
2016 Annual Report



28 February 2017

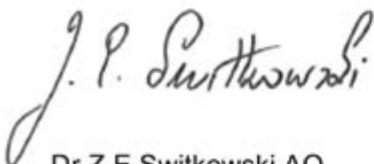
The Hon Gayle Tierney MP
Minister for Training and Skills
Level 1
2 Treasury Place
East Melbourne VIC 3000

Dear Minister

In accordance with the requirements of regulations under the *Financial Management Act 1994*, I am pleased to submit for your information and presentation to parliament the Annual Report of RMIT University for the year ended 31 December 2016.

The Annual Report was approved by the Council of RMIT University at its meeting on 28 February 2017.

Yours sincerely



Dr Z E Switkowski AO
Chancellor

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Building 1, Level 2
124 La Trobe Street
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GPO Box 2476
Melbourne VIC 3001
Australia

Tel. +61 3 9925 2000
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Project manager and editor: Pauline Charleston
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Strategy, Vision, Values, Mission

Strategy to 2020

RMIT's Strategic Plan, *Ready for Life and Work*, sets out the goals and directions through which the University will shape its future. At its core, the Strategic Plan is focused on graduating students ready for life and work.

Our Vision

A global university of technology, design and enterprise.

Our Values

Passion

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

Impact

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

Inclusion

RMIT creates life-changing opportunities for all, welcomes students and staff from diverse backgrounds, honours the identity and knowledge of Aboriginal and Torres Strait Islander nations, and is 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 our 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.

Our Mission

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

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

As the world economy transforms, we have a responsibility to make the resulting changes work for the whole of society.

Our distinctive approach to connected education and research links creative ideas with technical knowledge. We empower students to shape their own lives, achieve impact and create valued places for themselves through work and engagement in the wider community. RMIT understands how to do this during a period of deep technological change – because we have been through it before.

RMIT began helping people and organisations make the transition to an industrial society more than a century ago. Today, we embrace the challenge of helping to shape a new urban and industrial renaissance in a global economy.

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

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

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

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

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

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

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

For RMIT, this approach is both historically grounded and firmly contemporary. This is how we were established and how we have developed over almost 130 years. Being a university of technology, design and enterprise and a great urban university located in some of the most dynamic and creative cities around the world gives us a major advantage.

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

Our task is to bring the talents of our staff and students together with industry and the community to renew ourselves through teaching, learning, research and collaborative innovation, all supported by new technology.

Chancellor's Statement

2016 was an important year for RMIT, its students and staff.

The RMIT Strategic Plan, enunciated in 2015, began to come to life under the leadership of Vice-Chancellor Martin Bean CBE. The Strategic Plan aims to lead the University into the future by focusing on graduating students ready for life and work, while also providing lifelong training options for the many looking to upskill.

With a global track record in innovation and the provision of flexible learning, and a mandate to continue to improve the unique RMIT student experience, our Vice-Chancellor has proven to be a man for the times, bringing with him the capabilities, innovative ideas and energy necessary to make the plan a reality.

The strategy, *Ready for Life and Work*, puts the student experience unequivocally at the front and centre of everything we do at RMIT, focusing attention on good teaching, focused research, careers and employability, and inclusion and access. While our outlook is steadfastly fixed on the future, our aims reflect the original purpose for which RMIT was established in 1887 as the Working Men's College – to bring education to the people.

As a global university with in excess of 84,000 students across the world, RMIT remains Australia's largest and most internationalised tertiary institution. Our scale means we can provide opportunities and resources which benefit our students. Our researchers and our alumni continue to make important contributions across the globe.

On the commercial side, the year saw group revenues reach \$1226 million, up 5.4 per cent on the previous year, and operating cash flows of \$205 million. Given our strong balance sheet and underlying operational performance, and the current low interest rate environment, this cash flow augmented by borrowings is sufficient to fund the near billion dollars of capital investment we expect to make in support of offshore campuses, new infrastructure, IT systems and research facilities over the next five years.

In 2016, RMIT embarked on the ambitious New Academic Street project which is transforming the City campus and providing our students with modern facilities optimally designed to support them both academically and socially. The project ensures that RMIT will continue to provide students, staff and visitors with a unique urban experience in the heart of Melbourne's CBD.

RMIT opened its first student accommodation, Walert House, at the Bundoora campus, providing a high-tech model that enhances the student experience by integrating learning and living on campus.

2016 also saw the opening of the RMIT Activator, a dynamic platform for the RMIT community that empowers people to create ideas, bring them to life and facilitate start-ups through collaboration, access to advice and knowledge.

Our readiness to design and construct facilities, and to innovate in learning and teaching technologies to provide best practice, ensures a contemporary and satisfying student experience and builds confidence in our ability to produce graduates who are job-ready and equipped with the skills necessary for success in a digital and connected world – a world that is changing rapidly in sometimes unpredictable ways.

Whether it be political, demographic or environmental change, or fundamental change to global workforce models, skill needs and career options, RMIT must be able to adapt to unexpected challenges – and opportunities. And we must provide our students with the capability to do the same if we are going to succeed in our mission.

Designing for a future that is so unpredictable is both exhilarating and unsettling. Everything we do at RMIT seeks to prepare our students to master future challenges, whether they are with us undertaking research, completing a program of study, or participating in a start-up enterprise under our guidance.

The University continues to be well served by its Council and I am grateful to my colleagues for their diligence, enthusiasm and wisdom in helping guide our institution. We welcomed Associate Professor Debra Bateman and Mr Ariel Zohar to the Council during 2016 and farewelled Mr James Michelmore and Mr Brett Paton.

In particular I would like to thank the Deputy Chancellor, Ms Janet Latchford, who fulfilled a busy calendar of duties in Melbourne and globally with grace and aplomb – as she always does.



The year ahead will see RMIT progress its goal to create a world-class educational experience for its students. Universities everywhere will be subject to the same forces of change and disruption as we are. Yet while we will remain alert to unexpected shifts, at RMIT we believe we are well placed to respond to challenges and exploit shifts to the benefit of RMIT and its community.

The Vice-Chancellor and his executive team are energetically pursuing our aspiration to be a leading global university of design, technology and enterprise. They build upon a proud history which has emphasised the needs of students, staff and the communities we serve as its focus, while accepting that past performance is no guarantee of future success.

I join with the Vice-Chancellor in thanking all of RMIT University's staff who work diligently to ensure a quality experience for all.

A handwritten signature in black ink that reads "J. Switkowski". The signature is written in a cursive style.

Dr Ziggy Switkowski AO
Chancellor

Vice-Chancellor's Statement

Guided by our Strategic Plan, *Ready for Life and Work*, and empowered by the enthusiasm and capability of our staff, RMIT University made substantial headway in 2016 in implementing our three strategic directions.

As part of this, the University launched some significant initiatives to enhance access and outcomes for students and staff. They included:

- The Reconciliation Action Plan, to improve the levels of Aboriginal and Torres Strait Islander participation in leadership, learning and teaching, research, staff and student participation, and community engagement.
- Our Future Ready program, designed to prepare students for life after university, including access to an individualised final-year Career Health Check.
- Establishment of RMIT Activator, a dynamic platform that empowers students, staff and alumni to create ideas, bring them to life and energise existing start-ups through collaboration, advice and knowledge.

Life-changing experiences for our students

Among students, participation in global mobility programs continued to grow, as did participation in student sports, clubs and activities. We continued to focus on improved learning and teaching technology, career and course advice, mentoring and industry placements. Importantly, all these activities were underpinned by a continuing strong financial performance.

There were two groups of students whose achievements in 2016 deserve special mention. A multidisciplinary team who designed and constructed a functional Hyperloop pod prototype were rewarded with the 2016 Premier's Design Award (Student Design category). They also competed against 1700 other student teams to win a place in the final of Elon Musk's SpaceX Hyperloop Pod competition.

Three students won medals at the Rio Olympics and Paralympics. Jared Tallent OAM won silver in the 50km walk, becoming the only Australian male athletics competitor to win a medal at three consecutive Olympics. In the Paralympics pool, Ashleigh McConnell won gold and set a world record and Monique Murphy won silver.

Passion with purpose, powered by our values

In an exciting development for RMIT, we held our inaugural Sustainability Week. Highlights included a tour of RMIT's green roofs, an "ideas incubator" pitching session, ethical and sustainable food tours near the City campus, networking opportunities with industry partners, and Earth Hour.

Work continued on the Sustainable Urban Precincts Program, RMIT's biggest ever investment in energy and water efficiency. The \$128 million project aims to reduce electricity use by 263 million kWh over eight years, leading to a 32,000-tonne reduction in greenhouse gas emissions. Water use will be cut by 53 million litres.

To this end, works were completed at Brunswick campus and neared completion at Bundoora campus. The annual reduction of CO2 emissions of almost 11,000 tonnes enabled RMIT to achieve our greenhouse gas emissions reduction target of 25 per cent four years early.

The New Academic Street project continued to transform the heart of the City campus by creating new facilities that will enable RMIT to deliver better services for students and improved facilities for all. During 2016, first works were completed across 13 buildings, including two on Bundoora campus.

Shaping the world through teaching and research

We continued to improve our global position in the 2016 QS World University Rankings, with RMIT now ranked 13th in Australia and 252nd overall: a rise of 52 places from 2014. For the first time, RMIT has appeared in the Academic Ranking of World Universities' top 500.

These results reflect RMIT's strengthening record in delivering research with impact. We received significant external research funding in 2016, with a 12 per cent increase in grant application numbers and a 61 per cent increase in application success rates compared with the previous year. Our researchers received \$9.27 million in Australian Research Council grants for 23 projects.



Further confirmation of our research standing came with the award to Associate Professor Sharath Sriram of the 2016 3M Eureka Prize for Emerging Leader in Science.

Our global scale continues to make an impact. RMIT Vietnam, which celebrated its 15th anniversary in 2016, has launched a new Master of Architecture as well as a new PhD program with a focus on research in business, management and engineering.

RMIT Europe secured the first award of European research funding to RMIT Vietnam through the EU Horizon 2020 research and innovation funding scheme. RMIT Europe also delivered the first Global Summer in Barcelona event, with 30 RMIT students from Australia, Vietnam and Singapore taking part.

The whole RMIT community is rising to the challenge of building a stronger and more effective university. I have confidence this will continue in 2017 and beyond.

A handwritten signature in black ink, reading "Martin Bean".

Martin Bean CBE
Vice-Chancellor and President

About RMIT

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

One of Australia's original educational institutions, founded in 1887, RMIT University now has 84,000 students. The University enjoys an international reputation for excellence in professional and vocational education, applied and innovative research, and engagement with the needs of industry and the community.

RMIT offers postgraduate, undergraduate and VET programs, enabling students to have the option of work-relevant pathways between vocational and higher education qualifications. A range of scholarships is available to support education and research.

The University has a 5-Star QS ranking for excellence in higher education and is ranked 13th in Australia in the 2016–17 QS World University Rankings. In the 2016–17 QS Top 50 Under 50 index, RMIT rose from 21st to 16th in the world among universities less than 50 years old (RMIT was granted university status in 1992).

With three campuses in Melbourne (City, Brunswick and Bundoora), two in Vietnam (Hanoi and Ho Chi Minh City) and a centre in Barcelona, Spain, RMIT is a truly global university. RMIT also offers programs through partners in Singapore, Hong Kong, mainland China, Indonesia and Sri Lanka, and enjoys research and industry partnerships on every continent.

For the 13th consecutive year, RMIT Vietnam was awarded a prestigious Golden Dragon Award by the Vietnamese Government in 2016 for its significant contribution to Vietnam's education sector.

Work-integrated learning is fundamental to the design, delivery and review of every RMIT program. Our programs are aligned with future workforce demand and shaped by the expertise of industry practitioners.

The University's latest capital investment project, the New Academic Street, will transform the heart of the City campus, refurbishing four Swanston Street buildings, opening them to the streetscape, and creating laneways, gardens, new student spaces and enhanced library facilities.



RMIT's new Ngarara Place was awarded the 2016 Premier's Design Award (Design Strategy category), recognising its portrayal of Aboriginal art and culture.



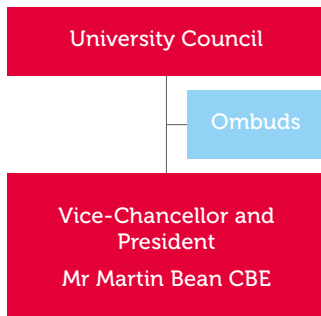
PhD researcher Jessica Pandohee with the Governor of Victoria, Linda Dessau AM, after receiving the Premier's Award for International Student of the Year at the Victorian International Education Awards. A collaborative endeavour with Victoria Police and CSIRO, Pandohee's research project aims to analyse key components for forensic science, food, agriculture and biology, and she is also a regular volunteer supporting other students.



RMIT has achieved a 25 per cent reduction in greenhouse gas emissions four years ahead of the 2020 target, thanks to the delivery of practical energy solutions such as the Sustainable Urban Precincts Program. Photo: Matthew Houston

Organisational Chart

This organisational chart provides a graphical representation of the management structure of RMIT University as at 31 December 2016. Current versions of the organisational chart are available on RMIT's website.



Senior Officers



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

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

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

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

In 2016 he was appointed by the Australian Government to be its representative on the Commonwealth of Learning Board of Governors.



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

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

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

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

He remains an active research professor and has published more than 200 articles and patents in the area of advanced materials. In the past few years, he has been the recipient of the Victoria Prize for Science and Innovation, the HG Smith Memorial Medal from the Royal Australian Chemical Institute, and a Fulbright Senior Scholarship



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

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

Professor Tynan was appointed to this role in 2016. She was previously Pro Vice-Chancellor Learning, Teaching and Innovation at The Open University in the UK, and Director of the University of New England's DEHub research centre.

Professor Tynan has 30 years' experience in the education sector in Australia, New Zealand, Singapore and the UK and has more than 70 refereed publications. She is a Principal Fellow of the Higher Education Academy and a Fellow of the European Distance Education Network. She has held a number of international and national leadership roles and is currently an Executive Member of the International Council of Open and Distance Education.

You can follow her on Twitter @minbrt.



Chief Operating Officer and Vice-President Resources
Ms Dionne Higgins

BBus (La Trobe), CA

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

In her previous role as Pearson's Chief Operations Officer Asia-Pacific, she led a diverse cross-functional team to drive growth, improve efficiency and adapt service models and capability in an ever-changing digital and consumer-driven society.

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



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

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

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

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

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



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

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

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

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

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



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

BSc(Hons), PhD (Monash), FASM

Professor Coloe was appointed to this role in 2008. He served on Council from 1999 to 2008 and chaired the Academic Board from 2000 to 2008. A prolific researcher and sought-after research supervisor, Professor Coloe has more than 160 publications and has been awarded three worldwide patents.

Professor Coloe has served as an advisor to the Federal Government's Biosecurity Australia risk assessment panel and the Victorian Government's biotechnology task force. He is a Fellow of the Australian Society for Microbiology, a member of the International Union of Microbiological Sciences, an honorary member of the Australian Veterinary Association and an ARC and NHMRC grants referee.



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

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

Before joining RMIT in 2014, Professor MacIntyre was Professor of Political Science at ANU, where he also served as Dean of the College, Director of the Research School of Asia and the Pacific, and Founding Director of Crawford School of Public Policy.

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

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

You can follow him on Twitter @ozajmacintyre.



Vice-President Strategy and Governance
Dr Loren Miller

BSc (Monash), GradCert (Public Policy) (Melb), GradDipEd (Melb), MBA (MBS), DEd (Melb)

Dr Miller was appointed to this role in 2015, having previously worked as Associate Vice-President (Finance) and Director of Business Strategy at Monash University. This included board membership of Monash College and the IITB-Monash Research Academy in India.

Dr Miller has extensive experience in strategic management consulting in both the higher education and corporate sectors, having worked for the Boston Consulting Group and SPP. She is a graduate of the Australian Institute for Company Directors and is currently undertaking the CPA professional program.



Deputy Vice-Chancellor Engagement and Vocational Education and Vice-President
Mr John Barnes

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

Mr Barnes has had extensive involvement in tertiary education, particularly in vocational education. Prior to joining RMIT in 2012, he held senior management positions in TAFE institutes for 16 years, most recently as General Manager, Business Development at Kangan Institute of TAFE. He was appointed DVC Engagement and Vocational Education in March 2014.

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



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 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, most recently as Global Research Leader at international consultancy Arup.

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

She holds honorary appointments at University College London and Imperial College Business School.



Chief Executive Officer RMIT Training
Rachel Holthouse

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

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

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

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

Academic Schools and Research Platforms

As at 31 December 2016, RMIT University offered programs of study in 17 schools across three academic colleges.

College of Business

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

College of Design and Social Context

School	Head of School
Architecture and Design	Professor Richard Blythe
Art	Professor Julian Goddard
Education	Professor Robert Strathdee
Fashion and Textiles	Professor Robyn Healy
Global, Urban and Social Studies	Professor David Hayward
Media and Communication	Professor Martyn Hook
Property, Construction and Project Management	Professor Ron Wakefield

College of Science, Engineering and Health

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

In 2016, RMIT formed eight Enabling Capability Platforms to connect researchers from multiple disciplines under thematic umbrellas with a view to creating ultimate social, economic and environmental impact.

