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**2018**  
**Annual**  
**Report**





**Office of the Chancellor  
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**5 March 2019**

**The Hon Gayle Tierney MP**

Minister for Training and Skills and Minister for Higher Education  
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 2018.

The Annual Report was approved by the Council of RMIT University at its meeting on 5 March 2019.

Yours sincerely

A handwritten signature in black ink that reads 'J. P. Switkowski'.

Dr Ziggy Switkowski AO  
Chancellor

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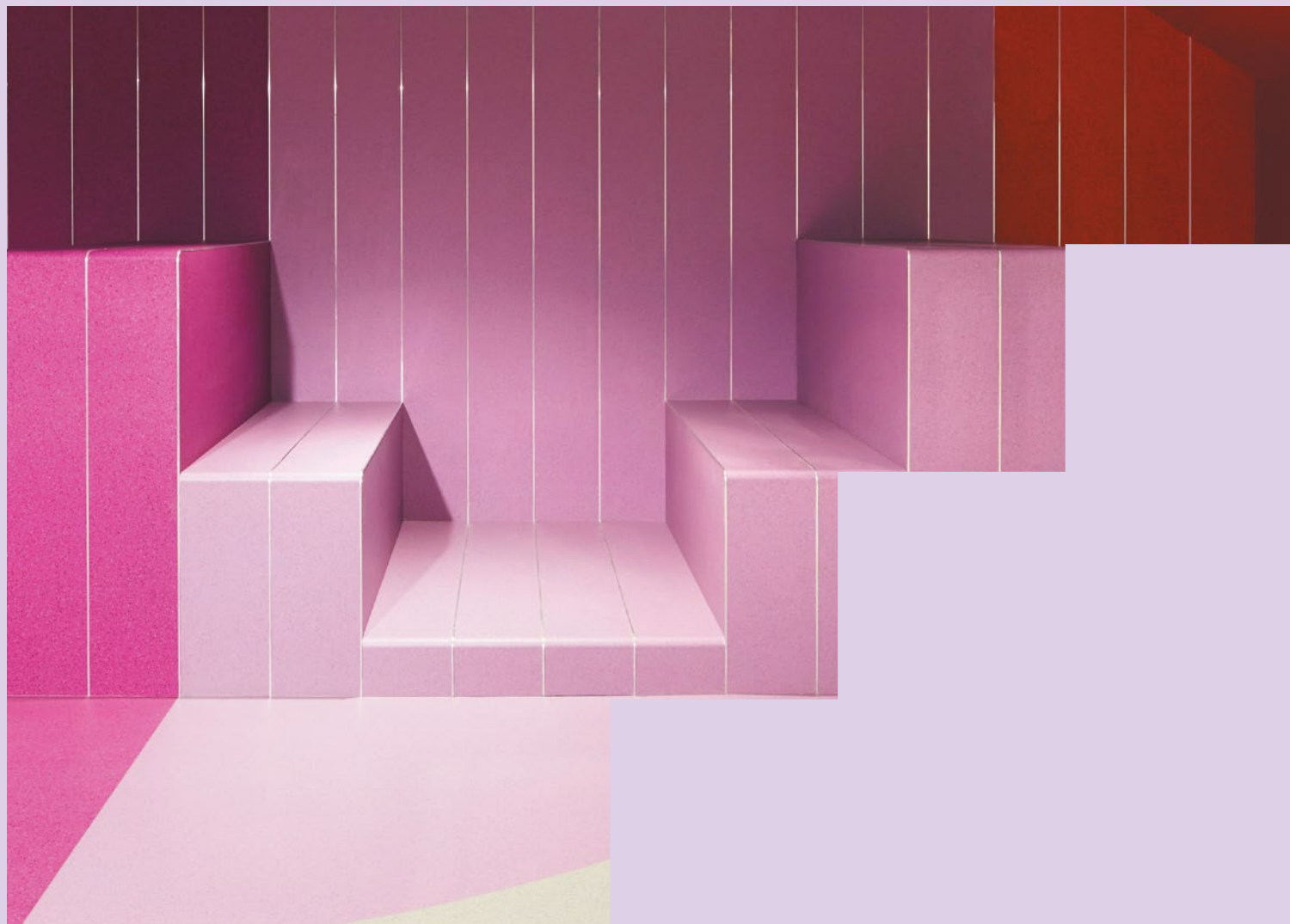


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# Charter and Purpose



## About RMIT

RMIT is a multi-sector university of technology, design and enterprise with more than 91,000 students and 11,000 staff globally. RMIT offers postgraduate, undergraduate, vocational education and online programs to provide students with a variety of work-relevant pathways.

The University's mission is to help shape the world through research, innovation, quality teaching and engagement, and to create transformative experiences for students, getting them ready for life and work.

With strong industry connections forged over 130 years, collaboration with industry remains integral to RMIT's leadership in education, applied and innovative research, and to the development of highly skilled, globally-focused graduates.

RMIT is redefining its relationship in working with and supporting Aboriginal self-determination. The goal is to achieve lasting transformation by maturing values, culture, policy and structures in a way that embeds reconciliation in everything the University does. RMIT is changing its ways of knowing and working to support sustainable reconciliation and activate a relationship between Indigenous and non-Indigenous people.

RMIT's three campuses in Melbourne – Melbourne City, Brunswick and Bundoora – are located on the unceded lands of the people of the Woi Wurrung and Boon Wurrung language groups of the eastern Kulin Nation.

As a global university, RMIT has two campuses and a language centre in Vietnam and a research and industry collaboration centre in Barcelona, Spain. RMIT also offers programs through partners in Singapore, Hong Kong, mainland China and Indonesia, with research and industry partnerships on every continent.

RMIT was named as an Employer of Choice for Gender Equality (EOCGE) from the Workplace Gender Equality Agency (WGEA) in 2018 based on significant progress made in 2017, and Gold Employer status in the Australian Workplace Equality Index (AWEI) in recognition of our commitment to celebrating the diverse genders, sexes and sexualities (DGSS) of our community.

RMIT ranks 250th in the 2019 QS World University Rankings. The University also ranks eighth in Australia and 30th in East Asia and the Pacific for employer reputation, and 21st in Top 50 Universities Under 50 Years Old.

RMIT is ranked 59th globally and 20th in the Asia Pacific for graduate employment, according to the QS Graduate Employability Rankings. RMIT ranks in the world's top 400 in the 2018 Academic Ranking of World Universities and the 2019 Best Global Universities Rankings. RMIT also ranks in the world's top 500 in the 2019 Times Higher Education World University Rankings.





# Strategy, Vision and Values

© Image credit | Filip Laureys

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

The strategic plan, Ready for Life and Work – RMIT to 2020, defines three directions that are shaping the University for the future.

### Life-changing experiences:

Create life-changing experiences by offering transformative education and connected pathways to students from all backgrounds.

### Passion with purpose:

Demonstrate passion with purpose by empowering our people with smarter, simpler systems and managing our resources for a sustainable future.

### Shaping the world:

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.

Our staff and students understand the importance of a values-based culture. We are committed to living our six values and making a difference both locally and globally.

### 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 and welcomes students and staff from diverse backgrounds. We acknowledge and respect the identities and knowledge of Aboriginal and Torres Strait Islander nations and 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.



## Purpose

At RMIT we focus on giving everyone the chance to be their best, shape their future and belong. That's what our Ready for Life and Work strategy is all about and thanks to the passion of our extraordinary people we're making it a reality.

Our journey began in 1887 when Francis Ormond had a vision for helping workers acquire real-world skills. The people of Melbourne matched his enthusiasm to start a very practical place of learning where students would leave ready for employment.

We still live this vision today – now on a global scale. RMIT has been part of key developments in work and industry since its inception.

As society and the economy become more sophisticated and complex, RMIT has grown and changed alongside. Today, more than ever, the transformational power of education is lifelong, generations deep and worldwide.

Now, we're a global university of design, technology and enterprise, with passionate students and inspirational staff who proudly live and breathe our purpose every day.

We shape the world with our research and impactful partnerships with industry, government and enterprise.

We provide life changing experiences when we give our students their first, second or even third opportunity to prepare for the world of work.

Finally, we are passionate about the communities we're part of and we're driven to make a purposeful contribution.

## Organisational Overview





## Chancellor's Statement

Much has changed since I started as Chancellor in 2011, none more than our deliberate shift to focus on getting our students ready for life and work. While RMIT's purpose of 'fostering a skilled hand and a cultivated mind' remains, today we recognise it's about so much more than what's taught in the classroom, the laboratory or the studio. It's about the development of each student as a person who is ready to contribute in the real world. And it's about an academic community and professional staff committed to excellence in all we do.

Coursework and skills-based learning remain vital; and we also teach the competencies today's employers increasingly demand: adaptability, capacity to learn, entrepreneurship, communication, empathy, critical thinking and resilience. We know employers want these skills because of our deep and enduring links with business and industry.

This year we've partnered with industry leaders including Amazon Web Services and Udacity, that help position us at the forefront of education and ensure our students can have confidence that their education is relevant.

At RMIT we're not just responding, we're shaping the world our students prepare for. We take our leadership role within the community seriously and involve ourselves in policy and decision making where our data and insights can make a difference. The long history of universities as safe places for free thought and scholarly exploration continues.

Of course, it's essential we remain well managed and sustainably governed.

On the commercial side, the year saw consolidated group revenues reach \$1.4 billion, up 9.7 per cent on the previous year, with operating cash flows of \$200 million. Given our strong balance sheet and the current low interest rate environment, this cash flow augmented by borrowings as required 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.

I recognise my colleagues on the RMIT Council and thank them for their diligence in guiding our great institution. At the end of 2018, we welcomed Professor Mark McMillan and Ms Sadaf Hadi to the Council and fondly farewelled Professor David Hayward and Ms Abena Dove. I'd especially like to recognise Deputy Chancellor, Ms Janet Latchford, whose work across the University and externally has been so important over the years.

Finally, I applaud the leadership of Vice-Chancellor Martin Bean. We're fortunate to have such a visionary leader, in tune with changing times. His teams are empowered to improve the student experience, nurture research that has real impact and lead a staff group that is truly proud to call RMIT their place of work. I have absolute confidence this is a leadership cohort well positioned for the challenges and opportunities of 2019.



Education is a noble profession and an extraordinary industry to be part of. I'm grateful for the commitment of the wonderful people of RMIT and respect the vision to provide transformative experiences for generations of students, new and returning, and to shape this world for the better.

**Dr Ziggy Switkowski AO**  
Chancellor

## Vice-Chancellor's Statement

We made excellent progress in 2018 as we continued to focus on the goals set out in our Ready for Life and Work strategy. We've challenged ourselves to reimagine what education will be like tomorrow and decades from now, and to make the changes required for us to support the communities we serve for generations to come.

While we look to the future, we continue to provide transformative experiences for our students today and to shape the world with exceptional research, innovation, teaching and engagement. This is all made possible thanks to the passion and purpose of RMIT's extraordinary people who share a vision for education that prepares our students for the real world of technology, design and enterprise.

I'm proud of what we achieved in 2018, including:

- Making our first Reconciliation Action Plan a reality and continuing to embed reconciliation in everything we do. We launched Bundyi Girri – Shared Futures – an important step towards a meaningful relationship between non-Indigenous Australians and Aboriginal and Torres Strait Islander peoples.
- Responding to changing student preferences with flexible, quality, industry-led teaching that delivers contemporary student outcomes. Students are making it clear we're on the right track, with 37 per cent year on year growth in RMIT Online.
- Ranking in the world's top 400 in the 2018 Academic Ranking of World Universities and the 2019 Best Global Universities Rankings. RMIT also ranked in the world's top 500 in the 2019 Times Higher Education World University Rankings and 250th in the 2019 QS World University Rankings.
- Maintaining focus on gender balance at RMIT has delivered a 9 per cent increase in the proportion of women in senior positions and we have achieved gender parity on RMIT Council. We were also proud to receive the Gold Employer Status for LGBTI inclusion (Australian Workplace Equality Index) and to be recognised as an Employer of Choice for Gender Equality (Workplace Gender Equality Agency).
- Expanding our suite of RMIT micro-credentials, enhancing students' job-ready skills including problem solving, critical thinking and communication. Over 28,000 students enrolled in 2018 with a 90 per cent satisfaction rate.
- Lifting our key student satisfaction measures, including Net Promoter Scores, Course Experience Surveys, and Graduate Outcomes. We were particularly pleased to finish the year, first in Victoria, for overall satisfaction in the International Student Barometer.
- Deepening our relationships and creating opportunities through industry partnerships with some of the world's most influential organisations. This included significant collaboration announcements with Apple Inc., Microsoft Corporation, Adobe Inc., Amazon Web Services, Inc., Udacity, Inc., Credly, Inc., Accenture Australia, Salesforce.com, Inc., the Australian Centre for the Moving Image (ACMI) and the Essendon Football Club.
- Taking care of our staff and students goes deeper than providing a great workplace or an outstanding education. Our Be the Change and It's OK to not be OK campaigns nurtured a culture of respect, safety and openness. We also invested in the capability of over 400 staff to assist students in distress.

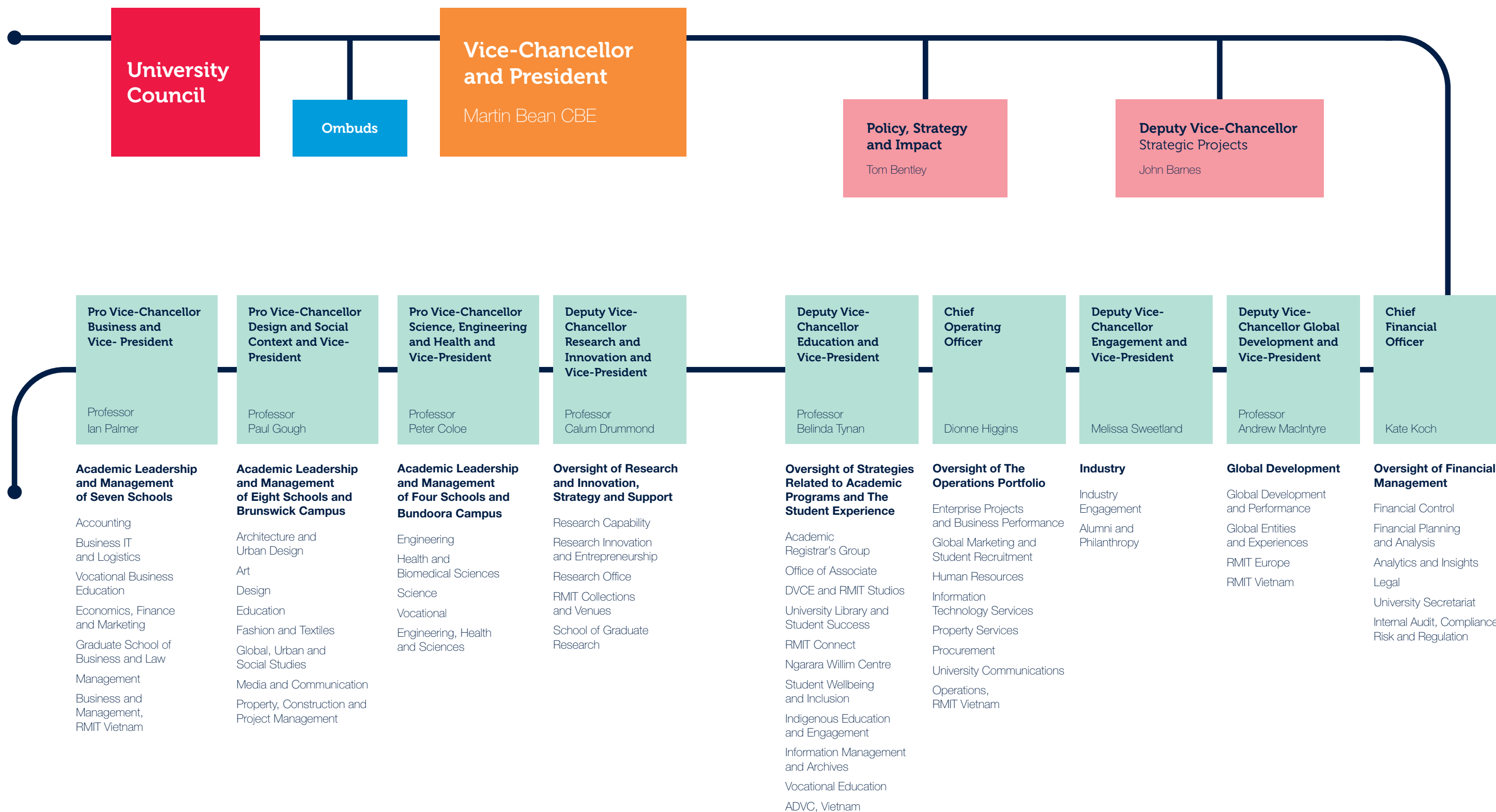


While we deliver on our strategic plan, we constantly adapt to ensure we're relevant today and prepared for tomorrow. That's the promise we make to our students and it's the commitment we live for the communities we serve. I'm confident we're well placed to continue preparing generations to come for a changing world.

It's a terrific privilege to serve the diverse communities of RMIT at such a significant juncture in the history of education. Because of our amazing staff, students, Chancellor and Council, we are making a true impact on the world and taking a lead in providing education that leaves no one behind. My gratitude to the many extraordinary people who make this possible every day.

**Martin Bean CBE**  
Vice-Chancellor and President

# Organisational chart





# Senior Officers



**Vice-Chancellor and President**

**Mr Martin Bean**  
CBE BEd (Adult) (UTS)

Martin Bean CBE was appointed as Vice-Chancellor and President of RMIT in February 2015. He previously held the positions of Vice-Chancellor of The Open University, the UK's largest academic institution and leader in the provision of flexible learning, and General Manager of Microsoft's Education Products Group. Martin has held various executive roles and various executive leadership roles at Novell and other companies integrating technology and learning systems.

In 2012, Martin launched FutureLearn, the UK's first at-scale provider of Massive Open Online Courses, and in 2014 he was named one of the UK Prime Minister's Business Ambassadors. He has won numerous awards in the UK and US for his contribution to education, and was awarded a Commander of the Order of the British Empire (CBE) in the 2015 United Kingdom New Year's Honours list, for services to higher education. Awarded an Honorary Doctor of Laws from the University of London in 2013, Martin has a Bachelor of Education degree from the University of Technology, Sydney.

From 2016-2018 he was the Australian Government representative on the Commonwealth of Learning Board of Governors. He also chaired the Australian Technology Network of Universities (ATN) during 2017 and 2018.



**Deputy Vice-Chancellor Education and Vice-President**

**Professor Belinda Tynan**

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

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 with over 70 refereed publications and is an often invited public speaker.

She is a Principal Fellow of the Higher Education Academy, UK and a Fellow of the European Distance Education Network. She has also held a number of international and national leadership roles and is currently President of the International Council of Open and Distance Education, Company Director for RMIT Online, Executive Director of Open Universities Australia and the Australian Government appointee Executive Director for the Commonwealth of Learning. In addition, Professor Tynan frequently undertakes Quality Reviews in Singapore and Hong Kong.



**Deputy Vice-Chancellor Research and Innovation and Vice-President**

**Professor Calum Drummond**

BScEd, BSc (Hons), PhD, DSc (Melb), FNAI (US), FAICD, FTSE, FRACI, FRSC (UK), 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 from the Australian Academy of Science, the 2017 Royal Australian Chemical Institute (RACI) Weickhardt Medal, the 2016 Fulbright Senior Scholarship, the 2015 Victoria Prize for Science and Innovation and the 2015 HG Smith Memorial Medal from the RACI. He was elected as a US National Academy of Inventors Fellow in 2018.



**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. He is also the Director of the Australian APEC Study Centre. 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, Director of the Asia Foundation in Australia, and Chair of RMIT Vietnam, RMIT Europe and RMIT Indonesia.



**Deputy Vice-Chancellor**

**Mr John Barnes**

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

Mr Barnes has had extensive involvement in tertiary 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 2018 was appointed Deputy Vice-Chancellor with a focus on building key strategic partnerships, particularly with the tech sector. Mr Barnes has extensive experience in developing industry relationships, both in Australia and internationally.

He is committed to strong educational outcomes that respond to industry, student and government needs.

*John Barnes stepped down from VCE in March 2018.*



**Chief Operating Officer**

**Ms Dionne Higgins**

BBus (La Trobe), CA, MAICD

Ms Higgins was appointed Chief Operating Officer in September 2016. In this role, she leads the People, Technology, Marketing and Recruitment, Communications, Property, Procurement, Enterprise Project and Business Planning teams to continuously improve the staff and student experience at RMIT. She also takes a leadership role in championing diversity and inclusion at RMIT and sees progressing workplace gender equality as fundamental.

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 to emerging consumer trends and digital innovation. Ms Higgins is a Chartered Accountant and spent her early career years in public practice and consulting.



**Chief Financial Officer**

**Ms Kate Koch**

BCom (UNSW), CA, GAICD

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.



## Senior Officers



**Deputy Vice-Chancellor  
Engagement and  
Vice President**

### Ms Melissa Sweetland

BComm (Melb), CA, GAICD

Ms Sweetland was appointed in August 2018 and is responsible for strengthening the bond between RMIT and industry. Melissa is also responsible for the RMIT Activator as well as the philanthropy and alumni activities of the University.

Ms Sweetland joined RMIT from the Riverina Dairy where she was CEO. Prior to this, she was on the Executive at a mutual bank and has also previously held Vice-President roles at GE Money, including Vice-President Marketing and Vice-President Strategic Planning.

She qualified as a chartered accountant while at Price Waterhouse and was also a management consultant in London and Melbourne delivering transformational change.

Between December 2017 and July 2018, prior to Ms Sweetland's appointment, Genevieve Reid acted in the role of Vice-President Industry Engagement. She was appointed to this acting role due to her strong track record of driving transformational change across a range of markets, and having worked at organisations including Oracle Corporation, Pricewaterhouse Coopers and Computershare.



**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 the Australian and New Zealand Academy of Management (ANZAM) and foundation Chair of the Business Academic Research Directors Network, Professor Palmer was elected in 2008 to the US Academy of Management's Organisational 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 he is the past President of the Australian Business Deans Council.



**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 the RMIT 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.



**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 nine books on the representation of war and peace, more than 100 research papers, and a highly popular book on street artist Banksy.

He has also 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



**Chief Executive Officer  
RMIT Online**

### Ms Helen Souness

BA, LLB (Hons), GAICD

Ms Souness was appointed to this role in August 2017. As CEO of RMIT Online, 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.

She 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 Sendle.

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



**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 Bionic Ear 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 and delivery of high-quality innovative educational products and services. She has established several global partnerships with educational organisations and corporations and two international offices for RMIT Training.



**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*.



**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.

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

Dr Fernandez holds honorary appointments at University College London and Imperial College Business School, is a member of the Steering Committee of the European Construction Technology Platform and member of the Scientific Advisory Board of Eurac Research. She also belongs to the high level group of the European Construction Technology Platform.





