Dr Ziggy Switkowski AO, Dr Stephen Duckett, Ms Janet Latchford, Mr Bruce Akhurst, Ms Abena Dove, Ms Anne Ward, Mr Martin Bean CBE, Professor David Hayward.

Council Members in 2017

Mr Bruce Akhurst

Appointed by RMIT Council, member since 1 August 2013

Most recent appointment: 1 January 2016
BEd(Hons) (Monash), LLB, Business Law, FAICD

Other directorships: Library Board of Victoria, Adstream Holdings Pty Ltd (Chair), Paul Ramsay Holdings Pty Ltd, Tabcorp Holdings Limited, Chair Peter MacCullum Cancer Foundation

Associate Professor Debra Bateman

Elected by RMIT staff, member since 1 August 2016

Most recent appointment: 1 August 2016
DipTeach, BEd, MEd(Thesis), PhD (ACU), GCHE (Deakin)

Position: Associate Professor, School of Global, Urban and Social Studies, RMIT

Other directorships: Victoria Police Blue Ribbon Foundation.

Mr Martin Bean CBE

Vice-Chancellor and President (ex officio), member since 27 January 2015

Most recent appointment: 27 January 2015
B.Ed (Adult) (UTS), LLD (Hon) (London)

Ms Judith Bornstein

Appointed by the Minister, member since 1 April 2017

Most recent appointment: 1 April 2017
LLB (Hons) (Melb), MAICD

Ms Abena Dove

Elected by RMIT students, member since 1 November 2017

Most recent appointment: 1 November 2017
BSocSci(Psyc) (current)

Other directorships: President RMIT University Student Union (RUSU), RUSU Board member

Emeritus Professor Stephen Duckett

Appointed by RMIT Council, member since 7 April 2014

Most recent appointment: 1 April 2017
BEd (ANU), MHA, PhD, DSc (UNSW), DBA (Bath), DipEd(Tert) (DDIAE), DipLegStud (La Trobe), FASSA, FAHMS, FAICD

Other directorships: South Australian Health Performance Council, Casemix Consulting Pty Ltd

Ms Megan Haas

Appointed by RMIT Council, member since 1 February 2017

Most recent appointment: 1 February 2017
B.Bus (IT & Accountancy) (RMIT), Affiliate Chartered Accountants ANZ, INSEAD (Business Dynamics)

Other directorships: Partner, Cyber and Forensic Services, PricewaterhouseCoopers

Professor David Hayward

Chair, Academic Board (ex-officio), member since 11 February 2014

Most recent appointment: 1 February 2017
BA, GradDipUrbSoc (Swimburne), PhD (Monash), GMAICD, MAIPA

Position: Director, Future Social Service Institute, Chair of the Academic Board, RMIT University

Professor Gary Hogan AM, CSC

Appointed by Governor in Council, member since 13 October 2014

Most recent appointment: 1 January 2016
BA (Hons), Master of Defence Studies (UNSW)

Position: Policy Officer (Defence), Department of Economic Development, Jobs, Transport and Resources

Ms Janet Latchford

Appointed by Governor in Council, member since 18 May 2010

Appointed Deputy Chancellor 8 September 2014 – 31 December 2016

Re-appointed Deputy Chancellor by Council on 15 August 2017

Most recent appointment: 1 January 2016
BCom (Melb), FCPA, GAICD

Other directorships: RCD Foundation, Epworth Research Institute

Ms Rhonda O'Donnell

Appointed by Governor in Council, member since 23 September 2008

Most recent appointment: 1 January 2016
GradDip (InnovServMgt), MAppSc (InnovServMgt) (RMIT), FAIM, MAICD, MAHRI

Other directorships: MTAA Superannuation Fund Pty Ltd, Slater & Gordon Ltd, O'Donnell Global Solutions

Dr Ziggy Switkowski AO

Chancellor (ex officio), member since 1 January 2011

Most recent appointment: 1 January 2016
BSc(Hons), PhD (Melb), FAICD, FTSE, FAA

Other directorships: NBN Co (Chair), Healthscope Ltd, Suncorp Ltd (Chair), Tabcorp Holdings Ltd

Ms Anne Ward

Appointed by RMIT Council, member since 28 May 2015

Most recent appointment: 28 May 2015
BA, LLB (Melbourne) FAICD

Other directorships: Colonial First State Investments Limited (Chair), Qantas Superannuation Ltd (Chair), Zoological Parks and Gardens Board of Victoria (Chair), MYOB Group Ltd, Avanteos Investments Ltd (Chair) and Colonial Mutual Superannuation Pty Ltd (Chair)

Mr Ariel Zohar

Elected by RMIT students, member since 1 August 2016

Most recent appointment: 1 August 2016
Term expired: 31 October 2017

Position: President RMIT University Student Union (RUSU), RUSU Board member, National Political Affairs Director, Australasian Union of Jewish Students (AUJS)

Attendance at Council and Committee Meetings 2017

Name	Council	Audit and Risk Management	Nominations Remuneration and People	Infrastructure and Information Technology
Bruce Akhurst	5/6			5/5
Debra Bateman	5/6			
Martin Bean	6/6			5/5
Judith Bornstein	4/5			
Abena Dove	1/1			
Stephen Duckett	5/6		5/5	
Megan Haas	5/6	5/5		
David Hayward	5/6			4/5
Gary Hogan	5/6			5/5
Janet Latchford	6/6	5/5	5/5	
Rhonda O'Donnell	6/6			5/5
Ziggy Switkowski	5/6		5/5	3/5
Anne Ward	6/6	5/5		
Ariel Zohar	4/5			

Council Committees

Council has established committees to assist it in discharging its responsibilities. Each committee had a work plan of activity to exercise its responsibilities in 2017, and all committees reported to Council on their activities.

Audit and Risk Management Committee

The Audit and Risk Management Committee acts on behalf of Council to monitor the audit controls and risk management of the University and associated processes. Its objectives are to assist Council in discharging its responsibilities to the University and its controlled entities with respect to:

- the integrity of the annual financial statements and financial reporting
- exposure to legal and business risk
- the effectiveness of the external and internal audit functions
- the adequacy and effectiveness of financial management, financial control systems and other internal controls
- the process for monitoring compliance with laws and regulations
- monitoring of compliance with the code of conduct.

Academic Board

As required by the RMIT Act, the Academic Board is established as a sub-committee of Council and responsible for the oversight of academic programs and policy. The Board:

- approves the requirements for all higher education and vocational education including HDR awards conferred by the University and reports decisions to Council
- develops, reviews and approves academic and research policies and procedures, and reports decisions to Council
- provides advice and reports to Council on academic matters
- has other functions as assigned by Council from time to time, or conferred by regulation
- may delegate any of its powers, authorities, duties and functions to a nominated committee or board, an Academic Board member, or a prescribed RMIT officer, provided no such delegation will prevent or otherwise limit the Board in the exercise of its powers, authorities, duties or functions.

Nominations, Remuneration and People Committee

The Nominations, Remuneration and People Committee acts on behalf of Council to ensure Council and the Boards of RMIT-controlled entities have an effective balance of skills and experience and to monitor senior executive remuneration. The Committee meets to:

- recommend candidates for Council vacancies to Council or to the Minister for Training and Skills as appropriate to ensure the Council has an effective balance of relevant skills, experience and knowledge
- recommend to Council a person to be appointed or reappointed as Chancellor and Deputy Chancellor
- recommend to Council membership of Council committees and oversee the appointment of directors to RMIT-controlled entities
- recommend candidates to Council for honorary awards
- monitor the following:
 - continued development of a human resources strategy which ensures that appropriately talented and trained people are available to achieve the RMIT strategy
 - appropriate performance management, leadership succession planning and development activities
 - diversity and inclusion strategies and outcomes
 - protection of the health and safety of students, employees, contractors, customers and visitors



- recommend, monitor and review the Vice-Chancellor's performance and key performance indicators for the determination of annual salary and bonus components
- review any incentive plans or ex gratia payments to University staff or to the Vice-Chancellor
- approve the appointment, reappointment and termination of positions reporting directly to the Vice-Chancellor
- ensure that the University's remuneration and incentive policies, practices and performance indicators are aligned to the Council's vision, values and overall business objectives and are appropriately designed to:
 - motivate the University staff and the Vice-Chancellor to pursue the long-term growth and success of the University
 - demonstrate a clear relationship between the achievement of the University's objectives and the Vice-Chancellor's and the staff performance and remuneration
 - approve executive Total Fixed Remuneration ranges
- review and approve the Total Fixed Remuneration, performance assessment and bonuses recommended by the Vice-Chancellor for the direct-report senior executives
- review and monitor talent and succession planning
- review and make recommendations to Council about Council member remuneration
- submit the minutes and/or a report of each Committee meeting to the next Council meeting

Infrastructure and Information Technology Committee

The Infrastructure and Information Technology Committee is responsible to Council for the provision of advice on infrastructure and information technology matters within the Capital Development Plan. The Committee meets to:

- consider major capital infrastructure and information technology projects/ investments of significant complexity or risk, or of strategic significance to the organisation and make recommendations to Council about future directions (it is the responsibility of Management to bring to the attention of the Committee any project variance of significance)
- oversee and monitor significant projects already in progress to ensure they evidence value for money, efficiency, meet key milestones and performance indicators, align with the University's strategy, and produce measurable benefits for the organisation (Vice-Chancellor to identify significant projects for Committee oversight)
- oversee the University's operating and capital expenditure on infrastructure and information technology assets and projects
- receive and consider quarterly environmental scans of factors external to RMIT that may impact on the University's infrastructure and how it can be used by the University to maximise its impact

- develop a Capital Development Plan encompassing both information technology and infrastructure, including long-term and short-term priorities, in accordance with the University Strategic Plan for endorsement to Council
- oversee the University's asset management, covering the physical assets of the University, their condition, maintenance and lifecycle planning
- oversee the identification and analysis of risks to the University's infrastructure and information technology assets and the development of appropriate mitigation strategies to support resilience and operational effectiveness
- establish sub-committees as required from time to time
- consider any appropriate matters referred to it by Council or the Vice-Chancellor, and refer issues to Council that require decisions by Council as they arise
- meet in accordance with an annual meeting schedule and in addition convene to consider matters as appropriate at short notice. Members will receive regular reporting between meetings where that facilitates the Committee's functions
- submit the minutes and/or a report of each Committee meeting to the next Council meeting

RMIT Subsidiaries

All University subsidiaries are governed by a Board of Directors which includes a member or members of the RMIT University Council. Financial performance, operational highlights and risk management are reported quarterly to Council.

RMIT Holdings Pty Ltd

RMIT Holdings is wholly owned by RMIT University with a purpose to further industry, innovation, research and to support other strategic activities to promote fair and equitable access to education, both within the university and across controlled entities. RMIT Holdings in turn owns RMIT Vietnam.

RMIT Vietnam offers a range of pre-degree, undergraduate, postgraduate and PhD programs in business, technology and creative areas. The University is committed to equipping its students with the knowledge, skills and attitudes to make the most of this ever-changing world.

Research: supporting research aiming to help solve critical global problems and to deliver significant economic, social and environmental impact, especially in Vietnam.

Mobility: students are encouraged to think globally and given opportunities to undertake various exchange programs at RMIT Melbourne and over 200 exchange partners.

Partnerships: taking advantage of strong industry connections to embed industry needs and skills in everything it does.

Scholarships: over the past 15 years, RMIT Vietnam has awarded approximately 1,000 scholarships (for undergraduate, postgraduate and PhD programs) worth more than \$US10.5 million to people from Vietnam and around the world.

During 2017, RMIT Holdings Pty Ltd effected a change of name from RMIT Vietnam Holdings Pty Ltd.

RMIT Online

RMIT Online's mission is to build a community of lifelong learners successfully navigating the world of work. Established in September 2016, RMIT Online is a wholly owned subsidiary of RMIT University that manages the University's online commercial academic and work-relevant offerings.

A new senior leadership team was appointed in late 2017 for the business to build out the capabilities and portfolio of RMIT Online. In 2018, the business will prioritise the student experience in a range of new and improved undergraduate and postgraduate degrees and short courses with credentials, providing work-relevant skills to help graduates find a new job or advance in their career.

RMIT Spain SL

RMIT Spain SL is the registered name of the company that establishes RMIT's presence in Europe. The program trades as RMIT Europe. It was established in 2013 and is focused on two areas:

Research: supporting the development of collaborations with academic and industry partners and accessing research funding.

Global experience: enabling industry-connected and international student experiences in Europe for students from all campuses.

RMIT Europe secured funding for RMIT as a partner in a research institution consortium awarded a prestigious European Union Horizon 2020 (H2020) research and innovation grant worth €2M and focused on nanotechnology development.

The project, GoNano - Governing nanotechnologies through societal engagement, is focused on engaging citizens to help shape the development of nanotechnologies. It involves researchers from RMIT's College of Science, Engineering and Health.

RMIT Europe delivered a virtual mobility program for RMIT students with Telanto, an innovative online action-based learning platform. It saw a group of 20 RMIT MBA students solve business challenges for European industry leaders, such as IoT technology developer Nexiona and pharmaceutical group Lyomark Pharma.

RMIT Europe's partnership development was evidenced through securing an agreement between RMIT and Vall d'Hebron University Hospital, one of the country's leading teaching hospitals. It involves the establishment of an RMIT technology demonstration centre at the hospital to run clinical trials of the RESONANCE table, an innovative RMIT-developed technology to assist with brain injury rehabilitation.

RMIT Training

RMIT Training is a company owned by RMIT University that provides a range of education solutions to students, academics and professionals located in Melbourne and overseas. One of the key services offered is Informit, a leading aggregator of Australasian academic research content and provider of TVNews and EduTV. RMIT Training also delivers pathway programs that enable international students to articulate into Bachelor degree programs at university; these include Foundation Studies and ELICOS English language programs.

The pathway programs ensure students are "University Ready" for their chosen discipline and for university life, and provide students with the English and academic skills they need to succeed in their studies. Several international partnerships enable RMIT Training to deliver tailored training programs to professionals in industries such as aviation and share its pathway expertise with students and educators by delivering programs in their home countries.

Statutory Reporting

Freedom of Information

During the reporting period 1 January to 31 December 2017, RMIT received 22 applications under the Freedom of Information Act 1982 (Vic):

Access granted in full:	5
Access granted in part:	2
Pending:	4
Lapsed:	4
Withdrawn:	0
Refused:	1
No existing documents:	3
Other (applications under Sections 34 and 39):	3

The University is subject to the provisions of the Freedom of Information Act and has in place procedures to ensure that it meets its compliance obligations.

Protected Disclosures

The Protected Disclosure Act 2012 (Vic) (the Act) came into effect on 10 February 2013. The Act sets out the legislative framework for receiving protected disclosures and protecting those who make them.

RMIT is not authorised to accept protected disclosures. Protected disclosures relating to the University or its officers can be made to the Victorian Independent Broad-Based Anti-Corruption Commission. The role of protected disclosure coordinator is carried out by the University Secretary and queries may be directed to that officer.

The Protected Disclosure Policy Process outlines how RMIT will respond to the requirements of the Act and is available online at: www.rmit.edu.au/about/governance-and-management/governance/policies/staff-ethics-integrity-policy/protected-disclosure-process

Commercial Activities

Commercial activities of RMIT University for 2017: Nil

Commercial activity of controlled entities: Nil

Building Act 1993

To the best of our knowledge and having undertaken all reasonable enquiries and due diligence, we confirm that the University has met compliance with the building and maintenance provisions of the Building Act 1993. Signed annual statements of compliance have been received from contractors where appropriate.