Enabling Capability Platform	Director
Advanced Manufacturing and Fabrication	Dr Ivan Cole
Advanced Materials	Professor Mike Xie (Interim)
Biomedical and Health Innovation	Professor Peter McIntyre (Interim)
Design and Creative Practice	Professor Swee Mak (Interim)
Global Business Innovation	Professor Pia Arenius (Interim)
Information and Systems (Engineering)	Professor Mark Sanderson
Social Change	Professor Peter Fairbrother (Interim)
Urban Futures	Professor Jago Dodson (Interim)

Statistical Snapshot

Sector/Level Enrolments (headcounts)	2014	2015	2016 ¹
Higher Education (HE)	61,083	62,138	64,167
Postgraduate Research	1,944	2,115	2,190
Postgraduate Coursework	10,043	9,964	10,682
Undergraduate	43,508	46,650	47,869
Associate Degree	5,588	3,409	3,426
Open Universities Aust	5,393	4,601	4,235
Postgraduate	676	727	777
Undergraduate	4,717	3,874	3,458
Vocational Education (VE)	14,324	15,179	14,573
Diploma and Advanced Diploma (AQF 5-6)	7,064	7,536	7,730
Certificates III and IV (AQF 3-4)	5,733	5,674	5,248
Certificates I and II (AQF 1-2)	314	320	350
VCE/VCAL	493	458	534
Other ²	720	1,191	711
Foundation Studies	788	1,103	1,292
Total	81,588	83,021	84,267

Sector/Fee Type Enrolments (headcounts)	2014	2015	2016 ¹
Higher Education	61,083	62,138	64,167
Domestic	33,299	34,112	35,139
International Onshore	10,699	11,330	12,590
International Offshore	10,727	10,443	10,099
Vietnam	6,263	6,055	6,090
Indonesia	95	198	249
Vocational Education	14,324	15,179	14,573
Domestic	13,620	14,211	13,378
International Onshore	700	947	1,090
International Offshore	4	21	105

Student Fee-Type Enrolment (HE and VE load in %)	2014	2015	2016 ¹
Higher Education			
Government-funded	51	52	52
Australian fee-paying	5	5	4
International Onshore	18	19	21
International Offshore	16	15	14
Vietnam	10	9	9
Vocational Education			
Government-funded	77	75	76
Australian fee-paying	16	17	13
International Onshore	7	8	10
International Offshore	0	0	1

Student Load	2014	2015	2016 ¹
Student load EFTSL HE	45,475	46,007	47,375
Student contact hours VE	6,571,174	6,977,224	6,781,446

Award Completions	2014	2015	2016 ¹
Higher Education	16,846	16,432	16,483
Postgraduate Research	277	278	245
Postgraduate Coursework	3,666	3,275	3,482
Undergraduate (including Associate Degrees and Diplomas)	12,903	12,879	12,756
Vocational Education	5,635	5,659	6,042
Total	22,481	22,091	22,525

Graduate Outcomes and Satisfaction in % ³	2014	2015	2016 ¹
Higher Education			
Graduates in full-time employment*	65.8	65.7	69.9
Graduates in part-time employment*	32.4	30.8	27.7
Graduates in further full-time study*	16.4	15.3	19.7
Graduates in enterprise formation*	5.2	5.6	6.7
Overall satisfaction [^]	78.5	76.9	78.8
Generic skills [^]	73.5	73.1	80.4
Vocational Education			
Graduates in employment*	69.6	65.9	68.8
Graduates in further study*	53.6	53.7	51.1
Graduates in enterprise formation*	9.0	11.2	9.4
Overall satisfaction*	85.4	85.0	83.6
Generic skills	77.6	78.8	74.5

Other Performance Indicators	2014	2015	2016 ¹
Commercial revenue from industry	\$31.9m	\$36.4m	\$50.7m
% HE international academic staff onshore	48.9%	51.0%	49.0%
% HE academic staff Level B and above holding PhDs	81.6%	86.0%	86.2%
% Females in leadership positions	35.1%	33.8%	35.5%
% HE undergraduate completions with a mobility experience	18.9%	17.9%	21.0%

¹ Some 2016 indicators are provisional and will not be finalised until Q2 2017. HE and VE data excludes Foundation Studies and OUA unless specified. VE student load converted using Student Contact Hours/720. 2016 RMIT Online students included with Higher Education (Total=126).

² Non-award programs not elsewhere classified.

³ Based on graduate survey four months out.

* Domestic graduates only.

[^] Domestic and international onshore graduates.

Some historical values updated to reflect final position.

Financial Performance

The consolidated 2016 net operating result for RMIT University and its subsidiaries was \$93.5 million, continuing the strong results of recent years. RMIT University's operating result was \$67.2 million, or 6.0 per cent of revenue.

For the consolidated RMIT group, revenue increased by \$63 million from the previous year to \$1226.1 million in 2016. Expenditure increased by \$39.9 million to \$1131.0 million, resulting in an operating result of \$93.5 million after income tax.

The consolidated group's operating margin is 7.6 per cent. Cash balances for the group totalled \$87.1 million.

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

Total revenue increased by 5.9 per cent to \$1127.0 million.

Australian Government Financial Assistance – including HECS-HELP and VET FEE-HELP and the return of the Efficiency dividend – increased by \$18.6 million to \$581.8 million. Commonwealth research grants increased by \$1.7 million to \$27.0 million.

VE-specific State Government grants totalled \$33.1 million, an increase of \$0.6 million on 2015. VET FEE-HELP revenue increased \$0.8 million to \$22.2 million.

Course fees and charges increased by \$38 million to \$395.5 million. International fee-paying student revenue increased by 13.0 per cent (or \$39.8 million) to \$346.9 million. Other fees and charges decreased slightly by 1.4 per cent to \$12.3 million.

Included in revenue for 2016 is \$17.3 million in research-related revenue that was received in prior periods.

Expenditure increased by 5.8 per cent to \$1,059.2 million.

Employee benefits and on-costs increased by 3.5 per cent to \$625.5 million, excluding the effect of deferred superannuation benefits. Salary increases were incurred according to the Enterprise Agreement.

Repairs and maintenance increased to \$39.6 million from \$23.9 million.

The operating result attributed to VE was a profit of \$2.4 million, compared to \$2.2 million in 2015. Revenue increased by 3.5 per cent to \$182.7 million. Total expenses increased by 3.4 per cent to \$180.3 million.

Current assets decreased to \$142.4 million from \$161.1 million, with cash and cash equivalents decreasing by \$13.7 million.

Current liabilities increased by \$52.6 million, mainly due to increases in trade creditors and provisions.

Capital expenditure was \$222.6 million, compared to \$244.0 million in 2015, with property-related capital expenditure being a large proportion of the total for the year.

The total outstanding syndicate facilities loan at the end of 2016 was \$220.0 million, compared to \$210.0 million at the end of 2015.

From a subsidiaries perspective, RMIT Vietnam delivered a profit of \$5.2 million, compared to \$4.8 million in 2015.

RMIT Training delivered a \$4.4 million result compared to an \$18,000 surplus in 2015. The 2015 result included a \$5.0 million donation to RMIT University, as compared to a nil donation in 2016.

Two new entities were registered in 2016: RMIT Online Pty Ltd and RMIT Indonesia Pty Ltd.

Strategic Plan to 2020

In 2016, RMIT University made significant progress in the realisation of its Strategic Plan, *Ready for Life and Work*.

The Strategic Plan was developed through #shapeRMIT, an open process that invited everyone in the University's diverse community to contribute to the University's future. In 2016, #shapeRMIT continued to encourage engagement and feedback, holding the University to account and accelerating learning and sharing across the RMIT community

Ready for Life and Work sets out what makes RMIT different as a university, outlining a simple but powerful vision for a global university of technology, design and enterprise. At its core, the plan is focused on graduating students ready for life and work.

We are renewing our commitment to inspiring teaching and learning, embedding digital tools and applications across the whole student journey, and unleashing the potential of our learning management system.

The University is committed to simplifying and enhancing processes and systems to deliver clear and timely information; enhancing employment opportunities for graduates; and creating a strong digital focus for staff and students.

Through the strategy, we are also intensifying our commitment to innovation by supporting enterprising solutions in fields of existing expertise and building collaborations between students, researchers, governments and industry world-wide.

This Report highlights key achievements, activities and highlights for the University in 2016 against these three broad directions.

Our Strategy

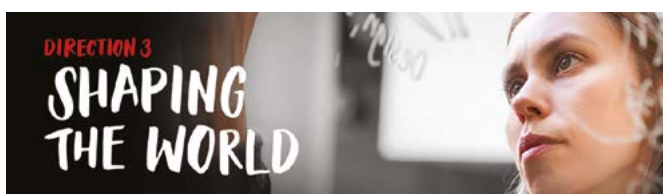
RMIT's Strategic Plan defines three broad directions the University will pursue over the five years to 2020:



To create life-changing experiences through the changes in perspective sparked in our students by studying, working and belonging, and through the pathways and connections opened up by these experiences. This transformation in perspective and opportunity is at the heart of being ready for life and work.



To go forward with passion and purpose. Critical to RMIT's success is the ability to manage our resources for a sustainable future, and to engage our staff and partners effectively by building smarter and simpler systems.



To shape the world by developing knowledge and people, and by applying what we know to shared problems through collaborative innovation. RMIT pursues these goals through a global group of students, staff, digital networks, facilities and partnerships spread across key urban centres around the world.

Life-Changing Experiences

A key plank of RMIT's Strategic Plan is to deliver educational experiences that integrate learning, campus, social and work connections, and to facilitate pathways opened up by those experiences.

At the heart of a transformative student experience is:

- learning integrated with work at every stage of the student journey
- contemporary, rigorous, imaginative teaching
- digitally enabled learning
- a distinctive form of connected education that supports access, progression and pathways for students from all backgrounds
- a trailblazing approach to assessment and credentials
- diversity as the source of educational and collaborative excellence
- the opportunity for students to experience a range of cultures, traditions, ideas and perspectives to ensure they are equipped to contribute to a diverse global workforce

RMIT prioritises the global preparedness of its graduates and provides a variety of opportunities for students to gain industry and clinical experience outside Australia.

Students engage in international experiences of various durations and types including student exchange, global intensives, industry placements, research programs, summer school programs, internships and volunteering, as well as cross-campus opportunities at RMIT's Melbourne and Vietnam campuses.

In 2016, 2661 RMIT students took part in global experiences, including 86 students from Melbourne, Vietnam and Singapore who participated in the inaugural Global Summer program in Barcelona, Vietnam or Melbourne.

A group of Architecture and Urban Design students travelled to RMIT Europe to take part in a two-week studio to develop a housing proposal for Barcelona's Poblenou neighbourhood, with the potential for a new community of 900 people. A former industrial centre, Olympic athlete housing and a space for clean-tech business were some of the urban areas the group investigated.

Postgraduate students in Design Innovation and Architecture took part in an intensive digital fabrication studio in Beijing, coinciding with Beijing Design Week. In collaboration with students from Tsinghua University, they explored how architecture and design impact the sonic environment.

Health and Physical Education students completed a work placement in Singapore, giving them the chance to apply their skills in an international setting while teaching at a local secondary school.

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

The RMIT students behind a groundbreaking Hyperloop prototype were rewarded with the 2016 Premier's Design Award (Student Design category). It followed their success as a finalist from a field of 1700 in Elon Musk's SpaceX Hyperloop Pod Competition.

The team also won SpaceX's Braking Subsystem Technical Excellence Award and were highly commended by the Victorian Minister for Small Business, Trade and Innovation at the #TechDiversity Awards. The Hyperloop is revolutionising the future of transportation with the ability to travel at the speed of sound using magnetic levitation and linear induction motors.

RMIT's long-standing partnership with Boeing has moved to the next level with the launch of a strategic relationship that includes a multi-year research agreement and the establishment of a Boeing Professorship at RMIT. Joint cutting-edge research will concentrate on biomimicry, focusing on bio-inspired composite materials, films and surfaces, and digital manufacturing.

A new research partnership agreement will offer a dual-awarded PhD in Engineering from RMIT and one of Europe's leading universities, the Politecnico di Torino. The global research opportunity is aimed at engineering, aerospace and aviation students.

RMIT has joined forces with Australia Advanced Aerospace Technologies to form a joint incubator and accelerator that will develop unmanned air vehicles for commercial use. The project helps AAAT accelerate the development of their drones and allows undergraduate and research students at RMIT to gain real-world research and development.

RMIT participated as a partner in the 2016 Formula 1 Rolex Australian Grand Prix's Industry and Innovation Precinct, showcasing the skills that underpin jobs of the future. Students' innovative industry capabilities in design, engineering and manufacturing – from electric racing cars to 3D printing and virtual reality – were on display to the 6500 local and international visitors to the RMIT marquee.



An RMIT team – with expertise spanning aerospace, electrical and mechanical engineering, graphic design communications and industrial design – has designed and constructed a functional Hyperloop pod prototype.



M@ Studio design team's NGV Architecture Commission. Photo: Sean Fennessey, courtesy of NGV

A playful reinvention of a suburban car wash (pictured) transformed the National Gallery's garden into a magical interactive space, following the award of the 2016 NGV Architecture Commission. The design by M@ Studio – a design practice led by RMIT staff members – was assisted by postgraduate student research and incorporated a virtual reality component designed by the Centre for Game Design Research.

The summer architecture commission is one element of a wider partnership between RMIT and NGV that has seen students undertake work placements and projects and share knowledge through public programming and exhibitions.

The Australian Museum awarded Associate Professor Sharath Sriram (pictured) the prestigious 2016 3M Eureka Prize for Emerging Leader in Science. He and his colleagues at RMIT's MicroNano Research Facility have mimicked the way the human brain processes information with the development of an electronic long-term, multi-state memory cell.

Building on the University's rich history of attracting and developing entrepreneurial talent, October saw the launch of RMIT Activator, designed to help students, researchers and staff grow successful ventures.

Participants in RMIT Activator will be immersed in the start-up world within a supportive and collaborative environment where their ideas will be explored, robust plans developed and connections to industry expertise nurtured.

With the support of the RMIT Activator, MBA Executive alumnus Tanya Gilliver (pictured) and her business partner were selected as Australia's ambassadors for Pitch@Palace, established by the Duke of York. She presented a new app developed by her business to help dietitians provide more efficient and timely advice to patients at risk of chronic disease.

A further initiative is RMIT Launchpad, a new online network where students and alumni can quickly find a person or resource to help them on their business journey. Launchpad profiles the new generation of entrepreneurs, showcasing the best and brightest business ventures while promoting communication and collaboration.

Two RMIT projects aimed at giving entrepreneurs training in leadership and innovation have received funding from the State Government's LaunchVIC program. The Bright Sparks project aims to inspire, prepare and connect the next generation of female entrepreneurs, and Rocket Seeder supports innovation in agricultural technology.

In Victoria's south-west, RMIT has partnered with the Australian Government and NetGain to launch a program that aims to create productive enterprises. With small business a major employer in Geelong and the nearby coastal and rural areas, the G21 Start-Up program encourages entrepreneurs to pursue their ideas and follow the training required for business success.

The prestigious Australian Awards for University Teaching recognised three RMIT academics in 2016. Associate Professor Cliff Da Costa (Science), Dr Christopher Cheong (Business IT and Logistics) and Associate Professor Craig Batty (Media and Communication) received Citations for Outstanding Contributions to Student Learning.

Also in 2016, RMIT rolled out massive open online courses (MOOCs) through FutureLearn. The first courses, which attracted more than 1500 active learners, were delivered under the Online Business Success banner, aimed at helping learners take their business idea through to implementation.

The European Foundation for Management Development has awarded RMIT's MBA (Executive) program EPAS accreditation, a prestigious global endorsement awarded to only three other MBA programs in Australia. The accreditation follows an extensive 18-month process of program review.

The President of the Australian Human Rights Commission, Emeritus Professor Gillian Triggs (pictured), has been appointed Chairperson of RMIT's Juris Doctor Advisory Board. The Board ensures the Juris Doctor programs maintain relevance to the contemporary needs of the legal profession, as well as facilitating practical opportunities for students to enhance their career prospects.

Funding was secured for a new research and teaching institute that will put Victoria in the box seat ahead of significant change in the delivery of social services. The Future Social Service Institute – a collaboration between RMIT, State Government and the Victorian Council of Social Service – will drive nation-leading education, training and research in the social sector and prepare Victoria for the National Disability Insurance Scheme.

It is the first time a government, a tertiary institution and the social service sector have come together to jointly tackle and embrace the challenges of social service reform.

RMIT and Creative Victoria have collaborated to showcase some of the State's best design talent through a new video series. Embracing architecture, fashion, industrial and interior design, Design'd shines a spotlight on some of the State's leading design talent, featuring documentaries produced by RMIT and hosted on Creative Victoria's new website.

An RMIT team also worked with Creative Victoria to measure the impact of the city's commemorative laneways (pictured). The study, which found that Melbourne's unique laneways named after musicians have wide appeal, will inform the government's Rocking the Laneways initiative to boost the State's contemporary music strengths.

In November, six designers launched their original collections at Melbourne's iconic MPavilion in the CLASH Master of Fashion (Design) graduate show. Models journeyed by tram from the City campus to the Arts Centre as part of the fashion presentation, before making their way to the Queen Victoria Gardens and MPavilion.



Associate Professor Sharath Sriram in the protective clothing worn in RMIT's MicroNano Research Facility.



RMIT alumnus Tanya Gilliver and former advertising tutor Pete Saunders present at St James's Palace in London.



Emeritus Professor Gillian Triggs with Adjunct Professor Rob Hulls, director of RMIT's Centre for Innovative Justice, which offers Juris Doctor students hands-on clinical education experiences.



VCOSS CEO, Emma King; Victorian Minister for Housing, Ageing and Disability, Martin Foley; Vice-Chancellor Martin Bean CBE; VCOSS President, Stella Avramopoulos; and Professor David Hayward, at the launch of the Future Social Service Institute.



RMIT's Dr Catherine Strong in AC/DC Lane.

Vietnam's fashion industry was in the spotlight at a major industry event that attracted local and international fashion experts, as well as the Australian Consul-General to Vietnam. The *Producing Fashion: Made in Vietnam* event examined the current state and future directions of the fashion and textiles industry, placing a spotlight on design, entrepreneurship, manufacturing, and the importance of a "creative economy" in Vietnam and globally.

Nearly 200 creative works by fashion, design and communication students were exhibited at the RMIT Vietnam Creative Showcase, *Transparent*, which focused on the cutting-edge digital technology embedded in the University's programs such as the use of augmented reality software.

An exhibition of designs (pictured) developed for Italian homewares company Alessi offered a glimpse into the vibrant future of production at one of the world's leading design events, WantedDesign. The Alessi Mutants exhibition spanned six years of collaboration between Alessi, RMIT and the University of Applied Arts Vienna. Following its debut in New York, it featured in Shanghai Design Week and will appear at the 2017 Milan Furniture Fair.

PhD candidate Vicki Couzens (pictured) was awarded an Australia Council Fellowship at the National Indigenous Arts awards. A multimedia artist and community cultural development teacher, Couzens is known for her role in the revival of the possum skin cloak-making tradition which began in Victoria and is now established across south-eastern Australia.

Master of Media students took part in a 10-day field trip to learn about Indigenous culture, land and people in Victoria's south-west. The research was in support of a collaboration with the Winda Mara Aboriginal Corporation which produced a mobile app to be used in promoting the Tyrendarra Indigenous Protected Area.

A project that gives students the chance to learn from industry mentors won an Australian Collaborative Education Network Local Hero award for outstanding work-integrated learning. The Bakehouse Project involves Media and Communication vocational education students working in collaboration with a number of high-profile music industry professionals (pictured).

To contribute to the local community in celebration of its 15th anniversary, RMIT Vietnam announced 98 scholarships worth \$1.6 million to prospective and current students. The scholarships were awarded in a variety of subject areas including business, technology, logistics and supply chain management, design, communication and fashion.

As well, RMIT Vietnam will fully fund two new scholarships enabling Vietnamese women to gain doctorates. The annual Women's Enhancement Scholarships will be delivered in Vietnam and will support participation in research and leadership within traditionally male-dominated fields such as engineering.