## Academic Schools and Research Platforms

As at 31 December 2018, RMIT University offered programs of study in 22 schools across three academic colleges.

### College of Business

(Led by Pro Vice-Chancellor and Vice-President Professor Ian Palmer)

School	Head of School
Accounting	Professor Steven Dellaportas
Business IT and Logistics	Professor Caroline Chan
Economics, Finance and Marketing	Professor Timothy Fry
Graduate School of Business and Law	Professor Kathy Douglas
Management	Professor Pauline Stanton
Vocational Business Education	Mr Graham Airey
School of Business and Management (Vietnam)	Professor Matthews Nkhoma

### College of Design and Social Context

(Led by Pro Vice-Chancellor and Vice-President Professor Paul Gough)

School	Head of School
Architecture and Urban Design	Professor Martyn Hook
Art	Professor Julian Goddard
Design	Professor Laurene Vaughan
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
School of Communication and Design (Vietnam)	Professor Rick Bennett
School of Languages and English (Vietnam)	Mr Jake Heinrich

### College of Science, Engineering and Health

(Led by Pro Vice-Chancellor and Vice-President Professor Peter Coloe)

School	Head of School
Engineering	Professor Adrian Mouritz
Health and Biomedical Sciences	Professor Charlie Xue
Science	Professor Russell Crawford
Vocational Education, Engineering Health and Sciences	Mr Peter Ryan
School of Science and Technology (Vietnam)	Associate Professor Eric Dimla

### Research and Innovation

(Led by Deputy Vice-Chancellor and Vice-President Professor Calum Drummond)

RMIT's eight Enabling Capability Platforms (ECPs) connect researchers from multiple disciplines and from across Colleges under thematic umbrellas. This allows the University to deploy its areas of research excellence and strength to comprehensively address critical local, regional and global challenges and 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	Distinguished 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: Students

## Sector/level enrolments (headcounts)

	2016	2017 <sup>3</sup>	2018 <sup>1</sup>
Higher Education	64,182	68,097	71,922
Postgraduate Research	2,199	2,255	2,375
Postgraduate Coursework	10,705	12,592	14,219
Undergraduate	47,852	49,674	51,588
Sub-Degree	3,426	3,576	3,740
Open Universities Australia (OUA)	4,235	3,296	2,847
Postgraduate	777	812	802
Undergraduate	3,458	2,484	2,045
Vocational Education	14,573	14,783	14,936
Diploma and Advanced Diploma (AQF 5-6)	7,730	8,316	8,212
Certificates III and IV (AQF 3-4)	5,248	4,900	4,713
Certificates I and II (AQF 1-2)	350	318	332
VCE/VCAL	534	615	569
Other 2	711	634	1,110
Foundation Studies	1,292	1,267	1,387
Total	84,232	87,443	91,092

## Student fee type enrolments (headcounts)

	2016	2017 <sup>3</sup>	2018 <sup>1</sup>
Higher Education	64,182	68,097	71,922
Domestic	35,148	37,409	39,146
International Onshore	12,590	14,722	16,837
International Offshore	10,105	9,608	9,145
Vietnam	6,092	6,121	6,678
Indonesia	247	237	116
Vocational Education	14,573	14,783	14,936
Domestic	13,378	13,270	13,365
International Onshore	1,090	1,309	1,431
International Offshore	105	204	140

## Student load

	2016	2017 <sup>3</sup>	2018 <sup>1</sup>
Equivalent Full Time Student Load (EFTSL) HE	47,337	49,408	51,773
Student Contact Hours (SCH) VE	6,781,432	7,036,912	6,787,419

## Award completions

	2016	2017 <sup>*</sup>	2018 <sup>1</sup>
Higher Education	16,483	16,731	17,799
Postgraduate Research	245	280	342
Postgraduate Coursework	3,482	3,528	4,018
Undergraduate (incl Sub-Degrees)	12,756	12,923	13,439
Vocational Education	6,042	6,041	5,719
Total	22,525	22,772	23,518

## Graduate outcomes and satisfaction in %<sup>2</sup>

	2016	2017 <sup>3</sup>	2018 <sup>1</sup>
Higher Education			
Graduate in full-time employment	70.0	72.2	75.4
Graduate in part-time employment	27.7	28.1	26.8
Graduate in further full-time study	19.7	17.3	15.0
Graduate in enterprise formation	6.7	6.1	5.5
Overall satisfaction	78.8	76.7	79.3
Generic skills	80.4	78.9	80.1
Vocational Education			
Graduate in employment	69.1	67.5	70.1
Graduate in further study	51.9	53.4	46.1
Graduate in enterprise formation	8.9	6.1	7.4
Overall satisfaction	83.6	83.3	85.3
Generic skills	74.5	77.6	80.9

<sup>\*</sup> Some 2018 indicators are provisional and will not be finalised until Q2 2019. HE and VE data excludes Foundation Studies and OUA unless specified. VE student load converted using Student Contact Hours/720.

Non-award programs not elsewhere classified.

<sup>2</sup> Based on graduate survey four months out.

<sup>3</sup> Some 2017 historical values updated to reflect final position.



# Statistical snapshot: Workforce

## Workforce disclosures

	December 2017						
	All employees		Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
<b>Gender</b>							
<b>Female Executives</b>	65	63.8	26		26	39	37.80
<b>Female (total staff)</b>	5,712	3,009.35	1,690	404	1,952.91	3,618	1,056.44
<b>Male Executives</b>	71	71	35		35	36	36
<b>Male (total staff)</b>	5,253	2,786.35	1,632	98	1,695.50	3,523	1,090.85
<b>Self-described</b>	18	4.36	3		3	15	1.36
<b>Age</b>							
<b>15 - 24</b>	467	91.62	20	4	22.40	443	69.22
<b>25 - 34</b>	2,798	1,139.19	564	38	587.14	2,196	552.05
<b>35 - 44</b>	2,787	1,625.33	966	177	1,080.66	1,644	544.67
<b>45 - 54</b>	2,080	1,264.29	754	120	833.69	1,206	430.60
<b>55 - 64</b>	1,617	994.77	629	84	683.87	904	310.90
<b>Over 64</b>	1,234	684.85	392	79	443.65	763	241.20
<b>Total employees</b>	<b>10,983</b>	<b>5,800.06</b>	<b>3,325</b>	<b>502</b>	<b>3,651.41</b>	<b>7,156</b>	<b>2,148.65</b>

Note: Some 2017 data has been updated to reflect the final position following the late submission of casual timesheets. In the 2017 annual report, Melbourne and Vietnam workforces were reported separately; in this report the 2017 Vietnam and Melbourne workforces have been combined.

	December 2018						
	All employees		Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE
<b>Gender</b>							
<b>Female Executives</b>	63	61.96	23		22.76	40	39.20
<b>Female (total staff)</b>	5,992	3,233.76	1,836	394	2,084.08	3,762	1,149.68
<b>Male Executives</b>	68	66.01	35		33.90	33	32.20
<b>Male (total staff)</b>	5,315	2,889.70	1,735	92	1,795.73	3,488	1,093.96
<b>Self-described</b>	24	6.65	4		4	20	2.66
<b>Age</b>							
<b>15 - 24</b>	657	119.21	27	1	27.16	629	92.05
<b>25 - 34</b>	2,956	1,265.41	631	37	649.87	2,288	615.54
<b>35 - 44</b>	2,947	1,797.96	1,069	169	1,176.77	1,709	621.19
<b>45 - 54</b>	2,045	1,298.94	790	126	871.23	1,129	427.71
<b>55 - 64</b>	1,568	991.56	670	78	722.63	820	268.93
<b>Over 64</b>	1,158	657.03	388	75	436.15	695	220.88
<b>Total employees</b>	<b>11,331</b>	<b>6,130.11</b>	<b>3,575</b>	<b>486</b>	<b>3,883.81</b>	<b>7,270</b>	<b>2,246.30</b>

Note: Employees have been correctly classified in the workforce data collections.



# Occupational Health and Safety

RMIT's Global Safety Model project continued to roll out in 2018 and is now transitioning into a continuous improvement model with business as usual activities. An indication of the success of the program is a 227 per cent increase in hazard and incident reporting over the 2018 period.

An enterprise health, safety and wellbeing steering committee was established with representation from across RMIT globally and due diligence training was conducted for senior officers. Supporting the global safety model, safety leadership training was extended and rolled out for senior and operational leaders.

Mental wellbeing remains a focus across the University for both staff and students. The staff early intervention program continued to grow and, as part of a mental wellbeing pilot, action plans and road maps were established in the pilot school and follow up focus groups to review progress were completed. A cohesive and integrated approach to staff and student mental wellbeing is now being established across RMIT.

A successful health promotion campaign was conducted for staff, with 650 health checks, 1,000 skin checks and 2,000 flu vaccinations completed. Feedback was positive, with staff reporting early detection of potential skin lesions and other health-related issues, enabling proactive measures to be undertaken.

	2016	2017	2018
Lost time injury frequency rate*	2.73	2.01	1.80
Change to previous year	32%	-26%	-10.4%
Work cover claims submitted	33	34	33
Change to previous year	10%	3%	-3%
OHS incident reports	541	299	979
Change to previous year	46%	-45%	227%
Worksafe notifiable incidents	20	12	16
Change to previous year	-13%	-40%	33%
Worksafe improvement notices	0	3	1

\* LTIFR: the number of lost time injuries per million hours worked

## Occupational health and safety hazards, incidents, standard claims, associated costs

	2016	2017	2018
Number of lost time standard claims per 100 FTE	0.21	0.16	0.35
Average cost per claim	\$53,201	\$48,493	\$34,870
Hazard and incident reports/100 FTE	5.41	2.99	20.66

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

# Operations





# Plans and Performance

Since the introduction of the University's Strategic Plan, Ready for Life and Work—RMIT to 2020 in late 2015, substantial progress has been made and significant benefits realised across the strategy's three core directions: Life-changing experiences, Passion with purpose and Shaping the world.

This progress has been driven at several levels but specifically by annual enterprise-wide programs of work. A summary of key focus area initiatives and achievements aligned to RMIT's strategic directions is provided below.

## Life-changing experiences

At RMIT we want to give everyone the chance to be their best, shape their future and belong and, in 2018, we focused on making this a reality. A number of initiatives were implemented to build a strong sense of belonging and connection for our students and alumni, both within the RMIT community and more widely.

With a clearer, targeted focus on the 'moments that matter' to students, RMIT rolled out a University-wide belonging strategy across our three academic colleges and associated schools. In addition, connections and engagement were supported through improved alumni communications and industry engagement models.

RMIT's peer-to-peer mentoring program, Student Learning Advisor Mentors (SLAMs), continued to expand into new locations and modes of delivery. Industry mentoring continued to expand with a total of more than 1,500 industry mentors (18 per cent increase on 2017) supporting more than 2,000 mentoring partnerships between students and industry professionals. Industry connections were further supported by approximately 23,000 work integrated learning placements across more than 3,700 organisations.

Student engagement in extra-curricular activities and University events expanded with student participation in these activities growing 20 per cent. At the University Games, the RMIT Redbacks came home with 11 medals and the Spirit award, recognising their passion and professionalism both on and off the field. Student engagement through sport was further amplified by the launch of a new Women's Football Academy, supported by the Essendon Football Club. A total of 15,000 members are now active across all RMIT clubs and collectives, including the RMIT University Student Union (RUSU).

RMIT continued to trial and implement innovative models for service delivery, assessment and credentials in 2018, with a suite of new micro-credentials developed. There were over 33,500 digital credential enrolments and more than 10,000 RMIT Creds completed by the end of December 2018. Micro-credentials were also embedded in 51 RMIT award programs and RMIT creds covering 40 distinct skills and 12 skill sets.

The implementation of a new Vocational Education growth strategy re-affirmed the importance of connected pathways and distinctive teaching and learning experiences to RMIT's core mission and to contemporary markets for education and skills. This strategy established an RMIT-wide approach to identifying growth opportunities, improving student experience and undertaking product and partnership design to support targeted growth in VE activity.

## Passion with purpose

In 2018, considerable progress was made in building a clearer architecture for our organisational support services, technology platforms and major projects, including workforce structure.

While New Academic Street (NAS) visibly transformed the heart of the Melbourne city campus when it opened in 2017, the space continued to receive awards and accolades in 2018 in recognition of its innovation and impact. Along with the 2018 Victorian Architecture Medal, the NAS project took out top prizes in the Urban Design and Educational Architecture categories, and awards for Interior Architecture, Sustainable Architecture and the Melbourne Prize. Refurbishment of the Beanland Building at RMIT's Saigon South campus was also completed, providing new, vibrant spaces, and improved facilities, technology and experiences for students and staff.

Alongside these substantial visible investments, core technology infrastructure and system upgrades were undertaken, including significant investment in the move from an on-premises systems infrastructure environment towards a cloud-based one, ensuring the stability and security of RMIT platforms, and enabling more effective and efficient ways of working.

The 100 per cent roll-out of a new student learning management system, 'Canvas', demonstrated our ability to change our service infrastructure rapidly to deliver contemporary and dynamic learning experiences for our students. We also commenced a Microsoft Office 365 transition, introduced a new online Higher Degree by Research (HDR) admission system and a streamlined HDR policy suite.

KPI	Performance		
	2016	2017	2018
Overall satisfaction (HE <sup>1</sup> )	78.8%	76.7%	79.3%
Overall satisfaction (VE <sup>2</sup> )	83.6%	83.3%	85.3%
HE <sup>1</sup> graduates in full-time employment	70.0%	72.2%	75.4%
VE <sup>2</sup> graduates in employment	69.1%	67.5%	70.1%

KPI	2018
Extracurricular participation	20 per cent increase in student participation in extra/co-curricular activities
Innovative learning model delivery (micro-credentials)	<ul style="list-style-type: none"> <li>• 50 digital credentials developed (bringing the portfolio to 85)</li> <li>• Micro-credentials embedded in 51 RMIT award programs</li> <li>• Over 33,500 enrolments for the 2018 calendar year</li> </ul>
Increasing students' sense of belonging	<ul style="list-style-type: none"> <li>• 225 new belonging activities initiated</li> <li>• Belonging immersion sessions held in 44 targeted programs, positively impacting 12,000+ students</li> <li>• Capability built with training delivered to 185 academics</li> </ul>

<sup>1</sup> HE = Higher Education

<sup>2</sup> VE = Vocational Education

<sup>3</sup> The staff engagement score is based on an average (% favourable) of eight key staff survey questions that reflect strategic priority areas. 2018 was a 'pulse check' year and not the full survey which may affect results.

The delivery of evidence-based course review and improvement, and the introduction of a flexible academic workforce model around engagement, teaching and research, provided the foundations to recognise, promote and scale teaching excellence. Improvements in the teaching and learning experience have resulted in improvements in overall satisfaction and good teaching scores in selected programs.

RMIT also introduced and began embedding three capability development frameworks: Educator/Researcher, Professional and Leadership. Together they have served to define and give us a common language for the contemporary skills and knowledge the RMIT workforce needs to deliver against our objectives today and in the future. Several teams were pilot participants in a capability profiling process, which provided valuable insights into strengths and areas for development for both individuals and teams. The frameworks were also embedded in academic promotion and performance and career planning. More than 1,100 leaders have now completed part one of RMIT's 'Be Ready' leadership program globally since 2017.

A Pulse staff survey showed that staff engagement scores remained steady and staff reported they were proud to work for RMIT.

KPI	Performance		
	2016	2017	2018
Staff engagement <sup>3</sup>	50%	58.2%	57.3%
Percentage average female participation in identified leadership positions	35.9%	37.3%	40.6%

KPI	2018
Australian Workplace Equality Index (AWEI)	Gold status awarded for AWEI (RMIT was one of only 12 Australian organisations to receive the honour, and the only university to earn a Gold employer status). RMIT improved from a Bronze status in 2017
Contemporary learning infrastructure	100 per cent rollout of RMIT's new student learning management system, 'Canvas'
Staff micro-credentials delivered	4 micro-credentials launched for staff, with several more in the pipeline aligned to workforce priorities
Career framework and promotion model	New academic career framework and promotion model in place



# Plans and Performance

## Shaping the world

In 2018 we continued to strengthen our reputation in applied, cross-disciplinary research and innovation. We trialled and implemented new models to support improvements in our research impact, global presence, ways of working, service delivery and engagement.

The Enabling Capability Platforms (ECPs) have been embedded across the University and a range of research projects with external partners have been supported and funded. The ECPs continue to demonstrate the value of an interdisciplinary approach to solving complex industry and community problems.

Across the University, 340 industry partners were engaged, seven sector engagement research advisory groups were established, and an MIT Venture Mentoring Service was launched. RMIT also joined four Cooperative Research Centres.

RMIT ranks 250th in the 2019 QS World University Rankings. The University also ranks eighth in Australia and 30th in East Asia and the Pacific for employer reputation, and 21st in the Top 50 Universities Under 50 Years Old.

RMIT is ranked 59th globally and 20th in the Asia Pacific for graduate employment, according to QS Graduate Employability Rankings,

RMIT ranks in the world's top 400 in the 2018 Academic Ranking of World Universities and the 2019 Best Global Universities Rankings. RMIT also ranks in the world's top 500 in the 2019 Times Higher Education World University Rankings.

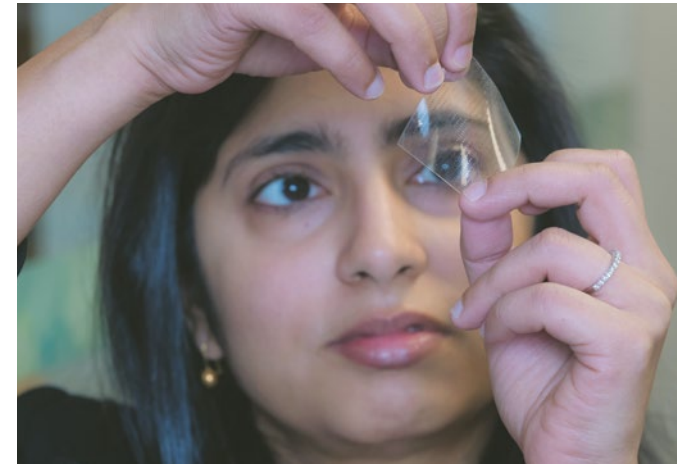
We are transforming research services to position RMIT to respond to changes in the research environment and better support researchers to achieve excellent research outcomes.



Professor Calum Drummond was awarded the Australian Academy of Science's prestigious Ian Wark Medal for outstanding advances in chemistry and materials science research, and contributions to Australia's prosperity. The national award recognised his achievements in understanding materials at the nanoscale that have enabled high-performing products to be developed and commercialised. Professor Drummond was also elected as a Fellow to the National Academy of Inventors (USA), a high professional distinction accorded to academic inventors.



Early career researcher Wenyue Zou was also named among 10 top innovators under 35 by MIT Technology Review for her work developing wearable UV sensors.



Trail blazing researcher, Associate Professor Madhu Bhaskaran was awarded the APEC Science Prize for Innovation Research and Education (ASPIRE), recognising young scientists who have demonstrated a commitment to excellence in innovation, research and education.

She was also the first woman to receive the Australian Academy of Technology and Engineering's Batterham Medal for Engineering Excellence, an Early Career Award for a graduate engineer who has achieved substantial peer/industry recognition for their work over the past five years.

These two achievements recognise Bhaskaran's work in developing unbreakable and transparent electronic devices that can be worn like an 'electronic skin'.

Her devices have practical, potentially life-saving applications that could help in the fight against skin cancer, detect dangerous gases in mines and create smart contact lenses that can analyse tears for biomarkers, creating real impact on the future of healthcare.

## Other 2018 research highlights included:

- A commercial licence agreement was signed with Melbourne-based start-up company, Atmo Biosciences, paving the way for the RMIT-developed gas-sensing capsule to revolutionise the diagnosis of gut disorders.
- An increase in Cooperative Research Centre (CRC) participation including the Digital Health, Fight Food Waste and Future Fuels Cooperative Research Centres and Defence-CRC Trusted Autonomous Systems. RMIT also participated in two successful CRC project applications with industry partners Sleepite and DefendTex.
- RMIT became a founding member of two new joint ventures, Frontier SI and Centre for New Energy Technologies.
- 20 Vice-Chancellor's outstanding researchers were recruited, including two Vice-Chancellor's Indigenous Research Fellows.
- The RMIT Professorial Academy was established and eight new Distinguished Professors were appointed.
- 1,400 people attended 2018 "Engaging for Impact: Academia and Industry Co-Creating Our Future" - a three-day event that included 450 industry participants sharing best practice to ensure research and innovation is relevant and creating value and impact for Australia and the world.
- A new online Higher Degree by Research admission system and streamlined HDR Policy suite were launched, improving the admission processes for RMIT's early researchers.
- The Venture Mentoring Service pilot was launched, an endorsed and supported sister-program based on the Massachusetts Institute of Technology (MIT) model. Thirty-five external senior executives volunteer as mentors for the program.



# Plans and Performance

## Industry and enterprise

Our goal to embed industry and enterprise in everything we do and support the needs of lifelong learners was highlighted by the continued growth of RMIT Activator and a new model for offshore delivery established in Singapore and Vietnam. More than 30 start-ups have now been supported and over \$1m in funding has been provided since Activator commenced.

Demand for alternative learning offers continued to increase in 2018, with RMIT Online seeing 37 per cent enrolment and 70 per cent revenue growth. This growth was primarily due to a strategic focus on courses designed to close skills gaps. 22 new short courses were launched as part of the future skills portfolio across blockchain, artificial intelligence, virtual and augmented reality, digital marketing, customer relationship management (CRM) and autonomous vehicles to name just a few. In line with this, the notable list of industry partners grew to 31, with Udacity, Stone and Chalk, Accenture, Adobe, Amazon Web Services and Salesforce joining likeminded partners including Atlassian, Slack and Isobar.

Our collaborative ties with Government, other educational institutions and industry also continued to grow, showcasing RMIT's ability to build successful relationships both within Australia and abroad. Initiatives included the Melbourne Innovation District (with the City of Melbourne and the University of Melbourne), the Centre for Innovative Justice (with the Department of Justice) which celebrated its fifth anniversary in 2018, and the Future Social Services Institute (with the Victorian Council of Social Services). RMIT also entered into the first-of-its kind local collaboration with Essendon Football Club, announced a major partnership between the Capitol Theatre and the Australian Centre for Moving Images (ACMI) and became part of Melbourne's vibrant summer of sport thanks to a new partnership with BBL team the Melbourne Renegades.

RMIT alumni form a diverse, creative and innovative global community, many of whom support current students via mentoring partnerships. Our mentoring program grew significantly, with more than 2,000 alumni now actively enhancing the student experience through mentoring or offering internships and/or paid employment within their own enterprises.