Report of Operations

The RMIT Annual Report 2017 was prepared in accordance with Financial Reporting Directions and Australian Accounting Standards.

The financial statements were reviewed by the Audit and Risk Management Committee prior to finalisation and submission to Council for approval.

National Competition Policy

RMIT has developed costing and pricing models that apply to all relevant university costs, including overhead and other indirect costs, and, where appropriate, adjust prices to factor in any competitive advantage the University may have. The price adjustments offset any inequalities that may exist for the University and enable the University to co-exist with private businesses in a variety of commercial market activities. Most importantly, these models also enable the University to comply with the National Competition Policy including the requirements of the Government policy statement *Competitive Neutrality: A Statement of Victorian Policy and subsequent reforms*.

Public Funding

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

Fees and Charges

In 2017, there were no changes to prevailing legislation that impacted the level of fees charged to students by the University.

Schedule of Fees and Charges

All fees charged to students at RMIT University are set and approved under the authority of Council. An approved Schedule of Fees and Charges is published each year which lists all fees that may be charged to students. The 2017 schedules are available on the RMIT website at: www.rmit.edu.au/study-with-us/applying-to-rmit/local-student-applications/fees/approved-schedule-of-fees-and-charges.

In 2017 RMIT University has collected \$12.8m of compulsory non-academic fees from students. The purpose of such fees is to improve students' experience and to ensure that various student-related activities are funded directly from collected funds.

\$3.9m of the collected compulsory non-academic fees were paid directly to RMIT University Student Union (RUSU). RUSU uses funds to advance the education, welfare, social and cultural lives of all RMIT students.

Tuition Fees

In 2017, domestic non-government funded fees increased by an average of 5.6 per cent. International onshore student fees were increased by an average of 3.4 per cent.

Course Material and Administrative Fees

There were no significant changes to the level of fees charged as course material and administrative fees.

Additional Information

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

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

Enquiries should be directed to:

Office of the Chief Audit and Risk Officer
RMIT University
GPO Box 2476, Melbourne VIC 3001
Tel. (03) 9925 2000

Risk Management and Internal Audit

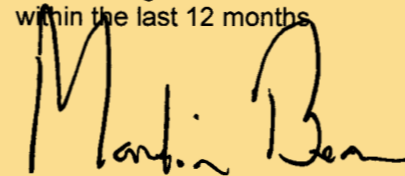
The University has implemented a risk management framework that establishes a systematic process of identification, management and monitoring of risk. The framework is supported by:

- a defined Risk Management Policy and Appetite statement that articulates the amount of risk the University is willing to seek or accept in the pursuit of its objectives
- Council's Audit and Risk Management Committee, which regularly monitors and reports to Council on the adequacy of arrangements in place to ensure that risks are effectively managed and on the alignment of risk-appetite and risk-taking to strategy across the group
- the annual review and update of a University-wide risk profile using outcomes from risk assessments that are undertaken by all academic and administrative areas as an integral part of the business planning process

- active management and monitoring by all academic and administrative areas during the year to ensure that appropriate mitigation measures are in place to ensure that net risk exposures remain consistent with RMIT's objectives and risk appetite
- the provision of risk management support, advice, assessment tools and training for University staff
- execution of the annual internal audit plan, which is primarily concerned with evaluating the effectiveness of internal controls, and is risk-based to place greater emphasis on those areas of high risk to the University
- an insurance program that protects the University from financial loss as a result of physical loss of, or damage to, assets and activities, as well as injuries to University staff, students and third parties

Attestation on compliance with the Victorian Government Risk Management Framework

I, Martin Bean, certify that RMIT University has risk management processes in place consistent with the Victorian Government Risk Management Framework, and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. RMIT Council's Audit and Risk Management Committee verifies this assurance and the risk profile of RMIT has been critically reviewed within the last 12 months



Martin Bean CBE
Vice-Chancellor and President
RMIT University

Date: 30.1.2018

Objects of RMIT University

RMIT University is a self-accrediting university and a major provider of vocational education and training programs. The University was established and is governed in accordance with the Royal Melbourne Institute of Technology Act 2010 (Vic) and the responsible Minister is the Honourable Gayle Tierney, MLC, Minister for Training and Skills.

The objects of the University under the Act include:

- (a) to provide and maintain a teaching and learning environment of excellent quality offering higher education at an international standard;
- (b) to provide vocational education and training, further education and other forms of education determined by the University to support and complement the provision of higher education by the University;
- (c) to undertake scholarship, pure and applied research, invention, innovation, education and consultancy of international standing and to apply those matters to the advancement of knowledge and to the benefit of the well-being of the Victorian, Australian and international communities;
- (d) to equip graduates of the University to excel in their chosen careers and to contribute to the life of the community;
- (e) to serve the Victorian, Australian and international communities and the public interest by:
 - (i) enriching cultural and community life
 - (ii) elevating public awareness of educational, scientific and artistic developments
 - (iii) promoting critical and free enquiry, informed intellectual discourse and public debate within the University and in the wider society;
- (f) to use its expertise and resources to involve Aboriginal and Torres Strait Islander people of Australia in its teaching, learning, research and advancement of knowledge activities and thereby contribute to:
 - (i) realising Aboriginal and Torres Strait Islander aspirations
 - (ii) the safeguarding of the ancient and rich Aboriginal and Torres Strait Islander cultural heritage;
- (g) to provide programs and services in a way that reflects principles of equity and social justice;
- (h) to confer degrees and grant diplomas, certificates, licences and other awards;
- (i) to utilise or exploit its expertise and resources, whether commercially or otherwise.

Consultancies 2017

Vendor Name	Approved project amount (\$)	Invoiced amount (\$)	Further commitments (\$)	Description
Deloitte Australia	1,424,103	1,282,485	141,618	Global Safety Model, Design & Facilitation of Exec Leadership Program
JK Vine Consulting Pty Ltd	579,402	577,902	1,500	21CC Project QA testing
Ernst & Young	275,027	275,027		Review of Payroll Projects
Reset Consulting Pty Ltd	254,000	245,384	8,616	Simplicity program
Strategic Project Partners	164,200	162,358	1,842	Belonging Project
AT Kearney Australia Pty Ltd	162,000	162,000		Review of University procurement function
Baracchi Consulting Pty Ltd	166,616	151,800	14,816	Provision of business analytical services
Vector Consulting Pty Ltd	179,136	133,636	45,500	RMIT Industry Engagement Framework and Business
Expedition Consulting Pty Ltd	129,239	129,239		Risk Ware quotes & tender submissions testing
Grace Lynch & Associates Pty Ltd	131,200	121,260	9,940	RMIT Studios Establishment (DVCE)
The Culture Group Pty Ltd	150,778	120,828	29,950	Delivery of Be ready program
Running Tall Pty Ltd	105,000	105,000		Executive Coaching
Executive Central Group Pty Ltd	160,000	100,000	60,000	Coaching, mentoring and organisational services
	3,880,701	3,566,919	313,782	

All contracts are signed with the companies so no individual names are provided.

Total number of consultancies below \$10,000 (excl. GST): 60

Total value of consultancies below \$10,000 (excl. GST): \$262,176.29

Total number of consultancies of \$10,000 (excl. GST) or more: 39

The list of consultancies above \$10,000 and below \$100,000 (excl. GST) can be found at:

www.rmit.edu.au/about/governance-and-management/governance/annual-reports/consultancies



Disclosure Index

Item No	Source	Summary of Reporting Requirement	Page(s)
Standing Directions/Financial management Act 1994 (FMA)			
1	FRD 22H	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act 1994.	4–47
2	SD 5.2.1(a)	Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with Financial Reporting Directions and Australian Accounting Standards	44
3	SD 5.2.3	Report of Operations is signed and dated by the Chancellor or equivalent and includes the date of the Council Meeting at which Annual Report was approved.	1
4	SD 5.2.2	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> • Australian Accounting Standards (AAS and Australian Accounting Standards Board standards) and other mandatory professional reporting requirements; • Financial Reporting Directions; and • Financial Management Act 1994. 	F-1, F-12 44 F-1, F-12
5	SD 5.2.2(a) and FMA s 49	The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, CFO (subject to 5.2.2) and a member of the Responsible Body, in a manner approved by the Minister, stating whether, in their opinion the financial statements: <ul style="list-style-type: none"> • Present fairly the financial transactions during reporting period and the financial position at end of the period; • Have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards; • Were prepared in accordance with Standing Direction 4.2(c) and applicable Financial Reporting Directions; and • Comply with applicable Australian Accounting Standards (AAS and Australian Accounting Standards Board standards) and other mandatory professional reporting requirements. 	F-1
6	FRD 30D	Financial statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> • \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and • \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000. 	F-13
7	SD 3.2.1.1(c)	The financial statements were reviewed and recommended by the Audit Committee established by the Responsible Body, or Responsible Body prior to finalisation and submission.	1, 44, F-1–F-5
8	SD 3.7.1	Attestation on compliance with the Victorian Risk Management Framework.	45
9	FRD 03A	Accounting for Dividends	N/A
10	FRD 07B	Early Adoption of Authoritative Accounting Pronouncements	F-13–F-14
11	FRD 10A	Disclosure Index	49–50
12	FRD 11A	Disclosure of Ex-gratia Payments	F-35
13	FRD 17B	Long Service leave and annual leave for employees	F-18, F-31–F-33
14	FRD 21C	Disclosures of Responsible Persons and Executive Officer in the Financial Report	F-46–F-47
15	FRD 22H	Consultants: Report of Operations must include a statement disclosing each of the following 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period AND for each consultancy more than \$10,000, a schedule is to be published on the University website listing: <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project 	47
16	FRD 22H	Manner of establishment and the relevant Minister	36–37, 46, F-46
17	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	4–9, 12, 20–41, 46
18	FRD 22H	Nature and range of services provided including communities served	4–34
19	FRD 22H	Organisational structure and chart, including responsibilities	12, 16, 36–37, 40–41
20	FRD 22H	Names of Council members	38–39
21	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements	16–18, 20–25, 28–33

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Item No	Source	Summary of Reporting Requirement	Page(s)
22	FRD 22H	Occupational health and safety statement including performance indicators, and performance against those indicators. <i>Reporting must be on the items listed at 5.10 (a) to (e) in the FRD</i>	29–30
23	FRD 22H	Workforce data for current and previous reporting period, including a statement on employment and conduct principles, and that employees have been correctly classified in the workforce data collections	29–31
24	FRD 22H	Summary of the financial results for the year including previous 4 year comparisons	F-56–F-57
25	FRD 22H	Significant changes in financial position during the year	18
26	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	10–34
27	FRD 22H	Major changes or factors affecting performance	18
28	FRD 22H	Discussion and analysis of operating results and financial position	18
29	FRD 22H	Post-balance sheet date events likely to significantly affect subsequent reporting periods	F-38
30	FRD 22H	Where a university has a workforce inclusion policy, a measurable target and report on the progress towards the target should be included	28–31
31	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST) include list from 5.16 (a) – (d) in the FRD	N/A
32	FRD 22H	Summary of application and operation of the Freedom of Information Act 1982	44
33	FRD 22H	Statement of compliance with building and maintenance provisions of the Building Act 1993	44
34	FRD 22H	Statement where applicable on the implementation and compliance with the National Competition Policy	44
35	FRD 22H	Summary of application and operation of the Protected Disclosure Act 2012	44
36	FRD 22H	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	N/A
37	FRD 22H and 24C	Summary of Environmental Performance including a report on office based environmental impacts	34
38	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at 5.19 (a) – (l) in the FRD)	45
39	FRD 25C	Victorian Industry Participation Policy in the Report of Operations	N/A
40	FRD 26B	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	N/A
41	FRD 102A	Inventories	F-8, F-49
42	FRD 103F	Non-financial physical assets	F-8, F-24–F-26, F-41–F-43
43	FRD 105B	Borrowing Costs	F-6, F-19, F-29–F-30
44	FRD 106A	Impairment of assets	F-6, F-19, F-21–F-22,
45	FRD 107B	Investment properties	N/A
46	FRD 109A	Intangible assets	F-8, F-27
47	FRD 110A	Cash flow statements	F-10, F-51
48	FRD 112D	Defined benefit superannuation obligations	F-31–F-33
49	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities	42–43, F-44
50	FRD 119A	Transfers through contributed capital	N/A
51	FRD 120K	Accounting and reporting pronouncements applicable to the reporting period	F-13–F-14
52	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2017	44
53	PAEC	Financial and other information relating to the University's international operations	42, F-7, F-9, F-12–F-13, F-17, F-19, F-21, F-24, F-27–F-28, F-34, F-38–F-40, F-43
54	University Commercial Activity Guidelines	<ul style="list-style-type: none"> • If the University has a controlled entity, include the accounts of that entity in the University's Annual Report • Summary of the University commercial activities 	42–44, F-1–F-57

N/A – Not Applicable

Financial Statements

**COUNCILLORS' DECLARATION
YEAR ENDED 31 DECEMBER 2017**

In our opinion:

The consolidated financial statements of the Royal Melbourne Institute of Technology (RMIT) consisting of the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the accompanying notes thereto, present fairly the financial position of the University and the consolidated entity as at 31 December 2017 and their financial performance represented by the results of their operations for the year ended on that date.

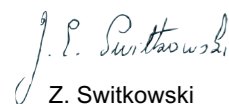
In the Councillors' opinion, as at the date of this declaration, there are reasonable grounds to believe that the University and the consolidated entity will be able to pay its debts as and when they become due and payable.

The attached financial statements of RMIT and the consolidated entity have been prepared in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards and Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Australian Charities and Not-for-profits Commission Act 2012* and other mandatory professional reporting requirements.

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

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

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



Z. Switkowski
Chancellor



M. Bean
Vice-Chancellor and President

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER

In my opinion:

The financial statements of RMIT present fairly the financial transactions of RMIT and the consolidated entity during the financial year ended 31 December 2017 and the financial position of its operations for the year ended on that date;

Commonwealth financial assistance expected during the financial year ended 31 December 2017 was expended for the purposes for which it was provided;

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

The financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations and other authoritative pronouncements of the AASB, Standing Direction 5.2 of the Victorian Minister for Finance under the *Financial Management Act 1994*, the *Australian Charities and Not-for-profits Commission Act 2012* and other mandatory professional reporting requirements.

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



Kate Koch
Chief Finance and Accounting Officer

Dated at Melbourne
This 28 day of February 2018

Independent Auditor's Report

To the Council of the Royal Melbourne Institute of Technology

Opinion

I have audited the consolidated financial report of the Royal Melbourne Institute of Technology (the university) and its controlled entities (together the consolidated entity) which comprises the:

- consolidated entity and university statements of financial position as at 31 December 2017
- consolidated entity and university income statements for the year then ended
- consolidated entity and university statements of changes in equity for the year then ended
- consolidated entity and university statements of cash flows for the year then ended
- notes to the financial statements, including a summary of significant accounting policies
- councillors' declaration and statement by principal accounting officer.

In my opinion the financial report is in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- presenting fairly, in all material respects, the financial position of the university and the consolidated entity as at 31 December 2017 and their financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the university and the consolidated entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Council's responsibilities for the financial report

The Council of the university is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing the university and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the university and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council
- conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the university and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the university and the consolidated entity to cease to continue as a going concern.

Auditor's responsibilities for the audit of the financial report (continued)

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the university and the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the university and the consolidated entity. I remain solely responsible for my audit opinion.

I communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Council with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
28 February 2018



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Council, the Royal Melbourne Institute of Technology

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for the Royal Melbourne Institute of Technology for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
28 February 2018



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Income Statement for the year ended 31 December 2017

	Note	Consolidated		RMIT	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Income from continuing operations					
Australian government financial assistance	2	599,756	581,782	599,756	581,782
State and local government financial assistance	3	49,379	33,131	49,379	33,131
HECS-HELP - Student payments		19,161	19,309	19,161	19,309
Fees and charges	4	547,585	492,846	431,799	407,809
Consultancy and contracts	5	42,521	51,418	48,779	50,924
Other revenue	6	48,141	47,593	36,886	34,023
Total income from continuing operations		1,306,543	1,226,079	1,185,760	1,126,978
Expenses from continuing operations					
Employee related expenses	8	733,539	677,164	670,896	625,499
Depreciation and amortisation	17 & 18	99,422	82,094	94,020	76,163
Repairs and maintenance		19,740	39,747	19,661	39,649
Borrowing costs	9	8,077	7,340	8,643	7,664
Impairment of assets	10	(76)	(731)	(3,103)	2,001
Other expenses	11	373,085	325,338	343,238	308,215
Total expenses from continuing operations		1,233,787	1,130,952	1,133,355	1,059,191
Net result before income tax		72,756	95,127	52,405	67,787
Income tax expense	12	(1,839)	(1,673)	(1,447)	(559)
Net result after income tax for the period		70,917	93,454	50,958	67,228

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income
for the year ended 31 December 2017

	Note	Consolidated		RMIT	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Net result after income tax for the period		70,917	93,454	50,958	67,228
Items that may be reclassified to profit or loss					
Gain/(loss) on revaluation of available for sale financial assets	24	7,203	8,718	7,203	8,718
Transfer to income statement on asset disposals	24	(1,138)	-	(1,138)	-
Gain/(loss) on cash flow hedges	24	(5,103)	106	(5,103)	106
Exchange differences on translation of foreign operations	24	(1,793)	(318)	-	-
Disposal of non-controlled subsidiaries	24	-	(1,388)	-	-
Total items that may be reclassified to profit or loss		(831)	7,118	962	8,824
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of land, buildings and artworks	24	184,198	-	184,198	-
Deferred government superannuation contributions		8,346	12,703	8,346	12,703
Deferred employee benefits for superannuation		(8,346)	(12,703)	(8,346)	(12,703)
Transfer to/(from) retained earnings	24	-	(69)	36,772	(69)
Total items that will not be reclassified to profit or loss		184,198	(69)	220,970	(69)
Total comprehensive income		254,284	100,503	272,890	75,983

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 31 December 2017

	Note	Consolidated		RMIT	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	13	75,745	87,098	69,350	77,178
Receivables	14	54,092	55,880	54,695	52,488
Inventories		20	869	-	853
Other financial assets	16	53,279	49,034	-	-
Other non-financial assets	19	12,985	14,290	10,897	11,871
Total current assets		196,121	207,171	134,942	142,390
Non-current assets					
Receivables	14	288,940	296,825	288,876	296,799
Available for sale financial assets	15	102,502	91,131	102,502	91,131
Property, plant and equipment	17	2,729,775	2,406,161	2,678,653	2,357,401
Deferred tax asset	12	626	420	-	-
Intangible assets	18	10,650	23,581	10,437	23,346
Other financial assets	16	37	37	1,764	1,764
Total non-current assets		3,132,530	2,818,155	3,082,232	2,770,441
Total assets		3,328,651	3,025,326	3,217,174	2,912,831
LIABILITIES					
Current liabilities					
Trade and other payables	20	141,444	146,109	168,078	154,070
Borrowings	21	3,375	4,775	3,375	4,775
Provisions	22	157,854	165,100	151,474	159,730
Current tax liabilities	12	3,845	4,997	3,845	4,997
Other liabilities	23	65,828	67,898	56,935	54,674
Total current liabilities		372,346	388,879	383,707	378,246
Non-current liabilities					
Trade and other payables	20	4,576	-	4,576	-
Borrowings	21	308,850	242,225	308,850	242,225
Provisions	22	317,036	325,426	316,497	324,934
Total non-current liabilities		630,462	567,651	629,923	567,159
Total liabilities		1,002,808	956,530	1,013,630	945,405
Net assets		2,325,843	2,068,796	2,203,544	1,967,426
EQUITY					
RMIT entity interest					
Reserves	24	1,022,817	839,450	1,021,907	799,975
Retained earnings	25	1,303,026	1,229,346	1,181,637	1,167,451
Total equity		2,325,843	2,068,796	2,203,544	1,967,426

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity
for the year ended 31 December 2017

	Consolidated			
	Reserves \$'000	Retained Earnings \$'000	Non-controlling Interest \$'000	Total \$'000
Balance at 1 January 2017	839,450	1,229,346	-	2,068,796
Net result	-	70,917	-	70,917
Gain/(loss) on revaluation of land, buildings and artworks	184,198	-	-	184,198
Gain/(loss) on revaluation of available for sale financial assets	7,203	-	-	7,203
Transfer to income statement on asset disposals	(1,138)	-	-	(1,138)
Exchange differences on translation of foreign operations	(1,793)	-	-	(1,793)
Gain/(loss) on cash flow hedges	(5,103)	-	-	(5,103)
Disposal of non-controlled subsidiaries	-	2,763	-	2,763
Balance at 31 December 2017	1,022,817	1,303,026	-	2,325,843
Balance at 1 January 2016	832,401	1,132,146	125	1,964,672
Net result	-	93,454	-	93,454
Gain/(loss) on revaluation of available for sale financial assets	8,718	-	-	8,718
Exchange differences on translation of foreign operations	(318)	-	-	(318)
Gain/(loss) on cash flow hedges	106	-	-	106
Disposal of non-controlled subsidiaries	(1,388)	3,677	(125)	2,164
Transfer to/(from) retained earnings	(69)	69	-	-
Balance at 31 December 2016	839,450	1,229,346	-	2,068,796

	RMIT			
	Reserves \$'000	Retained Earnings \$'000	Non-controlling Interest \$'000	Total \$'000
Balance at 1 January 2017	799,975	1,167,451	-	1,967,426
Net result	-	50,958	-	50,958
Gain/(loss) on revaluation of land, buildings and artworks	184,198	-	-	184,198
Gain/(loss) on revaluation of available for sale financial assets	7,203	-	-	7,203
Transfer to income statement on asset disposals	(1,138)	-	-	(1,138)
Gain/(loss) on cash flow hedges	(5,103)	-	-	(5,103)
Transfer to/(from) retained earnings	36,772	(36,772)	-	-
Balance at 31 December 2017	1,021,907	1,181,637	-	2,203,544
Balance at 1 January 2016	791,220	1,055,583	-	1,846,803
Net result	-	67,228	-	67,228
Gain/(loss) on revaluation of available for sale financial assets	8,718	-	-	8,718
Gain/(loss) on cash flow hedges	106	-	-	106
Disposal of non-controlled subsidiaries	-	44,571	-	44,571
Transfer to/(from) retained earnings	(69)	69	-	-
Balance at 31 December 2016	799,975	1,167,451	-	1,967,426

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the year ended 31 December 2017

	Note	Consolidated		RMIT	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash flows from operating activities					
Australian government grants received		584,885	560,534	584,885	560,534
OS-HELP (net)		151	(526)	151	(526)
Superannuation supplementation		21,512	21,170	21,512	21,170
State government grants received		49,379	33,131	49,379	33,131
HECS-HELP - Student payments		19,161	19,309	19,161	19,309
Receipts from student fees and other customers		644,034	588,652	521,237	494,922
Dividends received		527	108	527	108
Interest received		4,212	3,713	1,864	2,513
Payments to suppliers and employees (inclusive of GST)		(1,196,870)	(1,045,549)	(1,080,712)	(963,798)
Interest and other finance costs		(8,939)	(7,326)	(8,958)	(7,655)
GST recovered/(paid)		39,307	35,625	39,508	35,820
Income tax paid		(3,119)	(3,489)	(2,599)	(1,347)
Net cash provided by/(used in) operating activities	30(a)	154,240	205,352	145,955	194,181
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		461	330	522	330
Payments for financial assets		(4,245)	(5,254)	-	-
Payments for intangible assets		(93)	(4,765)	-	(4,560)
Payments for property, plant and equipment		(224,911)	(220,932)	(219,530)	(219,384)
Net cash provided by/ (used in) investing activities		(228,788)	(230,621)	(219,008)	(223,614)
Cash flows from financing activities					
Proceeds from borrowings		537,500	163,256	537,500	163,256
Repayment of borrowings		(472,275)	(147,450)	(472,275)	(147,500)
Disposal of non-controlled subsidiaries		-	(2,104)	-	-
Net cash provided by/ (used in) financing activities		65,225	13,702	65,225	15,756
Net increase/(decrease) in cash and cash equivalents		(9,323)	(11,567)	(7,828)	(13,677)
Cash and cash equivalents at the beginning of the financial year		87,098	98,984	77,178	90,855
Effects of exchange rate changes on cash and cash equivalents		(2,030)	(319)	-	-
Cash and cash equivalents at the end of the financial year		75,745	87,098	69,350	77,178

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements
for the Year Ended 31 December 2017

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Notes to the Financial Statements
for the Year Ended 31 December 2017

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years reported, unless otherwise stated. The financial statements include the statements for Royal Melbourne Institute of Technology (RMIT) as the parent entity and the consolidated entity consisting of RMIT and its subsidiaries (the Group).

The principal address of RMIT is Building 1, 124 LaTrobe Street, Melbourne.

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of RMIT. They have been prepared on an accrual basis and comply with Australian Accounting Standards.

RMIT applies Tier 1 reporting requirements.

Additionally the statements have been prepared in accordance with following statutory requirements:

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- Australian Accounting Standards Board (AASB) interpretations
- *Financial Management Act 1994*
- *Australian Charities and Not-for-Profits Commission Act 2012*

RMIT is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with IFRS requirements.

Date of authorisation for issue

The financial statements were authorised for issue by the Council members of RMIT on 28 February 2018.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. They also require management to exercise its judgment in the process of applying RMIT's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis.

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

The areas involving a higher degree of judgment, complexity or areas where assumptions and estimates are significant to the financial statements, are disclosed in relevant notes.

Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

(b) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of RMIT as at 31 December 2017 and the results of all subsidiaries for the year then ended. RMIT and its subsidiaries together are referred to in the financial statements as the Group or the consolidated entity.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is RMIT's functional and presentation currency.

Notes to the Financial Statements
for the Year Ended 31 December 2017

1 Summary of significant accounting policies (continued)

(c) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(iii) Group entities translation

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position and no GST is included on accruals.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(e) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with Class order 98/0100 as amended by Class order 04/667, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

(f) New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2017. RMIT's assessment of the impact of these new Standards and Interpretations is set out below:

Standard/Interpretation	Application date	Impact on financial reports
AASB 9 Financial Instruments-The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	RMIT University has assessed the impact of this standard on the consolidated financial statements as follows: i) immediate change to all hedge documentation to comply with AASB 9 and ii) change in accounting policy for 'available for sale' investments. Equity investments (previously classified as 'available for sale') will be fair valued and any resulting profit or loss will now be reported in Other Comprehensive Income (OCI), not recycled through the profit and loss on sale.

Notes to the Financial Statements
for the Year Ended 31 December 2017

1 Summary of significant accounting policies (continued)

(f) New Accounting Standards and Interpretations (continued)

Standard/Interpretation	Application date	Impact on financial reports
AASB 15 Revenue from Contracts with Customers & AASB 2016-8 - Amendments to Australian Accounting Standards -Australian Implementation Guidance for NFP entities - AASB 15- introduces a five step process for revenue recognition with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.	1 January 2019	RMIT is working with other universities and external advisors to review revenue streams and contracts to assess the impact on the financial statements. A presentation will be made to the ARMC in June 2018 to review the changes to policies and processes and to present the financial impact. The Group will not early adopt AASB 2016-8.
AASB 1058 Income of not-for-profit(NFP) Entities - AASB 1058 supersedes all the income recognition requirements relating to the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.	1 January 2019	Work is underway to assess the impact of AASB 1058 as part of the review of revenue streams. We anticipate that some grant funding which was previously recognised immediately upon receipt will be recognised over time as performance obligations are met (using the 'input' method).
The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.		
AASB 1058 applies when a NFP entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard.		
AASB 16 Leases - Removes the distinction of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17.	1 January 2019	The assessment has indicated that most operating leases will be brought onto the balance sheet. Depreciation of leased assets and interest on lease liabilities will be recognised in the income statement with marginal impact due to the timing of when leased assets and liabilities are recognised.
AASB 16 will cause the majority of leases of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short term leases and low value assets which may remain off balance sheet.		

Notes to the Financial Statements
for the Year Ended 31 December 2017

2 Australian government financial assistance including HECS-HELP and FEE-HELP

	Note	Consolidated		RMIT	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Commonwealth grants scheme and other grants	38(a)	270,252	271,413	270,252	271,413
HELP - Australian government payments	38(b)	250,880	236,965	250,880	236,965
Scholarships	38(c)	20,535	21,414	20,535	21,414
Education research	38(d)	12,401	12,686	12,401	12,686
Australian research council	38(f)	9,828	10,369	9,828	10,369
Other capital funding	38(g)	250	642	250	642
Other Australian government financial assistance		35,610	28,293	35,610	28,293
Total Australian government financial assistance		599,756	581,782	599,756	581,782

Accounting Policy

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. Revenue is recognised for the major business activities as follows:

(i) Government financial assistance

Grants from the government are recognised at their fair value where the Group obtains control of the right to receive the grant, it is probable that economic benefits will flow to the Group and it can be reliably measured.

(ii) HELP Student revenue

Revenue is recognised at the beginning of the teaching period of each subject, following the assessment date. Revenue from the Australian Government is disclosed above whereas revenue received directly from students as an upfront payment is disclosed on the face of the Income Statement.

3 State and local government financial assistance

	Consolidated		RMIT	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-capital				
Recurrent grants	39,406	31,261	39,406	31,261
Other grants	7,473	1,247	7,473	1,247
Capital				
Capital grants	2,500	623	2,500	623
Total state and local government financial assistance	49,379	33,131	49,379	33,131

Accounting Policy

State and local government assistance revenue is measured and recognised in accordance with the policy set out in Note 2.

Notes to the Financial Statements
for the Year Ended 31 December 2017

4 Fees and charges

	Consolidated		RMIT	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Course fees and charges				
Fee paying onshore overseas students	385,701	325,750	352,115	310,238
Fee paying offshore overseas students	102,932	102,673	39,552	36,652
Continuing education	7,931	14,356	1,130	14,345
Fee paying domestic postgraduate students	10,478	8,612	1,869	8,211
Fee paying domestic undergraduate students	18,259	19,162	18,259	19,162
Fee paying domestic non-award students	3,863	4,013	3,777	4,013
Other domestic course fees and charges	2,286	3,308	1,942	2,867
Total course fees and charges	531,450	477,874	418,644	395,488
Other non-course fees and charges				
Amenities and service fees	12,470	11,984	8,411	8,240
Late fees	297	255	297	255
Library fines	37	58	37	58
Registration fees	5	18	5	18
Other fees and charges	3,326	2,657	4,405	3,750
Total other fees and charges	16,135	14,972	13,155	12,321
Total fees and charges	547,585	492,846	431,799	407,809

Accounting Policy

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such receipts are treated as income in advance in the statement of financial position. Conversely, fees and charges relating to current year courses are recognised as revenue in the income statement.

5 Consultancy and contracts

	Consolidated		RMIT	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Consultancy	3,344	2,938	3,344	2,938
Total contract research	37,075	46,546	36,940	46,052
Total other contract revenue	2,102	1,934	8,495	1,934
Total consultancy and contracts	42,521	51,418	48,779	50,924

Accounting Policy

Consultancy and contracts revenue is recognised as per the criteria specified below:

Non reciprocal - recognised upon receipt of funds when recovery of the consideration is probable.