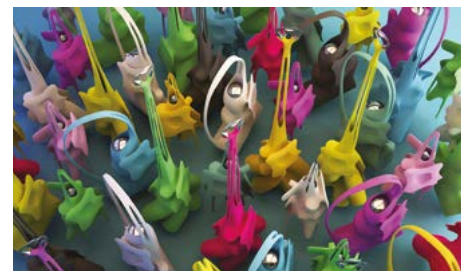
RMIT Vietnam has launched a new Master of Architecture, with a view to contributing to the changing face of architecture in Vietnam and ensuring environmental sustainability. The program will feature a suite of design studios in the heart of Ho Chi Minh City, enabling students to collaborate with local architects and international peers on creative and conceptual projects.

A new PhD program was also introduced, advancing research in business, management and engineering. Under the program, doctoral candidates based in Vietnam will be counted as Higher Degree by Research students at RMIT in Melbourne. The new programs present dynamic degrees that will meet the needs of industry growth in Vietnam and the region.

A sophisticated cyber security and logistics laboratory was opened at RMIT Vietnam during the year to prepare students for high-demand jobs in computer security. The lab's up-to-date equipment – unique in Vietnam – contains 31 computers with the latest business forensics and security software, large screens for group presentations, a smartboard and IBM servers.

In partnership with Metricon Homes and the Master Builders Association, RMIT won the Industry Collaboration Award at the 2016 Victorian Training Awards presented by the Minister for Training and Skills, Steve Herbert. RMIT's innovative building certification program provides specialised training and creates education pathways for Metricon staff. Mechanical Engineering graduate Glenn Halupka was a finalist in the Vocational Student of the Year category.

Advanced Diploma of Computer Systems Engineering graduate Luke Faccin won gold at the 2016 WorldSkills Australia National Competition, a showcase of the country's best emerging talent. Faccin competed in the three-day intensive challenge as part of the IT Network Systems Administration skills area.



Architecture graduate Sarah Ceravolo's *Picnic Sack* featured at the Alessi Mutants exhibition.



Superstruct by Michelle de Castro, who was named Australian Graduate of the Year (Fashion and Textiles) by the Design Institute of Australia for her highly skilled work in textile design. Photo: Danielle Chau



Vicki Couzens with Wolithiga elder Professor Henry Atkinson wearing possum skin coats. Photo: Sarah Rhodes



VET students work on a live music production for the Bakehouse Project. Photo: Nura Sheidaee



RMIT Vietnam President, Professor Gael McDonald, with scholarship winner Nguyen Anh Phuong.

Passion with Purpose

RMIT's staff and partners are fundamental to achieving our mission. The University's Strategic Plan aims to support, develop and empower staff in all areas of the organisation to achieve greater impact. This includes a commitment to providing more effective and supportive processes and systems, and to ensuring the intelligent, timely use of information and analytics.

We are continuing to prioritise:

- a team approach to work
- management of financial, physical and social resources for long-term performance and value
- development of places and spaces for creativity and collaboration
- a commitment to environmental sustainability
- digital infrastructure to support everyday work and to enable creativity and collaboration

An essential factor is to create an inclusive cultural environment that meets our social obligations within and beyond the classroom and equips our students for life and work in a diverse environment.

A major achievement was the launch of the University's Reconciliation Action Plan during National Reconciliation Week 2016. The plan is a significant commitment by the University to Aboriginal and Torres Strait Islander peoples' education and, as a result, to their employment and lifelong outcomes.

Developed in consultation with a wide range of stakeholders, the plan aims to promote and strengthen relationships and respect between Indigenous people and other Australians. Focus areas include governance and leadership; learning and teaching; research; Indigenous student and staff participation; and community engagement.

At the same time as the launch, a unique Indigenous garden was opened in the heart of the City campus. Ngarara Place presents a visible recognition of Aboriginal and Torres Strait Islander peoples, cultures and histories, as connected to the land on which the University stands.

Created, designed and built by a mainly Indigenous team, the unique space draws upon traditional knowledge systems, landscape design and public art to showcase connections to the seven seasons of the Kulin Nation.

Also during Reconciliation Week, new student accommodation was opened at Bundoora campus by Steve Herbert, Minister for Training and Skills. Named Walert House from the Indigenous Wurundjeri language (walert meaning possum), the high-tech complex enhances the student experience by integrating learning and living on campus.

We will go forward with passion and purpose, empowering our people with smarter, simpler systems and managing our resources for a sustainable future.

Walert House provides 370 beds for rental in a broad mix of accommodation types, built around a technology-rich central hub of common areas that offer dedicated and informal student study, research, living and leisure spaces.

A new Food Research and Innovation Centre was launched at Bundoora campus in 2016 by Minister for Industry and Development, Wade Noonan, to boost Victoria's contribution to the expanding food processing industry. The centre will enable RMIT experts and industry partners to work on small batch prototypes and turn their ideas into innovative products and services.

RMIT scientists and students are already working with a new Victorian company, Nuchev, to create a formula for toddlers made from goats' milk, as well as with other industry partners including Sanitarium, Tatura Milk Industries, Lion Dairy and Drinks Australia, CHR Hansen, Proportion Foods, Murray Goulburn, Coca Cola, Simplot, Australian Meat Processor Corporation and the Manildra Group.

RMIT is committed to the provision of a quality and sustainable built environment across all campuses, embodying enhanced facilities through the continued upgrade and development of fit-for-purpose places and spaces for learning, collaboration and creativity.

Stage 1 of the New Academic Street project was completed in 2016 with new student portals in Building 12. Across three multi-level areas, the portals have provided 330 modular multi-function spaces for students to study, collaborate and enjoy their time on campus. Stages 2 and 3 are due for completion in 2017.

Also during 2016, more than 50 student spaces were upgraded to incorporate study areas, recreational spaces and informal lounges with microwaves and other amenities, giving students more flexibility and choice in where to study and interact.



Walert House at Bundoora is RMIT's first on-campus accommodation at its Melbourne campuses.



RMIT's new Food Research and Innovation Centre offers an unparalleled range of cutting-edge equipment.



Smoke pit used at launch of RMIT's Reconciliation Action Plan in the new Ngarara Place. Photo: Moorina Bonini

RMIT Vietnam's Academic Building 2 won second prize in the Vietnam Ministry of Industry and Trade's Energy Efficiency Building Awards (Current New Building category), judged against 100 nominated projects on architectural design, energy savings, design of energy systems using lighting and air conditioning, environmental impact, and other factors.

In 2016, RMIT Vietnam established new spaces for learning, teaching and creativity, including collaborative learning spaces in both Ho Chi Minh City and Hanoi, a lightboard studio for the production of customised digital learning objects, and an augmented and virtual reality development space.

A new Centre of Digital Excellence was launched at Ho Chi Minh City campus by Victoria's Minister for Training and Skills, Steven Herbert. The Centre has already hosted a series of events including public lectures from international experts in online, mobile and digital pedagogies, emphasising the University's strong commitment to sharing its expertise in digital learning and teaching with Vietnam's education community.

RMIT Vietnam has entered into an agreement with one of Malaysia's top private universities, the Asian Pacific University of Technology and Innovation, to enhance Asian education in engineering and technology. The two universities will focus on collaborative opportunities including research activities, academic professional development and postgraduate education, organising international conferences and enhancing student exchange programs.

A new collaboration with the City of Melbourne is focusing on empowering African-Australian women. School of Management researchers initiated workshops focusing on gender equality, community leadership, capacity building, financial literacy, family violence prevention and service responsiveness, to inform policy-makers when funding future programs for the African Women Council.

A partnership between Yarra Community Housing and RMIT will combine academic research and street smarts to improve the lives of the 650,000 Australians facing housing issues. The industry-led approach aims to address the ongoing issue of housing in a way that looks at both the causes of homelessness, including existing failings in the housing system, and preventative measures to help alleviate disadvantage.

Rankings

The quality of RMIT's research and education has been recognised, with the University rising in two major global ranking systems.

In the 2016–17 QS World University Rankings, RMIT jumped 21 places to 252nd in the world, an overall improvement of 52 places since 2014. In Australia, RMIT has risen to 13th overall, and 8th for employer reputation.

This reflects our standing in key disciplines. In the QS World University Rankings by Subject announced in June, RMIT was the highest ranked in Australia and 16th in the world for Art and Design. In Architecture and the Built Environment, RMIT is the 4th highest in Australia and 36th in the world.

RMIT is ranked among the world's top 100 universities in Engineering (Civil and Structural; Electrical and Electronic; and Mechanical, Aeronautical and Manufacturing); Accounting and Finance; and Business and Management Studies.

The University is among the world's top 150 universities in Computer Science and Information Systems; Education; Geography and Area Studies; and Communication and Media Studies.

In the 2016–17 QS Top 50 Under 50 rankings, RMIT rose to 16th in the world. We are the third highest ranked university in Australia and the highest in Victoria.

In the inaugural QS Graduate Employability Rankings, RMIT is ranked 7th in Australia and 71-80 in the world on the basis of employer reputation, alumni outcomes, partnerships with employers, employer-student connections and graduate employment rate.

RMIT is also ranked for the first time in the prestigious top 500 of the Academic Rankings of World Universities, as well as in the Times Higher Education World University Rankings 2016-17 (401–500 band).

Graduations

RMIT's graduation celebrations again took over the centre of Melbourne, with a parade along Swanston Street followed by Australia's biggest graduation event at Docklands stadium. More than 7500 graduates, including 95 doctoral candidates, celebrated their achievements in front of nearly 30,000 guests and RMIT staff.

The first students have graduated with RMIT–Universitas Pelita Harapan bachelor degrees in Indonesia. They were among the more than 3280 RMIT students who graduated in ceremonies in Asia, including Singapore, Hong Kong and China as well as Indonesia. RMIT's partnership with the Singapore Institute of Management is now in its 29th year.

In Vietnam, 1528 students graduated in five ceremonies at Saigon South campus and the Hanoi Opera House. The graduates join a growing community of RMIT Vietnam alumni, now 10,000 strong.

Ceremonies in Tennant Creek and Alice Springs saw 31 local health service workers graduate with a Diploma of Community Services in Alcohol and Other Drugs and Mental Health, designed to meet vocational training needs in better managing social issues in NT communities.



RMIT students in Melbourne celebrated their graduation in style.



Some of the first graduates from RMIT University Indonesia.



Graduation celebrations in Hanoi.



Graduate Patricia Frank receives her diploma in Tennant Creek from Vice-Chancellor Martin Bean CBE. Photo: Jamie-Lee Bolger

Shaping the World

RMIT pursues its goals through a global network of staff, alumni, facilities and partnerships spread across key urban centres around the world. Research, education and student experiences are connected to the leading edges of industry and enterprise.

Our focus on technology, design and enterprise reflects our cumulative expertise in fields and methods through which people learn how to shape their environment for the better and create new solutions to shared problems.

An RMIT research team has created a breakthrough chip for the nano-manipulation of light (pictured), pioneering next generation optical technologies and enabling deeper understanding of black holes. The integrated nanophotonic chip can achieve unparalleled levels of control over the angular momentum of light.

Professor Min Gu's contributions to significant nanophotonic discovery and innovation were rewarded in 2016 with the Victoria Prize for Science and Innovation, awarded by Minister for Small Business, Innovation and Trade, Philip Dalidakis, in recognition of the outstanding work of Victorian scientists and the impact of their research.

It was the second year in a row that the Victoria Prize has gone to RMIT, with Professor Calum Drummond taking home the award in 2015. Dr Ravichandar Babarao and Dr Tamar Greaves received Victorian Fellowships in Physical Sciences.

In December, the University opened a new Laboratory of Artificial Intelligence Nanophotonics which will enable the University to play a leading role in national and international brain research. With world-class laser facilities, the laboratory aims to become the world-first photonics group in artificial intelligence-driven optical devices at nanoscale.

A collaboration between RMIT's Quantum Photonics Laboratory, Politecnico di Milano and the South University of Science and Technology of China has trialed a processor capable of routing quantum information from different locations, in a critical breakthrough for quantum computing (pictured).

The Quantum Photonics Laboratory, in partnership with EQuS at the University of Sydney, has also demonstrated a new technique for self-guided quantum tomography, which opens up pathways for the characterisation of large quantum states and provides robustness against inevitable system noise.

We will shape the world by focusing on high-impact research and collaboration, by embedding industry and enterprise into everything we do, and by ensuring global reach and outlook.

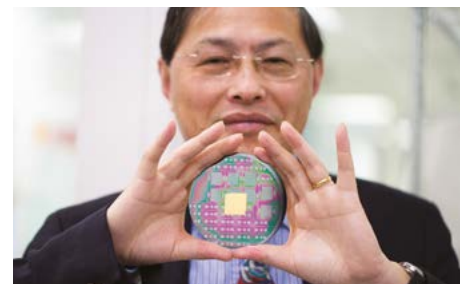
RMIT researchers, supported by partners in Melbourne, Singapore and China, have developed a device that allows the development of an ultrafast information processing platform for large-scale optical computing. The discovery could facilitate applications in photonic data storage, light generation, biophotonics enabling subwavelength optics in microscopy and lithography beyond the resolution limit of an optical imaging system.

A low-cost, low-energy device that will help data centre technology suppliers increase their computing power and reduce energy consumption has won CSIRO backing. The Australian Silicon Photonics team at RMIT developed the novel device which replaces electronic interconnects with photonic links.

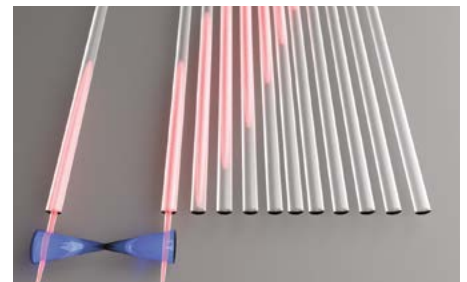
An RMIT collaboration has led to the discovery of a new form of science's latest wonder material, sillicine. The research with Japan's National Institute of Advanced Industrial Science and Technology and Toyota Central R&D Labs has developed a two-dimensional nanomaterial resistant to oxidation for widespread application in the manufacturing industry.

Groundbreaking research in RMIT's state-of-the-art MicroNano Research Facility has developed a stretchable nano-scale device, paving the way for smart contact lenses. The device manipulates light to such an extent that it can filter specific colours while still being transparent. The research combined RMIT's materials science and nanofabrication expertise with University of Adelaide researchers' proficiency in interaction of light with artificial materials.

Science fiction is inching closer to reality with the development of revolutionary self-propelling liquid metals by RMIT Engineering researchers, in a critical step towards future elastic electronics. As well as being able to change into virtually any shape, metal in liquid form retains a highly conductive metallic core and a thin semiconducting skin, essential for making electronic circuits.



Professor Min Gu with the nanophotonic chip that can harness the angular momentum of light.



RMIT researchers have demonstrated for the first time the perfect state transfer of an entangled qubit on an integrated photonic device.



Optical computing promises to deliver processing performance exponentially faster and more powerful than today's digital electronic microprocessors.

Photo: Michael Malek

RMIT's Micro/Nanomedical Research Centre was one of three recipients selected for substantial funding from 470 applications world-wide in the World Without Disease QuickFire Challenge supported by Johnson & Johnson and Janssen BioTherapeutics. The Centre is developing a revolutionary nebuliser (pictured) to deliver lung cancer drugs and vaccines via inhalation.

A new class of sound wave created by RMIT's MicroNano Research Facility could help drive a revolution in stem cell therapy. Researchers combined two types of acoustic sound waves (pictured) to create a hybrid gentle enough to use in biomedical devices to manipulate fragile stem cells, opening new possibilities in vaccinations, stem cell therapies and cancer treatments.

Self-cleaning clothes are on the way, thanks to pioneering research working with copper and silver-based nanostructures, known for their ability to absorb visible light. Researchers from RMIT's NanoBiotechnology Research Lab and the Ian Potter NanoBioSensing Facility have developed a cheap and efficient way to grow special nanostructures – which can degrade organic matter when exposed to light – directly onto textiles (pictured).

The first animal trials of smart gas-sensing pills developed at RMIT (pictured) have examined the impact of low and high-fibre diets and offered new clues for treatment of gut disorders. Intestinal gases have been linked to colon cancer, irritable bowel syndrome and inflammatory bowel disease, but their role is poorly understood and there is currently no effective tool for detecting them.

RMIT, in partnership with Adelaide, Harvard and California university researchers, has revealed the secret behind the Australian blue-banded bees' unique approach to pollination: high-speed headbanging. The discovery could lead to advances ranging from improving the efficiency of certain crop pollination to better understanding muscular stress and the development of miniature flying robots.

RMIT researchers have compiled the first comprehensive carbon footprint table for fresh food, enabling chefs, caterers and individuals to prepare meals without cooking the planet. The greenhouse gas emissions dataset will help consumers and catering firms calculate the environmental impact of the fresh food they eat and the menus they serve.

Engineering researchers have shown how fired-clay bricks made with cigarette butts can save energy and help solve a global littering problem. They have demonstrated that bricks with as little as 1 per cent cigarette butt content can cut brick production costs and save the environment.

RMIT is setting the agenda on what it means to live in environmentally, socially and culturally sustainable cities through a series of workshops, symposiums, talks and forums held in Barcelona.

The Ethical Cities Event Series positioned RMIT on the European agenda for research into city resilience and liveability, and as a key partner for upcoming Horizon 2020 research on ageing and the built environment.

Also in Barcelona, RMIT tackled issues affecting the built environment at a symposium on disaster risk reduction, climate change adaptation, conflict risk management, recovery and reconstruction. Sixty people took part from across Europe, including academics and representatives of government and organisations working in the disaster and development sector.

RMIT Europe is working with partners University International of Catalonia, UN-Habitat and the Federation of the Red Cross to provide a global learning platform to design resilient and sustainable spaces and cities.

As part of the Urban Futures program, a new Master of Disaster, Design and Development was launched in 2016 to build city resilience and design systems for disaster alleviation. It will include intensive seminars in Barcelona and Melbourne incorporating work with multidisciplinary teams across sites of environmental and economic risk.

RMIT researchers will work on a plan for eight new "smart" cities to be linked by high-speed rail. The project, led by Consolidated Land and Rail Australia – thought to be the largest undertaking of its kind in the world – aims to address overcrowding in Melbourne and Sydney by developing high-tech and sustainable cities in regional Victoria and NSW.

An RMIT Design Hub exhibition provided ideas and answers to the challenges of life in the modern metropolis. *Occupied* brought together local and international artists and architects with proposals for housing more with less by retrofitting and adapting existing structures and environments. The exhibition was a finalist in the 2016 Premier's Design Awards (Communication Design category).