RMIT's connection with the creative community was clear, with more than 35,000 visitors to RMIT Gallery, RMIT Design Hub and the RMIT Design Archives, and 27 major exhibitions and public events held throughout the year.

Internationally, new education partnerships in India and Indonesia and a new microcred pathway program with Massachusetts Institute of Technology (MIT) served to widen RMIT's global impact.

## Global campuses

RMIT Europe implemented a transformative online model for students to take on global experiences in Europe from wherever they're located. Close to 500 students tackled real industry challenges with big names in Europe such as AECOM, Garnier Fructis and Daimler Financial Services. All the work was done virtually from the students' learning spaces at RMIT in Australia and as part of their RMIT courses.

RMIT Europe enhanced the University's global reputation on open innovation through the award of a €2.5 million European research project to lead a 22-member research consortium including research centres, industry groups and universities in Austria, Croatia, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain and Switzerland. The research is being led by RMIT's Global Business Innovation Enabling Capability Platform. Focused on open innovation, university-industry cooperation and research translation, the project will see more than 100 research and industry exchanges in Europe and Australia.

RMIT Europe connected RMIT researchers with world-leading research infrastructure and facilities in Europe to extend the global reach and impact of RMIT research. Researchers from the School of Science accessed a unique beam line at the ALBA Synchrotron in Barcelona for the first time. The School of Art signed an agreement for a cotutelle PhD to explore the intersection of art and science with CERN in Switzerland, the world's largest particle physics laboratory. Researchers from the Advanced Manufacturing and Fabrication Enabling Capability Platform signed an agreement with the Barcelona Supercomputing Centre that enabled an RMIT PhD student to use one of Europe's fastest supercomputers.

A new Melbourne-Vietnam University operating model was implemented in 2018, aligning Schools in Vietnam with relevant Colleges in Melbourne and bringing the communities closer together. Along with opening a new Foreign Language Training Centre in Danang, RMIT Vietnam entered into a number of new partnerships, including the Netherlands Organisation for applied scientific research to strengthen cyber expertise across the Internet of Things (IoT), blockchain, the dark web, and the Saigon Innovation Hub (SIHUB) to boost the region's start-up and innovation ecosystem; and Innove Technology Development Ltd to give students a competitive edge in 3D engineering design and simulation.

The University experienced its highest single semester intake in its history and broadened its role by serving as a hub for RMIT University in Asia, hosting its first-ever alumni and industry engagement events in Cambodia, Laos, Myanmar and South Korea.

RMIT Vietnam also won its 15th Golden Dragon Award. The awards are organised by the Vietnam Economics Times Group and recognise foreign-invested enterprises for their outstanding achievements and significant contributions to Vietnam's economy.

RMIT Training formed six new partnerships to deliver the RMIT Foundation Studies program, with some partners also offering an intensive English language course as pre-entry into Foundation Studies. As a result, RMIT Foundation Studies is now available in Sri Lanka, Malaysia, Cambodia and China, in addition to Melbourne, with all locations offering a pathway to RMIT University in Melbourne or Vietnam, or any other Australian university.

In Melbourne, the diverse global outlook of our RMIT community continued to grow, supported by increases in mobility and non-mobility global student experiences, with more than 3,500 global mobility participants and over 4,000 global experience cred badges completed. We also strengthened relations with our global alumni and development programs to promote cultural awareness.

KPI	Performance		
	2016	2017	2018
Research income (HERDC* Total)	\$41.2m	\$52.7m	N/A
Research income from industry and other public sector (HERDC Category 2-4)	\$26.9m	\$32.8m	N/A
Research collaboration —internationally co-authored research publications	49.1%	51.3%	54.6%
Research commercialisation — invention disclosures	27	42	44
Female Academic Participation—FTE	37.4%	38.4%	41.2%
Globalised world of work	More than 8,000 RMIT students participated in recognised global activities (4.4 per cent above the 2018 target)		
Global mobility programs	Student participation in global mobility programs increased by 21.5 per cent over 2017 numbers (10.3 per cent above the 2018 target)		
Industry-recognised micro-credentials	More than 4,000 globally focused micro-credential badges issued		

\*HERDC (Higher Education Research Data Collection) 2018 data not yet available. All figures exclude fees paid by Higher Degree by Research candidates

**As we review progress, it's clear we are well positioned to address existing and emerging challenges in our environment. Our opportunity is to build on and realise the full potential, to learn from our efforts, deepen capabilities, and scale the methods that work to fulfil our 2020 aspirations.**

Information contained in this section is based on a review of University level reporting, such as through Annual Operating Plan and Operating Plan Review reports, as well as inputs from college and portfolio staff. It is intended to provide a high-level view of progress to achieve RMIT's Ready for Life and Work ambitions.



# Diversity, Reconciliation, Inclusion and Community

RMIT committed to a diversity and inclusion framework as part of the Ready for Life and Work strategy, with six action plans. These action plans are ingrained into organisational practices, supported by a diversity, inclusion and equal opportunity policy and publicly available at:

[rmit.edu.au/about/our-values/diversity-and-inclusion](http://rmit.edu.au/about/our-values/diversity-and-inclusion)

**Students from low socio-economic backgrounds:**

Improve the enrolment of commencing domestic students from low socio-economic backgrounds.

**Aboriginal and Torres Strait Islander staff and students:**

Appoint, retain, develop and support Aboriginal and Torres Strait Islander staff, as outlined in Action Area four of the Reconciliation Action Plan.

**Gender equality for staff:**

Drive progress towards gender equality and ensuring diverse and balanced representation at every level of our organisation.

**Students and staff of diverse genders, sexes and sexualities:**

Promote a culture of inclusion and respect, through leadership actions, communications, events, training, and professional development for staff.

**Staff and students from culturally and linguistically diverse backgrounds:**

Promote a culture of inclusion and valuing diversity, through leadership actions, and communications, events and training.

**Staff, students and visitors with disability:**

provide an equitable and inclusive experience for all students and staff with disability

RMIT continues to make significant progress in recognising, embracing and growing RMIT diversity, and living by our values to ensure that RMIT remains an inclusive place to study and work. Our short-term actions form part of a long-term plan to make RMIT an employer of choice in diversity and inclusion.

## Reconciliation

Reconciliation at RMIT is underpinned by the section 5(f) objects of our enabling legislation. Our Reconciliation Plan 2016-2018 has provided the foundation for institutional transformation and maturing the relationship between Indigenous and non-Indigenous Australians within RMIT.

During the period of our first Reconciliation Action Plan (RAP) we set and exceeded our target of 85 per cent actions completed. RMIT also developed communities of practice within each college

and portfolio by appointing a RAP Champion, who was responsible for promoting and monitoring reconciliation in their area and reporting on achievements.

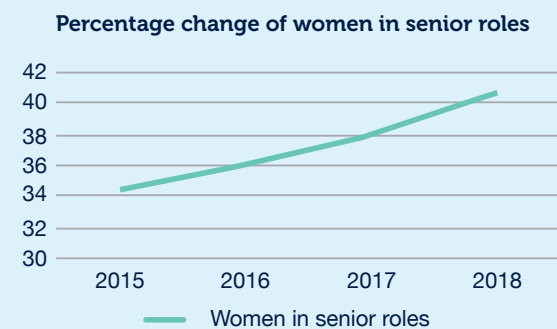
A number of colleges and portfolios also appointed Indigenous Reference Committees to monitor and report to their executive leaders on the progress of their Indigenous Engagement Plans.

The launch of Bundy Girri further highlights our commitment to our reconciliation journey at RMIT. Bundy Girri is the skill-based capability we're providing to all RMIT staff.

## Gender equality

RMIT remains committed to driving progress towards gender equality and ensuring diverse and balanced representation at every level of our organisation.

RMIT was named as an Employer of Choice for Gender Equality (EOCGE) from the Workplace Gender Equality Agency (WGEA) in 2018, based on significant progress made in 2017, including an increased proportion of females in executive positions (senior officers), from 38.6 per cent to 49.3 per cent. Progressing gender equity remained a strong focus in 2018, with females in executive positions remaining unchanged at 49.3 per cent and female representation in senior roles (HEW 10, executives, level D and E academics and Senior Educator 3) growing from 34.4 per cent in 2015 to 40.61 per cent in 2018. RMIT achieved gender parity for the governing council in 2017 which was also maintained in 2018.



RMIT also worked to support flexible ways of working for all staff, promote parental leave opportunities to fathers and encourage the career development of carers through the Achievement Relative to Opportunity option in academic promotion.

The proportion of women in STEM positions continued to be addressed through initiatives such as the Athena SWAN program and four-year action plan as well through recruiting female-only candidates for three of the eight Vice-Chancellor Research

Fellowships in the area of science and engineering: Advanced Manufacturing and Fabrication, Advanced Materials and Information and Systems (Engineering). RMIT Vietnam also continued to fund scholarships enabling Vietnamese women to gain doctorates, supporting participation in research and leadership within traditionally male dominated fields.

The University also launched RMIT Women Connect, a program to help female staff in Vietnam build their professional and personal identities.

## Diverse genders, sexes and sexualities

RMIT was awarded Gold Employer status in the Australian Workplace Equality Index (AWEI) in recognition of our commitment to celebrating the diverse genders, sexes and sexualities (DGSS) of our community.

After being named as a Bronze Employer in 2017, the Gold accolade - the second highest honour in the AWEI's benchmarking system for LGBTIQ+ workplace inclusion - demonstrated our continuous improvement in building a culture of inclusion and diversity for all staff and students from the DGSS community. RMIT was also recognised as the highest-ranking university in the 2018 AWEI.

## Changing the course on sexual harm

In line with the 'Changing the Course' three-year framework developed in 2017, we continued our focus on building a community where every student and staff member felt safe, respected, valued and treated equally.

Actions included implementation of an online respectful relationship course, and delivery of face-to-face bystander intervention training, with a particular focus on student clubs and student leaders.

A program of education on how to respond to a disclosure of sexual harm was rolled out to all staff, and a restorative engagement program was developed with the Centre for Innovative Justice. In line with this commitment, the Vice-Chancellor and the RMIT executive team undertook specialist training in responding to sexual assault disclosures and restorative conferencing.

We also made our promise very public, inviting the RMIT community members to play a role through the 'Be the Change' campaign, designed to drive a culture of gender-based respect.

## Access

Ensuring RMIT is physically, technologically and culturally accessible for people with disability was a key focus in 2018. RMIT was proud to be recognised as a top five employer for workplace accessibility with the Australian Network on Disability. RMIT also participated in the PACE mentoring program for students with disability.

230 (228 in 2017) 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 2018 entry, on par with 2017 delivery.

In 2018, RMIT Vietnam awarded 110 scholarships worth 32 billion VND (\$1.6 million AUD) to prospective and current students at scholarship awards ceremonies at its Saigon South and Hanoi campuses.

RMIT Vietnam was also awarded the 2018 Duty of Care Award at the International SOS Foundation Global Duty of Care Summit. The awards acknowledge best practice actions to mitigate travel, health and security risks, and the University was recognised for its efforts in enhancing the experience and safety of its international students.

Students have access to a range of support services which are detailed on the following website:

[rmit.edu.au/students/support-and-facilities/student-support](http://rmit.edu.au/students/support-and-facilities/student-support)

## Employment and conduct principles

RMIT is an equal opportunity employer committed to being a child safe organisation and dedicated to attracting, retaining and developing people regardless of gender identity, ethnicity, sexual orientation, disability and age.

The primary document governing employment and conduct principles is the Code of Conduct. This is supported by other policies including; Staff Ethics and Integrity Policy, Sexual Harassment Policy, Conflict of Interest Policy, the Gift Benefits and Hospitality Policy and Commitment Statement on Staff / Student Relationships.



# Sustainability

RMIT is committed to engaging with its community of passionate people to embed sustainability across learning and teaching, research and operations. Positive progress has been made in this space. While the completion of the Sustainable Urban Precincts Program (SUPP) in 2017 enabled us to achieve our carbon emissions reduction target—25 per cent by 2020—four years early, the program continued to draw accolades in 2018 with RMIT named as a finalist in the Victorian Premier’s Sustainability Awards ‘Built Environment’ category.

## Carbon neutral 2030

An RMIT Carbon Management Plan was adopted in 2018 and sets the new strategic direction for climate action. The plan maps practical actions to meet the University’s new voluntary target to become carbon neutral by 2030. As part of this plan, construction commenced in 2018 on our new windfarm outside Ararat as part of the Melbourne Renewable Energy Project (MREP), from which RMIT will source 25 per cent of our electricity from 2019 onwards. As a key city partnership and innovative finance model for renewable energy, MREP won the Premier’s Sustainability Award (Best Government Project).

We also installed a further 1,500 solar panels on our campuses, bringing the total generation capacity to 600kW. Along with infrastructure upgrades these initiatives allowed us to achieve a 45 per cent reduction in emissions by the end of 2018 (against a 2007 baseline).

## Resource table\*

Resource Usage	2007 (Baseline)	2016	2017	2018
Greenhouse gas emissions (tCO2-e)	78,048	55,502	51,731	42,551
Emissions offset (tCO2-e)	1,648	13,000	12,000	8,000
Water consumption per EFTSL (kL/EFTSL*)	6.0	5.4	5.6	5.0

\*GFA - Gross Floor Area, EFTSL - Equivalent full-time study load

## Skills for sustainability

Four new sustainability micro-credentials were produced as part of a University-wide digital credentials program designed to help students develop their skills and experiences, actively preparing them for future life and work. The creds include *Sustainability 101*, *Learning to Walk the Talk*, *Ethical Cities and Sustainable Change* and were developed in partnership with industry to provide students with strong foundational knowledge of sustainability. The sustainability micro-creds have also been customised to form part of our staff professional development program.

## Creating impact

In 2018 we formalised our commitment to tackling global challenges by creating a role dedicated to the UN Sustainable Development Goals (SDG). The new Senior Advisor, Sustainable Development supports the Sustainability Committee to implement innovative projects to raise awareness, foster collaboration, measure impact and communicate our contributions to the SDGs across the University. This project aims to leverage our global strengths to foster partnerships to deliver meaningful change.

2018 was the first year of Green Impact at RMIT – a behaviour change and engagement program designed to help staff and students understand sustainability and social responsibility and show them what they can do to embed these practices at work. More than 200 actions were completed by staff across Melbourne and Vietnam which were audited by students. 10 students were trained as auditors (accredited by the International Society of Sustainability Professionals), resulting in newly learned skills and academic recognition.



## Recognition

In 2018 RMIT received the Green Gown award for Continuous Improvement Institutional Change. This award category is unique in recognising a whole-of-institution approach to sustainability. It is an acknowledgement that we delivered on our sustainable infrastructure commitments, engaged our community and embraced our diverse and dynamic population of students and staff.

Having demonstrated the performance of the New Academic Street Project which transformed the heart of our campus into a vibrant and sustainable environment, it was also awarded a 5-Star Green Star Interiors (Pilot) rating in 2018. This serves as recognition for the sustainability attributes of the project and is recognised by the Green Building Council of Australia (GBCA) as ‘Australian Excellence’.

	2018
Reduction in emissions from 2007 baseline	-45.5%
Reduction in water consumption from 2007 baseline	-17.3%

\*RMIT has amended previous data to represent the net building emissions and water consumption to better align with University sector reporting.

In relation to FRD 24D, RMIT is classified as a ‘public sector entity’. RMIT produces a Sustainable Annual Report in accordance with the Global Reporting Initiative (GRI) Standard which details sustainability indicators and achievements beyond the requirements of FRD 24D. The sustainability report is available at [rmit.edu.au/sustainability](http://rmit.edu.au/sustainability)



# Financial Performance



## The consolidated 2018 net operating result for RMIT University and its subsidiaries was \$89.4 million, continuing the strong financial performance of recent years.

The University met all financial budget objectives in 2018:

1. Revenue of \$1.3 billion exceeded the budgeted target by 7 per cent
2. Earnings before Interest Tax and Depreciation (EBITDA) of \$156.2 million as per the the budgeted target

For the consolidated group, revenue increased to \$1,433.0 million in 2018 from \$1,306.5 million in 2017. Expenditure increased to \$1,340.0 million from \$1,223.8 million, resulting in the operating result of \$89.4 million after income tax. Cash balances for the group ended the year at \$43.0 million.

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

Revenue increased to \$1,310.6 million from \$1,194.4 million. Australian Government Financial Assistance – including HECS-HELP and VET FEE-HELP – increased to \$616.9 million from \$599.8 million driven by an increase in student numbers.

Vocational Education State Government funding totalled \$47.9 million, an increase of \$1.0 million on 2017. VET FEE-HELP was replaced by the VET Student Loan program in 2017 and combined revenue from both sources decreased to \$14.2 million from \$22.3 million.

Course fees and charges increased to \$503.7 million from \$427.3 million, or 18 per cent. International fee-paying student revenue increased by \$71.5 million to \$463.2 million, or 18 per cent. Other fees and charges increased by 13.8 per cent to \$15.0 million, the majority of which is used to fund student activities.

Expenditure increased by 11 per cent to \$1,271.2 million, from \$1,142.0 million in 2017.

Employee benefits and on-costs increased by 8.5 per cent to \$728.2 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 and for enterprise-wide projects.

IT expenditure (business as usual, excluding projects) was \$69.6 million in 2018. In addition, IT project expenditure was \$37.0 million (\$23.0 million operational expenditure and \$14.0 million capital expenditure). Substantial investments were made in rapidly evolving

digital technologies and associated cloud-infrastructure to deliver a contemporary and dynamic learning experience to students, as well as enabling more effective and efficient ways of working for staff.

Repairs and maintenance was maintained at the same level as the previous year at \$19.8 million.

The operating result attributed to VE was a profit of \$1.4 million in line with 2017. Revenue decreased slightly by \$0.5 million to \$182.6 million, driven by a lower student load and total expenses decreased by \$0.5 million to \$181.2 million.

Current assets decreased to \$104.2 million from \$134.9 million, due to a reduction in cash and cash equivalents as the minimum cash holding requirement was approved to reduce from \$60.0 million to \$30.0 million in light of debt facilities in place.

Current liabilities increased by \$47.4 million mainly due to an increase in trade creditors.

The net value of property, plant and equipment has increased by \$57.9 million, largely driven by completion of several property projects.

Total outstanding syndicated loan facilities at the end of 2018 were \$246.3 million compared to \$290.0 million at the end of 2017, as surplus cash was used to pay down debt and reduce financing charges.

The total US\$100.0 million loan from US private investors was drawn down in January 2018. The funding is at fixed cost with the tenor of 20, 25 and 30 years. Foreign exchange on this loan has been hedged across the relevant tenor.

From a main subsidiaries perspective, RMIT Vietnam delivered a profit of \$8.7 million, compared to \$2.0 million in 2017 due to improvements in the performance of the underlying business, as well as foreign exchange gains and an increase in finance income received during the year.

RMIT Training delivered a \$4.0 million profit compared to a \$13.1 million in 2017. Before an \$8.0 million donation to RMIT University the underlying result was down \$1.1 million year on year predominantly due to continuing weakness in the English Language market in Australia.



# Governance

## Governance Summary

### Council

RMIT University is governed by a Council that in 2018 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 the 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 Hon. Gayle Tierney MP, Minister for Training and Skills and the Minister for Higher Education.

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

The Chancellor presides as Chairperson at every meeting of Council and is responsible for providing leadership to the Council in achieving its role as set out in the Act. The Chancellor ensures that appropriate mechanisms are in place for monitoring and evaluating the Council's effectiveness and enables all members to contribute as independent individuals.

The Chancellor provides advice and support to the Vice-Chancellor and facilitates constructive communication between Council and the senior management of the University.

The Chancellor represents Council in internal and external forums, participates in graduation ceremonies and champions RMIT's strategic objectives and activities with business, industry, government and the wider community.

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 external evaluation was conducted in 2018. As well as its regular meetings, Council had two strategic discussions in 2018, the first focusing on future risks and opportunities, and the second on research and innovation.

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.





# Council Members

## Dr Ziggy Switkowski AO Chancellor (ex-officio)

BSc (Hons), PhD (Melbourne),  
FAA, FTSE, FAICD

Dr Switkowski was appointed as Chancellor in January 2011. He is Chairman of NBN Co and a Director of listed companies Tabcorp Holdings and Healthscope Ltd. He is a former Chairman of Suncorp Group, the Australian Nuclear Science and Technology Organisation and of Opera Australia. He has previously held positions as Chief Executive Officer of Telstra Corporation Limited and Optus Communications Ltd.

Dr Switkowski is a Fellow of the Australian Academy of Technological Sciences and Engineering, the Australian Academy of Science and the Australian Institute of Company Directors. In 2014, he was made an Officer of the Order of Australia in recognition of service to tertiary education administration, scientific organisations and the telecommunications sector, to business, and to the arts.