Reciprocal - recognised in accordance with the percentage of completion method; total expenditure is compared to funding received to date and any surplus revenue is deferred until completion.

The following factors are used to assess whether a research contact is reciprocal or non-reciprocal and therefore must be recognised on receipt or can be deferred to future periods:

- the benefits of the grant are for the greater community and not directly for the grant provider;
- the other party cannot demonstrate that approximately equal value is directly given in exchange to the grantor/s; and
- the requirement to return funds to the grantor if service levels/milestones are not met.

Notes to the Financial Statements
for the Year Ended 31 December 2017

6 Other revenue

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Donations and bequests	1,467	3,098	1,467	3,098
Scholarships and prizes	3,733	5,726	3,733	5,726
Product sales	14,412	17,287	2,916	5,848
Property rental	10,775	9,242	14,440	10,872
Foreign exchange gains	251	686	150	209
Net gain/ (loss) on sale of available-for-sale financial assets	-	(398)	-	(398)
Net gain/ (loss) on disposal of property, plant and equipment	2,498	(91)	2,482	(91)
Supplier rebate	2,505	2,182	2,505	2,182
Other investment income	8,362	4,367	6,893	3,107
Other	4,138	5,494	2,300	3,470
Total other revenue	48,141	47,593	36,886	34,023

Accounting Policy

Revenue is recognised for the major business activities as follows:

(i) Investment income

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

(ii) Sale of non-current assets

The net profit or loss of non-current asset sales are included as revenue or expense at the date control of the asset passes to the purchaser, when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

(iii) Property rental (lease) income

Rental income from operating leases is recognised as income on a straight-line basis over the lease term.

7 Economic dependency

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
The revenue of RMIT Consolidated Entity is derived from:				
Commonwealth and Victorian government financial assistance	649,135	614,913	649,135	614,913
Income excluding government financial assistance	657,408	611,166	536,625	512,065
The percentage of the RMIT consolidated entity's revenue was sourced from:				
Commonwealth and Victorian government financial assistance	49.68 %	50.15 %	54.74 %	54.56 %
Income excluding government financial assistance	50.32 %	49.85 %	45.26 %	45.44 %

Notes to the Financial Statements
for the Year Ended 31 December 2017

8 Employee related expenses

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	303,437	276,871	259,375	238,773
Contributions to superannuation and pension schemes:				
Emerging cost	14,600	13,597	14,600	13,597
Funded	40,660	37,253	39,943	36,712
Payroll tax	16,176	15,002	15,719	14,698
Worker's compensation	636	713	560	661
Long service leave expense	4,911	4,322	4,513	4,316
Annual leave expense	23,042	21,388	22,828	21,361
Total academic	403,462	369,146	357,538	330,118
Non-academic				
Salaries	243,594	227,079	229,114	216,566
Contributions to superannuation and pension schemes:				
Emerging cost	6,242	5,813	6,242	5,813
Funded	38,428	35,304	36,977	34,233
Payroll tax	14,514	13,483	13,820	13,030
Worker's compensation	574	707	560	584
Long service leave expense	2,719	3,006	2,854	2,696
Annual leave expense	24,006	22,626	23,791	22,459
Total non-academic	330,077	308,018	313,358	295,381
Total employee related expenses	733,539	677,164	670,896	625,499

Accounting Policy

(i) Salaries

Expenditure for salaries is expensed as incurred.

(ii) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before 12 months after the end of the reporting period are discounted to present value.

(iii) Employee benefit on-costs

Employee benefit on-costs, including payroll tax and workcover, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

Refer to Note 22 for the accounting policy in relation to employee provisions.

Notes to the Financial Statements
for the Year Ended 31 December 2017

9 Borrowing costs

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Interest to related corporations	-	-	546	329
Interest to other corporations	8,077	7,340	8,097	7,335
Total borrowing costs	8,077	7,340	8,643	7,664

Accounting Policy

Borrowing costs are expensed when incurred.

10 Impairment of assets

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Bad and Doubtful Debts	(76)	(731)	(3,103)	2,001
Total impairment of assets	(76)	(731)	(3,103)	2,001

Accounting Policy

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. Non-financial assets that were previously impaired are reviewed for possible reversal of the impairment at each reporting date.

11 Other expenses

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants, donations and prizes	51,716	54,398	65,168	70,920
Non-capitalised equipment	14,067	11,204	14,030	10,972
Advertising, marketing and promotional expenses	16,987	17,053	8,898	9,580
General consumables	11,183	11,444	10,933	11,197
Printing and stationery	4,908	5,806	4,756	5,567
Minimum lease payments on operating leases	35,638	31,495	32,176	27,248
Telecommunications	6,177	6,404	4,365	4,787
Travel, staff development and entertainment	31,292	28,589	28,494	25,777
Foreign exchange losses	818	856	697	590
Occupancy expenses	36,629	32,496	30,489	26,934
Audit fees, bank charges, legal costs, insurance and taxes	8,301	6,596	7,842	6,028
Contractors and consultancy fees	78,401	60,034	70,472	54,062
Patents, commissions, copyright and licences	32,018	21,090	24,441	20,886
Memberships and subscription fees	4,233	3,703	4,143	3,676
Computer software support and maintenance	26,148	21,199	25,790	21,060
Other expenses	14,569	12,971	10,544	8,931
Total other expenses	373,085	325,338	343,238	308,215

Accounting Policy

Other expenses are recognised on an accrual basis.

Notes to the Financial Statements
for the Year Ended 31 December 2017

12 Income tax

(a) Income tax expense

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current tax	3,707	4,062	3,038	3,006
Deferred tax	(217)	(5)	-	-
Adjustment for current tax of prior periods	(1,651)	(2,384)	(1,591)	(2,447)
Total income tax expenses	1,839	1,673	1,447	559

(b) Numerical reconciliation of income tax expense

Net result from continuing operations before income tax expense	20,359	23,572	17,939	17,613
Tax at the Australian tax rate of 30% (2016: 30%)	6,108	7,072	5,382	5,284
Tax effect of amounts which are not deductible / taxable in calculating taxable income:				
Non-deductible expenses	153	451	-	-
Difference in overseas tax rates	(2,554)	(3,461)	(2,344)	(2,278)
Adjustment for current tax of prior periods	(1,651)	(2,384)	(1,591)	(2,447)
Deferred income tax benefit reversal/(arising) from deductible temporary differences	(217)	(5)	-	-
Total income tax expense	1,839	1,673	1,447	559

(c) Deferred tax

Non-current deferred tax	626	420	-	-
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(d) Current tax liabilities

Current tax liability	3,845	4,997	3,845	4,997
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Accounting Policy

RMIT does not provide for Australian income tax as it is exempt under provisions of Division 50 of the *Income Tax Assessment Act 1997* (ITAA). The liability recorded by RMIT University relates to the provision of services overseas.

The income tax expense or income for the period is the tax payable/receivable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes to the Financial Statements
for the Year Ended 31 December 2017

13 Cash and cash equivalents

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	8,413	17,640	7,095	12,353
Short-term deposits at call	62,267	64,832	62,255	64,825
Foreign currency bank accounts	5,065	4,626	-	-
Total cash and cash equivalent	75,745	87,098	69,350	77,178

Accounting Policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

14 Receivables

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables	14,203	10,643	10,784	7,050
Less Provision for impaired receivables	(950)	(1,564)	(575)	(1,160)
Student loans & student receivables	5,142	6,164	5,142	6,164
Less Provision for impaired receivables	(3,170)	(3,810)	(3,170)	(3,810)
Government grants receivable	2,574	7,269	2,574	7,269
Deferred government contributions for superannuation*	21,476	22,206	21,476	22,206
Interest receivable	38	204	38	204
Other debtors and accrued income	11,512	11,802	12,782	11,108
Related parties receivable:				
Amounts receivable from subsidiaries	-	-	3,164	3,513
Less Provision for impairment	-	-	(224)	(3,015)
Other receivables	3,267	2,966	2,704	2,959
Total current receivables	54,092	55,880	54,695	52,488
Non-current				
Other debtors	1,138	1,353	1,046	1,327
Less Provision for impaired receivables	(972)	(918)	(944)	(918)
Deferred government contributions for superannuation*	288,774	296,390	288,774	296,390
Related parties receivable:				
Total non-current receivables	288,940	296,825	288,876	296,799
Total receivables	343,032	352,705	343,571	349,287

* RMIT recognises a receivable for the amount expected to be received from the Commonwealth Government in respect of unfunded superannuation schemes operated by the State Government. The total consolidated amount owing in respect of these at 31 December 2017 amounted to \$310.3m (\$318.6m as at 31 December 2016). Refer to note 22.

Notes to the Financial Statements
for the Year Ended 31 December 2017

14 Receivables (continued)

(a) Impaired receivables

Movements in the provision for impaired receivables are as follows:

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
At 1 January	6,292	9,732	8,903	9,316
Provision for impairment recognised during the year	472	1,000	225	3,733
Write back of provision for impairment	(1,672)	(4,440)	(4,215)	(4,146)
At 31 December	5,092	6,292	4,913	8,903

Accounting Policy

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 120 days from the date of recognition, and no more than 30 days for other debtors.

Collectability of receivables is reviewed on an ongoing basis. Estimated provision for doubtful debts is recorded based on the aged trial balance and management's assessment of debt recovery.

At year end a full review of each debtor balance over 90 days is conducted. Debts which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Student debts that are 90 days overdue are provided for in full. No provision is made for grant receivables from Government.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within 'Bad and doubtful debts'. When a receivable is uncollectable, it is written off against the allowance account for trade /students receivables. Subsequent recoveries of amounts previously written off are credited against 'Bad and doubtful debts' in the income statement.

Refer to Note 22 in relation to the Deferred Superannuation receivable.

Notes to the Financial Statements
for the Year Ended 31 December 2017

15 Available for sale financial assets

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Non-current				
Investments in managed trust funds - at fair value	77,700	70,804	77,700	70,804
Investments in unlisted shares - at fair value	24,802	20,327	24,802	20,327
Total available for sale financial assets	102,502	91,131	102,502	91,131

Accounting Policy

Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose off the investment within 12 months of reporting date. Purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities.

The fair value of Managed Trust Funds is based on the quoted market price at the balance date. Investments in unlisted entities and subsidiaries are carried at fair value. Where fair value is not readily available, investments are carried at the lower of cost and recoverable amount. Management takes up a provision for its investment in unlisted entities and subsidiaries when it believes these are no longer recoverable.

16 Other financial assets

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits held-to-maturity	53,279	49,034	-	-
Total current other financial assets	53,279	49,034	-	-
Non-current				
Unlisted shares in subsidiaries	-	-	3,731	3,731
Less Provision for diminution in value of investment	-	-	(2,004)	(2,004)
Unlisted shares in non-related entities	3,342	3,342	3,342	3,342
Less Provision for diminution in value of investment	(3,305)	(3,305)	(3,305)	(3,305)
Total non-current other financial assets	37	37	1,764	1,764
Total other financial assets	53,316	49,071	1,764	1,764

Accounting Policy

Other financial assets are measured and recognised in accordance with the policy set out in Note 15.

Notes to the Financial Statements
for the Year Ended 31 December 2017

17 Property, plant and equipment

Consolidated	Note	Land \$'000	Buildings \$'000	Construction in progress \$'000	Leasehold improvements \$'000	Equipment, motor vehicles, furniture and fittings	Library collection	Artworks	Total
						\$'000	\$'000	\$'000	\$'000
1 January 2016									
Cost		-	48,868	256,881	5,036	38,217	101,880	8,881	459,763
Valuation		438,626	1,382,805	-	31,912	326,914	(66,184)	-	2,114,073
Accumulated depreciation		-	(40,260)	-	(25,714)	(245,398)	-	-	(311,372)
Net book amount		438,626	1,391,413	256,881	11,234	119,733	35,696	8,881	2,262,464
Year ended 31 December 2016									
Opening net book amount		438,626	1,391,413	256,881	11,234	119,733	35,696	8,881	2,262,464
Additions		75	265	200,469	41	17,593	5,509	562	224,514
Transfer out of capital work in progress		-	191,995	(206,870)	1,674	13,201	-	-	-
Disposals		-	(66)	(1,788)	-	(411)	-	-	(2,265)
Depreciation		-	(34,497)	-	(1,372)	(35,568)	(6,447)	-	(77,884)
Foreign currency translation gain/(loss)		-	(162)	(4)	(3)	(92)	-	-	(261)
Other changes		-	-	-	(234)	(173)	-	-	(407)
Closing net book amount		438,701	1,548,948	248,688	11,340	114,283	34,758	9,443	2,406,161
31 December 2016									
Cost		-	48,943	248,688	846	37,888	-	-	336,365
Valuation		438,701	1,574,720	-	28,737	352,638	107,389	9,443	2,511,628
Accumulated depreciation		-	(74,715)	-	(18,243)	(276,243)	(72,631)	-	(441,832)
Net book amount		438,701	1,548,948	248,688	11,340	114,283	34,758	9,443	2,406,161
Year ended 31 December 2017									
Opening net book amount		438,701	1,548,948	248,688	11,340	114,283	34,758	9,443	2,406,161
Revaluation		79,701	104,497	-	-	-	-	-	184,198
Additions		-	428	200,629	175	21,401	6,973	488	230,094
Transfer out of capital work in progress		-	306,565	(316,253)	256	9,413	-	-	(19)
Disposals		(1,050)	(1,298)	(61)	-	(907)	-	-	(3,316)
Depreciation		-	(37,732)	-	(1,441)	(40,783)	(6,440)	-	(86,396)
Foreign currency translation gain/(loss)		-	(743)	(19)	(2)	(183)	-	-	(947)
Closing net book amount	33	517,352	1,920,665	132,984	10,328	103,224	35,291	9,931	2,729,775
31 December 2017									
Cost		-	48,221	132,984	756	38,480	-	-	220,441
Valuation		517,352	1,885,907	-	28,992	373,514	114,362	9,931	2,930,058
Accumulated depreciation		-	(13,463)	-	(19,420)	(308,770)	(79,071)	-	(420,724)
Net book amount	33	517,352	1,920,665	132,984	10,328	103,224	35,291	9,931	2,729,775

Notes to the Financial Statements
for the Year Ended 31 December 2017

17 Property, plant and equipment (continued)

RMIT	Note	Land \$'000	Buildings \$'000	Construction in progress \$'000	Leasehold improvements \$'000	Equipment, motor vehicles, furniture and fittings \$'000	Library collection \$'000	Artworks \$'000	Total \$'000
1 January 2016									
Cost		-	-	256,143	-	-	-	-	256,143
Valuation		438,626	1,382,805	-	31,912	326,914	101,880	8,881	2,291,018
Accumulated depreciation		-	(29,513)	-	(21,212)	(221,103)	(66,184)	-	(338,012)
Net book amount		438,626	1,353,292	256,143	10,700	105,811	35,696	8,881	2,209,149
Year ended 31 December 2016									
Opening net book amount		438,626	1,353,292	256,143	10,700	105,811	35,696	8,881	2,209,149
Additions		75	-	198,365	-	16,344	5,509	562	220,855
Transfer out of capital works in progress		-	191,995	(206,800)	1,674	13,131	-	-	-
Disposals		-	(66)	-	-	(355)	-	-	(421)
Depreciation		-	(32,781)	-	(1,175)	(31,779)	(6,447)	-	(72,182)
Closing net book amount		438,701	1,512,440	247,708	11,199	103,152	34,758	9,443	2,357,401
31 December 2016									
Cost		-	-	247,708	-	-	-	-	247,708
Valuation		438,701	1,574,720	-	28,737	352,638	107,389	9,443	2,511,628
Accumulated depreciation		-	(62,280)	-	(17,538)	(249,486)	(72,631)	-	(401,935)
Net book amount		438,701	1,512,440	247,708	11,199	103,152	34,758	9,443	2,357,401
Year ended 31 December 2017									
Opening net book amount		438,701	1,512,440	247,708	11,199	103,152	34,758	9,443	2,357,401
Revaluation		79,701	104,497	-	-	-	-	-	184,198
Additions		-	-	194,766	-	19,143	6,973	488	221,370
Transfers out of capital works in progress		-	306,363	(315,919)	256	9,300	-	-	-
Disposals		(1,050)	(1,298)	-	-	(857)	-	-	(3,205)
Depreciation		-	(36,095)	-	(1,350)	(37,226)	(6,440)	-	(81,111)
Closing net book amount	33	517,352	1,885,907	126,555	10,105	93,512	35,291	9,931	2,678,653
31 December 2017									
Cost		-	-	126,555	-	-	-	-	126,555
Valuation		517,352	1,885,907	-	28,992	373,514	114,362	9,931	2,930,058
Accumulated depreciation		-	-	-	(18,887)	(280,002)	(79,071)	-	(377,960)
Net book amount	33	517,352	1,885,907	126,555	10,105	93,512	35,291	9,931	2,678,653

(a) Valuations of land and buildings

An independent valuation of land and buildings was carried out as at 31 December 2017 by Cunningham Property Consultants Pty Ltd. The next valuation is due at the end of 2020. Fair value disclosure for land and buildings is included in Note 33.