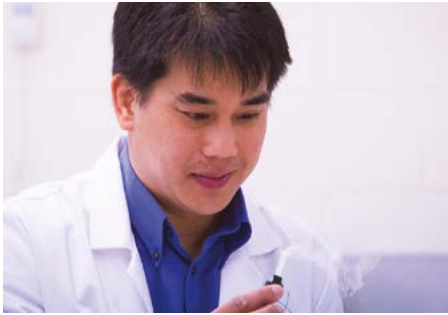
Business IT and Logistics researchers have made an important contribution to examining Victoria's Black Saturday bushfires, determining that better forward planning could have dramatically cut the death toll. Their findings regarding emergency evacuation of late evacuees could help in a range of disaster scenarios, including hurricanes and flooding.

With heat stress a growing safety concern within the building industry, an RMIT researcher has designed an innovative smart vest that can monitor the health of construction workers in real time. The vest uses sensors to measure a worker's body temperature and heart rate and sends the data wirelessly to a smartphone app, which instantly alerts users to any anomalies.

Nanoelectronics researcher Dr Sumeet Walia has been named one of the region's top tech innovators by the MIT Technology Review, as part of the Innovators Under 35 competition for South-East Asia, Australia, New Zealand and Taiwan.

A team of researchers from RMIT and China's Hainan University has completed a study providing the first conclusive evidence that microbeads directly contaminate fish with toxic chemicals. Federal Government is working with industry towards a voluntary phase-out of microbeads by mid-2018.

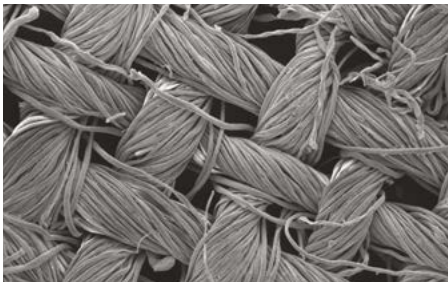
Funding of \$3 million by the ARC Industrial Transformation Research Hub will support a new RMIT Centre in Lightweight Automotive Structures. The Centre will bring together world-leading scientists and industrial engineers from Australia, Germany, the UK and US to support transformation of Australia's automotive industry from vehicle production to exporting engineering services and locally manufactured high-value products.



Professor Leslie Yeo: Global pharmaceutical giant Johnson & Johnson is supporting research into life-saving lung cancer treatment.



Acoustics experts have created the first new class of sound wave in more than 50 years.



A close-up of nano-enhanced textiles which could potentially clean themselves.



Smart pills developed at RMIT can send data from inside the gut directly to a mobile phone.



Vice-Chancellor Martin Bean CBA and former Victorian Premier, Steve Bracks, at the launch of a plan for eight new "smart" cities between Melbourne and Sydney.



Excellence in Research

The quality of RMIT's research work has been endorsed by the Australian Research Council in its most recent Excellence in Research for Australia evaluation. RMIT was rated "well above world standard" in 13 research fields and "above world standard" in a further nine fields.

RMIT received significant external research funding in 2016, including \$9.27 million in Australian Research Council funding schemes. The results marked a 12 per cent increase in grant application numbers and a 61 per cent increase in application success rates compared with the previous year.

In total, 23 projects were awarded ARC grants, including:

- 14 Discovery projects
- 3 Future Fellowships
- 5 Discovery Early Career Researcher awards
- 1 Linkage Infrastructure, Equipment and Facilities grants

Research to be funded includes developing biodegradable magnesium alloys for restoring injured human bones; addressing barriers to child support access; designing a search engine to monitor and capture data across multiple social media and micro-blogging platforms; and investigating ultra-low energy long data storage using nanolithography.

RMIT health researchers received \$2.4 million in the latest round of National Health and Medical Research Council funding, including two project grants and one Career Development Fellowship. Projects included advancing HIV treatment, improving stroke outcomes in patients with chronic pulmonary obstructive disease, and combating obesity and related cognitive dysfunction.

RMIT researchers have been named as chief investigators in three of the nine new ARC Centres for Excellence announced by the Government in 2016. They include Quantum Computation and Communications Technology, Future Low-Energy Electronics Technologies, and Exciton Science.

The University also strengthened its participation in existing cooperative research centres with the commencement of nine new research projects. Under the CRC Program, RMIT partnered with Defendtex, securing funding totalling more than \$2 million, and in the Industrial Transformation Research Program RMIT was awarded more than \$3 million as the lead organisation of the ARC Training Centre in Lightweight Automotive Structures.

The University attracted an increased proportion of industry funding during the year, approving close to \$13 million in contract research projects.

Students and Staff

Careers and Employability

RMIT has brought together career and course advice with job-ready activities in a complete service delivered where vocational students learn. Officially opened in May by the Minister for Training and Skills, Steve Herbert, the RMIT Skills and Job Centre is a first point-of-call for those looking to start training or retrain, workers needing to reskill, and employers offering work placement opportunities.

RMIT's Careers and Employability Service was voted the best University career service in Victoria and in the top four nationally by the Australian Association of Graduate Recruiters. The recognition highlights our focus on providing effective engagement with employers to maximise work-integrated learning and graduate employment opportunities.

Future Edge, RMIT's co-curricular student employability program, has grown both in student engagement, with 1740 enrolments, and program structure. Development activities around Indigenous awareness, leadership, innovation, sustainability and digital literacy have been incorporated to support students in developing 21st century skills.

The Future Ready program was run across the University in Semester 2, resulting in 3500 student attendances. Students take part in a range of events designed to help them reflect on their experiences at RMIT and prepare for graduate life, including access to a final-year Career Health Check.

RMIT's industry mentoring program has surpassed 900 mentoring partnerships between students and industry professionals. The program received a commendation at the 2016 GLOBE Awards for Connecting the GLBTI Community and was shortlisted for the ANZ Excellence in Business award.

Student Activity

RMIT Link oversaw the running of 42 clubs and collectives with 3031 active members, an increase of 36 per cent on 2015.

The Social Sport on Campus program was a big success, with participation in the program doubling as the emphasis shifted towards activities and programs led by students. Overall, 247 social sport activities were run at all campuses, with 3263 participants.

For the second year running, the RMIT Redbacks team of 200 students were crowned overall champions at the Southern University Games.

The RMIT Women's football team also claimed gold for the second year in a row at the Australian University Games.

Learning and Teaching

A new Academic Careers project will deliver a single flexible career pathway for higher education academics. The model is based on three role-specific benchmarks for teaching, engagement and research.

A further project is strengthening orientation and transition experiences for students, and is also supporting new approaches to credentialing, more adaptive pedagogies and renewed approaches to the staff professional development.

A renewed focus on academic integrity was introduced in response to demonstrable risks to assessment integrity through the rise of contract cheating services. This initiative has taken an educative approach that addresses the awareness and responsibilities of all members of the university community.

A number of technical developments were made to RMIT's learning systems. To increase the availability of streaming media communication, YouTube and Hangouts on Air was activated, along with renewed online grading technology.

A Basic Key Skills Builder (bksb) online evaluation tool was launched which introduced individual assessment of Maths and English skills for all incoming VE students. The implementation of a pre-training review has enabled systematic identification and delivery of support services for individual VE students.

RMIT Vietnam has prioritised the promotion and facilitation of digitally enabled industry-relevant and work-integrated learning experiences. Additionally, RMIT Vietnam has continued its commitment to developing the capabilities of teaching staff, with all staff engaging in a range of seminars, workshops, showcases and projects across the year.

Diversity and Equity

A new Diversity and Inclusion Framework was launched in 2016, detailing our aspirations in line with the University's Strategic Plan and containing six related action plans:

- Accessibility (staff, students and visitors)
- Cultural inclusion (staff and students)
- Diverse gender, sexes and sexualities (staff and students)
- Gender equality (staff)
- Low socio-economic backgrounds (students)
- Reconciliation

Each plan outlines specific priorities aimed at building a more open and accessible institution that is dedicated to engaging with staff, students and community.



Minister for Training and Skills Steve Herbert with Vice-Chancellor Martin Bean CBE and students Marcus Pickles and Jack Morison at the launch of the RMIT Skills and Jobs Centre.



RMIT Olympians and Paralympians Lisa Weightman, Jessica Gallagher and Ashleigh McConnell with Vice-Chancellor Martin Bean CBE at the RMIT Graduation event.

The Schools Network Access Program (SNAP) has expanded from 173 schools in 2015 to now include 226 Victorian secondary schools. The program aims to give priority entry for under-represented groups from regional, Indigenous and disadvantaged backgrounds and build secondary students' awareness and aspirations.

More than 2400 students received an RMIT offer through SNAP for 2016 entry – an increase of 38 per cent on the previous year. More than 3000 SNAP students participated in on-campus *I Belong* programs during the year.

During NAIDOC Week, the University welcomed 21 students from around the country as part of the Victorian Indigenous Engineering Winter School.

Through a collaboration between RMIT, the University of Melbourne, Swinburne University and Monash University, the program shows Indigenous students a little about university life while showcasing the range of engineering courses on offer.

Health, Safety and Wellbeing

A three-year Global Safety Model project was launched to enhance the University's safety culture and the way it is managed. It comprises a newly-designed system for improved reporting on hazards, incidents and issues, supported by training for leaders on RMIT's safety culture. A psychosocial risk management process is being developed to enhance existing early intervention and injury management programs.

Workforce Profile

An Operational Enterprise Workforce Plan was developed in 2016 that considered the size and shape of RMIT's workforce and presented targets against key measures: student to staff and academic to professional staff ratios; gender; cultural diversity; staff turnover; excess leave; and health and safety. We will build on this to ensure that the shape of our workforce and staffing models continue to be appropriate, flexible and contemporary.

Leadership Capability and Workforce Development

The RMIT "Be Ready" leadership development program was introduced. Part of a four-year plan to enhance leadership performance, this program was designed to create a unified leadership group with a deep understanding of collaboration and authentic leadership, and with enhanced commercial acumen, accountability and skills for the application of strategic initiatives.

Capability framework and career pathways were progressed to ensure an educational and research workforce with a high-value mix of practice and knowledge and a commitment to innovative research and excellent teaching.

Staff Engagement

The results of a Staff Pulse Survey carried out during the year showed lower than expected engagement levels in a number of units across the University. We have committed to addressing the key drivers of staff engagement and have set targets for over the next three years via the development of local action plans and University-wide solutions.

Talent Attraction

Recruitment campaigns resulted in the appointment of 25 Vice-Chancellor's Fellows – 68 per cent female and 32 per cent male. Nine Early Career Development Fellows and 27 Industry Fellows were appointed.

Code of Conduct

The Code of Conduct for Staff defines how RMIT's values are demonstrated in the University's day-to-day activities, and outlines the standards of behaviour expected by all members of the RMIT staff community. The Code of Conduct principles can be viewed at: www1.rmit.edu.au/policies/codeofconduct

Occupational Health and Safety

	2014	2015	2016
Lost time injury frequency rate	1.81	2.07	2.73
<i>Change to previous year</i>	-37%	+14%	+32%
WorkCover claims submitted	32	37	33
<i>Change to previous year</i>	-16%	+15%	-10%
OHS incident reports	426	370	541
<i>Change to previous year</i>	+3%	-13%	+46%
WorkSafe notifiable incidents	13	23	20
<i>Change to previous year</i>	+117%	+77%	-13%
WorkSafe improvement notices	0	1	0

Employment Statistics – Melbourne

Staff type	Total FTE*		Female FTE*		% Female	
	2015	2016	2015	2016	2015	2016
Academic (HE)	1,850	1,895	729	757	39	40
Teaching (VET)	639	679	305	329	48	48
Professional	2,363	2,348	1,448	1,474	61	63
Executive	95	95	26	36	27	38
Total	4,947	5,017	2,508	2,596	51	52

New staff recruitments	Female	%	Male	%	Total
Teaching (VET)	29	57	22	43	51
Professional	284	62	171	38	455
Executive	9	56	7	44	16
Total	409	55	329	45	738

* FTE – full-time equivalent (two people both working 0.5 time fraction = 1 FTE).

Data as at 31 December 2016.

All employees have been correctly classified in the workforce data collections.

OHS Hazards, Incidents, Standard Claims, Associated Costs

	2014	2015	2016
Number of lost-time standard claims per 100 FTE	0.12	0.23	0.21
Average cost per claim (payment to date + estimate of outstanding claim cost)	\$33,852	\$21,361	\$53,201*
Hazard and incident reports/100 FTE	4.26	3.7	5.41**

* Increase has resulted from three high-risk claims lodged in 2016. Two of these relate to a former employee who left in 2012 and lodged physical and psychological claims in 2016.

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

Employment Statistics – Vietnam

Staff type	Total FTE*		Female FTE*		% Female	
	2015	2016	2015	2016	2015	2016
Academic (HE)	126	128	46	46	37	36
English language programs	66	60	18	16	33	27
Professional	330	385	218	254	67	66
President's office	15	13	5	5	36	38
Total	537	586	287	321	53	55

New staff recruitments	Female	%	Male	%	Total
Teaching (VET)	7	20	28	80	35
Professional	85	67	42	33	127
Executive	0		1	100	1
Total	105	53	92	47	197

Student Diversity

	2014	2015	2016 ¹
All Students %			
Higher Education			
Female	48	48	48
Male	52	52	52
Vocational Education			
Female	43	40	41
Male	57	60	59

Age Group %			
Higher Education			
Young people 15-19	11	11	12
Aged 20-24	58	59	58
Mature age 25-44	28	28	28
Mature age 45+	3	2	2
Vocational Education			
Young people 15-19	29	28	28
Aged 20-24	33	34	34
Mature age 25-44	30	31	30
Mature age 45+	8	7	8

Equity (Domestic) %			
Higher Education (Undergraduate only)			
School leavers	40	42	44
VE student admissions to HE	20	17	20
Overseas born	21	21	21
Non-English speaking background	6	6	6
Rural/remote	9	9	10
Low socio-economic status (postcode)	14	16	17
Aboriginal and Torres Strait Islanders	0.4	0.4	0.5
Vocational Education			
School leavers	14	16	17
Overseas born	26	27	28
Non-English speaking background	10	11	12
Rural/remote	11	13	11
Low socio-economic status (postcode)	17	21	20
Aboriginal and Torres Strait Islanders	1.3	1.1	1.2

	2014	2015	2016 ¹
HE and VE Broad Field of Education			
(Load in EFTSL/EFTS)²			
Natural and Physical Sciences	2,402	2,524	2,646
Information Technology	2,851	2,715	2,841
Engineering and related technologies	8,431	8,800	8,947
Architecture and Building	4,262	4,560	4,565
Agriculture, Environment and related studies	299	297	274
Health	3,260	3,502	3,744
Education	1,667	1,335	1,340
Management and Commerce	19,162	18,873	18,857
Society and Culture	4,139	4,308	4,459
Creative Arts	7,304	7,857	8,030
Mixed field programs	825	927	1,091
Total	54,602	55,698	56,794

HE and VE Attendance Type/Mode			
Full Time			
Internal	48,623	50,063	50,820
Multi-modal ³	4,930	4,679	5,152
Part Time			
Internal	19,903	20,716	20,828
Multi-modal ³	719	666	582
Distance/fully online	1,232	1,193	1,358
Open Universities Australia	5,393	4,601	4,235
Foundation Studies	788	1,103	1,292
Total	81,588	83,021	84,267

¹ Some 2016 indicators are provisional and will not be finalised until Q2 2017. HE and VE data excludes OUA and Foundation Studies unless specified.

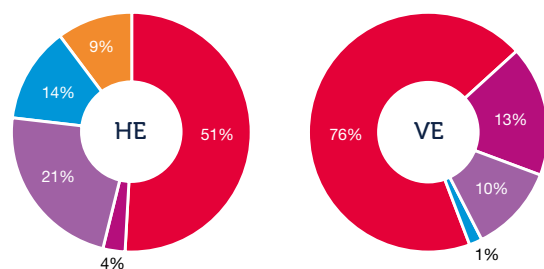
² VE student load converted using Student Contact Hours/720.

³ Multi-modal refers to both internal and external mode of attendance.

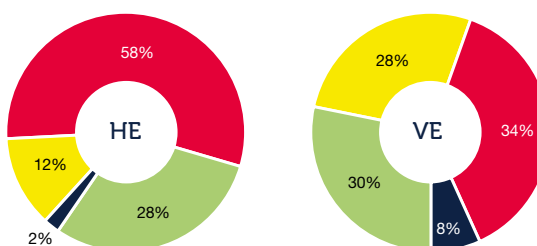
Some historical values updated to reflect final position.

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

Student fee type	HE	VE
Government-funded	52	76
Australian fee-paying	4	13
International Onshore	21	10
International Offshore	14	1
Vietnam	9	0



Age group	HE % headcount	VE % headcount
Young people 15-19	12	28
Aged 20-24	58	34
Mature age 25-44	28	30
Mature age 45+	2	8



Sustainability and Resource Usage

Sustainability engagement

An inaugural Sustainability Week was held early in 2016 as a mechanism for celebrating environmental initiatives on campus and engaging and communicating with stakeholders through a variety of activities and initiatives.

A Sustainability Showcase in September featured interdisciplinary sessions highlighting our community's knowledge on social and environmental sustainability, consumption and ethical living.

The creation of a dedicated engagement role in the Sustainability unit demonstrates the University's commitment to resourcing and empowering students to become responsible change agents on campus, during their studies and into their careers.

Cycling support

Over the past two years, RMIT has been delivering on its Sustainable Integrated Transport Plan with a focus on cycling. The centrepiece of the plan was the delivery of a bike hub on the City campus.

In response to feedback that the availability of high-quality end-of-trip facilities is a key motivator for cycling to the University, the bike hub offers parking for 400 bikes, change facilities, showers, lockers, drying cupboards, ironing boards and hair dryers. Electric bike charging, repair stations and a bike vending machine complete the space, which hosts weekly student-led bike repair workshops.

Secure bike cages have been installed at Bundoora and Brunswick campuses, as well as improved lighting and CCTV to ensure students and staff are encouraged to ride to campus.

RMIT is committed to engaging with its community to embed sustainability across learning and teaching, research and operations.

Achieving our targets

The Sustainable Urban Precincts Program, RMIT's biggest ever investment in energy and water efficiency, was progressed across the University's three Melbourne campuses.

Part of RMIT's commitment to manage resources for long-term value, the program aims to reduce electricity use by 263 million kWh over eight years, leading to a 32,000-tonne reduction in greenhouse gas emissions. Water use will be cut by 53 million litres and heating, ventilation and aircon facilities are being upgraded.

Working with our industry partners, 2016 saw the completion of works at Brunswick campus and near completion at Bundoora campus. A reduction of almost 11,000 tonnes of CO₂ emissions has been recorded, which will continue to be realised annually. These initiatives have enabled RMIT to achieve its ATN greenhouse gas emissions reduction target of 25 per cent four years early.