## Mr Martin Bean CBE Vice-Chancellor and President (ex-officio)

BEd (Adult) (UTS), LLD (Hon) (London)

**Other directorships:** N/A

## Professor David Hayward Chair, Academic Board (ex-officio)

BA, GradDipUrbSoc (Swinburne),  
PhD (Monash), GMAICD, MAIPA  
Member since 11 February 2014

**Other directorships:** Director,  
Future Social Service Institute

## Professor Gary Hogan AM, CSC

**Position: Executive Director,  
Australian Postgraduate Research  
Internship Program, Australian  
Mathematical Sciences Institute**

BA (Hons), Master of Defence  
Studies (UNSW)

Appointed by Governor in Council  
Member since 13 October 2014

**Other directorships:** N/A

## Associate Professor Debra Bateman

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

DipTeach, BEc, MEd (Thesis), PhD (ACU),  
GCHE (Deakin)

Elected RMIT staff member, three-year term  
Member since 1 August 2016

**Other directorships:** Victoria Police Blue  
Ribbon Foundation

## Mr Bruce Akhurst

BEC (Hons) (Monash), LLB,  
Business Law, FAICD

Appointed by RMIT Council  
Member since 1 August 2013

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

## Ms Judith Bornstein

LLB (Hons) (Melb), MAICD

Appointed by the Minister  
Member since 1 April 2017

**Other directorships:** N/A

## Emeritus Professor Stephen Duckett

BEC (ANU), MHA, PhD, DSc (UNSW), DBA  
(Bath), DipEd (Tert) (DDIAE), DipLegStud (La  
Trobe), FASSA,  
FAHMS, FAICD

Appointed by RMIT Council  
Member since 7 April 2014

**Other directorships:** South Australian  
Health Performance Council, Eastern Melbourne  
Primary Health Network, Brotherhood of  
St Lawrence, St Peter's Anglican Church,  
Eastern Hill

## Ms Megan Haas

BBus (IT & Accountancy) (RMIT),  
Affiliate Chartered Accountants ANZ,  
INSEAD (Business Dynamics)

Appointed by RMIT Council  
Member since 1 February 2017

**Other directorships:** Partner, Cyber  
and Forensic Services, PwC

## Ms Janet Latchford

BCom (Melb), FCPA, GAICD

Appointed by Governor in Council  
Appointed Deputy Chancellor  
8 September 2014 – 31 December 2016  
Re-appointed Deputy Chancellor for 3 years  
from 8 September 2017, by Council on  
15 August 2017

Member since 18 May 2010

**Other directorships:** RCD Foundation,  
Epworth Research Institute

## Ms Rhonda O'Donnell

GradDip (InnovServMgt), MAppSc,  
(InnovServMgt) (RMIT), FAIM,  
MAICD, MAHRI

Appointed by Governor in Council  
Member since 23 September 2008

**Other directorships:** MTAA  
Superannuation Fund Pty Ltd,  
O'Donnell Global Solutions



## Ms Anne Ward

BA, LLB (Melb) FAICD

Appointed by RMIT Council  
Member since 28 May 2015

**Other directorships:** Colonial First State  
Investments Limited (Chair), Avanteos  
Investments Ltd (Chair) and Colonial  
Mutual Superannuation Pty Ltd (Chair),  
Qantas Superannuation Ltd (Chair),  
MYOB Group Ltd, Redbubble Ltd

## Ms Sadaf Hadi Elected student member. One-year term

Term of Office: 1 November 2018  
to 31 October 2019

**Other directorships:** N/A

## Ms Abena Dove Elected student member, One-year term

Term of office: 1 November 2017  
to 31 October 2018

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

## Attendance at Council and Committees

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



# Council Committees

## Audit and Risk Management Committee

**Chair:** Ms Megan Haas  
**Members:** J Latchford, A Ward

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. It meets to:

- Review the annual financial statements and make a recommendation to Council as to whether to authorise the statements before they are released to Parliament by the Responsible Minister
- Monitor the adequacy and effectiveness of the University's accounting, financial and internal controls, including policies and processes to assess, monitor and manage these controls
- Oversee the University's relationship with VAGO, including reviewing and agreeing the scope of the external audit plan and review reports and management letters from VAGO on accounting procedures and recommendations for improvements in internal controls and management responses
- Provide oversight of the internal audit function, including reviewing the activities, resources, organisational structure and operational effectiveness of the internal audit function and making recommendations to Council
- Monitor the University's strategic and academic risk profile and provide an objective view to Council on the effectiveness of the University's risk management framework
- Review the University's systems and processes for ensuring compliance with laws, regulations and internal policies, and the results of management's investigation and follow-up of any instances of non-compliance.

## Academic Board

**Chair:** Professor David Hayward

As required by the RMIT Act, Council must establish an Academic Board which is responsible for 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 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

**Chair:** Ms Janet Latchford  
**Members:** Z Switkowski, S Duckett

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, to review senior executive remuneration and to monitor that RMIT has an effective human resources strategy in place to meet the strategic objectives of the University. The Committee meets to:

- Recommend candidates for Council vacancies to Council or to the Minister for Training and Skills and the Minister for Higher Education as appropriate to ensure the Council has an effective balance of relevant skills, experience and knowledge
- Recommend to Council a person to be appointed or reappointed as Chancellor and Deputy Chancellor
- Recommend to Council membership of Council committees and oversee the appointment of directors to RMIT 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.

## Infrastructure and Information Technology Committee

**Chair:** Mr Bruce Akhurst  
**Members:** Z Switkowski, M Bean, D Hayward, J Bornstein, G Hogan, R O'Donnell

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
- 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
- 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.

The full terms of reference for Council subcommittees can be found at: [rmit.edu.au/staff/our-structure/governance](https://rmit.edu.au/staff/our-structure/governance)



## RMIT Subsidiaries

All University subsidiaries are governed by a Board of Directors. Financial performance is reported monthly, while operational highlights and risk management are reported at least annually to Council, or as required.

### RMIT Holdings Pty Ltd

RMIT Holdings Pty Ltd is wholly owned by RMIT University with a purpose to fund the University's activities and investments into 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 Pty Ltd is a holding company for RMIT University Vietnam LLC. RMIT University Vietnam LLC has proudly operated as a legal entity in Vietnam for 17 years and 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. Since 2011, there have been 20 jointly-funded projects between research partners in Vietnam and RMIT.

**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 17 years, RMIT Vietnam has awarded more than 270 billion VND (\$16 million AUD) of scholarships to people from Vietnam and around the world.

### RMIT University Indonesia Pty Ltd

In October 2016 RMIT University established a representative office in Jakarta. The presence signifies an increased long-term commitment to strengthening and deepening engagement in Indonesia, which already spans a range of activities and sectors including joint RMIT and Universitas Pelita Harapan (UPH) degrees delivered in Indonesia, English language for industry training, research projects with many of Indonesia's premier universities and connections with multi-national organisations and industry associations based in Indonesia.

With many of RMIT's core strengths including supply chain and logistics, sustainable cities, construction management and education delivery aligned to the country's development and investment plans, RMIT believes it can bring expertise and experience to assist in the progressive development of Indonesia.

### RMIT Spain SL

RMIT Spain – operating as RMIT Europe – is RMIT's gateway to European research, industry, government and enterprise. Established in 2013 and based in Barcelona, the hub connects RMIT to Europe for research and innovation outcomes including collaborative research and development with industry, European research project consortia membership as well as HDR opportunities.

For RMIT students, the hub supports study tours in Europe, sources internships and real business challenges for students, and manages relationships with RMIT's study abroad and exchange partners in Europe. In 2018, the hub extended its activity to operate as a platform into Europe for RMIT functions including international student recruitment and alumni engagement.

### RMIT Training Pty Ltd

RMIT Training Pty Ltd 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 degrees at university, including Foundation Studies and ELICOS English language programs. These 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.

### RMIT Online Pty Ltd

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.

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





# Statutory Reporting

## Freedom of information

During the reporting period 1 January to 31 December 2018, RMIT received 15 applications under the Freedom of Information Act 1982 (Vic):

- Access granted in full: 1
- Access granted in part: 2
- Pending: 3
- Lapsed: 6
- Withdrawn: 2
- Refused: 0
- No documents exist: 1
- Other (applications under Sections 34 and 39): 0
- The University is subject to the provisions of the Freedom of Information Act and has in place procedures to ensure that it meets its compliance obligations.

## Protected disclosure

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 Chief Audit and Risk Officer and queries may be directed to that officer.

The Protected Disclosure Policy Process is available online at: [rmit.edu.au/about/governance-and-management/policies/staff-ethics-integrity-policy/protected-disclosure-process](http://rmit.edu.au/about/governance-and-management/policies/staff-ethics-integrity-policy/protected-disclosure-process)

## Buildings

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. Additionally, RMIT has received certification against the International Standard for Strategic Asset Management System, ISO 55001.

The certification is acknowledgement by way of annual independent audit; that the strategy, asset planning and supporting systems pertaining to the maintenance and strategic replacement of University assets is robust and best in class.

## Carers Act

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 obligations of the Carers Recognition Act 2012 as it applies to the University as a 'care support organisation'. In 2018 the University renegotiated its enterprise agreement, embedding flexibility provisions into the work hours clause.

## Report of operations

The RMIT Annual Report 2018 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 2018, 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 2018 schedules are available on the RMIT website at: [rmit.edu.au/study-with-us/applying-to-rmit/local-student-applications/fees/approved-schedule-of-fees-and-charges](http://rmit.edu.au/study-with-us/applying-to-rmit/local-student-applications/fees/approved-schedule-of-fees-and-charges)

In 2018 RMIT University has collected \$13.6m 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.

\$4.2m of the collected compulsory non-academic fees were paid directly to RMIT University Student Union (RUSU). RUSU uses these funds to advance the education, welfare, social and cultural lives of all RMIT students.

## Tuition fees

In 2018, domestic non-government funded fees increased by an average of 4.5 per cent. International onshore student fees were increased by an average of 5 per cent.

## Course material and administrative fees

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

## Financial management

Consistent with the requirements of the Financial Management Act 1994 and subject to the provisions of the FOI Act, information on the following items is retained by the Accountable Officer and available on request:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
  - consultants/contractors engaged;
  - services provided; and
  - expenditure committed to for each engagement

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 Email: [enterprise.risk.management@rmit.edu.au](mailto:enterprise.risk.management@rmit.edu.au)



## Statutory Reporting

### Risk management and internal audit

RMIT 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 RMIT is willing to seek or accept in the pursuit of its objectives

- a Council appointed Audit and Risk Management Committee (ARMC) 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
- an annual review and update of the RMIT risk profile
- active management and monitoring by all Colleges and portfolios during the year to ensure that appropriate mitigation measures are in place and risk exposures remain consistent with RMIT's objectives and risk appetite
- the provision of risk management support, advice, assessment tools and training for RMIT 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 RMIT

- an insurance program that protects RMIT from financial loss as a result of physical loss of, or damage to, assets and activities, as well as injuries to RMIT 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: 28 February 2019

## Consultants

The total number of consultancy engagements during the reporting period to end of December 2018 that are individually valued at \$10,000 or greater (exclusive of GST) is 35, and the correspondent total expenditure for the reporting period (exclusive of GST) on these consultancies is \$5.9m.

Details of consultancies valued at \$10,000 or greater (exclusive of GST) have been made publicly available on the following website:  
[rmit.edu.au/about/governance-and-management/annual-reports/consultancies](http://rmit.edu.au/about/governance-and-management/annual-reports/consultancies)

The total number of consultancies that are individually valued at less than \$10,000 (exclusive of GST) is five, and the total expenditure for the reporting period (exclusive of GST) on these engagements is \$15,000.

The details of each individual engagement can be obtained from the Office of Chief Operating Officer on request.

## Objects of the 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 Hon. Gayle Tierney MP, Minister for Training and Skills and the Minister for Higher Education.

### The objects of the University under the Act include:

- provide and maintain a teaching and learning environment of excellent quality offering higher education at an international standard
- 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
- 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
- equip graduates of the University to excel in their chosen careers and to contribute to the life of the community
- serve the Victorian, Australian and international communities and the public interest by:
  - enriching cultural and community life
  - elevating public awareness of educational, scientific and artistic developments
  - promoting critical and free enquiry, informed intellectual discourse and public debate within the University and in the wider society
- using 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:
  - realising Aboriginal and Torres Strait Islander aspirations
  - safeguarding the ancient and rich Aboriginal and Torres Strait Islander cultural heritage
- providing programs and services in a way that reflects principles of equity and social justice
- confer degrees and grant diplomas, certificates, licences and other awards
- utilise or exploit its expertise and resources, whether commercially or otherwise.



RMIT

**Contents**

For the Year Ended 31 December 2018



# Financial Statements

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COUNCILLORS' DECLARATION  
YEAR ENDED 31 DECEMBER 2018



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 2018 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 2018 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 2018 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 5<sup>th</sup> day of March 2019

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 2018
- 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 significant accounting policies
- councillor's 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 2018 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. I further describe my responsibilities under that Act and those standards 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 Victoria. 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  
12 March 2019



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 2018, 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  
12 March 2019

  
Charlotte Jeffries  
as delegate for the Auditor-General of Victoria

## Income Statement for the year ended 31 December 2018

	Note	Consolidated		RMIT	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Income from continuing operations</b>					
Australian government financial assistance	2	616,863	599,756	616,863	599,756
State and local government financial assistance	3	47,903	49,379	47,903	49,379
HECS-HELP - Student payments		20,445	19,161	20,445	19,161
Fees and charges	4	645,576	547,585	518,710	440,407
Investment income	5	11,247	8,362	9,209	6,893
Consultancy and contracts	6	47,312	42,521	53,489	48,779
Other revenue	7	43,641	39,779	44,000	29,993
<b>Total income from continuing operations</b>		<b>1,432,987</b>	<b>1,306,543</b>	<b>1,310,619</b>	<b>1,194,368</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	9	798,282	733,539	728,175	670,896
Depreciation and amortisation	17 & 18	112,141	99,422	105,619	94,020
Repairs and maintenance		19,928	19,740	19,808	19,661
Borrowing costs	10	10,478	8,077	11,271	8,643
Impairment of assets	11	3,245	(76)	3,006	(3,103)
Other expenses	12	395,963	373,085	403,352	351,846
<b>Total expenses from continuing operations</b>		<b>1,340,037</b>	<b>1,233,787</b>	<b>1,271,231</b>	<b>1,141,963</b>
<b>Net result before income tax</b>		<b>92,950</b>	<b>72,756</b>	<b>39,388</b>	<b>52,405</b>
Income tax expense	13	(3,538)	(1,839)	(1,981)	(1,447)
<b>Net result after income tax for the period</b>		<b>89,412</b>	<b>70,917</b>	<b>37,407</b>	<b>50,958</b>

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



## Statement of Comprehensive Income

for the year ended 31 December 2018

	Note	Consolidated		RMIT	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
<b>Net result after income tax for the period</b>		<b>89,412</b>	<b>70,917</b>	<b>37,407</b>	<b>50,958</b>
<b>Items that will be reclassified to profit or loss</b>					
Transfer to income statement on asset disposals	24	-	(1,138)	-	(1,138)
Gain/(loss) on cash flow hedges	24	(14,059)	(5,103)	(14,059)	(5,103)
Exchange differences on translation of foreign operations	24	7,646	(1,793)	-	-
Transfers out	24	(21)	-	(21)	-
<b>Total items that will be reclassified to profit or loss</b>		<b>(6,434)</b>	<b>(8,034)</b>	<b>(14,080)</b>	<b>(6,241)</b>
<b>Items that will not be reclassified to profit or loss</b>					
Gain/(loss) on revaluation of land, buildings and artworks	24	-	184,198	-	184,198
Deferred government superannuation contributions		13,577	8,346	13,577	8,346
Deferred employee benefits for superannuation		(13,577)	(8,346)	(13,577)	(8,346)
Transfer to/(from) retained earnings	24	-	-	-	36,772
Changes in the fair value of equity investments at FVOCI	24	458	7,203	458	7,203
<b>Total items that will not be reclassified to profit or loss</b>		<b>458</b>	<b>191,401</b>	<b>458</b>	<b>228,173</b>
<b>Total comprehensive income</b>		<b>83,436</b>	<b>254,284</b>	<b>23,785</b>	<b>272,890</b>

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

## Statement of Financial Position

as at 31 December 2018

	Note	Consolidated		RMIT	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	14	42,962	75,745	33,536	69,350
Receivables	15	60,702	54,092	57,909	54,695
Inventories		19	20	-	-
Other financial assets	16	65,524	53,279	-	-
Other non-financial assets	19	15,148	12,985	12,752	10,897
<b>Total current assets</b>		<b>184,355</b>	<b>196,121</b>	<b>104,197</b>	<b>134,942</b>
<b>Non-current assets</b>					
Receivables	15	301,926	288,940	301,796	288,876
Property, plant and equipment	17	2,790,036	2,729,775	2,736,542	2,678,653
Deferred tax asset	13	540	626	-	-
Intangible assets	18	6,930	10,650	6,779	10,437
Other financial assets	16	109,840	102,539	111,567	104,266
<b>Total non-current assets</b>		<b>3,209,272</b>	<b>3,132,530</b>	<b>3,156,684</b>	<b>3,082,232</b>
<b>Total assets</b>		<b>3,393,627</b>	<b>3,328,651</b>	<b>3,260,881</b>	<b>3,217,174</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	20	153,785	141,444	219,025	168,078
Borrowings	21	3,375	3,375	3,375	3,375
Provisions	22	149,611	157,854	142,771	151,474
Current tax liabilities	13	2,492	3,845	2,458	3,845
Other liabilities	23	72,011	65,828	63,458	56,935
<b>Total current liabilities</b>		<b>381,274</b>	<b>372,346</b>	<b>431,087</b>	<b>383,707</b>
<b>Non-current liabilities</b>					
Trade and other payables	20	5,527	4,576	5,527	4,576
Borrowings	21	261,803	308,850	261,803	308,850
Provisions	22	324,623	317,036	324,185	316,497
<b>Total non-current liabilities</b>		<b>591,953</b>	<b>630,462</b>	<b>591,515</b>	<b>629,923</b>
<b>Total liabilities</b>		<b>973,227</b>	<b>1,002,808</b>	<b>1,022,602</b>	<b>1,013,630</b>
<b>Net assets</b>		<b>2,420,400</b>	<b>2,325,843</b>	<b>2,238,279</b>	<b>2,203,544</b>
<b>EQUITY</b>					
<b>RMIT entity interest</b>					
Reserves	24	1,012,851	1,022,817	1,004,295	1,021,907
Retained earnings	25	1,407,549	1,303,026	1,233,984	1,181,637
<b>Total equity</b>		<b>2,420,400</b>	<b>2,325,843</b>	<b>2,238,279</b>	<b>2,203,544</b>

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 2018

	Consolidated		
	Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000
<b>Balance at 1 January 2018</b>	<b>1,022,817</b>	<b>1,303,026</b>	<b>2,325,843</b>
Retrospective changes	(3,990)	15,111	11,121
<b>Balance as restated</b>	<b>1,018,827</b>	<b>1,318,137</b>	<b>2,336,964</b>
Net result	-	89,412	89,412
Exchange differences on translation of foreign operations	7,646	-	7,646
Gain/(loss) on cash flow hedges	(14,059)	-	(14,059)
Transfers in/(out)	(21)	-	(21)
Changes in the fair value of equity investments at FVOCI	458	-	458
<b>Balance at 31 December 2018</b>	<b>1,012,851</b>	<b>1,407,549</b>	<b>2,420,400</b>
<b>Balance at 1 January 2017</b>	<b>839,450</b>	<b>1,229,346</b>	<b>2,068,796</b>
Net result	-	70,917	70,917
Gain/(loss) on revaluation of land, buildings and artworks	184,198	-	184,198
Changes in the fair value of equity investments at FVOCI	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
<b>Balance at 31 December 2017</b>	<b>1,022,817</b>	<b>1,303,026</b>	<b>2,325,843</b>
	RMIT		
	Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000
<b>Balance at 1 January 2018</b>	<b>1,021,907</b>	<b>1,181,637</b>	<b>2,203,544</b>
Retrospective changes	(3,990)	14,940	10,950
<b>Balance as restated</b>	<b>1,017,917</b>	<b>1,196,577</b>	<b>2,214,494</b>
Net result	-	37,407	37,407
Gain/(loss) on cash flow hedges	(14,059)	-	(14,059)
Transfers out	(21)	-	(21)
Changes in the fair value of equity investments at FVOCI	458	-	458
<b>Balance at 31 December 2018</b>	<b>1,004,295</b>	<b>1,233,984</b>	<b>2,238,279</b>
<b>Balance at 1 January 2017</b>	<b>799,975</b>	<b>1,167,451</b>	<b>1,967,426</b>
Net result	-	50,958	50,958
Gain/(loss) on revaluation of land, buildings and artworks	184,198	-	184,198
Changes in the fair value of equity investments at FVOCI	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)	-
<b>Balance at 31 December 2017</b>	<b>1,021,907</b>	<b>1,181,637</b>	<b>2,203,544</b>

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 2018

	Note	Consolidated		RMIT	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
Australian government grants received		591,895	584,885	591,895	584,885
OS-HELP (net)		1,084	151	1,084	151
Superannuation supplementation		23,212	21,512	23,212	21,512
State government grants received		47,903	49,379	47,903	49,379
HECS-HELP - Student payments		20,445	19,161	20,445	19,161
Receipts from student fees and other customers		767,076	644,034	612,626	521,237
Dividends received		6,792	527	6,792	527
Interest received		3,042	4,212	1,862	1,864
Payments to suppliers and employees (inclusive of GST)		(1,283,231)	(1,196,870)	(1,143,957)	(1,080,712)
Interest and other finance costs		(7,522)	(8,939)	(8,315)	(8,958)
GST recovered/(paid)		33,970	39,307	34,050	39,508
Income tax paid		(4,636)	(3,119)	(3,368)	(2,599)
<b>Net cash provided by/ (used in) operating activities</b>	30	<b>200,030</b>	<b>154,240</b>	<b>184,229</b>	<b>145,955</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		4,463	461	4,440	522
Payments for financial assets		(12,244)	(4,245)	-	-
Payments for intangible assets		(76)	(93)	-	-
Payments for property, plant and equipment		(169,167)	(224,911)	(164,593)	(219,530)
<b>Net cash provided by/ (used in) investing activities</b>		<b>(177,024)</b>	<b>(228,788)</b>	<b>(160,153)</b>	<b>(219,008)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		235,485	537,500	235,485	537,500
Repayment of borrowings		(295,375)	(472,275)	(295,375)	(472,275)
<b>Net cash provided by/ (used in) financing activities</b>		<b>(59,890)</b>	<b>65,225</b>	<b>(59,890)</b>	<b>65,225</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(36,884)</b>	<b>(9,323)</b>	<b>(35,814)</b>	<b>(7,828)</b>
Cash and cash equivalents at the beginning of the financial year		75,745	87,098	69,350	77,178
Effects of exchange rate changes on cash and cash equivalents		4,101	(2,030)	-	-
<b>Cash and cash equivalents at the end of the financial year</b>		<b>42,962</b>	<b>75,745</b>	<b>33,536</b>	<b>69,350</b>

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 2018

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**Notes to the Financial Statements**

for the year ended 31 December 2018

**1 Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out within the financial statements. Financial statement notes are grouped together with related principal accounting policies, where they are similar in nature. Key estimates and judgments are included directly below. These policies have been consistently applied to all years reported, unless otherwise stated. The financial statements include separate statements for Royal Melbourne Institute of Technology (RMIT) as the parent entity and the consolidated entity (the Group) consisting of RMIT and its subsidiaries.

The principal address of RMIT is Building 1, 124 LaTrobe Street, Melbourne, Victoria, 3000.

**(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 (AAS) and other authoritative pronouncements of the AAS Board.

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)*
- *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 AAS 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 5 March 2019.

**Historical cost convention**

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

**Critical accounting estimates**

The preparation of financial statements in conformity with AAS 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.

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 estimates and underlying assumptions are reviewed on an ongoing basis. 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 2018 and the results of all subsidiaries for the year then ended.

**(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 2018

## 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 acquisition cost 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 is classified as operating cash flows.

## (e) Initial application of AAS

The Group changed its accounting policy in relation to the application of AASB 9 Financial instruments from 1 January 2018. The Group has applied AASB 9 retrospectively, however in accordance with the transitional provisions in AASB 9, comparative figures have not been restated.

The Group classifies its financial assets into the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

All financial liabilities are measured at amortised cost, except for financial liabilities at fair value through profit or loss.

The Group has evaluated equity investments, previously classified as 'available for sale' (AFS), to be irrevocably classified as fair value through other comprehensive income (FVOCI) and any resulting profit or loss will now be reported in other comprehensive income (OCI), not recycled through the profit and loss on sale. Managed trust funds (previously classified as 'available for sale') have been evaluated as fair value through profit and loss (FVPL).