(b) Assets held in the name of the Minister

Land and buildings valued at \$437.10m (2016 - \$382.67m) is held by RMIT on behalf of the Minister. Upon disposal of any such properties, the application of the proceeds will be directed by the Minister.

(c) Fair Value Disclosure

Fair value disclosure for Property, Plant and Equipment is included in Note 33.

Notes to the Financial Statements
for the Year Ended 31 December 2017

17 Property, plant and equipment (continued)

Key estimates and judgements

Management establishes the useful life of buildings based on advice from external independent valuers. Useful lives of other property, plant and equipment are established according to the guidelines provided by the Department of Treasury and Finance, the Australian Taxation Office and Australian Accounting Standards.

Assets are reviewed annually at a class level and this includes making an assessment of the useful life and residual value. Any adjustments to useful lives are then made to a selection of assets within those classes.

Land and works of art are not depreciated. Depreciation of other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2017 Years	2016 Years
Buildings	25-100	25-100
Equipment, motor vehicles, furniture and fittings	1.5-20	1.5-20
Leasehold improvements	2-51	2-51
Library collection	3-10	3-10

Accounting Policy

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Full revaluation of land and buildings is done every three years. An assessment of land and buildings is performed every year apart from the full revaluation years and any variances greater than 10% are adjusted.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are also firstly recognised in other comprehensive income before reducing the balance of revaluation surpluses in equity, to the extent of the remaining reserve attributable to the asset class; all other decreases are charged to the income statement. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred out to retained earnings.

All other plant and equipment is relatively low in value, but represents a large proportion of the total volume of assets. Such assets are acquired and disposed of frequently, have short depreciable lives and subject to impairment tests as applicable. There is no evidence to indicate a fair value significantly different from the depreciated cost.

The capitalisation threshold for plant, equipment, computers, motor vehicles and furniture and fittings to be recognised as an asset is \$2,000 (2016: \$2,000). The library collections are capitalised on an individual unit basis as they are considered to be significant in value as a collective group.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. Leasehold improvements are capitalised and amortised over the shorter of their useful life or the remaining life of the lease.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Notes to the Financial Statements
for the Year Ended 31 December 2017

18 Intangible assets

	Consolidated		RMIT	
	Software \$'000	Total \$'000	Software \$'000	Total \$'000
1 January 2016				
Cost	28,710	28,710	26,520	26,520
Accumulated amortisation and impairment	(2,858)	(2,858)	(968)	(968)
Net book amount	25,852	25,852	25,552	25,552
Year ended 31 December 2016				
Opening net book value	25,852	25,852	25,552	25,552
Additions	1,984	1,984	1,775	1,775
Amortisation charge	(4,210)	(4,210)	(3,981)	(3,981)
Foreign currency translation gain/(loss)	(4)	(4)	-	-
Other changes, movements	(41)	(41)	-	-
Closing net book amount	23,581	23,581	23,346	23,346
31 December 2016				
Cost	30,543	30,543	28,294	28,294
Accumulated amortisation and impairment	(6,962)	(6,962)	(4,948)	(4,948)
Net book amount	23,581	23,581	23,346	23,346
Year ended 31 December 2017				
Opening net book amount	23,581	23,581	23,346	23,346
Additions	97	97	-	-
Amortisation charge	(13,026)	(13,026)	(12,909)	(12,909)
Foreign currency translation gain/(loss)	(2)	(2)	-	-
Closing net book amount	10,650	10,650	10,437	10,437
31 December 2017				
Cost	30,593	30,593	28,294	28,294
Accumulated amortisation and impairment	(19,943)	(19,943)	(17,857)	(17,857)
Net book amount	10,650	10,650	10,437	10,437

Key estimates and judgements

Management uses estimates of useful lives to determine the amortisation of internally developed or acquired intangible assets. Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

	2017 Years	2016 Years
Software	3	3

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Accounting Policy

Software that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. The total amount of new internally developed intangible assets must be \$500K or higher in order to be considered for capitalisation.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Notes to the Financial Statements
for the Year Ended 31 December 2017

19 Other non-financial assets

	Consolidated		RMIT	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Library subscriptions prepaid	2,071	2,441	1,914	2,587
Other prepayments	6,033	4,975	4,102	2,410
IT Prepayment	4,881	6,874	4,881	6,874
Total other non-financial assets	12,985	14,290	10,897	11,871

20 Trade and other payables

Current				
Trade creditors	74,099	93,406	64,102	86,041
Sundry creditor and operating accruals	65,896	52,133	50,279	35,205
OS-HELP Liability to Australian government	555	202	555	202
Related party payables	-	-	52,248	32,254
Derivatives used for hedging	894	368	894	368
Total current trade and other payables	141,444	146,109	168,078	154,070
Non-current				
Derivatives used for hedging	4,576	-	4,576	-
Total non-current trade and other payables	4,576	-	4,576	-
Total trade and other payables	146,020	146,109	172,654	154,070

Accounting Policy

Creditors

Creditors represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Accrued expenses relate to expenses incurred and not yet invoiced.

Derivatives

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of hedge relationships.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges is recognised in equity. The gain or loss to the ineffective portion is recognised immediately in the Income Statement. Amounts previously recognised in equity are recycled to Income Statement when the hedge item is recognised.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in equity at the time remains in equity and recognised when the forecast transaction is ultimately recognised in Income Statement. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in Income Statement.

Notes to the Financial Statements
for the Year Ended 31 December 2017

21 Borrowings

	Note	Consolidated		RMIT	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current					
Other loans - unsecured	21(b)	3,375	4,775	3,375	4,775
Total current borrowings		3,375	4,775	3,375	4,775
Non-Current					
Bank loan - unsecured	21(b)	290,000	220,000	290,000	220,000
Other loans - unsecured	21(b)	18,850	22,225	18,850	22,225
Total non-current borrowings		308,850	242,225	308,850	242,225
Total borrowings		312,225	247,000	312,225	247,000

(a) Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	Consolidated		RMIT	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Bank loan facilities				
Facilities available	350,000	296,000	350,000	296,000
Amount utilised	(290,000)	(220,000)	(290,000)	(220,000)
Unused credit facility	60,000	76,000	60,000	76,000
Technology finance operating lease facility				
Lease facility available	20,000	20,000	20,000	20,000
Amount utilised	(12,324)	(12,338)	(12,324)	(12,338)
Unused credit facility	7,676	7,662	7,676	7,662
Business credit card facility				
Business credit facility available	3,234	3,000	3,000	3,000
Amount utilised	(1,419)	(1,373)	(1,395)	(1,373)
Unused credit facility	1,815	1,627	1,605	1,627
Other loan facilities				
Facilities available	22,225	27,000	22,225	27,000
Amount utilised	(22,225)	(27,000)	(22,225)	(27,000)
Unused credit facility	-	-	-	-

(b) Details of borrowings

Bank loan facility

In December 2017 a syndicated facility agreement was signed between RMIT University, CBA, HSBC, MUFG and NAB for the provision of a \$350m loan facility for a period of 3, 5 and 7 years. At the end of 2017 the total outstanding amount of the facility was \$290m.

US Private Placement (USPP)

In 2017 RMIT arranged a USPP for long term funding to be drawn down in January 2018. The USPP is covered by a cross currency swap which converts all of the USD cash flows into fixed AUD amounts. RMIT will draw down AU \$130m (US \$100m) which is repayable in 20 years (2038-AU \$32.6m), 25 years (2043-AU \$32.6m) and 30 years (2048-AU \$64.8m).

Notes to the Financial Statements
for the Year Ended 31 December 2017

21 Borrowings (continued)

(b) Details of borrowings (continued)

Credit card facilities

RMIT has entered into an arrangement with its bankers for the provision of a corporate credit card facility. No interest has been paid during the year as all outstanding balances have been paid by the due dates.

Other loans

The Government of Victoria awarded RMIT University with \$27m interest free loan with repayment period over eight years for the Greener Government Building Program. Amount utilised at the end of 2017 was \$22.2m (2016 - \$27m).

Accounting Policy

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

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date and does not expect to settle the liability for at least 12 months after the balance sheet date.

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

Notes to the Financial Statements
for the Year Ended 31 December 2017

22 Provisions

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months				
Provision for restructuring costs	7,049	6,123	3,449	2,759
Provision for scholarships	10,021	8,235	10,021	8,235
Repairs & maintenance	51	14,336	51	14,336
Employee benefits and oncosts				
Annual leave - at nominal value	35,303	31,763	34,244	30,926
Long service leave - at nominal value	9,197	8,635	8,965	8,483
Employment oncosts provision - at nominal value	9,256	8,498	9,096	8,383
Deferred benefits for superannuation	21,476	22,206	21,476	22,206
	92,353	99,796	87,302	95,328
Current provisions expected to be settled later than 12 months				
Employee benefits and oncosts				
Annual leave - at net present value	1,370	1,745	1,246	1,678
Long service leave - at net present value	50,402	49,865	49,392	49,156
Employment oncosts provision - at net present value	13,729	13,694	13,534	13,568
	65,501	65,304	64,172	64,402
Total current provisions	157,854	165,100	151,474	159,730
Non-current				
Provision for scholarships	9,826	11,463	9,826	11,463
Employee benefits and oncosts				
Long service leave - at net present value	14,464	13,786	14,004	13,365
Employment oncosts provision - at net present value	3,972	3,787	3,893	3,716
Deferred benefits for superannuation	288,774	296,390	288,774	296,390
Total non-current provisions	317,036	325,426	316,497	324,934
Total provisions	474,890	490,526	467,971	484,664

(a) Movement in provisions

Consolidated	Repairs & maintenance	Restructuring costs	Scholarships	Total
	\$'000	\$'000	\$'000	\$'000
2017				
Carrying amount at start of year	14,336	6,123	19,698	40,157
Additional provisions	-	4,494	11,920	16,414
Provisions used	(14,285)	(3,082)	(9,246)	(26,613)
Provisions reversed	-	(486)	(2,525)	(3,011)
Carrying amount at end of year	51	7,049	19,847	26,947

Notes to the Financial Statements
for the Year Ended 31 December 2017

22 Provisions (continued)

(a) Movement in provisions (continued)

RMIT	Repairs & maintenance	Restructuring costs	Scholarships	Total
	\$'000	\$'000	\$'000	\$'000
2017				
Carrying amount at start of year	14,336	2,759	19,698	36,793
Additional provisions	-	3,449	11,920	15,369
Provisions used	(14,285)	(2,307)	(9,246)	(25,838)
Provisions reversed	-	(452)	(2,525)	(2,977)
Carrying amount at end of year	51	3,449	19,847	23,347

Accounting Policy

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(i) Employee benefits

Employee benefits expected to be settled within 12 months are measured at the amounts expected to be paid when the liability is settled plus related on-costs. Employee benefits not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made for those benefits.

Employee benefits are expensed as the related service is provided. A provision is made for employee benefits and on-costs accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities for long-term employee benefits such as annual leave and long service leave, that are not expected to be wholly settled before 12 months after the end of the reporting period, are discounted to determine the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(ii) Superannuation

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plans. The Group plans are either a defined benefit scheme or a defined contribution scheme. The defined benefit scheme provides defined lump sum benefits based on years of service and final average salary. The defined contribution scheme receives fixed contributions from Group and the Group's legal or constructive obligation is limited to these contributions.

(iii) Restructuring

In relation to organisation restructures, a provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by announcing its main features to those affected or starting to implement the plan. A restructuring provision only records the direct costs arising from the restructure.

(iv) Scholarships

Provisions for PhD and HDR scholarships are recognised when the Group has a present legal obligation. Attrition rates are applied to estimate the probability of HDR scholarship enrolments for the life of scholarships.

(v) Deferred government benefit for superannuation

A liability or asset in respect of defined benefit superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity

Notes to the Financial Statements
for the Year Ended 31 December 2017

22 Provisions (continued)

Accounting Policy (continued)

and currency that match, as closely as possible, the estimated future cash outflows. Remeasurement gains and losses arising from experience and adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Past service costs are recognised in income immediately, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period. Contributions to the defined contribution fund are recognised as an expense as they become payable.

The unfunded liabilities recorded in the balance sheet under provisions have been determined by actuary of the Victorian Government Superannuation Office and relate to the estimates of net liabilities at 31 December 2017. The methodology of measurement of the net liabilities is based on the following actuarial assumptions:

Economic	2017	2016
Discount Rate	2.9% pa	3.3% pa
Salary increase rate	4.0% pa	4.0% pa
Pension Indexation	2.5% pa	2.5% pa

The actuary currently believes, in respect of the long-term financial condition of the Fund, that assets as at 31 December 2017, together with current contribution rates, are not expected to be sufficient to provide for the current benefit levels for both existing members and anticipated new members if experience follows the "best estimate" assumptions or the more conservative "funding" assumptions.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for RMIT's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This receivable is recorded under Note 14.

23 Other liabilities

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Australian government unspent financial assistance	2,398	4,214	2,398	4,214
Research grants	257	248	-	-
Student fees	61,619	62,401	52,985	49,430
Other	1,554	1,035	1,552	1,030
Total current other liabilities	65,828	67,898	56,935	54,674

Accounting Policy

Australian government unspent financial assistance represents grant funding received which the University regards as reciprocal and which has been received but not spent. Refer Note 2. Student fees represent payments by students when all or part of their fees relates to services which are yet to be delivered.