The program was highly commended at the Green Gown Awards Australasia in recognition of work already completed.



Bike repair station on the City campus.
Photo: Matthew Houston

The University's first Sustainability Annual Report, based on the Global Reporting Initiative international best practice methodology, ensured that the University met its commitments under the UN Global Compact. Each year this report will showcase the University's sustainability successes and record progress on governance, economic, environmental and social sustainability measures.

Resource table

Resource Usage	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Annual energy consumption per floor area (GJ/GFA*)	0.767	0.758	0.732	0.788	0.798	0.767	0.759	0.749	0.773	0.684
Water consumption per EFTSL (kL/EFTSL*)	5.7	5.5	5.1	4.9	4.7	4.9	5.1	5.8	5.2	5.3
Greenhouse gas emissions (tCO ₂ -e)	79,124	70,548	61,414	63,890	64,608	65,053	65,192	64,402	64,798	55,917
Emissions Offset (tCO ₂ -e)	1,648	10,301	13,778	14,576	14,530	14,807	14,392	14,349	14,325	13,000

*GFA: Gross Floor Area. *EFTSL: equivalent full-time study load.

	2016
Reduction in emissions from 2007 baseline	29.3%
Reduction in energy per floor area from 2007 baseline	12.3%

Governance



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

RMIT University is governed by a Council that in 2016 consisted of:

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

Consistent with the Royal Melbourne Institute of Technology Act 2010, as from time to time amended, the Council is the governing body of the University and has responsibility for the general direction and superintendence of the University.

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

Members of Council, as required by legislation, have duly completed declarations of director-related transactions. No member of Council holds shares as a nominee or beneficiary in any statutory authority or subsidiary related to the University. Members of Council do not hold shares in RMIT (no shares are distributed by RMIT) or in related companies. Council members who are not

staff of the University may choose to receive remuneration for being members of Council. RMIT does not make loans to Councillors or related parties of Councillors.

As part of its commitment to good governance practices, in 2003, the University Council adopted a charter containing broad governance principles. This charter is reviewed annually and was subject to review in 2016. Declarations received from Council members have indicated no conflict of interest or pecuniary interest other than remuneration disclosed in the financial statements.

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

In accordance with its charter, the Council reviews its performance regularly. An evaluation was conducted in 2016. As well as its regular meetings, Council had two strategic discussions in 2016, the first focusing on state and local government environments and the second on strategic priorities and focus areas.

The Nomination, 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 in 2016

Mr Bruce Akhurst

Appointed by RMIT Council, member since 1 August 2013.

Most recent appointment: 1 January 2016.

BEd(Hons) (Monash), LLB(BusLaw), GAICD.
Other directorships: Library Board of Victoria, Adstream Holdings Pty Ltd (Chair), Paul Ramsay Holdings Pty Ltd, Tabcorp Holdings Ltd, Peter MacCallum Cancer Foundation (Chair).

Associate Professor Debra Bateman

Elected by RMIT staff, member since 1 August 2016.

Most recent appointment: 1 August 2016.

DipTeach, BEd, MEd, PhD (ACU), GradCert(HigherEd) (Deakin).

Position: Deputy Dean, Learning and Teaching, School of Global, Urban and Social Studies, RMIT.

Other directorships: Victoria Police Blue Ribbon Foundation.

Mr Martin Bean CBE

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

Most recent appointment: 27 January 2015.

BEd(Adult) (UTS).

Emeritus Professor Stephen Duckett

Appointed by the Minister, member since 7 April 2014.

Most recent appointment: 7 April 2014.

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

Other directorships: South Australian Health Performance Council.

Professor David Hayward

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

Most recent appointment: 1 February 2015.

BA, GradDipUrbSoc (Swinburne), PhD (Monash), GAICD, MAIPA.

Position: Dean, School of Global, Urban and Social Studies, RMIT.

Professor Gary Hogan AM, CSC

Appointed by Governor in Council, member since 13 October 2014.

Most recent appointment: 1 January 2016.

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

Position: Senior Advisor, Defence and National Security, KPMG Australia.

Ms Janet Latchford

Appointed by Governor in Council, member since 18 May 2010.

Most recent appointment: 1 January 2016.

Deputy Chancellor since 8 September 2014.

BCom (Melb), FCPA, GAICD.

Other directorships: RCD Fund, Epworth Research Institute.

Mr James Michelmore

Appointed by RMIT Council, member since 1 January 2014.

Most recent appointment: 1 January 2014 to 31 July 2016.

AssDegEngTech(Mechanical) (RMIT), BEng (Automotive)(Hon) – current studies.

Ms Rhonda O'Donnell

Appointed by Governor in Council, member since 23 September 2008.

Most recent appointment: 1 January 2016.

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

Other directorships: MTAA Superannuation Fund, Slater & Gordon Ltd, Catapult Group International Ltd, O'Donnell Global Solutions.

Mr Brett Paton

Appointed by RMIT Council, member since 1 January 2013.

Most recent appointment: 1 January 2016 to 1 September 2016.

BEd (Monash), ACA.

Other directorships: Escala Partners Pty Ltd (Chair), PLC Venture Capital (Singapore) (Chair).

Dr Ziggy Switkowski AO

Chancellor (ex-officio), member since 1 January 2011.

Most recent appointment: 1 January 2016.

BSc(Hons), PhD (Melb), FAICD, FTSE, FFA.

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

Ms Anne Ward

Appointed by RMIT Council, member since 28 May 2015.

Most recent appointment: 29 April 2016.

BA, LLB (Melbourne), FAICD.

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

Mr Ariel Zohar

Elected by RMIT students, member since 1 August 2016.

Most recent appointment: 1 August 2016

Other directorships: RMIT University Student Union (RUSU), Australasian Union of Jewish Students – National Political Affairs Director.

Attendance at Council and Committee Meetings 2015

Name	Council	Audit and Risk Management	Nominations and Remuneration	Infrastructure and Information Technology
Bruce Akhurst	5/6			5/5
Martin Bean	6/6			5/5
Debra Bateman	3/3			
Stephen Duckett	6/6		5/5	
David Hayward	5/6			5/5
Gary Hogan	6/6			5/5
Janet Latchford	6/6	4/5	5/5	
James Michelmore	3/3			
Rhonda O'Donnell	5/6			5/5
Brett Paton	3/4	2/3		
Ziggy Switkowski	6/6		3/5	3/5
Anne Ward	6/6	5/5		
Ariel Zohar	3/3			

Notes

- Brett Paton's term ended 1 September
- James Michelmore's term ended 31 July
- Debra Bateman's term commenced 1 August
- Ariel Zohar's term commenced 1 August

Council Committees

Council has established committees to assist it in discharging its responsibilities. Each committee had a work plan of activity to exercise its responsibilities in 2016, and all committees reported to Council on their activities.

Audit and Risk Management Committee

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

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

Nominations, Remuneration and People Committee

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

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

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

Infrastructure and Information Technology Committee

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

- consider major capital infrastructure and information technology projects/investments of significant complexity or risk, or of strategic significance to the organisation and make recommendations to Council about future directions (it is the responsibility of Management to bring to the attention of the Committee any project variance of significance)

- oversee and monitor significant projects already in progress to ensure they evidence value for money, efficiency, meet key milestones and performance indicators, align with the University's strategy, and produce measurable benefits for the organisation (Vice-Chancellor to identify significant projects for Committee oversight)
- oversee the University's operating and capital expenditure on infrastructure and information technology assets and projects
- receive and consider quarterly environmental scans of factors external to RMIT that may impact on the University's infrastructure and how it can be used by the University to maximise its impact
- develop a Capital Development Plan encompassing both information technology and infrastructure, including long-term and short-term priorities, in accordance with the University Strategic Plan for endorsement to Council
- oversee the University's asset management, covering the physical assets of the University, their condition, maintenance and lifecycle planning
- oversee the identification and analysis of risks to the University's infrastructure and information technology assets and the development of appropriate mitigation strategies to support resilience and operational effectiveness
- establish sub-committees as required from time to time
- consider any appropriate matters referred to it by Council or the Vice-Chancellor, and refer issues to Council that require decisions by Council as they arise
- meet in accordance with an annual meeting schedule and in addition convene to consider matters as appropriate at short notice. Members will receive regular reporting between meetings where that facilitates the Committee's functions
- submit the minutes and/or a report of each Committee meeting to the next Council meeting

RMIT Subsidiaries

All University subsidiaries are governed by a Board of Directors. Financial performance, operational highlights and risk management are reported quarterly to Council.

RMIT Foundation

The RMIT Foundation was established in 1994 to receive philanthropic gifts and donations made to RMIT University.

RMIT Foundation is managed by a Board of Trustees whose actions are governed by a trust deed. Funds support scholarships, prizes, bursaries and grants across a wide range of areas including access and equity, financial hardship, academic excellence, global mobility studies and research.

RMIT Vietnam Holdings Pty Ltd

RMIT Vietnam Holdings is wholly owned by RMIT University and in turn owns RMIT Vietnam. It also accepts and transfers funds destined for RMIT Vietnam and philanthropic projects in Vietnam.

RMIT Vietnam Holdings was engaged in six projects in Vietnam on behalf of and funded by the Atlantic Philanthropies. These projects principally entailed the construction and development of four Learning Resource Centres, each of approximately 7500 square metres, at the Universities of Hue, Danang, Can Tho and Thai Nguyen. Other projects included translation of the Dewey Decimal System into Vietnamese, training of staff in Vietnam libraries through the National Task Force program, and development of library resources in Vietnam.

Through RMIT Vietnam Holdings, Atlantic Philanthropies has provided funds for a scholarship program for disadvantaged students studying at RMIT Vietnam.

RMIT Spain SL

RMIT Spain SL is the registered name of the company that establishes RMIT's presence in Europe. It trades as RMIT Europe. Since its establishment in 2013, it has developed in three main areas:

Research: supporting the development of collaborations and accessing research funding

Mobility: enabling student experience opportunities in Europe for students from all campuses

Partnerships: building high-quality academic and industry partnerships for RMIT in Europe

RMIT Europe secured research funding for RMIT Vietnam by facilitating a partnership in a €13.4 million project through the EU Horizon 2020 research and innovation funding scheme. The funding will go towards research into innovative nature-based solutions for cities such as Quy Nhon in central Vietnam.

Thirty students from Australia, Vietnam and Singapore took part in an RMIT Global Summer Mobility Program in Barcelona in 2016, which focused on the theme of urban futures and featured input from industry organisations including Telefónica, AECOM and Arup.

A student tour of the Smart City Expo and World Congress in Barcelona was included as part of the program.

RMIT Europe's partnership development was evidenced through the delivery of an Ethical Cities Event series. More than 200 people from industry, academia and the public sector attended, including representatives from UN-Habitat, UN Global Compact – Cities Programme, the European Commission, City of Barcelona and City of Madrid.

RMIT Europe also facilitated a collaboration with Ferrovial that resulted in €400,000 in research funding to explore the use of drones for construction project monitoring.

RMIT Training Pty Ltd

RMIT Training focuses on two business activities: English language programs, and support for academic and professional communities through the Informit portfolio.

RMIT English Worldwide (REW) ensures students are ready for further study at RMIT University and works closely with educational organisations and industry around the world to provide English language training.

Partner organisations across Asia, Europe and the Middle East work with REW to help students and professionals improve their English. Notable international organisations such as the UN International Civil Aviation Organization recognise REW assessment and training.

The Informit Collections enable researchers to find Australasian content to support their research needs, as well as helping professionals access journals and literature in specialist industries. EduTV, TVNews and educational media products support learning across the higher education sector.

Informit is accessible from all state and university libraries in Australia and from an increasing number of prestigious international institutions such as the British Library and Oxford University.

RMIT Training provides administrative support for short and single courses offered by schools across RMIT University, and a service that supports the University Press activity.

The company's strategic and business plans align with the University's strategic vision and the company continues to be profitable.

Spatial Vision Innovations Pty Ltd

Spatial Vision provides geospatial technology services for environmental, land, asset, emergency and health management to government and private sector clients.

In 2016, Spatial Vision implemented its new corporate strategy and organisation structure. This included revisions to the company's range of products and services and a greater focus on business development, as well as changes to company management and accountability, which are delivering significant benefits.

Progress has been made with the GIS Cloud product suite, for which SV is the Australia and New Zealand distributor. *Perception*, a publication system for curated geostatistics in applications such as the health sector, was launched during the year.

The company won the Innovation and Commercialisation category at the 2016 Victorian Spatial Excellence Awards for its FarmBuild project. Undertaken for the Department of Economic Development, Jobs, Transport and Resources, the project is a web-based platform servicing the needs of agricultural science with algorithms, calculators and key agricultural datasets as online functions.

The company has been most successful at building its portfolio of projects in NSW and is targeting Queensland in 2017.

RMIT University Indonesia Pty Ltd

RMIT University Indonesia is a wholly owned subsidiary of RMIT University. It was established to allow RMIT to set up a representative office in Indonesia to support expansion of RMIT's in-country education activities, industry and research collaboration, student mobility, government relations and promotional activities.

The entity does not conduct commercial or revenue generation business but rather supports the University's broader engagement in Indonesia.

RMIT Online

RMIT Online was established in September 2016 as a wholly owned subsidiary of RMIT University to manage the University's online commercial academic offerings.

Working with key partners and RMIT stakeholders, the company aims to provide a world-class education delivered 100 per cent online and to become a key contributor to the achievement of RMIT's mission and strategy. At the core is its purpose to provide student-centric experiences which prepare the workforce of the future.

With the opening of new offices in Building 108, RMIT Online is moving towards full operational mode in 2017.

Statutory Reporting

Freedom of Information

During the reporting period 1 January to 31 December 2016, RMIT received 27 applications under the Freedom of Information Act 1982 (Vic):

Access granted in full:	2
Access granted in part:	9
Pending:	0
Lapsed:	15
Withdrawn:	0
Refused:	0
No existing documents:	0
Other (applications under Sections 34 and 39):	1

The University is subject to the provisions of the Freedom of Information Act and has in place procedures to ensure that it meets its compliance obligations. The University's Freedom of Information Officer for 2016 was employed in the University Secretariat.

Protected Disclosures

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

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

The Protected Disclosure Management Instruction outlines how RMIT will respond to the requirements of the Act and is available online at:

www1.rmit.edu.au/policies/pdminstruction

Commercial Activities

Commercial activities of RMIT University for 2016: Nil

Commercial activity of controlled entities: Nil

Building Act 1993

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

Report of Operations

The RMIT Annual Report 2016 was prepared in accordance with the Financial Reporting Directions issued by the Department of Treasury and Finance.

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 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 2016, 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 schedules are available on the RMIT website at: www.rmit.edu.au/study-with-us/applying-to-rmit/local-student-applications/fees/approved-schedule-of-fees-and-charges/

In 2016, RMIT University collected \$12 million in compulsory non-academic fees from students. The purpose of such fees is to improve students' experience and to ensure that various student-related activities are funded directly from collected funds. \$3.6 million of the collected compulsory non-academic fees were paid directly to RMIT University Student Union (RUSU). RUSU uses funds to advance the education, welfare, social and cultural lives of all RMIT students.

Tuition Fees

In 2016, domestic non-government funded fees increased by an average of 4.0 per cent. International onshore student fees were increased by an average of 3.2 per cent.

Course Material and Administrative Fees

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

Additional Information

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

- Declarations of pecuniary interests
- Shares held by senior officers
- Publications
- Changes in fees and charges
- Major external reviews
- Research and development activities
- Overseas visits undertaken
- Promotional, public relations and marketing activities
- Management of occupational health and safety
- Industrial relations activity
- Council committees
- Consultancies

Enquiries should be directed to:
Vice-President Strategy and Governance
RMIT University
GPO Box 2476, Melbourne 3001
Tel. (03) 9925 2000

Risk Management and Internal Audit

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

The framework is supported by:

- a defined Risk Management Policy and Appetite Statement that articulates the amount of risk the University is willing to seek or accept in the pursuit of its objectives
- Council's Audit and Risk Management Committee, which regularly monitors and reports to Council on the adequacy of arrangements in place to ensure that risks are effectively managed and on the alignment of risk appetite and risk-taking to strategy across the group
- the annual review and update of a University-wide risk profile using outcomes from risk assessments that are undertaken by all academic and administrative areas as an integral part of the business planning process
- active management and monitoring by all academic and administrative areas during the year to ensure that appropriate mitigation measures are in place to ensure that net risk exposures remain consistent with RMIT's objectives and risk appetite
- the provision of risk management support, advice, assessment tools and training for University staff
- execution of the annual internal audit plan, which is primarily concerned with evaluating the effectiveness of internal controls, and is risk-based to place greater emphasis on those areas of high risk to the University
- an insurance program that protects the University from financial loss as a result of physical loss of, or damage to, assets and activities, as well as injuries to University staff, students and third parties

Attestation on compliance with the International Standard for Risk Management

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 that the risk profile of RMIT has been critically reviewed within the last 12 months.



Martin Bean CBE
Vice-Chancellor and President
RMIT University

Date: 20-03-2017

Objects of RMIT University

RMIT University is a self-accrediting university established under Victorian Government legislation and is a major provider of vocational education and training programs.

RMIT's objects under the RMIT Act 2010 are:

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

Consultancies 2016

Vendor name	Approved project amount (\$)	Invoiced amount (\$)	Further commitments (\$)	Description
Pricewaterhouse Coopers	1,819,090	1,241,245	577,845	Strategic consulting
Deloitte Consulting	1,056,043	756,043	300,000	Enterprise leadership solutions
Accenture	482,884	482,884		ServiceNow platform
Leo Family Trust	513,600	439,000	74,600	Simplicity program
Information Services Group	358,560	345,938	12,623	Market approaches in ICT sourcing platform
KPMG	721,814	334,314	387,500	Market research services for Vietnam
Deloitte Touche Tohmatsu	331,994	331,994		Information security analysis
DBM Consultants	270,834	264,935	5,899	University scorecard
UXC Consulting	180,925	180,925		Consulting services
EIC-Growth Pty Ltd	179,050	179,048		Entrepreneur in Residence 2016
Prime Motive Pty Ltd	177,245	177,245		Product page enhancements
Peter Rohan Pty Ltd	195,000	175,000	20,000	Careers success project
AppSense Ltd	170,400	170,400		ICT infrastructure delivery
Make Studios Australia	149,250	149,250		Marketing consultancy
Newton Corp Pty Ltd	140,000	140,000		BSCC program
Allegra Consulting Group	134,886	126,854	8,032	PMO establishment and change consulting
Lee Hecht Harrison	124,280	124,280		ITS organisational changes
Mia Shaw Pty Ltd	119,336	119,336		Change management
Helen Smith (sole trader)	111,100	111,100		Educational capability model
Prospect Research and Marketing	103,720	103,720		Market research and strategy
Dandolo Partners	100,000	100,000		Pre-tertiary pathways consulting
	7,440,010	6,053,301	1,860,111	

All contracts are signed with the companies so no individual names are provided. There were no consultancies below \$100,000.