The Group assesses its financial assets for impairment on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and student receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables

The total impact on the Group's retained earnings due to classification and measurement of financial instruments as at 1 January 2018 is as follows:

	Consolidated	RMIT
	\$'000	\$'000
<b>Opening retained earnings - AASB 139</b>	1,303,026	1,181,637
Reclassify investments from AFS to FVPL	3,990	3,990
Reclassify investments from AFS to FVOCI	9,099	9,099
Change in provision for impaired receivables	2,022	1,851
<b>Opening retained earnings - AASB 9</b>	<b>1,318,137</b>	<b>1,196,577</b>

## Notes to the Financial Statements

for the year ended 31 December 2018

## 1 Summary of significant accounting policies (continued)

## (f) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars.

## (g) New accounting standards and interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2018. 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 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 worked with other universities and external advisors to review revenue streams and contracts to assess the impact on the financial statements. The current assessment shows that the major impact will be on revenue recognition from research contracts. This is due to a large proportion of revenue under research contracts being received in advance. Updated revenue recognition criteria will allow the Group to recognise revenue based on the 'input' method to match revenue to costs incurred. Revenue will be recognised as resources are consumed to deliver the projects.  For most of the new research contracts there will be no impact on 2019 profit due to revenue matching costs (under 'input' method), however, it has been estimated that there will be additional expenses of \$3m-\$5m from contracts for which revenue has been fully recognised in 2018 in accordance with AASB 1004 (under the transitional rules). Further, it is estimated that \$22m contract liabilities and \$3m contract assets will be recorded in the Statement of Financial Position.
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 for public sector NFP entities, previously in AASB 1004 Contributions.	1 January 2019	The current assessment is that majority of the revenue streams will be recorded under AASB 15 as performance obligations are met (using the 'input' method). Only limited grant funding will be recognised immediately upon receipt under AASB 1058.  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 Statement of Financial Position. 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.  It has been estimated that at the end of 2019 assets will increase by \$49m right-of-use assets (RoU) and liabilities will increase by \$44m lease liabilities. Interest and depreciation will increase by \$12m and lease expenses will decrease by \$12m.
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 2018

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

	Note	Consolidated		RMIT	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Commonwealth grants scheme and other grants	38(a)	269,746	270,252	269,746	270,252
HELP - Australian government payments	38(b)	266,588	250,880	266,588	250,880
Scholarships	38(c)	21,300	20,535	21,300	20,535
Education research	38(d)	12,985	12,401	12,985	12,401
Australian research council	38(f)	10,814	9,828	10,814	9,828
Other capital funding	38(g)	595	250	595	250
Other Australian government financial assistance		34,835	35,610	34,835	35,610
<b>Total Australian government financial assistance</b>		<b>616,863</b>	<b>599,756</b>	<b>616,863</b>	<b>599,756</b>

## Accounting Policy

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts, 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:

- 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.

- 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	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Non-capital</b>				
Recurrent grants	40,983	39,406	40,983	39,406
Other grants	6,920	7,473	6,920	7,473
<b>Capital</b>				
Capital grants	-	2,500	-	2,500
<b>Total state and local government financial assistance</b>	<b>47,903</b>	<b>49,379</b>	<b>47,903</b>	<b>49,379</b>

## Accounting Policy

State and local government financial 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 2018

## 4 Fees and charges

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Course fees and charges</b>				
Fee paying onshore overseas students	466,040	385,701	425,364	352,115
Fee paying offshore overseas students	110,046	102,932	37,842	39,552
Continuing education	13,432	7,931	3,283	1,130
Fee paying domestic postgraduate students	8,580	10,478	8,580	10,477
Fee paying domestic undergraduate students	22,701	18,259	22,701	18,259
Fee paying domestic non-award students	4,616	3,863	3,536	3,777
Other domestic course fees and charges	2,745	2,286	2,436	1,942
<b>Total course fees and charges</b>	<b>628,160</b>	<b>531,450</b>	<b>503,742</b>	<b>427,252</b>
<b>Other non-course fees and charges</b>				
Amenities and service fees	13,153	12,470	9,630	8,411
Late fees	235	297	235	297
Library fines	58	37	58	37
Registration fees	6	5	6	5
Other fees and charges	3,964	3,326	5,039	4,405
<b>Total other fees and charges</b>	<b>17,416</b>	<b>16,135</b>	<b>14,968</b>	<b>13,155</b>
<b>Total fees and charges</b>	<b>645,576</b>	<b>547,585</b>	<b>518,710</b>	<b>440,407</b>

## 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.

## Notes to the Financial Statements

for the year ended 31 December 2018

## 5 Investment income

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Interest</b>				
Debt instruments at amortised cost	4,153	3,667	2,115	2,198
<b>Dividends</b>				
Equity instruments designated at FVOCI	10,992	1,786	10,992	1,786
<b>Net fair value gains/(losses)</b>				
Financial assets designated at FVPL	(6,368)	-	(6,368)	-
<b>Other investment gains/(losses)</b>				
Financial assets designated at FVPL	2,470	2,909	2,470	2,909
<b>Total investment income</b>	<b>11,247</b>	<b>8,362</b>	<b>9,209</b>	<b>6,893</b>

## Accounting Policy

## • Interest

For all financial instruments measured at amortised cost and debt instruments measured at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

## • Dividends

Revenue is recognised when (a) the group's right to receive the payment is established, which is generally when shareholders approve the dividend, (b) it is probable that the economic benefits associated with the dividend will flow to the entity; and (c) the amount of the dividend can be measured reliably.

## 6 Consultancy and contracts

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Consultancy	3,917	3,344	3,917	3,344
Contract research	40,830	37,075	40,590	36,940
Other contract revenue	2,565	2,102	8,982	8,495
<b>Total consultancy and contracts</b>	<b>47,312</b>	<b>42,521</b>	<b>53,489</b>	<b>48,779</b>

## 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 contract 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 2018

## 7 Other revenue

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Donations and bequests	1,214	1,467	9,214	1,467
Scholarships and prizes	4,257	3,733	4,257	3,733
Product sales	14,402	14,412	3,176	2,916
Property rental	11,631	10,775	15,481	14,440
Foreign exchange gains	881	251	303	150
Net gain/ (loss) on disposal of property, plant and equipment	(281)	2,498	(304)	2,482
Supplier rebate	2,239	2,505	2,239	2,505
Other	9,298	4,138	9,634	2,300
<b>Total other revenue</b>	<b>43,641</b>	<b>39,779</b>	<b>44,000</b>	<b>29,993</b>

## Accounting Policy

Revenue is recognised for the major business activities as follows:

- 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.

- Property rental (lease) income

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

- Product sales

Product sales revenue is recognised as it is earned and when the goods and services are provided.

## 8 Economic dependency

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>The revenue of RMIT Consolidated entity is derived from:</b>				
Commonwealth and Victorian government financial assistance	664,766	649,135	664,766	649,135
Income excluding government financial assistance	768,221	657,408	645,853	545,233
<b>The percentage of the RMIT Consolidated entity's revenue was sourced from:</b>				
Commonwealth and Victorian government financial assistance	46.39 %	49.68 %	50.72 %	54.35 %
Income excluding government financial assistance	53.61 %	50.32 %	49.28 %	45.65 %



## Notes to the Financial Statements

for the year ended 31 December 2018

## 9 Employee related expenses

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Academic</b>				
Salaries	322,507	303,437	277,460	259,375
Contributions to superannuation and pension schemes:				
Emerging cost	17,420	14,600	17,420	14,600
Funded	43,916	40,660	43,173	39,943
Payroll tax	17,368	16,176	16,889	15,719
Worker's compensation	771	636	689	560
Long service leave expense	4,439	4,911	4,496	4,513
Annual leave expense	23,654	23,042	23,533	22,828
<b>Total academic</b>	<b>430,075</b>	<b>403,462</b>	<b>383,660</b>	<b>357,538</b>
<b>Non-academic</b>				
Salaries	273,453	243,594	253,573	229,114
Contributions to superannuation and pension schemes:				
Emerging cost	7,448	6,242	7,448	6,242
Funded	42,655	38,428	40,749	36,977
Payroll tax	16,125	14,514	15,163	13,820
Worker's compensation	864	574	634	560
Long service leave expense	3,179	2,719	2,833	2,854
Annual leave expense	24,483	24,006	24,115	23,791
<b>Total non-academic</b>	<b>368,207</b>	<b>330,077</b>	<b>344,515</b>	<b>313,358</b>
<b>Total employee related expenses</b>	<b>798,282</b>	<b>733,539</b>	<b>728,175</b>	<b>670,896</b>

## Accounting Policy

## • Salaries

Expenditure for salaries is expensed as incurred.

## • 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.

## • 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.

## Notes to the Financial Statements

for the year ended 31 December 2018

## 10 Borrowing costs

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Interest to related corporations	-	-	793	546
Interest to other corporations	10,478	8,077	10,478	8,097
<b>Total borrowing costs</b>	<b>10,478</b>	<b>8,077</b>	<b>11,271</b>	<b>8,643</b>

## Accounting Policy

Borrowing costs are expensed when incurred.

## 11 Impairment of assets

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Bad and doubtful debts	3,245	(76)	3,006	(3,103)
<b>Total impairment of assets</b>	<b>3,245</b>	<b>(76)</b>	<b>3,006</b>	<b>(3,103)</b>

## 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.

## 12 Other expenses

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants, donations and prizes	39,471	51,716	74,356	56,353
Non-capitalised equipment	14,573	14,067	14,529	14,030
Advertising, marketing and promotional expenses	16,827	16,987	5,898	8,898
General consumables	13,058	11,183	12,848	10,933
Printing and stationery	5,280	4,908	5,134	4,756
Minimum lease payments on operating leases	34,837	35,638	31,722	32,176
Telecommunications	5,826	6,177	4,114	4,365
Travel, staff development and entertainment	31,284	31,292	28,104	28,494
Foreign exchange losses	827	818	811	697
Occupancy expenses	38,391	36,629	33,204	30,489
Audit fees, bank charges, legal costs, insurance and taxes	10,523	8,301	9,729	7,842
Contractors and consultancy fees	98,993	78,401	116,134	87,895
Patents, commissions, copyright and licences	43,761	32,018	28,626	24,441
Memberships and subscription fees	5,348	4,233	5,226	4,143
Computer software support and maintenance	28,128	26,148	27,686	25,790
Other expenses	8,836	14,569	5,231	10,544
<b>Total other expenses</b>	<b>395,963</b>	<b>373,085</b>	<b>403,352</b>	<b>351,846</b>

## Accounting Policy

Other expenses are recognised on an accrual basis.

## Notes to the Financial Statements

for the year ended 31 December 2018

## 13 Income tax

## (a) Income tax expense

	Consolidated		RMIT	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current tax	4,457	3,707	3,029	3,038
Deferred tax	130	(217)	-	-
Adjustment for current tax of prior periods	(1,049)	(1,651)	(1,048)	(1,591)
<b>Total income tax expense</b>	<b>3,538</b>	<b>1,839</b>	<b>1,981</b>	<b>1,447</b>

## (b) Numerical reconciliation of income tax expense

Net result from continuing operations before income tax expense	92,950	72,756	39,388	52,405
Net result not subject to income tax	63,896	52,397	21,535	34,466
Tax at the Australian tax rate of 30% (2017: 30%)	8,716	6,108	5,356	5,382
Tax effect of amounts which are not deductible / taxable in calculating taxable income:				
Non-deductible expenses	160	153	-	-
Difference in overseas tax rates	(4,422)	(2,554)	(2,327)	(2,344)
Adjustment for current tax of prior periods	(1,049)	(1,651)	(1,048)	(1,591)
Previously unrecognised tax losses now recouped to reduce current tax expense	(10)	-	-	-
Deferred income tax benefit reversal/(arising) from deductible temporary differences	143	(217)	-	-
<b>Total income tax expense</b>	<b>3,538</b>	<b>1,839</b>	<b>1,981</b>	<b>1,447</b>

## (c) Deferred tax

Non-current deferred tax	540	626	-	-
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## (d) Current tax liabilities

Current tax liability	2,492	3,845	2,458	3,845
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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 2018

## 14 Cash and cash equivalents

	Consolidated		RMIT	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash at bank and on hand	12,791	8,413	10,850	7,095
Short-term deposits at call	22,698	62,267	22,686	62,255
Foreign currency bank accounts	7,473	5,065	-	-
<b>Total cash and cash equivalent</b>	<b>42,962</b>	<b>75,745</b>	<b>33,536</b>	<b>69,350</b>

## 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.

## 15 Receivables

	Consolidated		RMIT	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current</b>				
Trade receivables	20,170	14,203	17,558	10,784
Less Provision for impaired receivables	(2,383)	(950)	(2,116)	(575)
Student loans & student receivables	5,002	5,142	5,002	5,142
Less Provision for impaired receivables	(600)	(3,170)	(600)	(3,170)
Amounts receivable from subsidiaries	-	-	528	3,164
Less Provision for impairment	-	-	(388)	(224)
Government grants receivable	4,330	2,574	4,330	2,574
Deferred government contributions for superannuation*	22,051	21,476	22,051	21,476
Interest receivable	72	38	71	38
Other debtors and accrued income	11,122	11,512	10,536	12,782
Other receivables	938	3,267	937	2,704
<b>Total current receivables</b>	<b>60,702</b>	<b>54,092</b>	<b>57,909</b>	<b>54,695</b>
<b>Non-current</b>				
Other debtors	1,222	1,138	1,085	1,046
Less Provision for impaired receivables	(1,072)	(972)	(1,065)	(944)
Deferred government contributions for superannuation*	301,776	288,774	301,776	288,774
<b>Total non-current receivables</b>	<b>301,926</b>	<b>288,940</b>	<b>301,796</b>	<b>288,876</b>
<b>Total receivables</b>	<b>362,628</b>	<b>343,032</b>	<b>359,705</b>	<b>343,571</b>

\* 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 2018 amounted to \$323.8m (\$310.3m as at 31 December 2017). Refer to Note 22 in relation to the Deferred Superannuation receivable.



## Notes to the Financial Statements

for the year ended 31 December 2018

## 15 Receivables (continued)

## (a) Impaired receivables

Movements in the provision for impaired receivables are as follows:

	Consolidated		RMIT	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
At 1 January	3,071	6,292	3,062	8,903
Provision for expected credit losses	2,528	472	2,222	225
Write-off	(1,544)	(1,672)	(1,115)	(4,215)
<b>At 31 December</b>	<b>4,055</b>	<b>5,092</b>	<b>4,169</b>	<b>4,913</b>

## Accounting Policy

Trade and other receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at their transaction price (unless there is a significant financing component) less life-time expected credit losses and subsequently measured at amortised cost using the effective interest method.

The Group applies a simplified approach in calculating expected credit losses ('ECLs'). The Group assesses impairment of trade and other receivables at each reporting date by evaluating historically observed default rates and reasonably available forward looking information about the debtors and updating them to reflect current and forecast credit conditions.

## 16 Other financial assets

	Consolidated		RMIT	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current</b>				
Financial assets at amortised cost	65,524	53,279	-	-
<b>Total current other financial assets</b>	<b>65,524</b>	<b>53,279</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>				
Financial assets at amortised cost	-	-	1,727	1,727
Financial assets at FVOCI	34,360	24,839	34,360	24,839
Financial assets at FVPL	75,480	77,700	75,480	77,700
<b>Total non-current other financial assets</b>	<b>109,840</b>	<b>102,539</b>	<b>111,567</b>	<b>104,266</b>
<b>Total other financial assets</b>	<b>175,364</b>	<b>155,818</b>	<b>111,567</b>	<b>104,266</b>

## Notes to the Financial Statements

for the year ended 31 December 2018

## 16 Other financial assets (continued)

## Accounting Policy

Financial assets are classified at initial recognition when the Group becomes a party to a contractual agreement. Financial assets are measured at amortised cost, fair value through other comprehensive income (OCI) or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. Financial assets are initially recognised at fair value. When financial assets are not measured at fair value through profit or loss, all transaction costs that are directly attributable to the acquisition or issue of the financial assets are included in the cost of financial assets.

## Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

## Financial assets at fair value through other comprehensive income

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income also include equity investments which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Group considered this to be more relevant.

## Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

In the prior financial year, the Group had designated debt and equity investments as available-for-sale where management intended to hold them for the medium to long-term.

## Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## Notes to the Financial Statements

for the year ended 31 December 2018

## 17 Property, plant and equipment

	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	
<b>Consolidated</b>									
<b>1 January 2017</b>									
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)
<b>Net book amount</b>		<b>438,701</b>	<b>1,548,948</b>	<b>248,688</b>	<b>11,340</b>	<b>114,283</b>	<b>34,758</b>	<b>9,443</b>	<b>2,406,161</b>
<b>Year ended 31 December 2017</b>									
<b>Opening net book amount</b>		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)
<b>Closing net book amount</b>		<b>517,352</b>	<b>1,920,665</b>	<b>132,984</b>	<b>10,328</b>	<b>103,224</b>	<b>35,291</b>	<b>9,931</b>	<b>2,729,775</b>
<b>31 December 2017</b>									
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)
<b>Net book amount</b>		<b>517,352</b>	<b>1,920,665</b>	<b>132,984</b>	<b>10,328</b>	<b>103,224</b>	<b>35,291</b>	<b>9,931</b>	<b>2,729,775</b>
<b>Year ended 31 December 2018</b>									
<b>Opening net book amount</b>		517,352	1,920,665	132,984	10,328	103,224	35,291	9,931	2,729,775
Additions		-	1,378	124,052	2,911	23,157	7,197	8	158,703
Transfer out of capital work in progress		-	154,321	(167,631)	3,198	10,112	-	-	-
Disposals		-	-	-	-	(709)	-	-	(709)
Depreciation		-	(49,245)	-	(3,282)	(42,168)	(6,883)	-	(101,578)
Foreign currency translation gain/(loss)		-	2,736	528	12	569	-	-	3,845
<b>Closing net book amount</b>	<sup>33</sup>	<b>517,352</b>	<b>2,029,855</b>	<b>89,933</b>	<b>13,167</b>	<b>94,185</b>	<b>35,605</b>	<b>9,939</b>	<b>2,790,036</b>
<b>31 December 2018</b>									
Cost		-	56,984	89,933	835	47,373	-	-	195,125
Valuation		517,352	2,036,800	-	35,027	355,693	121,559	9,939	3,076,370
Accumulated depreciation		-	(63,929)	-	(22,695)	(308,881)	(85,954)	-	(481,459)
<b>Net book amount</b>	<sup>33</sup>	<b>517,352</b>	<b>2,029,855</b>	<b>89,933</b>	<b>13,167</b>	<b>94,185</b>	<b>35,605</b>	<b>9,939</b>	<b>2,790,036</b>

## Notes to the Financial Statements

for the year ended 31 December 2018

## 17 Property, plant and equipment (continued)

RMIT	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	
<b>1 January 2017</b>								
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)
<b>Net book amount</b>	<b>438,701</b>	<b>1,512,440</b>	<b>247,708</b>	<b>11,199</b>	<b>103,152</b>	<b>34,758</b>	<b>9,443</b>	<b>2,357,401</b>
<b>Year ended 31 December 2017</b>								
<b>Opening net book amount</b>	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
Transfer 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)
<b>Closing net book amount</b>	<b>517,352</b>	<b>1,885,907</b>	<b>126,555</b>	<b>10,105</b>	<b>93,512</b>	<b>35,291</b>	<b>9,931</b>	<b>2,678,653</b>
<b>31 December 2017</b>								
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)
<b>Net book amount</b>	<b>517,352</b>	<b>1,885,907</b>	<b>126,555</b>	<b>10,105</b>	<b>93,512</b>	<b>35,291</b>	<b>9,931</b>	<b>2,678,653</b>
<b>Year ended 31 December 2018</b>								
<b>Opening net book amount</b>	517,352	1,885,907	126,555	10,105	93,512	35,291	9,931	2,678,653
Additions	-	-	124,046	2,837	19,691	7,197	8	153,779
Transfers out of capital works in progress	-	150,893	(161,183)	3,198	7,092	-	-	-
Disposals	-	-	-	-	(708)	-	-	(708)
Depreciation	-	(46,995)	-	(3,190)	(38,114)	(6,883)	-	(95,182)
<b>Closing net book amount</b>	<b>517,352</b>	<b>1,989,805</b>	<b>89,418</b>	<b>12,950</b>	<b>81,473</b>	<b>35,605</b>	<b>9,939</b>	<b>2,736,542</b>
<b>31 December 2018</b>								
Cost	-	-	89,418	-	-	-	-	89,418
Valuation	517,352	2,036,800	-	35,027	355,693	121,559	9,939	3,076,370
Accumulated depreciation	-	(46,995)	-	(22,077)	(274,220)	(85,954)	-	(429,246)
<b>Net book amount</b>	<b>517,352</b>	<b>1,989,805</b>	<b>89,418</b>	<b>12,950</b>	<b>81,473</b>	<b>35,605</b>	<b>9,939</b>	<b>2,736,542</b>

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.

Land and buildings valued at \$437.55m (2017 - \$437.10m) 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.



## Notes to the Financial Statements

for the year ended 31 December 2018

## 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:

	2018	2017
	Years	Years
Buildings	23-100	25-100
Equipment, motor vehicles, furniture and fittings	1-20	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 has been changed from 1 October 2018 to \$5,000 (2017: \$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 2018

## 18 Intangible assets

	Consolidated		RMIT	
	Software \$'000	Total \$'000	Software \$'000	Total \$'000
<b>1 January 2017</b>				
Cost	30,543	30,543	28,294	28,294
Accumulated amortisation and impairment	(6,962)	(6,962)	(4,948)	(4,948)
<b>Net book amount</b>	<b>23,581</b>	<b>23,581</b>	<b>23,346</b>	<b>23,346</b>
<b>Year ended 31 December 2017</b>				
<b>Opening net book value</b>	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)	-	-
<b>Closing net book amount</b>	<b>10,650</b>	<b>10,650</b>	<b>10,437</b>	<b>10,437</b>
<b>31 December 2017</b>				
Cost	30,593	30,593	28,294	28,294
Accumulated amortisation and impairment	(19,943)	(19,943)	(17,857)	(17,857)
<b>Net book amount</b>	<b>10,650</b>	<b>10,650</b>	<b>10,437</b>	<b>10,437</b>
<b>Year ended 31 December 2018</b>				
<b>Opening net book amount</b>	10,650	10,650	10,437	10,437
Additions	6,833	6,833	6,779	6,779
Amortisation charge	(10,563)	(10,563)	(10,437)	(10,437)
Foreign currency translation gain/(loss)	10	10	-	-
<b>Closing net book amount</b>	<b>6,930</b>	<b>6,930</b>	<b>6,779</b>	<b>6,779</b>
<b>31 December 2018</b>				
Cost	37,602	37,602	35,073	35,073
Accumulated amortisation and impairment	(30,672)	(30,672)	(28,294)	(28,294)
<b>Net book amount</b>	<b>6,930</b>	<b>6,930</b>	<b>6,779</b>	<b>6,779</b>

## 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:

	2018	2017
	Years	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 2018

## 19 Other non-financial assets

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Library subscriptions prepaid	1,732	2,071	1,895	1,914
Other prepayments	7,932	6,033	5,373	4,102
IT Prepayment	5,484	4,881	5,484	4,881
<b>Total other non-financial assets</b>	<b>15,148</b>	<b>12,985</b>	<b>12,752</b>	<b>10,897</b>

## 20 Trade and other payables

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade creditors	86,071	74,099	74,529	64,102
Sundry creditor and operating accruals	64,492	65,896	46,569	50,279
OS-HELP Liability to Australian government	1,639	555	1,639	555
Related party payables	-	-	94,705	52,248
Derivatives used for hedging	1,583	894	1,583	894
<b>Total current trade and other payables</b>	<b>153,785</b>	<b>141,444</b>	<b>219,025</b>	<b>168,078</b>
<b>Non-current</b>				
Derivatives used for hedging	5,527	4,576	5,527	4,576
<b>Total non-current trade and other payables</b>	<b>5,527</b>	<b>4,576</b>	<b>5,527</b>	<b>4,576</b>
<b>Total trade and other payables</b>	<b>159,312</b>	<b>146,020</b>	<b>224,552</b>	<b>172,654</b>

## 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.

## Derivative financial instruments

The Group uses derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including interest rate swaps and cross currency swaps. 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 the hedge relationship.