Notes to the Financial Statements
for the Year Ended 31 December 2017

24 Reserves

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	839,450	832,401	799,975	791,220
Transfers from/(to) retained earnings	-	(69)	36,772	(69)
Transfer to income statement on asset disposals	(1,138)	-	(1,138)	-
Transfer of non-controlled subsidiaries	-	(1,388)	-	-
Revaluations of hedges	(5,103)	106	(5,103)	106
Revaluation of land, buildings and artworks	184,198	-	184,198	-
Foreign exchange gains/(losses)	(1,793)	(318)	-	-
Unrealised valuation gains/(losses) taken to equity	7,203	8,718	7,203	8,718
Balance at end of year	1,022,817	839,450	1,021,907	799,975
Represented by:				
Asset revaluation surplus	998,685	815,625	998,685	778,853
Hedge reserve	(5,471)	(368)	(5,471)	(368)
Foreign currency translation reserve	910	2,703	-	-
Share premium reserve	21	21	21	21
Available for sale revaluation reserve	28,672	21,469	28,672	21,469
Total reserves	1,022,817	839,450	1,021,907	799,975
Movements in reserves during the year were:				
Asset revaluation surplus				
Balance at beginning of year	815,625	815,694	778,853	778,922
Transfers from/(to) retained earnings	-	(69)	36,772	(69)
Transfer to income statement on asset disposals	(1,138)	-	(1,138)	-
Revaluation of land, buildings and artworks	184,198	-	184,198	-
Balance at end of year	998,685	815,625	998,685	778,853
Hedge reserve				
Balance at beginning of year	(368)	(474)	(368)	(474)
Revaluations of hedges	(5,103)	106	(5,103)	106
Balance at end of year	(5,471)	(368)	(5,471)	(368)
Foreign currency translation reserve				
Balance at beginning of year	2,703	3,021	-	-
Foreign currency translation gains/(losses)	(1,793)	(318)	-	-
Balance at end of year	910	2,703	-	-
Share premium reserve				
Balance at beginning of year	21	45	21	21
Transfer of non-controlled subsidiaries	-	(24)	-	-
Balance at end of year	21	21	21	21
Available for sale revaluation reserve				
Balance at beginning of year	21,469	14,115	21,469	12,751
Transfer of non-controlled subsidiaries	-	(1,364)	-	-
Unrealised valuation gains/(losses) taken to equity	7,203	8,718	7,203	8,718
Balance at end of year	28,672	21,469	28,672	21,469

Notes to the Financial Statements
for the Year Ended 31 December 2017

25 Retained surplus

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Retained surplus at beginning of year	1,229,346	1,132,146	1,167,451	1,055,583
Net result attributable to RMIT entity	70,917	93,454	50,958	67,228
Transfers from/(to) reserves	-	69	(36,772)	69
Transfer of non-controlled subsidiaries	2,763	3,677	-	44,571
Retained surplus at end of year	1,303,026	1,229,346	1,181,637	1,167,451

26 Contingencies

Contingent liabilities

The RMIT Consolidated Entity and RMIT have contingent liabilities at 31 December in respect of:

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Guarantees				
Contract performance guarantee	28	28	28	28
Security deposit guarantee	20	20	20	20
Non-trade letter of credit/accommodation	24	79	24	79
Total Guarantees	72	127	72	127

Accounting Policy

Contingent assets and liabilities are not recognised in the statement of financial position, and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

27 Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Audit of the Financial Statements				
Fees paid to Auditor-General of Victoria	451	430	299	289

28 Ex gratia payments

The ex gratia payments made by RMIT University are as a result of Employee Separation Agreements. The amounts were paid to avoid any potential legal claims from employees.

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Ex gratia payments	58	-	58	-

Notes to the Financial Statements
for the Year Ended 31 December 2017

29 Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Plant and equipment				
Due within one year	4,995	8,549	4,995	8,549
Due after one year but within five years	-	623	-	623
GST reclaimable on the above	(369)	(583)	(369)	(583)
Net Commitment	4,626	8,589	4,626	8,589

Building works

Due within one year	35,877	137,275	34,051	131,765
GST reclaimable on the above	(3,096)	(11,979)	(3,096)	(11,979)
Net Commitment	32,781	125,296	30,955	119,786

Software

Due within one year	891	62	891	62
Due after one year but within five years	-	141	-	141
GST reclaimable on the above	(81)	(18)	(81)	(18)
Net Commitment	810	185	810	185

(b) Operating leases - as lessee

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities payable:

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Future minimum rental payments for leased premises				
Due within one year	18,999	12,573	11,184	9,336
Due after one year but within five years	30,622	31,883	16,243	20,182
Due after five years	9,573	12,700	8,927	10,361
GST payable on the above	(3,315)	(3,625)	(3,305)	(3,625)
Net Commitment	55,879	53,531	33,049	36,254

Future minimum rental payments for leased equipment

Due within one year	7,313	7,271	7,313	7,271
Due after one year but within five years	6,243	6,301	6,243	6,301
GST reclaimable on the above	(1,232)	(1,234)	(1,232)	(1,234)
Net Commitment	12,324	12,338	12,324	12,338

Notes to the Financial Statements
for the Year Ended 31 December 2017

29 Commitments (continued)

Operating leases - as lessor

Leases contracted for at the reporting date but not recognised as assets:

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Future minimum rental payments for leased premises				
Due within one year	4,528	3,710	8,130	7,628
Due after one year but within five years	10,012	7,974	13,775	7,962
Due after five years	1,143	5	1,143	5
GST reclaimable on the above	(1,415)	(1,051)	(1,415)	(1,418)
Net Commitment	14,268	10,638	21,633	14,177

(c) Other expenditure commitments

Commitments related to CRC research and other non capital expenditure:

	Consolidated		RMIT	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Due within one year	80,987	39,541	80,455	39,541
Due after one year but within five years	32,592	23,581	32,515	23,581
Due after five years	983	-	983	-
GST reclaimable on the above	(9,375)	(5,642)	(9,333)	(5,642)
Net Commitment	105,187	57,480	104,620	57,480

Accounting Policy

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value and inclusive of the GST payable.

Notes to the Financial Statements
for the Year Ended 31 December 2017

30 Notes to statement of cash flows

(a) Reconciliation of operating result after income tax to net cash inflow from operating activities

	Note	Consolidated		RMIT	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Operating result for the period after income tax		70,917	93,454	50,958	67,228
Loss/(gain) on sale of property, plant and equipment	6	(2,498)	91	(2,482)	91
Loss/(gain) on sale of available-for-sale financial assets	6	-	398	-	398
Depreciation of property plant and equipment		86,396	77,884	81,111	72,182
Amortisation of intangible assets		13,026	4,210	12,909	3,981
Provision for doubtful debts		(3,768)	847	(3,990)	580
Foreign exchange (gain)/loss		(678)	85	547	388
Income on available for sale financial assets		(4,168)	(1,223)	(4,168)	(1,223)
Borrowing costs		-	-	546	-
Changes in assets and liabilities					
Net (increase) / decrease in receivables		7,744	13,802	6,943	11,871
Net (increase) / decrease in inventories		849	921	853	929
Net (increase) / decrease in other non-financial assets		713	(2,507)	974	(2,458)
Net (increase) / decrease in deferred tax assets		(206)	(4)	-	-
Net (increase) / decrease in other financial assets		1,194	186	-	647
Net increase / (decrease) in payables		(5,040)	16,254	(5,622)	14,138
Net increase / (decrease) in repair and maintenance provision		(14,285)	14,336	(14,285)	14,336
Net increase / (decrease) in other liabilities		7,047	(6,586)	7,039	(6,583)
Net increase / (decrease) in current tax liability		(1,074)	(1,812)	(1,152)	(788)
Net increase / (decrease) in intercompany payables		-	-	18,766	22,771
Net increase / (decrease) in scholarships provision		149	9,673	149	9,673
Net increase / (decrease) in employee entitlements		(2,078)	(14,657)	(3,141)	(13,980)
Net cash flows from operating activities		154,240	205,352	145,955	194,181

31 Events occurring after the balance sheet date

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the RMIT consolidated entity or parent entity, the results of those operations, or the state of affairs of the RMIT consolidated entity or parent entity in future financial years.

32 Financial risk management

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed within the relevant notes of the financial statements.

(a) Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group by adhering to principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and data analysis in respect of investment portfolios to determine market risk.

Notes to the Financial Statements
for the Year Ended 31 December 2017

32 Financial risk management (continued)

(b) Foreign currency risk

The Group exposure to foreign currency from US denominated debt is managed using cross currency swaps. Under cross currency swaps the Group agrees to synthetically convert the USD private placement cash flows into AUD cash flows. Such contracts enable the Group to mitigate the risk of changing foreign exchange rates on USPP. All cross currency swaps start from January 2018 to match the drawdown of USPP.

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparty limits that are reviewed and approved by management regularly.

The Group minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties, spread across diverse industries and geographical areas and by performing extensive due diligence procedures on major new customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit without taking account of the value of any collateral obtained.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(d) Price risk

Exposure to price risk arises due to the inherent risk of the possibility of unfavourable movements in the market value of the investments. The sensitivity analysis has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

A 10% increase or decrease in the value of managed trust funds would change the equity of the Group as below:

	Price risk				
	Carrying Amount	Result	Equity	Result	Equity
31 December 2017	\$'000	\$'000	\$'000	\$'000	\$'000
Investments in managed trust funds	77,700	-	(7,770)	-	7,770
31 December 2016					
Investments in managed trust funds	70,804	-	(7,080)	-	7,080

A 10% increase or decrease in the value of Open University would change the equity of the Group as below:

	Price risk				
	Carrying Amount	Result	Equity	Result	Equity
31 December 2017	\$'000	\$'000	\$'000	\$'000	\$'000
Investments Open University	8,600	-	(860)	-	860
31 December 2016					
Investments in Open University	9,300	-	(930)	-	930

A 5% increase or decrease in the value of Education Australia would change the equity of the Group as below:

	Price risk				
	Carrying Amount	Result	Equity	Result	Equity
31 December 2017	\$'000	\$'000	\$'000	\$'000	\$'000
Investments in Education Australia	16,200	-	(810)	-	810
31 December 2016					
Investments Education Australia	11,027	-	(551)	-	551

Notes to the Financial Statements
for the Year Ended 31 December 2017

32 Financial risk management (continued)

(e) Interest rate risk

The Group's exposure to movement in interest rates primarily relates to the Group's interest rate borrowings. The Group manages its interest rate risks by hedge instruments. The Group has interest rate swap contract in place to mitigate the risk of changing interest cash flow exposures.

If interest rates were one percent lower/higher for the unhedged portion of borrowings, the Group's result would be \$1.9m lower/higher.

(f) Liquidity risk

The responsibility for liquidity risk management rests with the management and is monitored by the Council and relevant committees, and has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Exposure to liquidity risk and the effective average interest rate for each class of financial assets and liabilities is set out in the following table:

Consolidated	Note	Average interest rate %	Floating interest rate \$'000	Fixed Interest Maturing			Non Interest Bearing \$'000	Total \$'000
				1 year or less	1 to 5 years	Over 5 years		
			\$'000	\$'000	\$'000	\$'000	\$'000	
31 December 2017								
Financial Assets								
Cash at bank and on hand	13	0.75	8,413	-	-	-	-	8,413
Deposits at call	13	2.13	-	62,267	-	-	-	62,267
Foreign currency bank accounts	13	-	-	-	-	-	5,065	5,065
Receivables, exclude deferred government contributions for superannuation	14	-	-	-	-	-	32,782	32,782
Available for sale financial assets	15	-	-	-	-	-	102,502	102,502
Term deposits	16	4.50	-	53,279	-	-	-	53,279
Financial Liabilities								
Trade and other payables, exclude interest rate swaps	20	-	-	-	-	-	(140,550)	(140,550)
Interest rate swaps used for hedging #1	20	1.50	(5,470)	-	-	-	-	(5,470)
Borrowings	21	2.92	(290,000)	-	-	-	(22,225)	(312,225)
Net financial assets (liabilities)			(287,057)	115,546	-	-	(22,426)	(193,937)
31 December 2016								
Financial assets								
Cash at bank and on hand	13	0.50	17,640	-	-	-	-	17,640
Deposits at call	13	1.82	-	64,832	-	-	-	64,832
Foreign currency bank accounts	13	-	-	-	-	-	4,626	4,626
Receivables, exclude deferred government contributions for superannuation	14	-	-	-	-	-	34,109	34,109
Available for sale financial assets	15	-	-	-	-	-	91,131	91,131
Term deposits	16	2.97	-	49,034	-	-	-	49,034
Financial Liabilities								
Trade and other payables, exclude interest rate swaps	20	-	-	-	-	-	(145,741)	(145,741)
Interest rate swaps used for hedging #1	20	1.73	(368)	-	-	-	-	(368)
Borrowings	21	3.15	(220,000)	-	-	-	(27,000)	(247,000)
Net financial assets (liabilities)			(202,728)	113,866	-	-	(42,875)	(131,737)

Notes to the Financial Statements
for the Year Ended 31 December 2017

33 Fair value measurements

(a) Fair value measurement and hierarchy

All financial assets and liabilities have carrying values that are a reasonable approximation of fair value, and there are no significant differences between carrying amounts and aggregate fair values.

The Group categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement.

Level 1	- quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Recognised fair value measurements

Consolidated	Note	2017 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Available for sale financial assets	15	102,502	77,700	-	24,802
Unlisted shares in non-related entities	16	37	-	-	37
Total financial assets		102,539	77,700	-	24,839
Non-financial assets					
Land	17	517,352	-	-	517,352
Buildings	17	1,920,665	-	-	1,920,665
Total non-financial assets		2,438,017	-	-	2,438,017
Financial liabilities					
Interest rate swaps	20	5,470	-	5,470	-
Borrowings	21	312,225	-	312,225	-
Total financial liabilities		317,695	-	317,695	-

Consolidated	Note	2016 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Available for sale financial assets	15	91,131	70,804	-	20,327
Unlisted shares in non-related entities	16	37	-	-	37
Total financial assets		91,168	70,804	-	20,364
Non-financial assets					
Land	17	438,701	-	-	438,701
Buildings	17	1,548,948	-	-	1,548,948
Total non-financial assets		1,987,649	-	-	1,987,649
Financial liabilities					
Interest rate swaps	20	368	-	368	-
Borrowings	21	247,000	-	247,000	-
Total financial liabilities		247,368	-	247,368	-

(ii) Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices for identical assets or liabilities at the balance sheet date (level 1). This is the most representative of fair value in the circumstances. The fair values of investments in managed trust funds that are disclosed in Note 15 were determined by reference to published price quotations in an active market (level 1).

Notes to the Financial Statements
for the Year Ended 31 December 2017

33 Fair value measurements (continued)

(b) Valuation techniques used to derive level 2 and level 3 fair values

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The fair value of cross currency swaps is calculated by the present value of the estimated future cash flows based on observable yield curves and exchange rates of the respective currencies, as well as the credit risk inherent in the contract.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities which are included in level 3. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for land (excluding vacant) and buildings (excluding recently acquired).

Land and buildings are valued independently each year. At the end of each reporting period, the Group updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Group determines the property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Group considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- discounted cash flow projections based on reliable estimates of future cash flows.
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

Notes to the Financial Statements
for the Year Ended 31 December 2017

33 Fair value measurements (continued)

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2017:

Level 3 Fair Value Measurements 2017	Unlisted shares in non-related entities	Available for sale financial assets	Land	Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	37	20,327	438,701	1,548,948	2,008,013
Purchases (sales)	-	-	-	428	428
Transfers out of capital works in progress	-	-	-	306,565	306,565
Depreciations	-	-	-	(37,733)	(37,733)
Disposals	-	-	(1,050)	(1,297)	(2,347)
Foreign currency translation movement	-	-	-	(743)	(743)
Recognised in other comprehensive income	-	4,475	-	-	4,475
Subtotal	37	24,802	437,651	1,816,168	2,278,658
Revaluation	-	-	79,701	104,497	184,198
Closing balance	37	24,802	517,352	1,920,665	2,462,856

Level 3 Fair Value Measurements 2016	Unlisted shares in non-related entities	Available for sale financial assets	Land	Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	37	13,448	438,626	1,391,413	1,843,524
Purchases (sales)	-	-	75	265	340
Transfers out of capital works in progress	-	-	-	191,995	191,995
Depreciations	-	-	-	(34,497)	(34,497)
Disposals	-	-	-	(66)	(66)
Foreign currency translation movement	-	-	-	(162)	(162)
Recognised in other comprehensive income	-	6,879	-	-	6,879
Subtotal	37	20,327	438,701	1,548,948	2,008,013
Closing balance	37	20,327	438,701	1,548,948	2,008,013

(i) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (b) above for the valuation techniques adopted.