Disclosure Index

Item No	Source	Summary of Reporting Requirement	Page(s)
Standing Directions/Financial Management Act 1994 (FMA)			
1	FRD 22G	Report of Operations contains general information about the entity and its activities, highlights for the reporting period and future initiatives, and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act 1994.	4-34
2	SD 5.2.1(a)	Report of Operations is prepared in accordance with Financial Reporting Directions.	32
3	SD 5.2.3	Report of Operations is signed and dated by the Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	2
4	SD 5.2.2	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> — Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements — Financial Reporting Directions — Business Rules 	F-1, F-11 32, F-1, F-11 N/A
5	FRD 22G, FMA	Financial Statements available, including: <ul style="list-style-type: none"> — Balance Sheet and income statement — Statement of Recognised Income and Expense — Cash Flows Statement — Notes to the financial statements 	F-7 F-5 F-9 F-11 – F-72
6	SD 5.2.2(a) and FMA s49	The financial statements contain such information as required by the Minister and are prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, CFAO and a member of the Responsible Body, in a manner approved by the Minister, stating whether in their opinion the financial statements: <ul style="list-style-type: none"> — present fairly the financial transactions during reporting period and the financial position at end of the period; — were prepared in accordance with Standing Direction 4.2(c) and applicable Financial Reporting Directions; and — comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements. 	F-1
7	FRD 30	The financial statements are expressed in the nearest dollar except where the total assets or revenue or expenses of the institution are greater than: <ul style="list-style-type: none"> — \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000 — \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000 	F-22
8	SD 3.2.1.1(c)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	2, F-1 – F-4
9	SD 3.7.1	Attestation on compliance with the Victorian Risk Management Framework	33
10	FRD 03A	Accounting for dividends	N/A
11	FRD 07B	Early adoption of authoritative accounting pronouncements	F-22 – F-25
12	FRD 10	Disclosure Index	35-36
13	FRD 11A	Disclosure of ex-gratia payments	F-68
14	FRD 17B	Long service leave and annual leave for employees	F-11, F-20, F-33, F-44 – F-45
15	FRD 21B	Disclosures of responsible persons, executive officer and other personnel (contractors with significant management responsibilities) in the financial report	F-64 – F-67
16	FRD 22G	Consultants: Report of Operations must include a statement disclosing each of the following: <ol style="list-style-type: none"> 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period And for each consultancy more than \$10,000, a schedule is to be published on the University website listing: <ul style="list-style-type: none"> — Consultant engaged — Brief summary of project — Total project fees approved (excluding GST) — Expenditure for reporting period (excluding GST) — Any future expenditure committed to the consultant for the project 	34
17	FRD 22G	Manner of establishment and the relevant Minister	28, 34, F-64
18	FRD 22G	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	4-5, 8, 9, 15-30, 34
19	FRD 22G	Nature and range of services provided including communities served	4-27
20	FRD 22G	Organisational structure and chart, including responsibilities	9, 12, 28, 30

21	FRD 22G	Names of Council members	29
22	FRD 22G	Operational and budgetary objectives, performance against objectives and achievements	6–27
23	FRD 22G	Occupational health and safety statement including performance indicators, and performance against those indicators (reporting must be on the items listed at (a) to (e) in the FRD)	25
24	FRD 22G	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	25
25	FRD 22G	Summary of the financial results for the year including previous four-year comparisons	F-73 – F-74
26	FRD 22G	Significant changes in financial position during the year	14
27	FRD 22G	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	6–27
28	FRD 22G	Major changes or factors affecting performance	14
29	FRD 22G	Discussion and analysis of operating results and financial results	7, 14
30	FRD 22G	Post balance sheet date events likely to significantly affect subsequent reporting periods	F-51
31	FRD 22G	Where a university has a workforce inclusion policy, a measurable target and report on the progress towards the target should be included	24–25
32	FRD 22G	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST), including list from (a) to (d) in the FRD	N/A
33	FRD 22G	Summary of application and operation of the Freedom of Information Act 1982	32
34	FRD 22G	Statement of compliance with building and maintenance provisions of the Building Act 1993	32
35	FRD 22G	Statement where applicable on the implementation and compliance with the National Competition Policy	32
36	FRD 22G	Summary of application and operation of the Protected Disclosure Act 2012	32
37	FRD 22G	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	N/A
38	FRD 22G and 24C	Summary of environmental performance including a report on office-based environmental impacts	27
39	FRD 22G	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer, ref list at (a) to (l) in the FRD)	32
40	FRD 25C	Victorian Industry Participation Policy in the Report of Operations	N/A
41	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	N/A
42	FRD 102	Inventories	F-15, F-38
43	FRD 103F	Non-financial physical assets	F-18, F-39 – F-40
44	FRD 104	Foreign currency	F-12 – F-13, F-41, F-42, F-46–47
45	FRD 105B	Borrowing costs	F-5, F-19, F-26 – F-28, F-34, F-42 – F-44
46	FRD 106A	Impairment of assets	F-5, F-12, F-14, F-17, F-26, F-34
47	FRD 107B	Investment properties	N/A
48	FRD 109A	Intangible assets	F-18 – F-19, F-41
49	FRD 110A	Cash flow statements	F-9
50	FRD 112D	Defined benefit superannuation obligations	F-20 – F-21, F-51 – F-52
51	FRD 113A	Investments in subsidiaries, jointly controlled associates and entities	31
52	FRD 119A	Transfers through contributed capital	N/A
53	FRD 120J	Accounting and reporting pronouncements applicable to the reporting period	F-22 – F-25
54	ETRA, s3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable	32
55	PAEC	Financial and other information relating to the university's international operations	31, F-12, F-61 – F-62
56	University Commercial Activity Guidelines	— Summary of the university commercial activities — If the university has a controlled entity, include the accounts of that entity in the university's Annual Report	31, 32 F-1 – F-74

N/A – Not applicable

Financial Statements

A modern skyscraper with a faceted glass facade, partially obscured by a large red semi-circle graphic. The building's facade is composed of numerous triangular and square panels, creating a complex geometric pattern. The red semi-circle is positioned on the right side of the image, framing the building. The background is a dark blue gradient.

Royal Melbourne Institute of Technology and Subsidiaries

COUNCILLORS' DECLARATION YEAR ENDED 31 DECEMBER 2016

In our opinion:

The consolidated financial statements of 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 its subsidiaries as at 31 December 2016 and their financial performance represented by the results of their operations for the year ended on that date.

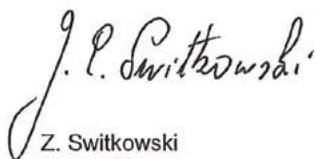
In the Councillors' opinion, as at the date of this declaration, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

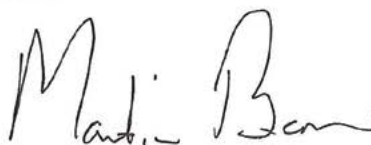
All public funds allocated to RMIT have been expended for the purposes specified by the Government or other public funding bodies, and RMIT has complied with applicable legislation, contracts, agreements and program expenditure.

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:

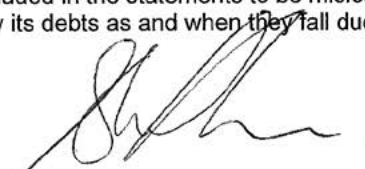
The financial statements of RMIT present fairly the financial transactions of RMIT and the consolidated entity during the financial year ended 31 December 2016 and the financial position of its operations for the year ended on that date;

Commonwealth financial assistance expected during the financial year ended 31 December 2016 was expended for the purposes for which it was provided;

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

The financial statements have been prepared in accordance with the Australian Accounting Standards, the Financial Management Act 1994, Standing Direction 5.2.2(a), 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.



S. Jackson
Interim Chief Finance and Accounting Officer

Dated at Melbourne
This 28th day of February 2017

INDEPENDENT AUDITOR'S REPORT

To the Council of Royal Melbourne Institute of Technology

Opinion

I have audited the consolidated financial report of 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 2016
- consolidated entity and university income statements and statements of comprehensive income 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 comprising a summary of significant accounting policies
- Councillors' declaration and statement by Principal Accounting Officer.

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

- presenting fairly, in all material respects, the financial position of the university and the consolidated entity as at 31 December 2016 and their financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for opinion

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

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

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

Council's responsibilities for the financial report

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

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

Independent Auditor's Report (continued)

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 our 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.
- 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
1 March 2017



Simone Bohan
as delegate for the Auditor-General of Victoria

AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

To the Council, 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 Royal Melbourne Institute of Technology for the year ended 31 December 2016, 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
1 March 2017



Simone Bohan
as delegate for the Auditor-General of Victoria

Income Statement

for the year ended 31 December 2016

	Note	Consolidated		RMIT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	344,818	330,467	344,818	330,467
HELP - Australian Government payments	3	236,965	232,686	236,965	232,686
State and Local Government financial assistance	4	33,131	32,488	33,131	32,488
HECS-HELP - Student payments		19,309	17,354	19,309	17,354
Fees and charges	5	492,846	455,620	407,809	369,948
Other investment income	6	4,367	7,996	3,106	5,469
Consultancy and contracts	7	51,418	40,115	50,924	36,518
Other revenue	8	43,225	46,326	30,916	38,967
Total income from continuing operations		1,226,079	1,163,052	1,126,978	1,063,897
Expenses from continuing operations					
Employee related expenses	9	677,164	662,514	625,499	604,318
Depreciation and amortisation	10	82,094	71,714	76,163	65,507
Repairs and maintenance	11	39,747	24,036	39,649	23,930
Borrowing costs	12	7,340	7,354	7,664	7,772
Impairment of assets	13	(731)	4,056	2,001	3,774
Other expenses	14	325,338	321,473	308,215	295,427
Total expenses from continuing operations		1,130,952	1,091,147	1,059,191	1,000,728
Net result before income tax		95,127	71,905	67,787	63,169
Income tax expense	16	(1,673)	(4,342)	(559)	(2,690)
Net result after income tax for the period		93,454	67,563	67,228	60,479
Net result attributable to non-controlling interest	31	-	153	-	-
Net result attributed to RMIT group		93,454	67,716	67,228	60,479

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

Statement of Comprehensive Income

for the year ended 31 December 2016

	Note	Consolidated		RMIT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net result after income tax for the period		93,454	67,563	67,228	60,479
Items that may be reclassified to profit or loss					
Gain/(loss) on revaluation of available for sale financial assets	29	8,718	12,044	8,718	12,707
Realised (gains)/losses transferred to income statement	29	-	(157)	-	-
Cash flow hedges	29	106	411	106	411
Exchange differences on translation of foreign operations	29	(318)	5,502	-	-
Disposal of non-controlled subsidiaries	29	(1,388)	-	-	-
Total items that may be reclassified to profit or loss		7,118	17,800	8,824	13,118
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of land, buildings and artworks	29	-	(383)	-	(383)
Deferred government superannuation contributions	37	12,703	3,439	12,703	3,439
Deferred employee benefits for superannuation	37	(12,703)	(3,439)	(12,703)	(3,439)
Transfer to/(from) retained earnings	29	(69)	-	(69)	-
Total items that will not be reclassified to profit or loss		(69)	(383)	(69)	(383)
Total comprehensive income		100,503	84,980	75,983	73,214
Total comprehensive income attributable to non-controlling interest	31	-	153	-	-
Total comprehensive income attributable to RMIT entity		100,503	85,133	75,983	73,214

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

Statement of Financial Position

as at 31 December 2016

	Note	Consolidated		RMIT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	17	87,098	98,984	77,178	90,855
Receivables	18	55,880	55,070	52,488	59,058
Inventories	19	869	2,246	853	1,782
Other financial assets	21	49,034	43,779	-	-
Other non-financial assets	24	14,290	11,681	11,871	9,413
Total current assets		207,171	211,760	142,390	161,108
Non-current assets					
Receivables	18	296,825	309,518	296,799	309,433
Available for sale financial assets	20	91,131	84,200	91,131	29,276
Property, plant and equipment	22	2,406,161	2,262,464	2,357,401	2,209,149
Deferred tax asset	16	420	658	-	-
Intangible assets	23	23,581	25,852	23,346	25,552
Other financial assets	21	37	37	1,764	2,411
Total non-current assets		2,818,155	2,682,729	2,770,441	2,575,821
Total assets		3,025,326	2,894,489	2,912,831	2,736,929
LIABILITIES					
Current liabilities					
Trade and other payables	25	146,109	132,772	154,070	124,252
Borrowings	26	4,775	-	4,775	-
Provisions	27	165,100	147,019	159,730	134,144
Current tax liabilities	16	4,997	5,785	4,997	5,785
Other liabilities	28	67,898	71,806	54,674	61,468
Total current liabilities		388,879	357,382	378,246	325,649
Non-current liabilities					
Borrowings	26	242,225	231,362	242,225	231,362
Provisions	27	325,426	340,953	324,934	333,115
Deferred tax liabilities	16	-	3	-	-
Other liabilities	28	-	117	-	-
Total non-current liabilities		567,651	572,435	567,159	564,477
Total liabilities		956,530	929,817	945,405	890,126
Net assets		2,068,796	1,964,672	1,967,426	1,846,803
EQUITY					
RMIT entity interest					
Reserves	29	839,450	832,401	799,975	791,220
Retained earnings	30	1,229,346	1,132,146	1,167,451	1,055,583
Total RMIT entity interest		2,068,796	1,964,547	1,967,426	1,846,803
Non-controlling interest	31	-	125	-	-
Total equity		2,068,796	1,964,672	1,967,426	1,846,803

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 2016

	Consolidated			
	Reserves	Retained Earnings	Non-controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2016	832,401	1,132,146	125	1,964,672
Profit or (loss)	-	93,454	-	93,454
Gain/(loss) on revaluation of available-for-sale financial assets	8,718	-	-	8,718
Realised (gains)/losses transferred to income statement	-	-	-	-
Exchange differences on translation of foreign operations	(318)	-	-	(318)
Revaluation of hedges	106	-	-	106
Disposal of non-controlled subsidiaries	(1,388)	3,677	(125)	2,164
Transfer to/(from) retained earnings	(69)	69	-	-
Balance at 31 December 2016	839,450	1,229,346	-	2,068,796
Balance at 1 January 2015	814,984	1,064,430	278	1,879,692
Profit or (loss)	-	67,716	(153)	67,563
Gain/(loss) on revaluation of land, buildings and artworks	(383)	-	-	(383)
Gain/(loss) on revaluation of available-for-sale financial assets	12,044	-	-	12,044
Realised (gains)/losses transferred to income statement	(157)	-	-	(157)
Exchange differences on translation of foreign operations	5,502	-	-	5,502
Revaluation of hedges	411	-	-	411
Balance at 31 December 2015	832,401	1,132,146	125	1,964,672
	RMIT			
	Reserves	Retained Earnings	Non-controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2016	791,220	1,055,583	-	1,846,803
Profit or (loss)	-	67,228	-	67,228
Gain/(loss) on revaluation of available-for-sale financial assets	8,718	-	-	8,718
Revaluation of hedges	106	-	-	106
Disposal of non-controlled subsidiaries	-	44,571	-	44,571
Transfer to/(from) retained earnings	(69)	69	-	-
Balance at 31 December 2016	799,975	1,167,451	-	1,967,426
Balance at 1 January 2015	778,485	995,104	-	1,773,589
Profit or (loss)	-	60,479	-	60,479
Gain/(loss) on revaluation of land, buildings and artworks	(383)	-	-	(383)
Gain/(loss) on revaluation of available-for-sale financial assets	12,707	-	-	12,707
Revaluation of hedges	411	-	-	411
Balance at 31 December 2015	791,220	1,055,583	-	1,846,803

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 2016

	Note	Consolidated		RMIT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash flows from operating activities					
Australian Government Grants received	3(g)	560,534	535,189	560,534	535,189
OS-HELP (net)		(526)	(97)	(526)	(97)
Superannuation Supplementation		21,170	27,760	21,170	27,760
State Government Grants received		33,131	32,488	33,131	32,488
HECS-HELP - Student payments		19,309	17,354	19,309	17,354
Receipts from student fees and other customers		588,652	524,424	494,922	423,208
Dividends received		108	2,189	108	1,795
Interest received		3,713	4,043	2,513	2,936
Payments to suppliers and employees (inclusive of GST)		(1,045,549)	(1,009,414)	(963,798)	(909,671)
Interest and other finance costs		(7,326)	(7,540)	(7,655)	(7,878)
GST recovered/(paid)		35,625	35,222	35,820	35,638
Income tax paid		(3,489)	(1,728)	(1,347)	(1,852)
Net cash provided by/(used in) operating activities	34(b)	205,352	159,890	194,181	156,870
Cash flows from investing activities					
Proceeds from sale of financial assets		-	2,000	-	-
Proceeds from sale of property, plant and equipment		330	2,080	330	2,080
Payments for financial assets		(5,254)	(34,487)	-	(11,840)
Payments for intangible assets		(4,765)	(15,156)	(4,560)	(15,066)
Payments for property, plant and equipment		(220,932)	(235,475)	(219,384)	(227,624)
Proceeds from other financial assets		-	2,000	-	-
Net cash provided by/ (used in) investing activities		(230,621)	(279,038)	(223,614)	(252,450)
Cash flows from financing activities					
Proceeds from borrowings		163,256	312,536	163,256	312,536
Loans from/(to) related parties		-	(628)	-	120
Repayment of borrowings		(147,450)	(210,000)	(147,500)	(210,000)
Disposal of non-controlled subsidiaries		(2,104)	-	-	-
Net cash provided by/ (used in) financing activities		13,702	101,908	15,756	102,656
Net increase/(decrease) in cash and cash equivalents		(11,567)	(17,240)	(13,677)	7,076
Cash and cash equivalents at the beginning of the financial year		98,984	110,720	90,855	83,779
Effects of exchange rate changes on cash and cash equivalents		(319)	5,504	-	-
Cash and cash equivalents at the end of the financial year	34(a)	87,098	98,984	77,178	90,855

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

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1 Summary of significant accounting policies

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

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

(a) Basis of preparation

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

RMIT applies Tier 1 reporting requirements.

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

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

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

Date of authorisation for issue

The financial statements were authorised for issue by the Council members of RMIT on 28 February 2017.

Historical cost convention

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

Critical accounting estimates

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

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

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

Key Estimates

Depreciation

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.

Amortisation of Intangible Assets

Management uses estimates of useful life to determine the amortisation of internally developed or acquired Intangible Assets.