## • Hedge accounting

The Group designates certain hedging instruments (derivatives) as cash flow hedges. At the inception of the hedge relationship, the group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

## • Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges is recognised in Other Comprehensive Income (OCI) in the cash flow hedge reserve, while the gain or loss to the ineffective portion is recognised immediately in the income Statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

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. The gain or loss recognised in OCI at the time remains in OCI 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 OCI is recognised immediately in the Income Statement.

## Notes to the Financial Statements

for the year ended 31 December 2018

## 21 Borrowings

	Note	Consolidated		RMIT	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
<b>Current</b>					
Other loans - unsecured	21(b)	3,375	3,375	3,375	3,375
<b>Total current borrowings</b>		<b>3,375</b>	<b>3,375</b>	<b>3,375</b>	<b>3,375</b>
<b>Non-Current</b>					
Bank loan - unsecured	21(b)	103,000	290,000	103,000	290,000
USPP loan - unsecured	21(b)	143,328	-	143,328	-
Other loans - unsecured	21(b)	15,475	18,850	15,475	18,850
<b>Total non-current borrowings</b>		<b>261,803</b>	<b>308,850</b>	<b>261,803</b>	<b>308,850</b>
<b>Total borrowings</b>		<b>265,178</b>	<b>312,225</b>	<b>265,178</b>	<b>312,225</b>

## (a) Financing arrangements

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

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Bank loan facilities</b>				
Facilities available	350,000	350,000	350,000	350,000
Amount utilised	(103,000)	(290,000)	(103,000)	(290,000)
<b>Unused credit facility</b>	<b>247,000</b>	<b>60,000</b>	<b>247,000</b>	<b>60,000</b>
<b>Technology finance operating lease facility</b>				
Lease facility available	25,000	20,000	25,000	20,000
Amount utilised	(14,664)	(12,324)	(14,664)	(12,324)
<b>Unused credit facility</b>	<b>10,336</b>	<b>7,676</b>	<b>10,336</b>	<b>7,676</b>
<b>Business credit card facility</b>				
Business credit facility available	24,241	3,234	24,000	3,000
Amount utilised	(1,202)	(1,419)	(1,164)	(1,395)
<b>Unused credit facility</b>	<b>23,039</b>	<b>1,815</b>	<b>22,836</b>	<b>1,605</b>
<b>Other loan facilities</b>				
Facilities available	18,850	22,225	18,850	22,225
Amount utilised	(18,850)	(22,225)	(18,850)	(22,225)
<b>Unused credit facility</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## (b) Details of borrowings

## Bank loan facility

In 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 2018 the total outstanding amount of the facility was \$103m (2017 - \$290m).



## Notes to the Financial Statements

for the year ended 31 December 2018

## 21 Borrowings (continued)

## (b) Details of borrowings (continued)

## 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. In January 2018 RMIT drew 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). At the end of 2018 the fair value was AU\$143m (2017 - Nil).

## 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 \$27.0m interest free loan with repayment period over eight years for the Greener Government Building Program. Amount utilised at the end of 2018 was \$18.9m (2017 - \$22.2m).

## 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 rate 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. All other borrowing costs are also expensed.

## Notes to the Financial Statements

for the year ended 31 December 2018

## 22 Provisions

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Current provisions expected to be settled within 12 months</b>				
Provision for restructuring costs	5,670	7,049	1,823	3,449
Provision for scholarships	-	10,021	-	10,021
Provision for lease	152	-	152	-
Repairs & maintenance	-	51	-	51
Employee benefits and oncosts				
Annual leave - at nominal value	33,995	35,303	32,888	34,244
Long service leave - at nominal value	9,079	9,197	8,869	8,965
Employment oncosts provision - at nominal value	9,040	9,256	8,842	9,096
Deferred benefits for superannuation	22,051	21,476	22,051	21,476
	<b>79,987</b>	<b>92,353</b>	<b>74,625</b>	<b>87,302</b>
<b>Current provisions expected to be settled later than 12 months</b>				
Employee benefits and oncosts				
Annual leave - at net present value	3,809	1,370	3,644	1,246
Long service leave - at net present value	51,239	50,402	50,110	49,392
Employment oncosts provision - at net present value	14,576	13,729	14,392	13,534
	<b>69,624</b>	<b>65,501</b>	<b>68,146</b>	<b>64,172</b>
<b>Total current provisions</b>	<b>149,611</b>	<b>157,854</b>	<b>142,771</b>	<b>151,474</b>
<b>Non-current</b>				
Provision for scholarships	-	9,826	-	9,826
Provision for lease	2,685	-	2,685	-
Employee benefits and oncosts				
Long service leave - at net present value	15,817	14,464	15,442	14,004
Employment oncosts provision - at net present value	4,345	3,972	4,282	3,893
Deferred benefits for superannuation	301,776	288,774	301,776	288,774
	<b>324,623</b>	<b>317,036</b>	<b>324,185</b>	<b>316,497</b>
<b>Total non-current provisions</b>	<b>324,623</b>	<b>317,036</b>	<b>324,185</b>	<b>316,497</b>
<b>Total provisions</b>	<b>474,234</b>	<b>474,890</b>	<b>466,956</b>	<b>467,971</b>

## (a) Movement in provisions

Consolidated	Provision for lease	Repairs & maintenance	Restructuring costs	Scholarships	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>					
Carrying amount at start of year	-	51	7,049	19,847	26,947
Additional provisions	2,837	-	2,980	-	5,817
Provisions used	-	(51)	(3,990)	-	(4,041)
Provisions reversed	-	-	(369)	(19,847)	(20,216)
<b>Carrying amount at end of year</b>	<b>2,837</b>	<b>-</b>	<b>5,670</b>	<b>-</b>	<b>8,507</b>

## Notes to the Financial Statements

for the year ended 31 December 2018

## 22 Provisions (continued)

## (a) Movement in provisions (continued)

RMIT	Provision for lease	Repairs & maintenance	Restructuring costs	Scholarships	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>					
Carrying amount at start of year	-	51	3,449	19,847	23,347
Additional provisions	2,837	-	1,823	-	4,660
Provisions used	-	(51)	(3,080)	-	(3,131)
Provisions reversed	-	-	(369)	(19,847)	(20,216)
<b>Carrying amount at end of year</b>	<b>2,837</b>	<b>-</b>	<b>1,823</b>	<b>-</b>	<b>4,660</b>

## 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.

- 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.

- 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 the Group and the Group's legal or constructive obligation is limited to these contributions.

- Restructuring

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

- Scholarships

Provisions for PhD and HDR scholarships are no longer carried as a result of change in accounting estimate in 2018. In previous years, provisions for scholarships were recognised based on management's best estimate of the expenditure required to settle the present obligation. In current year, management has decided to reverse the provision due to the uncertainty around scholarship commencement dates and its ability to reliably estimate the provision. \$19.9m of prior year provisions have been reversed in current year, which was partially offset by expenses of \$10m related to the current year. The effect of these changes resulted in a decrease in scholarship expenses by \$10m in the current year. From 2018, PhD and HDR scholarships are expensed as incurred and the commitment for future years is disclosed in Note 29.

- Provision for lease

The Group leases a number of properties which include make good requirements to restore the premises to its original condition at the

## Notes to the Financial Statements

for the year ended 31 December 2018

## 22 Provisions (continued)

## Accounting Policy (continued)

expiry of the lease. On initial recognition of the make good provision a leasehold improvement asset is recognised to record the future economic outflows required to perform the restoration. Changes to the estimated future costs of the restoration are recognised in the statement of financial position by adjusting the cost of the related asset.

- 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 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 2018. The methodology of measurement of the net liabilities is based on the following actuarial assumptions:

Economic	2018	2017
Discount rate	2.4% pa	2.9% 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 2018, 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 15.

## 23 Other liabilities

	Consolidated		RMIT	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Current</b>				
Australian government unspent financial assistance	-	2,398	-	2,398
Research grants	191	257	-	-
Student fees	70,425	61,619	62,164	52,985
Other	1,395	1,554	1,294	1,552
<b>Total current other liabilities</b>	<b>72,011</b>	<b>65,828</b>	<b>63,458</b>	<b>56,935</b>

## 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. 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 2018

## 24 Reserves

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Balance at beginning of year</b>	1,022,817	839,450	1,021,907	799,975
Retrospective changes	(3,990)	-	(3,990)	-
Transfers from/(to) retained earnings	-	-	-	36,772
Transfer to income statement on asset disposals	-	(1,138)	-	(1,138)
Transfers out	(21)	-	(21)	-
Gain/(loss) on cash flow hedges	(14,059)	(5,103)	(14,059)	(5,103)
Revaluation of land, buildings and artworks	-	184,198	-	184,198
Foreign exchange gains/(losses)	7,646	(1,793)	-	-
Changes in the fair value of equity investments at FVOCI	458	7,203	458	7,203
<b>Balance at end of year</b>	<b>1,012,851</b>	<b>1,022,817</b>	<b>1,004,295</b>	<b>1,021,907</b>
<b>Represented by:</b>				
Asset revaluation surplus	998,685	998,685	998,685	998,685
Hedge reserve	(19,530)	(5,471)	(19,530)	(5,471)
Foreign currency translation reserve	8,556	910	-	-
Share premium reserve	-	21	-	21
Investment revaluation reserve	25,140	28,672	25,140	28,672
<b>Total reserves</b>	<b>1,012,851</b>	<b>1,022,817</b>	<b>1,004,295</b>	<b>1,021,907</b>
<b>Movements in reserves during the year were:</b>				
<b>Asset revaluation surplus</b>				
<b>Balance at beginning of year</b>	998,685	815,625	998,685	778,853
Transfers from/(to) retained earnings	-	-	-	36,772
Transfer to income statement on asset disposals	-	(1,138)	-	(1,138)
Revaluation of land, buildings and artworks	-	184,198	-	184,198
<b>Balance at end of year</b>	<b>998,685</b>	<b>998,685</b>	<b>998,685</b>	<b>998,685</b>
<b>Hedge reserve</b>				
<b>Balance at beginning of year</b>	(5,471)	(368)	(5,471)	(368)
Gain/(loss) on cash flow hedges	(14,059)	(5,103)	(14,059)	(5,103)
<b>Balance at end of year</b>	<b>(19,530)</b>	<b>(5,471)</b>	<b>(19,530)</b>	<b>(5,471)</b>
<b>Foreign currency translation reserve</b>				
<b>Balance at beginning of year</b>	910	2,703	-	-
Foreign currency translation gains/(losses)	7,646	(1,793)	-	-
<b>Balance at end of year</b>	<b>8,556</b>	<b>910</b>	<b>-</b>	<b>-</b>
<b>Share premium reserve</b>				
<b>Balance at beginning of year</b>	21	21	21	21
Transfers out	(21)	-	(21)	-
<b>Balance at end of year</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>21</b>
<b>Investment revaluation reserve</b>				
<b>Balance at beginning of year</b>	28,672	21,469	28,672	21,469
Retrospective changes	(3,990)	-	(3,990)	-
Changes in the fair value of equity investments at FVOCI	458	7,203	458	7,203
<b>Balance at end of year</b>	<b>25,140</b>	<b>28,672</b>	<b>25,140</b>	<b>28,672</b>

## Notes to the Financial Statements

for the year ended 31 December 2018

## 25 Retained earnings

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Retained earnings at beginning of year</b>	1,303,026	1,229,346	1,181,637	1,167,451
Retrospective changes	15,111	-	14,940	-
Net result	89,412	70,917	37,407	50,958
Transfers from/(to) reserves	-	-	-	(36,772)
Transfer of non-controlled subsidiaries	-	2,763	-	-
<b>Retained earnings at end of year</b>	<b>1,407,549</b>	<b>1,303,026</b>	<b>1,233,984</b>	<b>1,181,637</b>

## 26 Contingencies

## Contingent liabilities

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

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Guarantees</b>				
Contract performance guarantee	-	28	-	28
Security deposit guarantee	-	20	-	20
Non-trade letter of credit/accommodation	27	24	27	24
<b>Total guarantees</b>	<b>27</b>	<b>72</b>	<b>27</b>	<b>72</b>

## 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	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Audit of the Financial Statements</b>				
Fees paid to Auditor-General of Victoria	463	451	306	299

## 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	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Ex gratia payments	82	101	-	58

## Notes to the Financial Statements

for the year ended 31 December 2018

## 29 Commitments

## (a) Capital commitments

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

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Plant and equipment</b>				
Due within one year	4,547	4,995	4,547	4,995
GST reclaimable on the above	(281)	(369)	(281)	(369)
<b>Total commitment</b>	<b>4,266</b>	<b>4,626</b>	<b>4,266</b>	<b>4,626</b>
<b>Building works</b>				
Due within one year	55,784	35,877	54,602	34,051
GST reclaimable on the above	(4,964)	(3,096)	(4,964)	(3,096)
<b>Total commitment</b>	<b>50,820</b>	<b>32,781</b>	<b>49,638</b>	<b>30,955</b>
<b>Software</b>				
Due within one year	113	891	113	891
GST reclaimable on the above	(10)	(81)	(10)	(81)
<b>Total commitment</b>	<b>103</b>	<b>810</b>	<b>103</b>	<b>810</b>

## (b) Operating leases - as lessee

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

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Future minimum rental payments for leased premises</b>				
Due within one year	17,725	18,999	10,349	11,184
Due after one year but within five years	18,570	30,622	10,019	16,243
Due after five years	8,231	9,573	7,535	8,927
GST reclaimable on the above	(2,545)	(3,315)	(2,537)	(3,305)
<b>Total commitment</b>	<b>41,981</b>	<b>55,879</b>	<b>25,366</b>	<b>33,049</b>
<b>Future minimum rental payments for leased equipment</b>				
Due within one year	11,434	7,313	11,434	7,313
Due after one year but within five years	17,383	6,243	17,383	6,243
GST reclaimable on the above	(2,620)	(1,232)	(2,620)	(1,232)
<b>Total commitment</b>	<b>26,197</b>	<b>12,324</b>	<b>26,197</b>	<b>12,324</b>

## Notes to the Financial Statements

for the year ended 31 December 2018

## 29 Commitments (continued)

## Operating leases - as lessor

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

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Future minimum rental payments for leased premises</b>				
Due within one year	4,846	4,528	8,345	8,130
Due after one year but within five years	7,338	10,012	6,963	13,775
Due after five years	1,106	1,143	1,858	1,143
GST payable on the above	(1,099)	(1,415)	(1,194)	(1,415)
<b>Total commitment</b>	<b>12,191</b>	<b>14,268</b>	<b>15,972</b>	<b>21,633</b>

## (c) Other expenditure commitments

Commitments related to HDR scholarships, CRC research and other non-capital expenditure:

	Consolidated		RMIT	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Due within one year	82,946	80,987	82,244	80,455
Due after one year but within five years	49,927	32,592	49,927	32,515
Due after five years	2,823	983	2,823	983
GST reclaimable on the above	(9,722)	(9,375)	(9,669)	(9,333)
<b>Total Commitment</b>	<b>125,974</b>	<b>105,187</b>	<b>125,325</b>	<b>104,620</b>

## 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 2018

## 30 Notes to statement of cash flows

## Reconciliation of operating result after income tax to net cash inflow from operating activities

Note	Consolidated		RMIT	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Operating result for the period after income tax</b>	89,412	70,917	37,407	50,958
Loss/(gain) on sale of property, plant and equipment	7	281	(2,498)	304
Depreciation of property plant and equipment	17	101,578	86,396	95,182
Amortisation of intangible assets	18	10,563	13,026	10,437
Provision for doubtful debts		3,277	(3,768)	3,006
Foreign exchange (gain)/loss		(1,327)	(678)	508
Loss/(gain) on financial assets		2,193	(4,168)	2,193
Borrowing costs		-	-	793
<b>Changes in assets and liabilities</b>				
Net (increase) / decrease in receivables		(18,436)	7,744	(18,973)
Net (increase) / decrease in inventories		2	849	-
Net (increase) / decrease in other non-financial assets		(1,816)	713	(1,855)
Net (increase) / decrease in deferred tax assets		86	(206)	-
Net (increase) / decrease in other financial assets		(643)	1,194	-
Net increase / (decrease) in payables		10,243	(5,040)	51,106
Net increase / (decrease) in provisions		(656)	(16,214)	(1,015)
Net increase / (decrease) in other liabilities		6,457	7,047	6,523
Net increase / (decrease) in current tax liability		(1,184)	(1,074)	(1,387)
<b>Net cash flows from operating activities</b>		<b>200,030</b>	<b>154,240</b>	<b>184,229</b>
				<b>145,955</b>

## 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 2018

## 32 Financial risk management (continued)

## (b) Foreign currency risk

The Group's exposure to foreign currency from its 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 match the drawdown of USPP.

The Group hedges large payments and receipts denominated in foreign currencies to manage foreign current risk. At the end of 2018, RMIT had the AUD equivalent of \$8.1m (2017 - Nil) of such hedges in place.

## (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 mainly 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 value of the investments classified as FVPL or FVOCI.

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

	Price risk				
	Carrying amount \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2018</b>					
FVPL	75,480	(7,548)	(7,548)	7,548	7,548
<b>31 December 2017</b>					
FVPL	77,700	(7,770)	(7,770)	7,770	7,770

A 10% increase or decrease in the value of investments in unlisted shares denominated as FVOCI would change the equity of the Group as below:

	Price risk				
	Carrying amount \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2018</b>					
FVOCI	34,360	-	(3,436)	-	3,436
<b>31 December 2017</b>					
FVOCI	24,839	-	(2,483)	-	2,483

## (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 with hedge instruments. The USPP loan has a fixed interest rate. The remaining loan is reviewed regularly and hedged to the level required by the treasury policy.

If interest rates were one percent lower/higher for the unhedged portion of borrowings, the Group's result would be \$0.8m (2017-\$1.9m) higher/lower.

## Notes to the Financial Statements

for the year ended 31 December 2018

## 32 Financial risk management (continued)

## (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.

The following table summarises the maturity of the Group's financial liabilities:

Consolidated	Note	Average	Floating	Fixed Interest	Non	Total
		interest	interest	Maturing		
		rate	rate	Over 5 years	Bearing	
		%	\$'000	\$'000	\$'000	\$'000
<b>31 December 2018</b>						
<b>Financial liabilities</b>						
Trade and other payables, exclude interest rate swaps	20	-	-	-	(152,202)	(152,202)
Interest rate swaps used for hedging	20	1.88	(7,110)	-	-	(7,110)
Borrowings	21	3.78	(103,000)	(143,328)	(18,850)	(265,178)
<b>Total financial liabilities</b>			<b>(110,110)</b>	<b>(143,328)</b>	<b>(171,052)</b>	<b>(424,490)</b>
<b>31 December 2017</b>						
<b>Financial liabilities</b>						
Trade and other payables, exclude interest rate swaps	20	-	-	-	(140,550)	(140,550)
Interest rate swaps used for hedging	20	1.50	(5,470)	-	-	(5,470)
Borrowings	21	2.92	(290,000)	-	(22,225)	(312,225)
<b>Total financial liabilities</b>			<b>(295,470)</b>	<b>-</b>	<b>(162,775)</b>	<b>(458,245)</b>

## Notes to the Financial Statements

for the year ended 31 December 2018

## 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 measures and recognises the following assets and liabilities in the table below at fair value on a recurring basis. The Group does not measure any assets and liabilities as fair value on a non-recurring basis.

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).

*Recognised fair value measurements*

Consolidated	Note	2018	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Financial assets at FVOCI	16	34,360	-	-	34,360
Financial assets at FVPL	16	75,480	75,480	-	-
<b>Total financial assets</b>		<b>109,840</b>	<b>75,480</b>	<b>-</b>	<b>34,360</b>
<b>Non-financial assets</b>					
Land	17	517,352	-	-	517,352
Buildings	17	2,029,855	-	-	2,029,855
<b>Total non-financial assets</b>		<b>2,547,207</b>	<b>-</b>	<b>-</b>	<b>2,547,207</b>
<b>Financial liabilities</b>					
Interest rate swaps	20	7,110	-	7,110	-
Borrowings	21	265,178	-	265,178	-
<b>Total financial liabilities</b>		<b>272,288</b>	<b>-</b>	<b>272,288</b>	<b>-</b>
<b>2017</b>					
Consolidated	Note	2017	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Financial assets at FVOCI	16	24,839	-	-	24,839
Financial assets at FVPL	16	77,700	77,700	-	-
<b>Total financial assets</b>		<b>102,539</b>	<b>77,700</b>	<b>-</b>	<b>24,839</b>
<b>Non-financial assets</b>					
Land	17	517,352	-	-	517,352
Buildings	17	1,920,665	-	-	1,920,665
<b>Total non-financial assets</b>		<b>2,438,017</b>	<b>-</b>	<b>-</b>	<b>2,438,017</b>
<b>Financial liabilities</b>					
Interest rate swaps	20	5,470	-	5,470	-
Borrowings	21	312,225	-	312,225	-
<b>Total financial liabilities</b>		<b>317,695</b>	<b>-</b>	<b>317,695</b>	<b>-</b>



## Notes to the Financial Statements

for the year ended 31 December 2018

## 33 Fair value measurements (continued)

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

*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; and
- 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 are 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 valuation. 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 flow; and
- 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 2018

## 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 2018:

Level 3 Fair Value Measurements 2018	Financial assets at			
	FVOCI	Land	Buildings	Total
	\$'000	\$'000	\$'000	\$'000
Opening balance	24,839	517,352	1,920,665	2,462,856
Purchases (sales)	-	-	1,378	1,378
Transfers out of capital works in progress	-	-	154,321	154,321
Depreciations	-	-	(49,245)	(49,245)
Disposals	-	-	-	-
Foreign currency translation movement	-	-	2,736	2,736
<b>Subtotal</b>	<b>24,839</b>	<b>517,352</b>	<b>2,029,855</b>	<b>2,572,046</b>
Recognised in OCI	458	-	-	458
Recognised in profit or loss	(36)	-	-	(36)
Recognised in opening retained earnings -AASB 9	9,099	-	-	9,099
<b>Closing balance</b>	<b>34,360</b>	<b>517,352</b>	<b>2,029,855</b>	<b>2,581,567</b>

Level 3 Fair Value Measurements 2017	Financial assets at			
	FVOCI	Land	Buildings	Total
	\$'000	\$'000	\$'000	\$'000
Opening balance	20,364	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)
<b>Subtotal</b>	<b>20,364</b>	<b>437,651</b>	<b>1,816,168</b>	<b>2,274,183</b>
Recognised in OCI	4,475	79,701	104,497	188,673
<b>Closing balance</b>	<b>24,839</b>	<b>517,352</b>	<b>1,920,665</b>	<b>2,462,856</b>

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 2018

### 34 Subsidiaries

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

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- 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):

Notes	Class of Shares	Place of Incorporation	Ownership		
			2018 %	2017 %	
<b>Controlled entities - corporate</b>					
	(a)	Ordinary	Australia	100.00	100.00
	(b)	Ordinary	Australia	100.00	100.00
	(c)	Licence	Vietnam	100.00	100.00
	(d)	Ordinary	Spain	100.00	100.00
	(e)	Ordinary	Australia	100.00	100.00
	(f)	Ordinary	Australia	100.00	100.00

(a) RMIT Training Pty Ltd is a wholly owned entity of RMIT. Its purpose is to provide English language programs, English language testing services and Pathways Foundation Studies to students for higher education requirements.