Description	Valuation Technique	Unobservable inputs*
Land	Market Approach	Community Service Obligation (CSO) adjustment
Buildings	Depreciated Replacement Cost	Direct Cost per square metre Useful life
Investments in unlisted shares	Net Assets method	

* There were no significant inter-relationships between unobservable inputs that materially affects fair value.

Notes to the Financial Statements
for the Year Ended 31 December 2017

34 Subsidiaries

The consolidated financial statements are prepared in accordance with AASB 10. Whether the Company has "control" in entities are identified per AASB 10, para 7:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee; and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in note 1(b):

Controlled entities - corporate	Para 7 (a)	Para 7 (b)	Para 7 (c)	Notes	Class of Shares	Place of Incorporation	Ownership	
							2017 %	2016 %
RMIT Training Pty Ltd	✓	✓	✓	(a)	Ordinary	Australia	100.00	100.00
RMIT Holdings Pty Ltd	✓	✓	✓	(b)	Ordinary	Australia	100.00	100.00
RMIT University Vietnam LLC	✓	✓	✓	(c)	Licence	Vietnam	100.00	100.00
RMIT Spain S.L	✓	✓	✓	(d)	Ordinary	Spain	100.00	100.00
RMIT Online Pty Ltd	✓	✓	✓	(e)	Ordinary	Australia	100.00	100.00
RMIT University Indonesia Pty Ltd	✓	✓	✓	(f)	Ordinary	Australia	100.00	100.00

(a) RMIT Training Pty Ltd is a company incorporated under the *Corporations Act 2001* with share capital of 502,000 ordinary shares of \$1 each.

(b) RMIT Holdings Pty Ltd (RH) is a wholly owned entity of RMIT. The company's principal activity is holding RMIT's investment in RMIT University Vietnam LLC (RUVL) and to hold funds for distribution to operations at the RIUV Campus and any special purpose funding provided by RMIT for future strategic projects. Each year the RVH results will be affected by a timing difference between receipt of grants and the subsequent payment of those grants to RUVL.

(c) RMIT University Vietnam LLC is a wholly owned entity of RMIT Holdings Pty Ltd. Its purpose is to provide advanced education to the Vietnamese community in Vietnam.

(d) RMIT Spain S.L is a wholly owned entity of RMIT. Its purpose is to promote RMIT's global teaching and research activities.

(e) RMIT Online Pty Ltd is a wholly owned entity of RMIT. Its purpose is to advance education through online education.

(f) RMIT University Indonesia Pty Ltd is a wholly owned entity of RMIT. Its purpose is to advance education at the tertiary level specifically to support activities of RMIT's presence in Indonesia.

Notes to the Financial Statements
for the Year Ended 31 December 2017

35 Related parties

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

(a) Responsible persons and specified executives

The names, remuneration and retirement benefits of persons who were Council members of RMIT and specified executives at any time during the financial year are set out in Note 36.

(b) Controlled entities

Interest in subsidiaries is set out in note 34.

(c) Transactions with related parties

The following transactions occurred with related parties:

Aggregate amounts included in the determination of operating result from ordinary activities that resulted from transactions with each class of other related parties within the Group:

	Consolidated		RMIT	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Sale of services				
Fees and charges	-	-	5,191	4,064
Donations and bequests	-	-	-	905
Rental income	-	-	3,665	1,630
Service Level Agreement income	-	-	7,957	-
Purchase of services				
Grants, scholarships and prizes	-	-	11,643	17,396
Service Level Agreement charges	-	-	2,628	2,798
Project expenditure	-	-	-	50
Subscriptions	-	-	146	-
Expenditure incurred on behalf of related parties				
Audit fees	-	-	-	9
Loans advanced to/(repaid by) subsidiaries				
	-	-	(1,563)	(3,611)
Interest expense				
	-	-	566	329
Interest income				
	-	-	-	11

(d) Outstanding balances

Outstanding balances with related parties:

Current Receivables	-	-	1,950	3,513
Provision for impairment	-	-	(224)	(3,015)
Interest bearing liabilities	-	-	52,248	32,254

(e) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for repayment of loans between the parties. The average interest rate on loans during the year was 1.65% (2016 - 1.88%).

Outstanding balances are unsecured and are repayable in cash.

Certain administrative services are provided by RMIT to a number of entities within the wholly owned group at no charge.

Notes to the Financial Statements
for the Year Ended 31 December 2017

36 Key management personnel disclosures

(a) Responsible persons related disclosures

In accordance with the directions of the Minister for Finance under the Financial Management Act 1994, the following disclosures are made for the responsible Ministers and responsible Members of Council.

(i) Minister

The Hon. Gayle Tierney, MLC is the current Minister for Training and Skills.

Remuneration of these Ministers is disclosed in the financial statements of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members interests which is completed by each member of Parliament.

(ii) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of RMIT during the year:

Responsible persons

Council Members

Bean, M. (Accountable Officer)	Hayward, D.
Akhurst, B.	Hogan, G.
Bateman, D.	Latchford, J.
Bornstein, J. (term commenced 1 Apr 2017)	O'Donnell, R.
Dove, A. (term commenced 1 Nov 2017)	Switkowski, Z.
Duckett, S.	Ward, A.
Haas, M. (term commenced 1 Feb 2017)	Zohar, A.

All responsible persons have been in office since the start of the financial year to the date of this report unless otherwise noted above.

Executive Officers

Barnes, J.	Koch, K. (term commenced 23 Oct 2017)
Coloe, P.	MacIntyre, A.
Drummond, C.	Miller, L. (term concluded 1 Dec 2017)
Gough, P.	Palmer, I.
Higgins, D.	Reid, G. (term commenced 1 Dec 2017)
Jackson, S. (term concluded 22 Oct 2017)	Tynan, B.

Executive officers disclosed above are RMIT's VCE members only. The executive officers of RMIT's controlled entities are disclosed in the financial statements of the respective entities. All executive officers have been in office since the start of the financial year to the date of this report unless otherwise noted above.

(b) Remuneration of executive officers

The number of executive officers and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

	Consolidated	RMIT
	2017 \$'000	2017 \$'000
Short-term employee benefits	5,412,555	4,659,841
Post-employment benefits	586,884	520,285
Other long-term benefits	158,014	142,158
Termination benefits	411,752	411,752
Total remuneration	6,569,205	5,734,036
Total number of executive officers	15	12
Total annualised employee equivalent (AEE)	13.49	10.08

Total remuneration includes basic salary, bonus, annual leave, long service leave, termination payments, motor vehicle and other non-monetary benefits received or due and receivable by executive officers.

No comparatives are required in the first year of implementation as per FRD 21C.

Notes to the Financial Statements
for the Year Ended 31 December 2017

36 Key management personnel disclosures (continued)

(c) Key management personnel compensation

	Consolidated		RMIT	
	2017	2017	2017	2017
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	6,549,579	6,549,579		
Post-employment benefits	669,507	669,507		
Other long-term benefits	188,805	188,805		
Termination benefits	411,752	411,752		
Total remuneration	7,819,643	7,819,643		
Total number of key management personnel	26	26		
Total annualised employee equivalent (AEE)	22.92	22.92		

Total remuneration includes basic salary, bonus, annual leave, long service leave, termination payments, motor vehicle and other non-monetary benefits received or due and receivable by executive officers.

No comparatives are required in the first year of implementation as per FRD 21C.

For the consolidated entity, key management personnel has been assessed as the responsible persons and executive officers of RMIT University and their details are disclosed in Note 36(a).

(d) Remuneration of responsible persons

Income paid or payable, or otherwise made available, to Councillors and/or directors by entities in the RMIT consolidated entity and related parties in connection with the management of affairs of the RMIT entity or its subsidiaries. Where a responsible person is both a responsible person of the consolidated entity as well as an executive of RMIT University, where paid by the ultimate parent entity they are disclosed as an executive officer of RMIT University.

	Consolidated		RMIT	
	2017	2016	2017	2016
\$0-\$10,000	2	10	2	2
\$10,000-\$19,999	-	1	-	1
\$20,000-\$29,999	-	1	-	1
\$30,000-\$39,999	2	4	2	4
\$40,000-\$49,999	6	2	6	2
\$60,000-\$69,999	1	1	1	1
\$220,000-\$229,999	1	-	1	-
\$400,000-\$409,999	-	1	-	-
\$410,000-\$419,999	1	-	1	-
\$490,000-\$499,999	-	1	-	1
\$580,000-\$589,999	-	1	-	-
\$630,000-\$639,999	1	-	-	-
\$960,000-\$969,999	-	1	-	1
\$1,060,000-\$1,069,999	1	-	1	-
Total Numbers	15	23	14	13
Total Amount	\$ 2,724,980	\$ 2,785,000	\$ 2,085,607	\$ 1,799,000

(e) Transactions with key management personnel

During the year RMIT University made a payment to PwC of \$452,445 for the provision of professional services. Megan Haas (Council Member) is a partner of PwC.

RMIT University received research funding of \$629,499 and made payments for expenses of \$221,841 to Australian Housing and Urban Research Institute (AHURI). Calum Drummond (Executive Officer) is on the Board of Directors of AHURI.

Transactions detailed above were awarded in accordance with internal procurement processes on terms and conditions equivalent for those that prevail in an arms length transaction. All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure.

Notes to the Financial Statements
for the Year Ended 31 December 2017

37 Disaggregation information (dual sector and/or operations outside Australia)

(a) Industry - Parent Entity

Operating revenue and expenses for the Higher Education and Vocational Education divisions of the university are shown in the following tables. The figures refer only to RMIT - consolidated totals are not included.

(i) Income Statement

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2017	2017	2017	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from continuing operations						
Australian government financial assistance	535,441	64,315	599,756	521,845	59,937	581,782
State and local government financial assistance	2,622	46,757	49,379	152	32,979	33,131
HECS-HELP - Student payments	19,161	-	19,161	19,309	-	19,309
Fees and charges	365,580	66,219	431,799	322,619	85,190	407,809
Consultancy and contracts	47,613	1,166	48,779	49,887	1,037	50,924
Other revenue	32,200	4,686	36,886	30,510	3,513	34,023
Total income from continuing operations	1,002,617	183,143	1,185,760	944,322	182,656	1,126,978
Expenses from continuing operations						
Employee related expenses	562,793	108,103	670,896	512,453	113,046	625,499
Depreciation and amortisation	75,216	18,804	94,020	61,692	14,471	76,163
Repairs and maintenance	13,296	6,365	19,661	31,558	8,091	39,649
Borrowing costs	6,914	1,729	8,643	6,931	733	7,664
Impairment of assets	(2,818)	(285)	(3,103)	2,357	(356)	2,001
Other expenses	296,222	47,016	343,238	263,907	44,308	308,215
Total expenses from continuing operations	951,623	181,732	1,133,355	878,898	180,293	1,059,191
Operating result before income tax	50,994	1,411	52,405	65,424	2,363	67,787
Income tax expense	(1,447)	-	(1,447)	(559)	-	(559)
Operating result after income tax for the period	49,547	1,411	50,958	64,865	2,363	67,228

(ii) Statement of Comprehensive Income

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2017	2017	2017	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net result after income tax for the period	49,547	1,411	50,958	64,865	2,363	67,228
Items that may be reclassified to profit or loss						
Gain/(loss) on revaluation of available for sale financial assets	7,203	-	7,203	8,718	-	8,718
Cash flow hedges	(4,593)	(510)	(5,103)	96	10	106
Transfer to income statement on asset disposals	(1,138)	-	(1,138)	-	-	-
Total items that may be reclassified to profit or loss	1,472	(510)	962	8,814	10	8,824
Items that will not be reclassified to profit or loss						
Gain/(loss) on revaluation of land, buildings and artworks	165,892	18,306	184,198	-	-	-
Deferred government superannuation contributions	8,346	-	8,346	12,703	-	12,703
Deferred employee benefits for superannuation	(8,346)	-	(8,346)	(12,703)	-	(12,703)
Transfer to/(from) retained earnings	36,772	-	36,772	(49)	(20)	(69)
Total items that will not be reclassified to profit or loss	202,664	18,306	220,970	(49)	(20)	(69)
Total comprehensive income	253,683	19,207	272,890	73,630	2,353	75,983

Notes to the Financial Statements
for the Year Ended 31 December 2017

37 Disaggregation information (dual sector and/or operations outside Australia) (continued)

(a) Industry - Parent Entity (continued)

(iii) Statement of Financial Position

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2017	2017	2017	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Current assets						
Cash and cash equivalents	64,120	5,230	69,350	71,210	5,968	77,178
Receivables	51,350	3,345	54,695	47,516	4,972	52,488
Inventories	-	-	-	683	170	853
Other non-financial assets	9,375	1,522	10,897	9,991	1,880	11,871
Total current assets	124,845	10,097	134,942	129,400	12,990	142,390
Non-current assets						
Receivables	288,876	-	288,876	296,799	-	296,799
Available for sale financial assets	102,299	203	102,502	90,928	203	91,131
Property, plant and equipment	2,262,183	416,470	2,678,653	1,967,034	390,367	2,357,401
Intangible assets	8,350	2,087	10,437	18,677	4,669	23,346
Other financial assets	1,764	-	1,764	1,764	-	1,764
Total non-current assets	2,663,472	418,760	3,082,232	2,375,202	395,239	2,770,441
Total assets	2,788,317	428,857	3,217,174	2,504,602	408,229	2,912,831
LIABILITIES						
Current liabilities						
Trade and other payables	145,404	22,674	168,078	127,319	26,751	154,070
Borrowings	3,375	-	3,375	4,775	-	4,775
Provisions	130,163	21,311	151,474	139,168	20,562	159,730
Current tax liabilities	3,845	-	3,845	4,997	-	4,997
Other liabilities	50,804	6,131	56,935	49,171	5,503	54,674
Total Current Liabilities	333,591	50,116	383,707	325,430	52,816	378,246
Non-Current Liabilities						
Trade and other payables	4,119	457	4,576	-	-	-
Borrowings	287,680	21,170	308,850	224,580	17,645	242,225
Provisions	312,932	3,565	316,497	321,510	3,424	324,934
Total non-current liabilities	604,731	25,192	629,923	546,090	21,069	567,159
Total liabilities	938,322	75,308	1,013,630	871,520	73,885	945,405
Net assets	1,849,995	353,549	2,203,544	1,633,082	334,344	1,967,426
EQUITY						
RMIT entity interest						
Reserves	793,638	228,269	1,021,907	589,499	210,476	799,975
Retained earnings	1,056,357	125,280	1,181,637	1,043,583	123,868	1,167,451
Total equity	1,849,995	353,549	2,203,544	1,633,082	334,344	1,967,426

The allocation of assets and liabilities to Higher Education or VET is made on the following basis:

Cash and cash equivalents

All Bank account balances are allocated on a proportional basis.

Receivables and Other financial assets

Receivables directly attributable to Higher Education or VET have been applied and all other trade debtors have been allocated on a proportional basis. Other financial assets are allocated between Higher Education and VET based on their direct relationship to the Division established at the time of acquisition of the asset.