Long Service Leave Provision

In calculating long service leave provisions, management uses a combination of the bond rates issued by the Reserve Bank of Australia, the salary increases in accordance with the Enterprise Bargaining Agreement and the probability factors based on staff retention rates.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Key Judgments -

Impairment

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

Provision for impaired receivables

Included in consolidated Accounts Receivable at 31 December 2016 are amounts receivable from customers and students amounting to \$16.807m (2015 - \$26.402m). The full amount of the debt is not recoverable and as such a doubtful debts provision amounting to \$5.374m (2015 - \$9.732m) has been set aside.

Provision for other financial assets

Management takes up a provision for its investment in unlisted shares when it believes these are no longer recoverable.

A provision is taken up for shares in non related companies when there is an inability to repay outstanding debt to the university or there is support they may no longer be recoverable (eg. where the company declares no dividend and/or is largely funded by other universities).

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 2016 and the results of all subsidiaries for the year then ended. RMIT and its subsidiaries together are referred to in the financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of financial position and statement of changes in equity.

(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.

(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.

If gains or losses on non-monetary items are recognised in other comprehensive income, translation gains or losses are also recognised in other comprehensive income. Similarly, if gains or losses on non-monetary items are recognised in profit or loss, translation gains or losses are also recognised in profit or loss.

1 Summary of significant accounting policies (continued)

(c) Foreign currency translation (continued)

(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.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are accounted for by recognising the effective portion in other comprehensive income and the ineffective portion in the income statement. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the gain or loss relating to the effective portion of the hedge that has been recognised in other comprehensive income is reclassified from equity to the income statement as a reclassification adjustment.

(d) Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. In some cases this may not be probable until consideration is received or an uncertainty is removed. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Government financial assistance

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

(ii) HELP Payments

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

(iii) Fees and Charges

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such 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.

(iv) Investment income

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

(v) Consultancy and Contracts

Contract revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract. Other human resources revenue is recognised when the service is provided.

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

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

(vi) Sale of non-current assets

The net profit or loss of non-current asset sales are included as revenue or expense at the date control of the asset passes to the purchaser, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

1 Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

(vii) Property rental (lease) income

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

(viii) Contribution of assets and donations

Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised as revenue at the fair value of the asset received when the Group gains control of the contribution.

(e) Income tax

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in 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.

Current and deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be either settled on a net basis, or the asset is to be realised and the liability settled simultaneously.

Current and deferred tax balances attributable to amounts recognised outside profit or loss are also recognised outside profit or loss.

(f) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases - note 33(b). 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.

(g) Impairment of assets

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

(h) Cash and cash equivalents

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

1 Summary of significant accounting policies (continued)

(i) Receivables

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

Collectability of receivables is reviewed on an ongoing basis. At year end a full review of each debtor balance over 90 days is conducted. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue for trade and 45 days overdue for student related debt) are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

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

Estimated provision for doubtful debts is recorded based on the aged trial balance and the management judgement of debt recovery. Outstanding trade debts that are 90 days overdue are reviewed on an individual basis, and the provision is recorded based on the assessment of the individual debt and the possibility of the debt recovery. Student debts that are 90 days overdue are provided with 100% provision.

No provision is made for receivables from government and education sectors.

(j) Inventories

Stock held for distribution

Stock held for distribution is stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Work in Progress

Services:

Valuation of Work in Progress - Services is based on the number of hours charged to project milestones in respect of incomplete and unbilled milestones. These hours are calculated at the average labour cost per billable hour, including oncosts, for the final quarter of the year. An allowance of 10% has been deducted for potential project overruns.

Products:

Valuation of Work in Progress - Products is based on the number of hours charged to project milestones net of budget overruns. These hours are valued at the average direct cost per billable hour.

Digital Products:

Valuation of Work in Progress - Digital Products is based on the number of hours charged to project milestones net of production overruns. These hours are calculated at the average labour cost per billable hour, including on-costs, for four months post annual salary increase.

(k) Investments and other financial assets

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired and held. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

1 Summary of significant accounting policies (continued)

(k) Investments and other financial assets (continued)

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

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

(ii) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. RMIT designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

Amounts that have been recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

(c) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iv) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

(v) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities.

1 Summary of significant accounting policies (continued)

(k) Investments and other financial assets (continued)

Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary security denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Fair Value

The fair values of quoted investments are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. In relation to RMIT's investments in unrelated entities, these are valued on a net cash basis.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. In applying *AASB 139*, two tests have been considered in determining whether the impairment entries are to be taken to equity: i. the decline is "substantial" (more than 20% below investment cost) and ii. "prolonged" (more than 12 months in that state). Failure to meet either test would require the impairment to be charged to the income statement.

(l) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets is based on quoted market prices for identical assets or liabilities at the balance sheet date (level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long term debt instruments held. Other techniques that are not based on observable market data (level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets & liabilities. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non financial assets is based on the *highest and best use* of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use. In light of AASB 13, the Group has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised, eg. the depreciated value represents a reasonable estimate of fair value.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

1 Summary of significant accounting policies (continued)

(m) Property, plant and equipment

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.

The last revaluation of land and buildings was performed at the end of 2014. An assessment of land and buildings is performed every year apart from the full revaluation years and any variances greater than 10% are adjusted.

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.

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.

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.

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

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

Land and works of art are not depreciated. Depreciation 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:

	2016 Years	2015 Years
Buildings	25-100	25-100
Equipment, motor vehicles, furniture and fittings	1.5-20	1.5-20
Leasehold improvements	2-51	2-51
Library collection	3-10	3-10

The capitalisation threshold for plant, equipment, computers, motor vehicles and furniture and fittings to be recognised as an asset is \$2,000 (2015: \$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.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

(n) Leasehold improvements

Leasehold improvements are capitalised and amortised over the shorter of their useful life or the remaining life of the lease.

(o) Intangible assets

(i) Research and development

Expenditure on research activities is recognised in the income statement as an expense, when it is incurred. Expenditure on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as an intangible asset and amortised from the point at which the asset is ready for use.

Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 4 to 20 years (2015: 4 to 20 years).

1 Summary of significant accounting policies (continued)

(o) Intangible assets (continued)

(ii) Intellectual property, trademarks and licences

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses.

(iii) Other intangible assets

Other intangible assets 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.

(iv) Subsequent expenditure

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.

(v) Amortisation

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:

	2016 Years	2015 Years
Software	3	3

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

(p) Trade and other payables

These amounts 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.

(q) Borrowings

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

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.

(r) Borrowing costs

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

Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs are included in the definition of borrowing costs.

(s) Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

1 Summary of significant accounting policies (continued)

(s) Provisions (continued)

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.

Provisions for PhD and HDR scholarships are recognised when the Group has a present legal obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are 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 time value of money and the risks specific to the liability. And, the attrition rates were applied to estimate the probability of HDR scholarship enrolments for the life of scholarships.

(t) Employee benefits

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.

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Other long-term obligations

The liability for long-term employee benefits such as annual leave, severance allowance, and long service leave is recognised in current provisions for employee benefits if it is not expected to be settled wholly before 12 months after the end of the reporting period. It is measured at 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.

Severance allowance is calculated based on employees' years service and average salary for the six-month period prior to the end of balance date. Severance allowance for foreign employees is calculated on the basis of a half-month salary for each employee for each year of service with the company. For allowances that are expected to be settled within 12 months after the reporting date, the amount is measured at nominal value. For allowances that are not expected to be settled wholly before 12 months a discount rate is used to determine the present value.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Retirement benefit obligations

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

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

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. 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. Further details are provided in note 37.

1 Summary of significant accounting policies (continued)**(t) Employee benefits (continued)****(iv) Deferred government benefit for superannuation**

The unfunded liabilities recorded in the balance sheet under provisions have been determined by an actuary and relate to the estimates of net liabilities at 31 December 2016. The methodology of measurement of the net liabilities is based on the following actuarial assumptions:

Economic	2016	2015
Discount Rate	3.3% pa	3.5% 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 2016, 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 arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987*, *Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the statement of financial position under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the Group.

Deferred government benefits for superannuation are the amounts recognised as reimbursement rights as they are the amounts expected to be received from the Australian Government for the emerging costs of the superannuation funds for the life of the liability.

(v) 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.

(vi) 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.

(u) Goods and Services Tax (GST)

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

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

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

(v) Repairs and maintenance

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

1 Summary of significant accounting policies (continued)

(w) Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

(x) Contingent assets and contingent liabilities

Contingent assets and liabilities are not recognised in the statement of financial position, but are disclosed by way of a note (refer note 32) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

(y) Commitments

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.

(z) Rounding of amounts

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

(aa) Corrections of prior period

(i) Correction of prior period research revenue

The University's policy on revenue recognition is that a contribution is recognised as a non-reciprocal transfer when the University receives an asset without directly giving equal value in exchange to the other party to the transfer.

The University has identified an error in applying this policy when recognising research grant revenue in the prior period. We have made the correction in the 2016 financial year as it was not practical to correct the 2015 financial year because of the:

- impending implementation of new revenue standards.
- large volume of research contracts involved that would have to be reviewed and the significant time and resources required to complete this review.

Therefore as a consequence there is \$17.288 million deferred revenue in 2015 that has been recognised as income in 2016. No retrospective restatement has been made to the 2015 comparative information.

(ab) New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2016. RMIT's assessment of the impact of these new Standards and Interpretations is set out below:

Standard/Interpretation	Application date	Impact on financial reports
AASB 9 Financial Instruments-The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	<p>The assessment has identified that the financial impact of available for sale assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.</p> <p>While the preliminary assessment is that the change should not have a material impact on RMIT University, it will continue to be monitored and assessed.</p>

1 Summary of significant accounting policies (continued)

(ab) New Accounting Standards and Interpretations (continued)

Standard/Interpretation	Application date	Impact on financial reports
<p>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) - The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted for as follows:</p> <p>- The change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and</p> <p>- Other fair value changes are presented in profit and loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p>	1 January 2018	<p>The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.</p> <p>Changes in own credit risk in respect of liabilities designated at fair value through profit and loss will now be presented within other comprehensive income (OCI).</p> <p>Hedge accounting will be more closely aligned with common risk management practices making it easier to have an effective hedge.</p>
<p>AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments] - Amends various AAS's to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.</p>	1 January 2018	<p>This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.</p>
<p>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 - Amends various AAS's to incorporate the consequential amendments arising from the issuance of AASB 9.</p>	1 January 2018	<p>The assessment has indicated that there will be no significant impact.</p>
<p>AASB 15 Revenue from Contracts with Customers - 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.</p> <p>Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.</p> <p>AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (eg. Service revenue and contract modifications) and improve guidance for multiple element arrangements.</p>	1 January 2018	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.</p>

1 Summary of significant accounting policies (continued)**(ab) New Accounting Standards and Interpretations (continued)**

Standard/Interpretation	Application date	Impact on financial reports
<p>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 - Amends the measurement of trade receivables and the recognition of dividends.</p> <p>Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition.</p> <p>Dividends are recognised in the profit and loss only when:</p> <ul style="list-style-type: none"> -the entity's right to receive payment of the dividend is established; -it is probable that the economic benefits associated with the dividend will flow to the entity; and -the amount can be measured reliably. 	<p>1 Jan 2017, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018</p>	<p>The assessment has indicated that there will be no significant impact.</p>
<p>AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 - This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.</p>	<p>1 January 2018</p>	<p>This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.</p>
<p>AASB 2015-6 Amendments to Australian Accounting Standards-Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>This standard extends the scope of AASB 124 Related Party Disclosures to include application by not-for-profit public sector entities.</p>	<p>1 July 2016</p>	<p>The implementation of this standard will cause disclosure of related party transactions and key management personnel (KMP) remuneration for not-for-profit public sector entities, there will be no impact on the reported financial position or performance of the entity.</p>
<p>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 - amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require:</p> <ul style="list-style-type: none"> -A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; -For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and -For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer over time (right to use) or at a point in time (right to access). 	<p>1 January 2018</p>	<p>The assessment has indicated that there will be no significant impact for RMIT, other than the impact identified in AASB 15.</p>

1 Summary of significant accounting policies (continued)**(ab) New Accounting Standards and Interpretations (continued)**

Standard/Interpretation	Application date	Impact on financial reports
<p>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.</p> <p>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.</p>	1 January 2019	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to marginally increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p>
<p>AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities - The standard amends AASB 136 Impairment of Assets to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.</p>	1 January 2017	<p>The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 Fair Value Measurement is the same as the depreciated replacement cost concept under AASB 136.</p>
<p>AASB 1058 Income of not-for-profit(NFP) Entities - AASB 1058 supersedes all the income recognition requirements relating to the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.</p> <p>The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.</p> <p>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.</p>	1 January 2019	<p>Each revenue stream, including grant agreements are currently being reviewed to determine the impact of AASB 1058.</p> <p>We anticipate that some grant agreements which were previously recognised immediately on receipt may be able to be deferred as the performance obligation is satisfied.</p>

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

(a) Industry - Parent Entity

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

(i) Income Statement

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2016	2016	2016	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from continuing operations						
Australian Government financial assistance						
Australian Government grants	307,165	37,653	344,818	291,226	39,241	330,467
HELP - Australian Government payments	214,681	22,284	236,965	211,244	21,442	232,686
State and Local Government financial assistance	153	32,978	33,131	340	32,148	32,488
HECS-HELP - Student payments	19,309	-	19,309	17,354	-	17,354
Fees and charges	322,619	85,190	407,809	290,574	79,374	369,948
Other investment income	2,904	202	3,106	5,177	292	5,469
Consultancy and contracts	49,887	1,037	50,924	35,479	1,039	36,518
Other revenue	27,604	3,312	30,916	35,961	3,006	38,967
Total income from continuing operations	944,322	182,656	1,126,978	887,355	176,542	1,063,897
Expenses from continuing operations						
Employee related expenses	512,453	113,046	625,499	492,618	111,700	604,318
Depreciation and amortisation	61,692	14,471	76,163	53,061	12,446	65,507
Repairs and maintenance	31,558	8,091	39,649	19,207	4,723	23,930
Borrowing costs	6,931	733	7,664	7,037	735	7,772
Impairment of assets	2,357	(356)	2,001	2,889	885	3,774
Other expenses	263,907	44,308	308,215	251,580	43,847	295,427
Total expenses from continuing operations	878,898	180,293	1,059,191	826,392	174,336	1,000,728
Operating result before income tax	65,424	2,363	67,787	60,963	2,206	63,169
Income tax expense	(559)	-	(559)	(2,690)	-	(2,690)
Operating result after income tax for the period	64,865	2,363	67,228	58,273	2,206	60,479

(ii) Statement of Comprehensive Income

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2016	2016	2016	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net result after income tax for the period	64,865	2,363	67,228	58,273	2,206	60,479
Items that may be reclassified to profit or loss						
Gain/(loss) on revaluation of available for sale financial assets	8,718	-	8,718	12,707	-	12,707
Cash flow hedges	96	10	106	370	41	411
Total items that may be reclassified to profit or loss	8,814	10	8,824	13,077	41	13,118
Items that will not be reclassified to profit or loss						
Gain/(loss) on revaluation of land, buildings and artworks	-	-	-	(281)	(102)	(383)
Deferred government superannuation contributions	12,703	-	12,703	3,439	-	3,439
Deferred employee benefits for superannuation	(12,703)	-	(12,703)	(3,439)	-	(3,439)
Transfer to/(from) retained earnings	(49)	(20)	(69)	-	-	-
Total items that will not be reclassified to profit or loss	(49)	(20)	(69)	(281)	(102)	(383)
Total comprehensive income	73,630	2,353	75,983	71,069	2,145	73,214

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

(a) Industry - Parent Entity (continued)

(ii) Statement of Financial Position

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2016	2016	2016	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Current assets						
Cash and cash equivalents	71,210	5,968	77,178	80,369	10,486	90,855
Receivables	47,516	4,972	52,488	50,920	8,138	59,058
Inventories	683	170	853	1,427	355	1,782
Other non-financial assets	9,991	1,880	11,871	7,608	1,805	9,413
Total current assets	129,400	12,990	142,390	140,324	20,784	161,108
Non-current assets						
Receivables	296,799	-	296,799	309,433	-	309,433
Available for sale financial assets	90,928	203	91,131	29,142	134	29,276
Property, plant and equipment	1,967,034	390,367	2,357,401	1,829,561	379,588	2,209,149
Intangible assets	18,677	4,669	23,346	19,608	5,944	25,552
Other financial assets	1,764	-	1,764	2,411	-	2,411
Total non-current assets	2,375,202	395,239	2,770,441	2,190,155	385,666	2,575,821
Total assets	2,504,602	408,229	2,912,831	2,330,479	406,450	2,736,929
LIABILITIES						
Current liabilities						
Trade and other payables	127,319	26,751	154,070	102,768	21,484	124,252
Borrowings	4,775	-	4,775	- *	-	-
Provisions	139,168	20,562	159,730	114,267	19,877	134,144
Current tax liabilities	4,997	-	4,997	5,785	-	5,785
Other liabilities	49,171	5,503	54,674	56,942	4,526	61,468
Total Current Liabilities	325,430	52,816	378,246	279,762	45,887	325,649
Non-Current Liabilities						
Borrowings	224,580	17,645	242,225	206,090	25,272	231,362
Provisions	321,510	3,424	324,934	329,794	3,321	333,115
Total non-current liabilities	546,090	21,069	567,159	535,884	28,593	564,477
Total liabilities	871,520	73,885	945,405	815,646	74,480	890,126
Net assets	1,633,082	334,344	1,967,426	1,514,833	331,970	1,846,803
EQUITY						
RMIT entity interest						
Reserves	589,499	210,476	799,975	580,736	210,484	791,220
Retained earnings	1,043,583	123,868	1,167,451	934,097	121,486	1,055,583
Total equity	1,633,082	334,344	1,967,426	1,514,833	331,970	1,846,803

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

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

These are allocated between Higher Education and VET based on their direct relationship to the Division established at the time of acquisition of the asset.

2 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 payable 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 represents RMIT's loan with the CBA and Westpac and is allocated on a proportional basis between Higher Education and VET based on the usability of assets. During 2015, the arrangements in relation to unsecured loans from subsidiaries were reviewed and this liability has been reclassified to 'related party payables' in 'trade and other payables'.