(b) RMIT Holdings Pty Ltd (Holdings) is a wholly owned entity of RMIT. It holds RMIT's investment in RMIT University Vietnam LLC (RMIT Vietnam). Its principal activity is to further industry, innovation, research and to support other strategic activities and initiatives within the Group.

(c) RMIT University Vietnam LLC is a wholly owned entity of RMIT Holdings Pty Ltd. Its purpose is to conduct education and training activities for both undergraduate and postgraduate levels in Vietnam. It also supports research activities with an aim to help solve critical global problems and to deliver significant economic, social and environmental impact.

(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 modern technology and to provide digital learning experience. It provides undergraduate, postgraduate, vocational and short courses of study.

(f) RMIT University Indonesia Pty Ltd is a wholly owned entity of RMIT. Its purpose is to conduct review of the current Indonesian higher education market and to maintain RMIT's brand presence in Indonesia.

### 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.

## Notes to the Financial Statements

for the year ended 31 December 2018

### 35 Related parties (continued)

#### (c) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		RMIT	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Sale of services</b>				
Fees and charges	-	-	5,287	5,191
Donations and bequests	-	-	8,000	-
Rental income	-	-	3,850	3,665
Service Level Agreement income	-	-	8,526	7,957
<b>Purchase of services</b>				
Grants, scholarships, donations and prizes	-	-	38,395	5,456
Service Level Agreement charges	-	-	28,782	17,423
Subscriptions	-	-	157	146
<b>Expenditure incurred on behalf of related parties</b>				
<b>Loans advanced to/ (repaid by) subsidiaries</b>	-	-	(2,636)	(349)
<b>Interest expense</b>	-	-	793	566

#### (d) Outstanding balances

Outstanding balances with related parties are:

Current receivables	-	-	528	3,164
Provision for impairment	-	-	(388)	(224)
Interest bearing liabilities	-	-	94,705	52,248

#### (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 1.67% (2017 - 1.65%).

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.

### 36 Key management personnel disclosures

#### (a) Responsible persons related disclosures

In accordance with the directions of the Assistant Treasurer 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, MP is the current Minister for Training and Skills and the Minister for Higher Education. Remuneration of the Ministers is disclosed in the financial statements of the Department of Parliamentary Services. Other relevant interests are declared in the Register of Members interests which is completed by each member of Parliament.



## Notes to the Financial Statements

for the year ended 31 December 2018

## 36 Key management personnel disclosures (continued)

## (a) Responsible persons related disclosures (continued)

## (ii) Names of council members and executive officers

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

Council Members	
Bean, M. (Accountable Officer)	Hadi, S. (term commenced 1 Nov 2018)
Akhurst, B.	Hayward, D. (term concluded 31 Dec 2018)
Bateman, D.	Hogan, G.
Bornstein, J.	Latchford, J.
Dove, A. (term concluded 31 Oct 2018)	O'Donnell, R.
Duckett, S.	Switkowski, Z.
Haas, M.	Ward, A.

All council members 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. (term concluded 31 Mar 2018)	Koch, K.
Coloe, P.	Reid, G. (term concluded 12 Aug 2018)
Drummond, C.	MacIntyre, A. (term concluded 18 Jan 2019)
Gough, P.	Tynan, B.
Higgins, D.	Palmer, I. (term concluded 31 Dec 2018)
Holthouse, R. (term commenced 1 Jan 2019)	Sweetland, M. (term commenced 13 Aug 2018)

Executive officers disclosed above are RMIT's Vice Chancellor Executive 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

	Consolidated		RMIT	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Short-term employee benefits	5,838,359	5,412,555	4,782,334	4,659,841
Post-employment benefits	542,264	586,884	448,866	520,285
Other long-term benefits	157,088	158,014	137,455	142,158
Termination benefits	-	411,752	-	411,752
<b>Total remuneration</b>	<b>6,537,711</b>	<b>6,569,205</b>	<b>5,368,655</b>	<b>5,734,036</b>
<b>Total number of executive officers</b>	<b>14</b>	<b>15</b>	<b>11</b>	<b>12</b>
<b>Total annualised employee equivalent (AEE)</b>	<b>12.25</b>	<b>13.49</b>	<b>9.25</b>	<b>10.08</b>

## (c) Key management personnel compensation

Short-term employee benefits	6,765,304	6,549,579	6,765,304	6,549,579
Post-employment benefits	600,924	669,507	600,924	669,507
Other long-term benefits	181,541	188,805	181,541	188,805
Termination benefits	-	411,752	-	411,752
<b>Total remuneration</b>	<b>7,547,769</b>	<b>7,819,643</b>	<b>7,547,769</b>	<b>7,819,643</b>
<b>Total number of key management personnel</b>	<b>25</b>	<b>26</b>	<b>25</b>	<b>26</b>
<b>Total annualised employee equivalent (AEE)</b>	<b>22.25</b>	<b>22.92</b>	<b>22.25</b>	<b>22.92</b>

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

## Notes to the Financial Statements

for the year ended 31 December 2018

## 36 Key management personnel disclosures (continued)

## (d) Transactions with key management personnel

RMIT University received research funding of \$305,078 (2017-\$629,499) and made payments for expenses of \$130,042 (2017-\$221,841) to Australian Housing and Urban Research Institute (AHURI). Calum Drummond (Executive Officer) is on the Board of Directors of AHURI.

## (e) Remuneration of council members and executives

	Consolidated		RMIT	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Remuneration of council members</b>				
Nil to \$9,999	2	2	2	2
\$30,000 to \$39,999	1	2	1	2
\$40,000 to \$49,999	7	6	7	6
\$60,000 to \$69,999	1	1	1	1
\$220,000 to \$229,999	-	1	-	1
\$230,000 to \$239,999	1	-	1	-
\$410,000 to \$419,999	-	1	-	1
\$420,000 to \$429,999	1	-	1	-
\$630,000 to \$639,999	-	1	-	-
\$1,060,000 to \$1,069,999	-	1	-	1
\$1,100,000 to \$1,109,999	1	-	1	-
<b>Total</b>	<b>14</b>	<b>15</b>	<b>14</b>	<b>14</b>

## Remuneration of executive officers

\$20,000 to \$29,999	-	1	-	1
\$100,000 to \$109,999	-	1	-	1
\$140,000 to \$149,999	1	-	1	-
\$150,000 to \$159,999	-	1	-	-
\$180,000 to \$189,999	1	-	1	-
\$210,000 to \$219,999	1	-	1	-
\$250,000 to \$259,999	-	-	-	-
\$290,000 to \$299,999	-	1	-	1
\$310,000 to \$319,999	-	1	-	-
\$330,000 to \$339,999	1	-	-	-
\$350,000 to \$359,999	-	-	-	-
\$360,000 to \$369,999	-	1	-	-
\$400,000 to \$409,999	1	-	-	-
\$420,000 to \$429,999	1	-	-	-
\$490,000 to \$499,999	-	1	-	1
\$530,000 to \$539,999	-	1	-	1
\$540,000 to \$549,999	1	3	1	3
\$560,000 to \$569,999	1	1	1	1
\$570,000 to \$579,999	1	-	1	-
\$590,000 to \$599,999	-	1	-	1
\$600,000 to \$699,999	1	-	1	-
\$610,000 to \$619,999	2	1	2	1
\$630,000 to \$639,999	1	-	1	-
\$670,000 to \$679,999	1	-	1	-
\$870,000 to \$879,999	-	1	-	1
<b>Total</b>	<b>14</b>	<b>15</b>	<b>11</b>	<b>12</b>

When a responsible person is both a responsible person of the consolidated entity as well as an executive of RMIT University and paid by the ultimate parent entity they are disclosed as an executive officer of RMIT University.

## Notes to the Financial Statements

for the year ended 31 December 2018

## 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 (VET) 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
	2018	2018	2018	2017	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>						
Australian government financial assistance	558,203	58,660	616,863	535,441	64,315	599,756
State and local government financial assistance	103	47,800	47,903	2,622	46,757	49,379
HECS-HELP - Student payments	20,445	-	20,445	19,161	-	19,161
Fees and charges	449,058	69,652	518,710	374,188	66,219	440,407
Investment income	9,205	4	9,209	6,888	5	6,893
Consultancy and contracts	51,841	1,648	53,489	47,613	1,166	48,779
Other revenue	39,153	4,847	44,000	25,312	4,681	29,993
<b>Total income from continuing operations</b>	<b>1,128,008</b>	<b>182,611</b>	<b>1,310,619</b>	<b>1,011,225</b>	<b>183,143</b>	<b>1,194,368</b>
<b>Expenses from continuing operations</b>						
Employee related expenses	614,733	113,442	728,175	562,793	108,103	670,896
Depreciation and amortisation	86,646	18,973	105,619	75,216	18,804	94,020
Repairs and maintenance	16,180	3,628	19,808	13,296	6,365	19,661
Borrowing costs	9,517	1,754	11,271	6,914	1,729	8,643
Impairment of assets	3,006	-	3,006	(2,818)	(285)	(3,103)
Other expenses	359,950	43,402	403,352	304,830	47,016	351,846
<b>Total expenses from continuing operations</b>	<b>1,090,032</b>	<b>181,199</b>	<b>1,271,231</b>	<b>960,231</b>	<b>181,732</b>	<b>1,141,963</b>
<b>Operating result before income tax</b>	<b>37,976</b>	<b>1,412</b>	<b>39,388</b>	<b>50,994</b>	<b>1,411</b>	<b>52,405</b>
Income tax expense	(1,981)	-	(1,981)	(1,447)	-	(1,447)
<b>Operating result after income tax for the period</b>	<b>35,995</b>	<b>1,412</b>	<b>37,407</b>	<b>49,547</b>	<b>1,411</b>	<b>50,958</b>

## (ii) Statement of Comprehensive Income

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2018	2018	2018	2017	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Net result after income tax for the period</b>	<b>35,995</b>	<b>1,412</b>	<b>37,407</b>	<b>49,547</b>	<b>1,411</b>	<b>50,958</b>
<b>Items that may be reclassified to profit or loss</b>						
Cash flow hedges	(12,656)	(1,403)	(14,059)	(4,593)	(510)	(5,103)
Transfer to income statement on asset disposals	-	-	-	(1,138)	-	(1,138)
Transfers out	(21)	-	(21)	-	-	-
<b>Total items that may be reclassified to profit or loss</b>	<b>(12,677)</b>	<b>(1,403)</b>	<b>(14,080)</b>	<b>(5,731)</b>	<b>(510)</b>	<b>(6,241)</b>
<b>Items that will not be reclassified to profit or loss</b>						
Gain/(loss) on revaluation of land, buildings and artworks	-	-	-	165,892	18,306	184,198
Deferred government superannuation contributions	13,577	-	13,577	8,346	-	8,346
Deferred employee benefits for superannuation	(13,577)	-	(13,577)	(8,346)	-	(8,346)
Transfer to/(from) retained earnings	-	-	-	36,772	-	36,772
Changes in the fair value of equity investments at FVOCI	458	-	458	7,203	-	7,203
<b>Total items that will not be reclassified to profit or loss</b>	<b>458</b>	<b>-</b>	<b>458</b>	<b>209,867</b>	<b>18,306</b>	<b>228,173</b>
<b>Total comprehensive income</b>	<b>23,776</b>	<b>9</b>	<b>23,785</b>	<b>253,683</b>	<b>19,207</b>	<b>272,890</b>

## Notes to the Financial Statements

for the year ended 31 December 2018

## 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
	2018	2018	2018	2017	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	29,798	3,738	33,536	64,120	5,230	69,350
Receivables	51,967	5,942	57,909	51,350	3,345	54,695
Other non-financial assets	10,966	1,786	12,752	9,375	1,522	10,897
<b>Total current assets</b>	<b>92,731</b>	<b>11,466</b>	<b>104,197</b>	<b>124,845</b>	<b>10,097</b>	<b>134,942</b>
<b>Non-current assets</b>						
Receivables	301,796	-	301,796	288,876	-	288,876
Property, plant and equipment	2,320,594	415,948	2,736,542	2,262,183	416,470	2,678,653
Intangible assets	5,423	1,356	6,779	8,350	2,087	10,437
Other financial assets	111,261	306	111,567	104,063	203	104,266
<b>Total non-current assets</b>	<b>2,739,074</b>	<b>417,610</b>	<b>3,156,684</b>	<b>2,663,472</b>	<b>418,760</b>	<b>3,082,232</b>
<b>Total assets</b>	<b>2,831,805</b>	<b>429,076</b>	<b>3,260,881</b>	<b>2,788,317</b>	<b>428,857</b>	<b>3,217,174</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	194,961	24,064	219,025	145,404	22,674	168,078
Borrowings	3,375	-	3,375	3,375	-	3,375
Provisions	120,908	21,863	142,771	130,163	21,311	151,474
Current tax liabilities	2,458	-	2,458	3,845	-	3,845
Other liabilities	56,334	7,124	63,458	50,804	6,131	56,935
<b>Total current liabilities</b>	<b>378,036</b>	<b>53,051</b>	<b>431,087</b>	<b>333,591</b>	<b>50,116</b>	<b>383,707</b>
<b>Non-current liabilities</b>						
Trade and other payables	4,974	553	5,527	4,119	457	4,576
Borrowings	243,928	17,875	261,803	287,680	21,170	308,850
Provisions	320,146	4,039	324,185	312,932	3,565	316,497
<b>Total non-current liabilities</b>	<b>569,048</b>	<b>22,467</b>	<b>591,515</b>	<b>604,731</b>	<b>25,192</b>	<b>629,923</b>
<b>Total liabilities</b>	<b>947,084</b>	<b>75,518</b>	<b>1,022,602</b>	<b>938,322</b>	<b>75,308</b>	<b>1,013,630</b>
<b>Net assets</b>	<b>1,884,721</b>	<b>353,558</b>	<b>2,238,279</b>	<b>1,849,995</b>	<b>353,549</b>	<b>2,203,544</b>
<b>EQUITY</b>						
RMIT entity interest						
Reserves	777,429	226,866	1,004,295	793,638	228,269	1,021,907
Retained earnings	1,107,292	126,692	1,233,984	1,056,357	125,280	1,181,637
<b>Total equity</b>	<b>1,884,721</b>	<b>353,558</b>	<b>2,238,279</b>	<b>1,849,995</b>	<b>353,549</b>	<b>2,203,544</b>

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 2018

## 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
<b>Balance as 1 January 2017</b>	<b>589,502</b>	<b>1,043,582</b>	<b>1,633,084</b>	<b>210,473</b>	<b>123,869</b>	<b>334,342</b>	<b>1,967,426</b>
Profit or (loss)	-	49,547	49,547	-	1,411	1,411	50,958
Gain/(loss) on revaluation of land, buildings and artworks	165,892	-	165,892	18,306	-	18,306	184,198
Changes in the fair value of equity investments at FVOCI	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)	-	-	-	-	-
<b>Balance at 31 December 2017</b>	<b>793,638</b>	<b>1,056,357</b>	<b>1,849,995</b>	<b>228,269</b>	<b>125,280</b>	<b>353,549</b>	<b>2,203,544</b>
<b>Balance at 1 January 2018</b>	<b>793,638</b>	<b>1,056,357</b>	<b>1,849,995</b>	<b>228,269</b>	<b>125,280</b>	<b>353,549</b>	<b>2,203,544</b>
Retrospective changes	(3,990)	14,940	10,950	-	-	-	10,950
<b>Balance as restated</b>	<b>789,648</b>	<b>1,071,297</b>	<b>1,860,945</b>	<b>228,269</b>	<b>125,280</b>	<b>353,549</b>	<b>2,214,494</b>
Profit or (loss)	-	35,995	35,995	-	1,412	1,412	37,407
Cash flow hedges	(12,656)	-	(12,656)	(1,403)	-	(1,403)	(14,059)
Transfers out	(21)	-	(21)	-	-	-	(21)
Changes in the fair value of equity investments at FVOCI	458	-	458	-	-	-	458
<b>Balance at 31 December 2018</b>	<b>777,429</b>	<b>1,107,292</b>	<b>1,884,721</b>	<b>226,866</b>	<b>126,692</b>	<b>353,558</b>	<b>2,238,279</b>

## Notes to the Financial Statements

for the year ended 31 December 2018

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

## (a) Industry - Parent Entity (continued)

## (v) Statement of Cash Flows

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2018	2018	2018	2017	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>						
Australian Government Grants received	533,235	58,660	591,895	520,570	64,315	584,885
OS-HELP (net)	1,084	-	1,084	151	-	151
Superannuation Supplementation	23,212	-	23,212	21,512	-	21,512
State Government Grants received	103	47,800	47,903	2,622	46,757	49,379
HECS-HELP – Student payments	20,445	-	20,445	19,161	-	19,161
Receipts from student fees and other customers	541,824	70,802	612,626	468,173	53,064	521,237
Dividends received	6,792	-	6,792	527	-	527
Interest received	1,858	4	1,862	1,528	336	1,864
Payments to suppliers and employees (inclusive of GST)	(983,803)	(160,154)	(1,143,957)	(918,606)	(162,106)	(1,080,712)
Interest and other finance costs	(6,985)	(1,330)	(8,315)	(8,062)	(896)	(8,958)
GST recovered/(paid)	28,943	5,107	34,050	31,607	7,901	39,508
Income tax paid	(3,368)	-	(3,368)	(2,599)	-	(2,599)
<b>Net cash provided by/ (used in) operating activities</b>	<b>163,340</b>	<b>20,889</b>	<b>184,229</b>	<b>136,584</b>	<b>9,371</b>	<b>145,955</b>
<b>Cash flows from investing activities</b>						
Proceeds from sale of property, plant and equipment	3,774	666	4,440	419	103	522
Payments for property, plant and equipment	(148,134)	(16,459)	(164,593)	(197,577)	(21,953)	(219,530)
<b>Net cash provided by/ (used in) investing activities</b>	<b>(144,360)</b>	<b>(15,793)</b>	<b>(160,153)</b>	<b>(197,158)</b>	<b>(21,850)</b>	<b>(219,008)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings	209,582	25,903	235,485	440,750	96,750	537,500
Repayment of borrowings	(262,884)	(32,491)	(295,375)	(387,266)	(85,009)	(472,275)
<b>Net cash provided by/ (used in) financing activities</b>	<b>(53,302)</b>	<b>(6,588)</b>	<b>(59,890)</b>	<b>53,484</b>	<b>11,741</b>	<b>65,225</b>
Net increase/ (decrease) in cash and cash equivalents	(34,322)	(1,492)	(35,814)	(7,090)	(738)	(7,828)
Cash and cash equivalents at the beginning of the financial year	64,120	5,230	69,350	71,210	5,968	77,178
<b>Cash and cash equivalents at end of year</b>	<b>29,798</b>	<b>3,738</b>	<b>33,536</b>	<b>64,120</b>	<b>5,230</b>	<b>69,350</b>

## (b) RMIT Consolidated entity

Geographical	Total Revenue		Net Operating Results		Total Assets	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	1,350,284	1,234,058	80,643	68,768	3,261,015	3,214,577
South East Asia	79,056	69,494	8,675	2,042	130,832	112,574
Europe	3,647	2,991	94	107	1,780	1,500
	<b>1,432,987</b>	<b>1,306,543</b>	<b>89,412</b>	<b>70,917</b>	<b>3,393,627</b>	<b>3,328,651</b>

Notes to the Financial Statements

for the year ended 31 December 2018

38 Acquittal of Australian government financial assistance

(a) Education - CGS and other education grants

	Commonwealth grants scheme#1		Indigenous student success program		Higher education participation program	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Parent Entity (RMIT) Only</b>						
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)	264,631	264,983	898	820	4,115	4,281
Net accrual adjustments	-	-	-	-	-	-
<b>Revenue for the period</b>	<b>264,631</b>	<b>264,983</b>	<b>898</b>	<b>820</b>	<b>4,115</b>	<b>4,281</b>
Surplus/(deficit) from the previous year	-	-	-	(356)	-	-
Total revenue including accrued revenue	264,631	264,983	898	464	4,115	4,281
Less expenses including accrued expenses	(264,631)	(264,983)	(1,244)	(464)	(4,115)	(4,281)
<b>Surplus/(deficit) for the reporting period</b>	<b>-</b>	<b>-</b>	<b>(346)</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Disability performance funding #2		Promo of exc in learning and teaching		Australian maths & science partnership program	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Parent Entity (RMIT) Only</b>						
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)	102	113	-	55	-	-
Net accrual adjustments	-	-	-	-	-	-
<b>Revenue for the period</b>	<b>102</b>	<b>113</b>	<b>-</b>	<b>55</b>	<b>-</b>	<b>-</b>
Surplus/(deficit) from the previous year	(576)	(547)	(114)	418	427	753
Total revenue including accrued revenue	(474)	(434)	(114)	473	427	753
Less expenses including accrued expenses	(243)	(142)	1	(587)	(397)	(326)
<b>Surplus/(deficit) for the reporting period</b>	<b>(717)</b>	<b>(576)</b>	<b>(113)</b>	<b>(114)</b>	<b>30</b>	<b>427</b>

	Total	
	2018 \$'000	2017 \$'000
<b>Parent Entity (RMIT) Only</b>		
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)	269,746	270,252
Net accrual adjustments	-	-
<b>Revenue for the period</b>	<b>269,746</b>	<b>270,252</b>
Surplus/(deficit) from the previous year	(263)	268
Total revenue including accrued revenue	269,483	270,520
Less expenses including accrued expenses	(270,629)	(270,783)
<b>Surplus/(deficit) for the reporting period</b>	<b>(1,146)</b>	<b>(263)</b>

#1Includes the basic CGS grant amount, CGS – regional loading, CGS – enabling loading, allocated places, non designated courses, maths and science transition loading and full fee places transition loading.