Notes to the Financial Statements
for the Year Ended 31 December 2017

37 Disaggregation information (dual sector and/or operations outside Australia) (continued)

(a) Industry - Parent Entity (continued)

Other assets

These are allocated to Higher Education or VET based on the nature of the asset and its relevance to the Division.

Property, plant and equipment

The allocation of buildings is based on the usage of space by the VET division. All other assets are allocated to VET division only if directly acquired to be used by VET.

Trade and other payables

Trade payables directly attributable to either Higher Education or VET have been applied. Other payables have been allocated on a proportional basis.

Borrowings

The non-current interest bearing loan facility is allocated on a proportional basis between Higher Education and VET based on the usability of assets.

Provisions

Provisions have been attributed to either Higher Education or VET as follows:

- directly to the appropriate Division in relation to the teaching and administrative staff operating within each Division;
- administrative support staff not directly operating within the teaching departments have been allocated on a proportional basis; and
- a small number of teaching and administrative staff who operate across the two divisions within the teaching departments have been solely allocated to the area in which they predominantly operate, as it is impractical to determine their proportional contribution to each division.

Other liabilities

Revenue in advance included in other liabilities is directly attributable to either Higher Education or VET, while all other revenue in advance has been allocated on a proportional basis.

(iv) Statement of Changes in Equity

	Higher Education			VET			RMIT
	Reserves	Retained earnings	Total	Reserves	Retained earnings	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as 1 January 2016	580,737	934,097	1,514,834	210,483	121,486	331,969	1,846,803
Profit or (loss)	-	64,865	64,865	-	2,363	2,363	67,228
Gain/(loss) on revaluation of available-for-sale financial assets	8,718	-	8,718	-	-	-	8,718
Revaluation of hedges	96	-	96	10	-	10	106
Other adjustments	-	44,571	44,571	-	-	-	44,571
Transfer to/(from) retained earnings	(49)	49	-	(20)	20	-	-
Balance at 31 December 2016	589,502	1,043,582	1,633,084	210,473	123,869	334,342	1,967,426
Balance at 1 January 2017	589,502	1,043,582	1,633,084	210,473	123,869	334,342	1,967,426
Profit or (loss)	-	49,547	49,547	-	1,411	1,411	50,958
Gain/(loss) on revaluation of land, buildings and artworks, net of tax	165,892	-	165,892	18,306	-	18,306	184,198
Gain/(loss) on revaluation of available-for-sale financial assets	7,203	-	7,203	-	-	-	7,203
Transfer to income statement on asset disposals	(1,138)	-	(1,138)	-	-	-	(1,138)
Revaluation of hedges	(4,593)	-	(4,593)	(510)	-	(510)	(5,103)
Transfer to/(from) retained earnings	36,772	(36,772)	-	-	-	-	-
Balance at 31 December 2017	793,638	1,056,357	1,849,995	228,269	125,280	353,549	2,203,544

Notes to the Financial Statements
for the Year Ended 31 December 2017

38 Acquittal of Australian government financial assistance (continued)

(b) Higher education loan programs (excl OS-HELP)

	HECS-HELP (Aust. gov payments only)		FEE-HELP #4		VET FEE LOAN	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (RMIT) Only						
Cash payable/(receivable) at the beginning of the year	-	-	645	(934)	-	-
Financial assistance received in cash during the reporting period	182,506	175,385	43,081	37,059	14,502	-
Cash available for the period	182,506	175,385	43,726	36,125	14,502	-
Revenue earned	182,506	175,385	41,608	35,480	15,535	-
Cash payable/(receivable) at the end of the year	-	-	2,118	645	(1,033)	-

	VET FEE-HELP		SA-HELP		Total	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (RMIT) Only						
Cash payable/(receivable) at the beginning of the year	(5,957)	(2,587)	(228)	(181)	(5,540)	(3,702)
Financial assistance received in cash during the reporting period	9,676	18,801	4,495	3,882	254,260	235,127
Cash available for the period	3,719	16,214	4,267	3,701	248,720	231,425
Revenue earned	6,771	22,171	4,460	3,929	250,880	236,965
Cash payable/(receivable) at the end of the year	(3,052)	(5,957)	(193)	(228)	(2,160)	(5,540)

#4 Program is in respect of FEE-HELP for higher education only and excludes funds received in respect of VET FEE-HELP

(c) Scholarships

	Research training program #5		Total	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Parent Entity (RMIT) Only				
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)	21,615	21,415	21,615	21,415
Net accrual adjustments	(1,080)	(1)	(1,080)	(1)
Revenue for the period	20,535	21,414	20,535	21,414
Surplus/(deficit) from the previous year	42	549	42	549
Total revenue including accrued revenue	20,577	21,963	20,577	21,963
Less expenses including accrued expenses	(29,541)	(21,921)	(29,541)	(21,921)
Surplus/(deficit) for the reporting period	(8,964)	42	(8,964)	42

#5 Research training program has replaced Australian postgraduate awards, international postgraduate research scholarships and research training scheme in 2017.

Notes to the Financial Statements
for the Year Ended 31 December 2017

38 Acquittal of Australian government financial assistance (continued)

(d) Education research

	Research support program #6		Total	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Parent Entity (RMIT) Only				
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)	13,913	12,686	13,913	12,686
Net accrual adjustments	(1,512)	-	(1,512)	-
Revenue for the period	12,401	12,686	12,401	12,686
Surplus/(deficit) from the previous year	232	54	232	54
Total revenue including accrued revenue	12,633	12,740	12,633	12,740
Less expenses including accrued expenses	(12,633)	(12,508)	(12,633)	(12,508)
Surplus/(deficit) for the reporting period	-	232	-	232

#6 Research support program has replaced joint research engagement, JRE engineering cadetships, research block grants and sustainable research excellence in universities in 2017.

(e) Total higher education provider research training program expenditure

	Total domestic students	Total overseas students
	\$'000	\$'000
Research training program fees offsets	23,316	67
Research training program stipends	5,681	478
Total for all types of support	28,997	545

(f) Australian research council grants

	Discovery		Linkages	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Parent Entity (RMIT) Only				
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the program)	7,208	7,370	1,759	2,310
Revenue for the period	7,208	7,370	1,759	2,310
Surplus/(deficit) from the previous year	8,865	7,274	2,264	3,131
Total revenue including accrued revenue	16,073	14,644	4,023	5,441
Less expenses including accrued expenses	(7,698)	(5,779)	(4,061)	(3,177)
Surplus/(deficit) for reporting period	8,375	8,865	(38)	2,264

	Networks and centres		Total	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Parent Entity (RMIT) Only				
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the program)	861	689	9,828	10,369
Revenue for the period	861	689	9,828	10,369
Surplus/(deficit) from the previous year	689	-	11,818	10,405
Total revenue including accrued revenue	1,550	689	21,646	20,774
Less expenses including accrued expenses	(68)	-	(11,827)	(8,956)
Surplus/(deficit) for reporting period	1,482	689	9,819	11,818

Notes to the Financial Statements

for the Year Ended 31 December 2017

38 Acquittal of Australian government financial assistance (continued)

(g) Other capital funding

	Linkage infrastructure, equipment and facilities grant		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Parent Entity (RMIT) Only				
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the program)	250	642	250	642
Revenue for the period	250	642	250	642
Surplus/(deficit) from the previous year	732	90	732	90
Total revenue including accrued revenue	982	732	982	732
Less expenses including accrued expenses	(7)	-	(7)	-
Surplus/(deficit) for reporting period	975	732	975	732

(h) Other Australian government financial assistance

	2017 \$'000	2016 \$'000
Parent Entity (RMIT) Only		
Cash received during the reporting period	14,767	8,883
Cash spent during the reporting period	(14,767)	(8,883)
Net cash received	-	-
Cash surplus/(deficit) from the previous period	-	-
Cash surplus/(deficit) for reporting period	-	-

(i) OS-HELP

Cash received during the reporting period	4,613	3,424
Cash spent during the reporting period	(4,259)	(3,950)
Net cash received	354	(526)
Cash surplus/(deficit) from the previous period	201	727
Cash surplus/(deficit) for the reporting period	555	201

(j) Superannuation supplementation

Cash received during the reporting period	21,512	21,170
Cash available	21,512	21,170
Cash surplus / (deficit) from the previous period	(1,124)	540
Cash available for current period	20,388	21,710
Contributions to specified defined benefit funds	(20,801)	(22,834)
Cash surplus/(deficit) for this period	(413)	(1,124)

Superannuation Supplementation showed in this note is based on accrual accounting.

(k) Student services and amenities fee

SA-HELP revenue earned	4,460	3,929
Student services fees direct from students	8,411	8,240
Total revenue expendable in period	12,871	12,169
Student services expenses during period	(12,871)	(12,169)
Unspent/(overspent) student services revenue	-	-

Income Statement

for the years 2017 to 2013 inclusive

	Consolidated					RMIT				
	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
Incoming from continuing operations										
Australian Government financial assistance										
Australian government grants	348,876	344,817	330,467	308,965	295,194	348,876	344,818	330,467	308,965	295,194
HELP - Australian government payments	250,880	236,965	232,686	221,445	189,657	250,880	236,965	232,686	221,445	189,657
State and local government financial assistance	49,379	33,131	32,488	31,686	34,393	49,379	33,131	32,488	31,686	34,393
HECS-HELP - Student payments	19,161	19,309	17,354	22,063	22,241	19,161	19,309	17,354	22,063	22,241
Fees and charges	547,585	492,846	455,620	409,824	386,505	431,799	407,809	369,948	335,064	318,558
Consultancy and contracts	42,521	51,418	40,115	35,663	33,820	48,779	50,924	36,518	31,873	30,704
Other revenue	48,141	47,593	54,322	48,669	50,617	36,886	34,022	44,436	37,439	34,181
Total revenue from continuing operations	1,306,543	1,226,079	1,163,052	1,078,315	1,012,427	1,185,760	1,126,978	1,063,897	988,535	924,928
Expenses from continuing operations										
Employee related expenses	733,539	677,164	662,514	607,932	557,254	670,896	625,499	604,318	554,754	511,667
Depreciation and amortisation	99,422	82,094	71,714	64,662	77,682	94,020	76,163	65,507	58,859	70,570
Repairs and maintenance	19,740	39,747	24,036	21,058	15,088	19,661	39,649	23,930	21,051	15,073
Borrowing costs	8,077	7,340	7,354	6,871	6,443	8,643	7,664	7,772	7,336	6,810
Impairment of assets	(76)	(731)	4,056	(4,077)	12,604	(3,103)	2,001	3,774	(4,277)	14,628
Other expenses	373,085	325,338	321,473	304,962	273,849	343,238	308,215	295,427	276,740	254,364
Total expenses from continuing operations	1,233,787	1,130,952	1,091,147	1,001,408	942,920	1,133,355	1,059,191	1,000,728	914,463	873,112
Operating result before income tax	72,756	95,127	71,905	76,907	69,507	52,405	67,787	63,169	74,072	51,816
Income tax expense	(1,839)	(1,673)	(4,342)	(3,832)	(2,450)	(1,447)	(559)	(2,690)	(2,873)	(1,744)
Operating result from continuing operations	70,917	93,454	67,563	73,075	67,057	50,958	67,228	60,479	71,199	50,072
Operating result attributable to minority interest	-	-	153	(124)	320	-	-	-	-	-
Operating result attributed to RMIT entity	70,917	93,454	67,716	72,951	67,377	50,958	67,228	60,479	71,199	50,072

Balance Sheet

for the years 2017 to 2013 inclusive

	Consolidated					RMIT				
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current assets										
Cash and cash equivalents	75,745	87,098	98,984	110,720	135,110	69,350	77,178	90,855	83,780	89,413
Receivables	54,092	55,880	55,070	49,534	52,794	54,695	52,488	59,058	53,553	56,958
Inventories	20	869	2,246	1,775	1,728	-	853	1,782	1,288	1,159
Other financial assets	53,279	49,034	43,779	28,132	17,250	-	-	-	-	-
Other non-financial assets	12,985	14,290	11,681	12,410	11,138	10,897	11,871	9,413	10,308	9,280
Total current assets	196,121	207,171	211,760	202,571	218,020	134,942	142,390	161,108	148,929	156,810
Non-current assets										
Receivables	288,940	296,825	309,518	313,274	315,830	288,876	296,799	309,433	313,210	315,894
Available for sale financial assets	102,502	91,131	84,200	54,037	28,001	102,502	91,131	29,276	3,960	-
Property, plant and equipment	2,729,775	2,406,161	2,262,464	2,092,751	1,832,345	2,678,653	2,357,401	2,209,149	2,041,257	1,780,696
Deferred tax asset	626	420	658	1,016	692	-	-	-	-	-
Intangible assets	10,650	23,581	25,852	16,883	814	10,437	23,346	25,552	16,319	-
Other financial assets	37	37	37	158	2,162	1,764	1,764	2,411	2,532	2,536
Investment property	-	-	-	-	-	-	-	-	-	-
Total non-current assets	3,132,530	2,818,155	2,682,729	2,478,119	2,179,844	3,082,232	2,770,441	2,575,821	2,377,278	2,099,126
Total assets	3,328,651	3,025,326	2,894,489	2,680,690	2,397,864	3,217,174	2,912,831	2,736,929	2,526,207	2,255,936
LIABILITIES										
Current liabilities										
Trade and other payables	141,444	146,109	132,772	127,095	131,242	168,078	154,070	124,252	83,333	85,287
Borrowings	3,375	4,775	-	-	-	3,375	4,775	-*	18,138	16,095
Provisions	157,854	165,100	147,019	138,232	118,794	151,474	159,730	134,144	129,237	117,378
Current tax liabilities	3,845	4,997	5,785	4,947	4,439	3,845	4,997	5,785	4,947	4,439
Other liabilities	65,828	67,898	71,806	73,202	76,234	56,935	54,674	61,468	59,991	63,066
Total current liabilities	372,346	388,879	357,382	343,476	330,709	383,707	378,246	325,649	295,646	286,265
Non-current liabilities										
Trade and other payables	4,576	-	-	-	-	4,576	-	-	-	-
Borrowings	308,850	242,225	231,362	128,868	110,000	308,850	242,225	231,362	128,868	110,000
Provisions	317,036	325,426	340,953	328,440	329,638	316,497	324,934	333,115	328,104	328,928
Deferred tax liabilities	-	-	3	4	5	-	-	-	-	-
Other liabilities	-	-	117	210	397	-	-	-	-	-
Total non-current liabilities	630,462	567,651	572,435	457,522	440,040	629,923	567,159	564,477	456,972	438,928
Total liabilities	1,002,808	956,530	929,817	800,998	770,749	1,013,630	945,405	890,126	752,618	725,193
Net assets	2,325,843	2,068,796	1,964,672	1,879,692	1,627,115	2,203,544	1,967,426	1,846,803	1,773,589	1,530,743
EQUITY										
RMIT entity interest										
Reserves	1,022,817	839,450	832,401	814,984	635,497	1,021,907	799,975	791,219	778,485	606,838
Retained earnings	1,303,026	1,229,346	1,132,146	1,064,430	991,404	1,181,637	1,167,451	1,055,584	995,104	923,905
Total RMIT entity interest	2,325,843	2,068,796	1,964,547	1,879,414	1,626,901	2,203,544	1,967,426	1,846,803	1,773,589	1,530,743
Outside equity interest in controlled entities	-	-	125	278	214	-	-	-	-	-
Total equity	2,325,843	2,068,796	1,964,672	1,879,692	1,627,115	2,203,544	1,967,426	1,846,803	1,773,589	1,530,743



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