#2 Disability performance funding includes additional support for students with disabilities and Australian disability clearinghouse on education & training.

Notes to the Financial Statements

for the year ended 31 December 2018

38 Acquittal of Australian government financial assistance (continued)

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

	HECS-HELP (Aust. govt payments only)		FEE-HELP #3		VET STUDENT LOAN	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Parent Entity (RMIT) Only</b>						
Cash payable/(receivable) at the beginning of the year	-	-	2,118	645	(1,033)	-
Financial assistance received in cash during the reporting period	196,260	182,506	46,977	43,081	17,081	14,502
<b>Cash available for the period</b>	<b>196,260</b>	<b>182,506</b>	<b>49,095</b>	<b>43,726</b>	<b>16,048</b>	<b>14,502</b>
Revenue earned	196,260	182,506	52,092	41,608	17,086	15,535
<b>Cash payable/(receivable) at the end of the year</b>	<b>-</b>	<b>-</b>	<b>(2,997)</b>	<b>2,118</b>	<b>(1,038)</b>	<b>(1,033)</b>

	VET FEE-HELP		SA-HELP		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Parent Entity (RMIT) Only</b>						
Cash payable/(receivable) at the beginning of the year	(3,052)	(5,957)	(193)	(228)	(2,160)	(5,540)
Financial assistance received in cash during the reporting period	163	9,676	5,131	4,495	265,612	254,260
<b>Cash available for the period</b>	<b>(2,889)</b>	<b>3,719</b>	<b>4,938</b>	<b>4,267</b>	<b>263,452</b>	<b>248,720</b>
Revenue earned	(2,840)	6,771	3,990	4,460	266,588	250,880
<b>Cash payable/(receivable) at the end of the year</b>	<b>(49)</b>	<b>(3,052)</b>	<b>948</b>	<b>(193)</b>	<b>(3,136)</b>	<b>(2,160)</b>

#3 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		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Parent Entity (RMIT) Only</b>				
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)	21,300	21,615	21,300	21,615
Net accrual adjustments	-	(1,080)	-	(1,080)
<b>Revenue for the period</b>	<b>21,300</b>	<b>20,535</b>	<b>21,300</b>	<b>20,535</b>
Surplus/(deficit) from the previous year	(8,964)	42	(8,964)	42
Total revenue including accrued revenue	12,336	20,577	12,336	20,577
Less expenses including accrued expenses	(35,387)	(29,541)	(35,387)	(29,541)
<b>Surplus/(deficit) for the reporting period</b>	<b>(23,051)</b>	<b>(8,964)</b>	<b>(23,051)</b>	<b>(8,964)</b>

(d) Education research

	Research support program		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Parent Entity (RMIT) Only</b>				
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)	12,985	13,913	12,985	13,913
Net accrual adjustments	-	(1,512)	-	(1,512)
<b>Revenue for the period</b>	<b>12,985</b>	<b>12,401</b>	<b>12,985</b>	<b>12,401</b>
Surplus/(deficit) from the previous year	-	232	-	232
Total revenue including accrued revenue	12,985	12,633	12,985	12,633
Less expenses including accrued expenses	(12,985)	(12,633)	(12,985)	(12,633)
<b>Surplus/(deficit) for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Notes to the Financial Statements

for the year ended 31 December 2018

## 38 Acquittal of Australian government financial assistance (continued)

## (e) Total higher education provider research training program expenditure

	Total domestic students \$'000	Total overseas students \$'000
Research training program fees offsets	24,158	3,233
Research training program stipends	6,765	1,231
<b>Total for all types of support</b>	<b>30,923</b>	<b>4,464</b>

## (f) Australian research council grants

	Discovery		Linkages	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Parent Entity (RMIT) Only</b>				
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the program)	8,240	7,208	1,589	1,759
<b>Revenue for the period</b>	<b>8,240</b>	<b>7,208</b>	<b>1,589</b>	<b>1,759</b>
Surplus/(deficit) from the previous year	8,375	8,865	(38)	2,264
Total revenue including accrued revenue	16,615	16,073	1,551	4,023
Less expenses including accrued expenses	(10,286)	(7,698)	(1,311)	(4,061)
<b>Surplus/(deficit) for reporting period</b>	<b>6,329</b>	<b>8,375</b>	<b>240</b>	<b>(38)</b>

	Networks and centres		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Parent Entity (RMIT) Only</b>				
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the program)	985	861	10,814	9,828
<b>Revenue for the period</b>	<b>985</b>	<b>861</b>	<b>10,814</b>	<b>9,828</b>
Surplus/(deficit) from the previous year	1,482	689	9,819	11,818
Total revenue including accrued revenue	2,467	1,550	20,633	21,646
Less expenses including accrued expenses	(1,109)	(68)	(12,706)	(11,827)
<b>Surplus/(deficit) for reporting period</b>	<b>1,358</b>	<b>1,482</b>	<b>7,927</b>	<b>9,819</b>

## (g) Other capital funding

	Linkage infrastructure, equipment and facilities grant		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Parent Entity (RMIT) Only</b>				
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the program)	595	250	595	250
<b>Revenue for the period</b>	<b>595</b>	<b>250</b>	<b>595</b>	<b>250</b>
Surplus/(deficit) from the previous year	975	732	975	732
Total revenue including accrued revenue	1,570	982	1,570	982
Less expenses including accrued expenses	(314)	(7)	(314)	(7)
<b>Surplus/(deficit) for reporting period</b>	<b>1,256</b>	<b>975</b>	<b>1,256</b>	<b>975</b>

## (h) OS-HELP

Cash received during the reporting period	5,726	4,613
Cash spent during the reporting period	(4,642)	(4,259)
<b>Net cash received</b>	<b>1,084</b>	<b>354</b>
Cash surplus/(deficit) from the previous period	555	201
<b>Cash surplus/(deficit) for the reporting period</b>	<b>1,639</b>	<b>555</b>

## Notes to the Financial Statements

for the year ended 31 December 2018

## 38 Acquittal of Australian government financial assistance (continued)

## (i) Superannuation supplementation

	2018 \$'000	2017 \$'000
<b>Parent Entity (RMIT) Only</b>		
Cash received during the reporting period	23,212	21,512
<b>Cash available</b>	<b>23,212</b>	<b>21,512</b>
Cash surplus/(deficit) from the previous period	(413)	(1,124)
<b>Cash available for current period</b>	<b>22,799</b>	<b>20,388</b>
Contributions to specified defined benefit funds	(23,990)	(20,801)
<b>Cash surplus/(deficit) for this period</b>	<b>(1,191)</b>	<b>(413)</b>

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

## (j) Student services and amenities fee

SA-HELP revenue earned	3,990	4,460
Student services fees direct from students	9,630	8,411
<b>Total revenue expendable in period</b>	<b>13,620</b>	<b>12,871</b>
Student services expenses during period	(13,620)	(12,871)
<b>Unspent/(overspent) student services revenue</b>	<b>-</b>	<b>-</b>

## Income Statement

for the years 2018 to 2014 inclusive

	Consolidated					RMIT				
	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Incoming from continuing operations</b>										
Australian Government financial assistance										
Australian government grants	350,275	348,876	344,818	330,467	308,965	350,275	348,876	344,818	330,467	308,965
HELP - Australian government payments	266,588	250,880	236,965	232,686	221,445	266,588	250,880	236,965	232,686	221,445
State and local government financial assistance	47,903	49,379	33,131	32,488	31,686	47,903	49,379	33,131	32,488	31,686
HECS-HELP - Student payments	20,445	19,161	19,309	17,354	22,063	20,445	19,161	19,309	17,354	22,063
Fees and charges	645,576	547,585	492,846	455,620	409,824	518,710	440,407	407,809	369,948	335,064
Investment income	11,247	8,362	4,367	7,996	7,683	9,209	6,893	3,106	5,469	5,271
Consultancy and contracts	47,312	42,521	51,418	40,115	35,663	53,489	48,779	50,924	36,518	31,873
Other revenue	43,641	39,779	43,225	46,326	40,986	44,000	29,993	30,916	38,967	32,168
<b>Total revenue from continuing operations</b>	<b>1,432,987</b>	<b>1,306,543</b>	<b>1,226,079</b>	<b>1,163,052</b>	<b>1,078,315</b>	<b>1,310,619</b>	<b>1,194,368</b>	<b>1,126,978</b>	<b>1,063,897</b>	<b>988,535</b>
<b>Expenses from continuing operations</b>										
Employee related expenses	798,282	733,539	677,164	662,514	607,932	728,175	670,896	625,499	604,318	554,754
Depreciation and amortisation	112,141	99,422	82,094	71,714	64,662	105,619	94,020	76,163	65,507	58,859
Repairs and maintenance	19,928	19,740	39,747	24,036	21,058	19,808	19,661	39,649	23,930	21,051
Borrowing costs	10,478	8,077	7,340	7,354	6,871	11,271	8,643	7,664	7,772	7,336
Impairment of assets	3,245	(76)	(731)	4,056	(4,077)	3,006	(3,103)	2,001	3,774	(4,277)
Other expenses	395,963	373,085	325,338	321,473	304,962	403,352	351,846	308,215	295,427	276,740
<b>Total expenses from continuing operations</b>	<b>1,340,037</b>	<b>1,233,787</b>	<b>1,130,952</b>	<b>1,091,147</b>	<b>1,001,408</b>	<b>1,271,231</b>	<b>1,141,963</b>	<b>1,059,191</b>	<b>1,000,728</b>	<b>914,463</b>
<b>Operating result before income tax</b>	<b>92,950</b>	<b>72,756</b>	<b>95,127</b>	<b>71,905</b>	<b>76,907</b>	<b>39,388</b>	<b>52,405</b>	<b>67,787</b>	<b>63,169</b>	<b>74,072</b>
Income tax expense	(3,538)	(1,839)	(1,673)	(4,342)	(3,832)	(1,981)	(1,447)	(559)	(2,690)	(2,873)
<b>Operating result from continuing operations</b>	<b>89,412</b>	<b>70,917</b>	<b>93,454</b>	<b>67,563</b>	<b>73,075</b>	<b>37,407</b>	<b>50,958</b>	<b>67,228</b>	<b>60,479</b>	<b>71,199</b>
Operating result attributable to minority interest	-	-	-	153	(124)	-	-	-	-	-
<b>Operating result attributed to RMIT entity</b>	<b>89,412</b>	<b>70,917</b>	<b>93,454</b>	<b>67,716</b>	<b>72,951</b>	<b>37,407</b>	<b>50,958</b>	<b>67,228</b>	<b>60,479</b>	<b>71,199</b>

## Statement of Financial Position

for the years 2018 to 2014 inclusive

	Consolidated					RMIT				
	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
<b>Current assets</b>										
Cash and cash equivalents	42,962	75,745	87,098	98,984	110,720	33,535	69,350	77,178	90,855	83,780
Receivables	60,702	54,092	55,880	55,070	49,534	57,908	54,695	52,488	59,058	53,553
Inventories	19	20	869	2,246	1,775	-	-	853	1,782	1,288
Other financial assets	65,524	53,279	49,034	43,779	28,132	-	-	-	-	-
Other non-financial assets	15,148	12,985	14,290	11,681	12,410	12,752	10,897	11,871	9,413	10,308
<b>Total current assets</b>	<b>184,355</b>	<b>196,121</b>	<b>207,171</b>	<b>211,760</b>	<b>202,571</b>	<b>104,195</b>	<b>134,942</b>	<b>142,390</b>	<b>161,108</b>	<b>148,929</b>
<b>Non-current assets</b>										
Receivables	301,926	288,940	296,825	309,518	313,274	301,796	288,876	296,799	309,433	313,210
Available for sale financial assets	-	-	91,131	84,200	54,037	-	-	91,131	29,276	3,960
Property, plant and equipment	2,790,036	2,729,775	2,406,161	2,262,464	2,092,751	2,736,542	2,678,653	2,357,401	2,209,149	2,041,257
Deferred tax asset	540	626	420	658	1,016	-	-	-	-	-
Intangible assets	6,930	10,650	23,581	25,852	16,883	6,779	10,437	23,346	25,552	16,319
Other financial assets	109,840	102,539	37	37	158	111,568	104,266	1,764	2,411	2,532
Investment property	-	-	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>3,209,272</b>	<b>3,132,530</b>	<b>2,818,155</b>	<b>2,682,729</b>	<b>2,478,119</b>	<b>3,156,685</b>	<b>3,082,232</b>	<b>2,770,441</b>	<b>2,575,821</b>	<b>2,377,278</b>
<b>Total assets</b>	<b>3,393,627</b>	<b>3,328,651</b>	<b>3,025,326</b>	<b>2,894,489</b>	<b>2,680,690</b>	<b>3,260,880</b>	<b>3,217,174</b>	<b>2,912,831</b>	<b>2,736,929</b>	<b>2,526,207</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Trade and other payables	153,785	141,444	146,109	132,772	127,095	219,024	168,078	154,070	124,252	83,333
Borrowings	3,375	3,375	4,775	-	-	3,375	3,375	4,775	-	18,138
Provisions	149,611	157,854	165,100	147,019	138,232	142,771	151,474	159,730	134,144	129,237
Current tax liabilities	2,492	3,845	4,997	5,785	4,947	2,458	3,845	4,997	5,785	4,947
Other liabilities	72,011	65,828	67,898	71,806	73,202	63,458	56,935	54,674	61,468	59,991
<b>Total current liabilities</b>	<b>381,274</b>	<b>372,346</b>	<b>388,879</b>	<b>357,382</b>	<b>343,476</b>	<b>431,086</b>	<b>383,707</b>	<b>378,246</b>	<b>325,649</b>	<b>295,646</b>
<b>Non-current liabilities</b>										
Trade and other payables	5,527	4,576	-	-	-	5,527	4,576	-	-	-
Borrowings	261,803	308,850	242,225	231,362	128,868	261,803	308,850	242,225	231,362	128,868
Provisions	324,623	317,036	325,426	340,953	328,440	324,185	316,497	324,934	333,115	328,104
Deferred tax liabilities	-	-	-	3	4	-	-	-	-	-
Other liabilities	-	-	-	117	210	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>591,953</b>	<b>630,462</b>	<b>567,651</b>	<b>572,435</b>	<b>457,522</b>	<b>591,515</b>	<b>629,923</b>	<b>567,159</b>	<b>564,477</b>	<b>456,972</b>
<b>Total liabilities</b>	<b>973,227</b>	<b>1,002,808</b>	<b>956,530</b>	<b>929,817</b>	<b>800,998</b>	<b>1,022,601</b>	<b>1,013,630</b>	<b>945,405</b>	<b>890,126</b>	<b>752,618</b>
<b>Net assets</b>	<b>2,420,400</b>	<b>2,325,843</b>	<b>2,068,796</b>	<b>1,964,672</b>	<b>1,879,692</b>	<b>2,238,279</b>	<b>2,203,544</b>	<b>1,967,426</b>	<b>1,846,803</b>	<b>1,773,589</b>
<b>EQUITY</b>										
<b>RMIT entity interest</b>										
Reserves	1,012,851	1,022,817	839,450	832,401	814,984	1,004,295	1,021,907	799,975	791,219	778,485
Retained earnings	1,407,549	1,303,026	1,229,346	1,132,146	1,064,430	1,233,984	1,181,637	1,167,451	1,055,584	995,104
<b>Total RMIT entity interest</b>	<b>2,420,400</b>	<b>2,325,843</b>	<b>2,068,796</b>	<b>1,964,547</b>	<b>1,879,414</b>	<b>2,238,279</b>	<b>2,203,544</b>	<b>1,967,426</b>	<b>1,846,803</b>	<b>1,773,589</b>
Outside equity interest in controlled entities	-	-	-	125	278	-	-	-	-	-
<b>Total equity</b>	<b>2,420,400</b>	<b>2,325,843</b>	<b>2,068,796</b>	<b>1,964,672</b>	<b>1,879,692</b>	<b>2,238,279</b>	<b>2,203,544</b>	<b>1,967,426</b>	<b>1,846,803</b>	<b>1,773,589</b>



# Disclosure Index

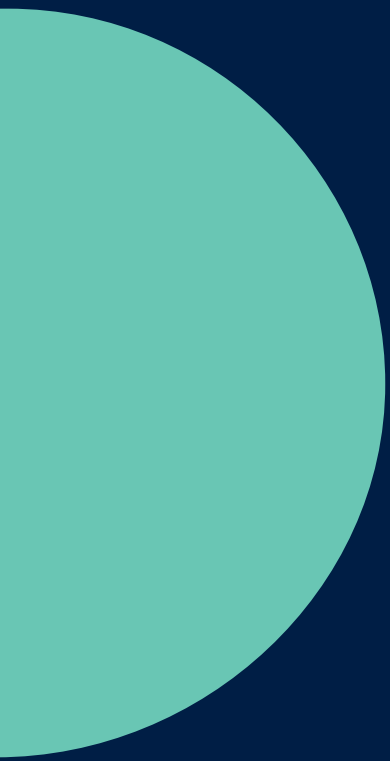


Item No.	Source	Summary of Reporting Requirement	Page(s)
<b>Report of Operations</b>			
<b>Charter and Purpose</b>			
1.	FRD 22H	Manner of establishment and the relevant Minister	40-41, 50, F-46
2.	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	7-10, 14-19, 28-39, 50
3.	FRD 22H	Nature and range of services provided including communities served	7, 50, 46-47
<b>Management and Structure</b>			
4.	FRD 22H	Organisational structure and chart, detailing members of the governing Council, Audit Committee, Chancellor, senior officers and their responsibilities	14-19, 21, 41-47
<b>Financial and Other Information</b>			
5.	FRD 03A	Accounting for Dividends	N/A
6.	FRD 07B	Early Adoption of Authoritative Accounting Pronouncements	F-14
7.	FRD 10A	Disclosure Index	113-115
8.	FRD 17B	Long Service leave and annual leave for employees	F-19, F-32-F-34
9.	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements	8, 28-39
10.	FRD 22H	Occupational health and safety statement including performance indicators, and performance against those indicators	26
11.	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	24-25, 29, 34, 35, 39
12.	FRD 22H	Summary of the financial results, with comparative information for the preceding four reporting periods	F-57-F-58
13.	FRD 22H	Significant changes in financial position	39
14.	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	28-39, 34-37, 39
15.	FRD 22H	Post-balance sheet date events likely to significantly affect subsequent reporting periods	F-39
16.	FRD 22H	Summary of application and operation of the Freedom of Information Act 1982	48
17.	FRD 22H	Statement of compliance with building and maintenance provisions of the Building Act 1993	48
18.	FRD 22H	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	39
19.	FRD 22H	University workforce inclusion policy (where a University has one), including a measurable target and report on the progress towards the target	34-35
20.	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST)	N/A
21.	FRD 22H	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform	48

Item No.	Source	Summary of Reporting Requirement	Page(s)
<b>Financial and Other Information</b>			
22.	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	48
23.	FRD 22H	Summary of application and operation of the Protected Disclosure Act 2012 including disclosures required by the Act	48
24.	FRD 22H and FRD 24D	Summary of Environmental Performance	36-37
<b>Consultants:</b> Report of Operations must include a statement disclosing each of the following:			
25.	FRD 22H	1. Total number of consultancies of \$10,000 or more (excluding GST)	50
		2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available	
		1. Consultant engaged 2. Brief summary of project 3. Total project fees approved (excluding GST) 4. Expenditure for reporting period (excluding GST) 5. Any future expenditure committed to the consultant for the project	
3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period			
26.	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	49
An entity shall disclose the following in the report of operations:			
27.	FRD 22H	a) Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period	39
		b) Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period and provide a breakdown for: (i) Operational expenditure (OPEX) (ii) Capital expenditure (CAPEX)	
28.	FRD 25C	Victorian Industry Participation Policy Disclosures	N/A
29.	FRD 26B	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	N/A
30.	FRD 119A	Transfers through contributed capital	N/A
31.	SD 3.7.1	The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework	49
32.	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, the Standing Directions, the instructions, the applicable Australian Accounting Standards and the FMA	F-1, F-12
33.	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 the Annual Report was approved	3, F-1

Item No.	Source	Summary of Reporting Requirement	Page(s)
<b>Financial Report</b>			
<b>Financial statements required under standing directions/ financial management act 1984</b>			
34.	SD 5.2.2(a), 5.2.2(b) 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:	F-1
		<ul style="list-style-type: none"> <li>Present fairly the financial transactions during reporting period and the financial position at end of the period</li> <li>Have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards</li> </ul>	
35.	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:	F-14
		<ul style="list-style-type: none"> <li>\$10,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and</li> <li>\$1,000,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000</li> </ul>	
36.	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to:	44
		<ul style="list-style-type: none"> <li>Review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament by the Responsible Minister</li> </ul>	
<b>Other requirements as per financial reporting directions in notes to the financial statements</b>			
37.	FRD 11A	Disclosure of ex-gratia payments	F-36
38.	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	F-46–F-48
39.	FRD 102A	Inventories	F-8
40.	FRD 103G	Non-financial physical assets	F-8, F-25–F-26, F-42–F-48
41.	FRD 105B	Borrowing costs	F-6, F-20, F-30–F-31
42.	FRD 106B	Impairment of assets	F-6, F-20, F-22–F-23
43.	FRD 107B	Investment properties	N/A
44.	FRD 109A	Intangible assets	F-8, F-27
45.	FRD 110A	Cash flow statements	F-10, F-39
46.	FRD 112D	Defined benefit superannuation obligations	F-32–F-34
47.	FRD 113A	Investments in Subsidiaries, Jointly Controlled Associates and Entities	46-47, F-45
48.	FRD 120L	Accounting and reporting pronouncements applicable to the reporting period	F-14
<b>Compliance with other legislation, subordinate instruments and policies</b>			
49.	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2018	48-49
50.	PAEC	Financial and other information relating to the university's international operations	46-47, F-7, F-9, F-12–F-13, F-18, F-20, F-22, F-25, F28–F-29, F-35, F-39–F-40, F-44
51.	University Commercial Activity Guidelines	<ul style="list-style-type: none"> <li>Summary of the University's commercial activities</li> <li>If the University has a controlled entity, include the accounts of that entity in the university's Annual Report</li> </ul>	46-47, F1– F58





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