Provisions

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

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

Other liabilities

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

(iv) Statement of Changes in Equity

	Higher Education			VET			RMIT
	Reserves	Retained earnings	Total	Reserves	Retained earnings	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as 1 January 2015	567,941	875,824	1,443,765	210,545	119,279	329,824	1,773,589
Profit or (loss)	-	58,273	58,273	-	2,206	2,206	60,479
Gain/(loss) on revaluation of land, buildings and artworks	(281)	-	(281)	(102)	-	(102)	(383)
Gain/(loss) on revaluation of available-for-sale financial assets	12,707	-	12,707	-	-	-	12,707
Revaluation of hedges	370	-	370	41	-	41	411
Balance at 31 December 2015	580,737	934,097	1,514,834	210,484	121,485	331,969	1,846,803
Balance at 1 January 2016	580,737	934,097	1,514,834	210,484	121,485	331,969	1,846,803
Profit or (loss)	-	64,865	64,865	-	2,363	2,363	67,228
Gain/(loss) on revaluation of available-for-sale financial assets	8,718	-	8,718	-	-	-	8,718
Revaluation of hedges	96	-	96	10	-	10	106
Disposal of non-controlled subsidiaries	-	44,571	44,571	-	-	-	44,571
Transfer to/(from) retained earnings	(49)	49	-	(20)	20	-	-
Balance at 31 December 2016	589,502	1,043,582	1,633,084	210,474	123,868	334,342	1,967,426

2 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
	2016	2016	2016	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Australian Government Grants received	500,597	59,937	560,534	474,506	60,683	535,189
OS-HELP (net)	(526)	-	(526)	(97)	-	(97)
Superannuation Supplementation	21,170	-	21,170	27,760	-	27,760
State Government Grants received	153	32,978	33,131	340	32,148	32,488
HECS-HELP – Student payments	19,309	-	19,309	17,354	-	17,354
Receipts from student fees and other customers	393,594	101,328	494,922	349,251	73,957	423,208
Dividends received	108	-	108	1,795	-	1,795
Interest received	2,086	427	2,513	2,437	499	2,936
Payments to suppliers and employees (inclusive of GST)	(790,315)	(173,483)	(963,798)	(764,124)	(145,547)	(909,671)
Interest and other finance costs	(6,889)	(766)	(7,655)	(7,090)	(788)	(7,878)
GST recovered/(paid)	28,656	7,164	35,820	28,511	7,127	35,638
Income tax paid	(1,347)	-	(1,347)	(1,852)	-	(1,852)
Net cash provided by/ (used in) operating activities	166,596	27,585	194,181	128,791	28,079	156,870
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment	330	-	330	1,664	416	2,080
Payments for financial assets	-	-	-	(11,840)	-	(11,840)
Payments for intangible assets	(3,739)	(821)	(4,560)	(12,354)	(2,712)	(15,066)
Payments for property, plant and equipment	(186,526)	(32,858)	(219,384)	(193,480)	(34,144)	(227,624)
Net cash provided by/ (used in) investing activities	(189,935)	(33,679)	(223,614)	(216,010)	(36,440)	(252,450)
Cash flows from financing activities						
Proceeds from borrowings	146,930	16,326	163,256	281,282	31,254	312,536
Loans from/(to) related parties	-	-	-	120	-	120
Repayment of borrowings	(132,750)	(14,750)	(147,500)	(189,000)	(21,000)	(210,000)
Net cash provided by/ (used in) financing activities	14,180	1,576	15,756	92,402	10,254	102,656
Net increase (decrease) in cash and cash equivalents	(9,159)	(4,518)	(13,677)	5,183	1,893	7,076
Cash and cash equivalents at the beginning of the financial year	80,369	10,486	90,855	75,186	8,593	83,779
Cash and cash equivalents at end of year	71,210	5,968	77,178	80,369	10,486	90,855

(b) RMIT Consolidated Entity

	Total Revenue		Net Operating Results		Total Assets	
Geographical	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	1,150,874	1,088,353	88,103	63,016	2,916,448	2,789,071
South East Asia	71,859	72,233	5,248	4,845	107,001	104,134
Europe	3,346	2,466	103	(145)	1,877	1,284
	1,226,079	1,163,052	93,454	67,716	3,025,326	2,894,489

3 Australian Government financial assistance including HECS-HELP and FEE-HELP**(a) Commonwealth Grants Scheme and Other Grants**

	<i>Note</i>	Consolidated		RMIT	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
Commonwealth Grants Scheme		265,158	243,983	265,158	243,983
Indigenous Support Program		378	437	378	437
Higher Education Participation Program		4,920	4,869	4,920	4,869
Disability Support Program		140	242	140	242
Promotion of Excellence in Learning and Teaching		311	874	311	874
Australian Maths & Science Partnership Program		447	496	447	496
Total Commonwealth Grants Scheme and Other Grants	45(a)	271,354	250,901	271,354	250,901

(b) Higher Education Loan Programs

HECS - HELP		175,385	167,352	175,385	167,352
FEE - HELP		35,480	40,257	35,480	40,257
VET FEE - HELP		22,171	21,442	22,171	21,442
SA-HELP		3,929	3,635	3,929	3,635
Total Higher Education Loan Programs	45(b)	236,965	232,686	236,965	232,686

(c) Scholarships

Australian Postgraduate Awards		6,551	6,000	6,551	6,000
International Postgraduate Research Scholarships		519	464	519	464
Indigenous Access scholarships		59	63	59	63
Total Scholarships	45(c)	7,129	6,527	7,129	6,527

(d) Education - Research

Joint Research Engagement Program		8,195	7,578	8,195	7,578
JRE Engineering Cadetship		129	113	129	113
Research Training Scheme		14,345	13,699	14,345	13,699
Research Infrastructure Block Grants		2,275	2,064	2,275	2,064
Sustainable Research Excellence in Universities		2,087	1,827	2,087	1,827
Total Education - Research Grants	45(d)	27,031	25,281	27,031	25,281

(e) Australian Research Council**(i) Discovery**

Projects		6,041	7,473	6,041	7,473
Fellowships		1,329	2,238	1,329	2,238
Total Discovery	45(e)(i)	7,370	9,711	7,370	9,711

(ii) Linkages

Infrastructure		642	410	642	410
Projects		2,999	3,497	2,999	3,497
Total Linkages	45(e)(ii)	3,641	3,907	3,641	3,907

3 Australian Government financial assistance including HECS-HELP and FEE-HELP (continued)**(f) Other Australian Government financial assistance**

	Consolidated		RMIT		
	2016	2015	2016	2015	
	Note	\$'000	\$'000	\$'000	
Non-capital					
Superannuation Supplementation		19,410	27,402	19,410	27,402
Other		8,883	6,738	8,883	6,738
Total Non-Capital		28,293	34,140	28,293	34,140
Total Australian Government financial assistance		581,783	563,153	581,783	563,153
Reconciliation					
Australian Government Grants (a + c + d + e + f)		344,818	330,467	344,818	330,467
HECS - HELP payments		175,385	167,352	175,385	167,352
FEE - HELP payments		35,480	40,257	35,480	40,257
VET FEE - HELP payments		22,171	21,442	22,171	21,442
SA-HELP payments		3,929	3,635	3,929	3,635
Total Australian Government financial assistance		581,783	563,153	581,783	563,153

(g) Australian Government Grants received - cash basis

CGS and Other Education Grants	45(a)	271,354	250,901	271,354	250,901
Higher Education Loan Programs	45(b)	235,127	232,123	235,127	232,123
Scholarships	45(c)	7,129	6,527	7,129	6,527
Education research	45(d)	27,031	25,282	27,031	25,282
ARC grants - Discovery	45(e)	7,370	9,711	7,370	9,711
ARC grants - Linkages	45(e)	3,641	3,907	3,641	3,907
Other Australian Government Grants		8,882	6,738	7,799	6,738
Total Australian Government Grants received - cash basis		560,534	535,189	559,451	535,189
OS-Help (Net)	45(f)	(526)	(97)	(526)	(97)
Superannuation Supplementation	45(g)	21,170	27,760	21,170	27,760
Total Australian Government funding received - cash basis		581,178	562,852	580,095	562,852

4 State and Local Government financial assistance

Non-capital					
Recurrent grants		31,261	31,845	31,261	31,845
Other grants		1,247	643	1,247	643
Capital					
Capital grants		623	-	623	-
Total State and Local Government Financial Assistance		33,131	32,488	33,131	32,488

5 Fees and charges

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Course fees and charges				
Fee paying onshore overseas students	325,709	288,281	310,198	271,676
Fee paying offshore overseas students	102,697	98,669	36,675	35,444
Continuing education	14,356	19,451	14,345	19,421
Fee paying domestic postgraduate students	10,898	8,086	10,497	8,086
Fee paying domestic undergraduate students	16,893	16,314	16,893	16,314
Fee paying domestic non-award students	4,013	3,919	4,013	3,919
Other domestic course fees and charges	3,308	3,082	2,867	2,590
Total course fees and charges	477,874	437,802	395,488	357,450
Other non-course fees and charges				
Amenities and service fees	11,984	14,361	8,240	7,887
Late fees	255	214	255	214
Library fines	58	69	58	69
Registration fees	18	38	18	38
Other fees and charges	2,657	3,136	3,750	4,290
Total other fees and charges	14,972	17,818	12,321	12,498
Total fees and charges	492,846	455,620	407,809	369,948
6 Other investment income				
Interest	3,788	4,745	2,527	3,313
Dividends	579	3,251	579	2,156
Total other investment income	4,367	7,996	3,106	5,469
7 Consultancy and contracts				
Consultancy	2,938	5,725	2,938	2,774
Contract research				
Commonwealth Government	16,825	13,238	16,825	13,238
Victorian State Government	4,025	2,771	4,025	2,771
Local Government	1,118	764	1,118	764
Industry and other	24,578	13,668	24,084	13,346
Total contract research	46,546	30,441	46,052	30,119
Other contract revenue				
Seminar and conference fees	1,824	3,493	1,824	3,493
Service fees	110	456	110	132
Total other contract revenue	1,934	3,949	1,934	3,625
Total consultancy and contracts	51,418	40,115	50,924	36,518

8 Other revenue

	Note	Consolidated		RMIT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Donations and bequests		3,098	2,057	3,098	10,571
Scholarships and prizes		5,726	5,750	5,726	5,750
Product sales		17,287	19,786	5,848	7,399
Property rental		9,242	7,004	10,872	8,753
Foreign exchange gains		686	1,251	209	276
Net gain/ (loss) on sale of available-for-sale financial assets		(398)	111	(398)	-
Net gain/ (loss) on disposal of property, plant and equipment	15	(91)	1,156	(91)	1,156
Supplier rebate		2,182	2,046	2,182	2,046
Other		5,493	7,165	3,470	3,016
Total other revenue		43,225	46,326	30,916	38,967

9 Employee related expenses

Academic					
Salaries		276,871	270,141	238,773	228,150
Contributions to superannuation and pension schemes:					
Emerging cost	37(a)	13,597	19,164	13,597	19,164
Funded		37,253	34,565	36,712	34,200
Payroll tax		15,002	13,909	14,698	13,618
Worker's compensation		713	538	661	486
Long service leave expense		4,322	5,530	4,316	5,525
Annual leave expense		21,388	19,446	21,361	19,423
Total academic		369,146	363,293	330,118	320,566
Non-academic					
Salaries		227,079	217,323	216,566	204,316
Contributions to superannuation and pension schemes:					
Emerging cost	37(a)	5,813	8,194	5,813	8,194
Funded		35,304	34,315	34,233	32,987
Payroll tax		13,483	13,036	13,030	12,419
Worker's compensation		707	582	584	521
Long service leave expense		3,006	3,791	2,696	3,444
Annual leave expense		22,626	21,980	22,459	21,871
Total non-academic		308,018	299,221	295,381	283,752
Total employee related expenses		677,164	662,514	625,499	604,318

10 Depreciation and amortisation

Depreciation					
Buildings		34,497	31,083	32,781	29,520
Equipment, motor vehicles, furniture and fittings		35,568	31,650	31,779	27,682
Library collection		6,447	6,323	6,447	6,323
Total depreciation	22	76,512	69,056	71,007	63,525
Amortisation					
Amortisation - other intangible assets		4,210	1,378	3,981	968
Leasehold improvements		1,372	1,280	1,175	1,014
Total amortisation	23	5,582	2,658	5,156	1,982
Total depreciation and amortisation		82,094	71,714	76,163	65,507

11 Repairs and maintenance

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Buildings	38,724	22,016	38,631	21,915
Equipment	1,023	2,020	1,018	2,015
Total repairs and maintenance	39,747	24,036	39,649	23,930

12 Borrowing costs

Interest to related corporations	-	-	329	423
Interest to other corporations	7,340	7,354	7,335	7,349
Total borrowing costs	7,340	7,354	7,664	7,772

13 Impairment of assets

Bad and Doubtful Debts	(731)	4,052	2,001	3,774
Impairment of Investments in non-related companies	-	4	-	-
Total impairment of assets	(731)	4,056	2,001	3,774

14 Other expenses

Scholarships, grants, donations and prizes	54,398	57,328	70,920	60,060
Non-capitalised equipment	11,204	12,265	10,972	12,151
Advertising, marketing and promotional expenses	21,616	21,716	14,143	14,468
General consumables	11,444	11,252	11,197	11,011
Printing and stationery	5,806	5,326	5,567	5,220
Minimum lease payments on operating leases	31,495	30,295	27,248	26,721
Telecommunications	6,404	8,865	4,787	5,642
Travel, staff development and entertainment	24,026	25,011	21,214	22,197
Foreign exchange losses	856	891	590	647
Occupancy Expenses	32,496	33,607	26,934	27,511
Audit fees, bank charges, legal costs, insurance and taxes	6,596	7,391	6,028	6,918
Contractors and consultancy fees	60,034	57,307	54,062	54,760
Patents, copyright and licences	21,090	18,204	20,886	17,174
Memberships and subscription fees	3,703	3,201	3,676	3,167
Computer software support and maintenance	21,199	20,590	21,060	20,236
Other expenses	12,971	8,224	8,931	7,544
Total other expenses	325,338	321,473	308,215	295,427

15 Sale of assets**Proceeds from disposal of assets**

Property, plant & equipment	330	2,080	330	2,080
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Total proceeds from sale of assets

330	2,080	330	2,080
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Carrying amount of assets disposed

Property, plant & equipment	(421)	(924)	(421)	(924)
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Total carrying amount of assets sold

(421)	(924)	(421)	(924)
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Net gain/(loss) on sale of assets

(91)	1,156	(91)	1,156
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16 Income tax**(a) Income tax expense**

	Consolidated		RMIT	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current tax	4,062	3,914	3,006	2,907
Deferred tax	(5)	407	-	-
Adjustment for current tax of prior periods	(2,384)	21	(2,447)	(217)
	1,673	4,342	559	2,690
Income tax expense is attributable to:				
Net result from continuing operations	1,673	4,342	559	2,690
Aggregate income tax expense	1,673	4,342	559	2,690

(b) Numerical reconciliation of income tax expense

Net result from continuing operations before income tax expense	23,572	23,409	17,613	17,049
Tax at the Australian tax rate of 30% (2015: 30%)	7,072	7,023	5,284	5,115
Tax effect of amounts which are not deductible / taxable in calculating taxable income:				
Entertainment	-	(1)	-	-
Non-deductible expenses	451	(78)	-	-
Sub total	451	(79)	-	-
Difference in overseas tax rates	(3,460)	(3,219)	(2,278)	(2,208)
Adjustment for current tax of prior periods	(2,385)	21	(2,447)	(217)
Previously unrecognised tax losses now recouped to reduce current tax expense	-	175	-	-
Deferred income tax benefit reversal/(arising) from deductible temporary differences	(5)	421	-	-
Total income tax expense	1,673	4,342	559	2,690

(c) Deferred tax

Deferred tax assets				
Non-current	420	658	-	-
	420	658	-	-
Deferred tax liabilities				
Non-current	-	3	-	-
	-	3	-	-
Net deferred tax liabilities	420	655	-	-

(d) Current tax liabilities

Current tax liability	4,997	5,785	4,997	5,785
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17 Cash and cash equivalents

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank and on hand	17,640	20,132	12,353	17,397
Short-term deposits at call	64,832	75,519	64,825	73,458
Foreign currency bank accounts	4,626	3,333	-	-
Total cash and cash equivalent	87,098	98,984	77,178	90,855

(a) Cash at bank

The cash at bank is bearing floating interest rates between 0.00% and 1.00% (2015 - 0.00% and 1.00%).

(b) Deposits at call

The deposits are bearing floating interest rates between 1.50% and 2.15% (2015 - 2.00% and 2.10%). These deposits have an average maturity of 45 days.

18 Receivables

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Trade receivables	10,643	12,780	7,050	6,249
Less Provision for impaired receivables	(1,564)	(1,922)	(1,160)	(1,506)
	9,079	10,858	5,890	4,743
Student loans & student receivables	6,164	13,622	6,164	13,622
Less Provision for impaired receivables	(3,810)	(7,610)	(3,810)	(7,610)
	2,354	6,012	2,354	6,012
Government grants receivable	7,269	6,545	7,269	6,545
Deferred government contributions for superannuation*	22,206	22,459	22,206	22,459
Interest receivable	204	261	204	258
Other debtors and accrued income	11,802	7,050	11,108	10,033
Related parties receivable:				
Amounts receivable from subsidiaries	-	-	3,513	7,124
Less Provision for impairment	-	-	(3,015)	-
Other receivables	2,966	1,885	2,959	1,884
	44,447	38,200	44,244	48,303
Total current receivables	55,880	55,070	52,488	59,058
Non-current				
Other debtors	1,353	826	1,327	793
Less Provision for impaired receivables	(918)	(200)	(918)	(200)
Deferred government contributions for superannuation*	296,390	308,840	296,390	308,840
Related parties receivable:				
Other related parties	-	52	-	-
Total non-current receivables	296,825	309,518	296,799	309,433
Total receivables	352,705	364,588	349,287	368,491

18 Receivables (continued)

* 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 2016 amounted to \$318.6m (\$331.3m as at 30 June 2015). Refer note 27.

(a) Impaired receivables

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Nominal value of impaired receivables				
Trade receivables	1,564	1,922	1,160	1,506
Student loans and student receivables	3,810	7,610	3,810	7,610
Amounts receivable from subsidiaries	-	-	3,015	-
Other debtors	918	200	918	200
	6,292	9,732	8,903	9,316
Amount of provision for impaired receivable set aside				
Trade receivables	1,564	1,922	1,160	1,506
Student loans and student receivables	3,810	7,610	3,810	7,610
Amounts receivable from subsidiaries	-	-	3,015	-
Other debtors	918	200	918	200
	6,292	9,732	8,903	9,316
The ageing of these receivables is as follows:				
3 to 6 months	2,860	3,519	2,456	3,476
Over 6 months	3,432	6,213	6,447	5,840
	6,292	9,732	8,903	9,316
Movements in the provision for impaired receivables are as follows:				
At 1 January	9,732	7,425	9,316	7,297
Provision for impairment recognised during the year	1,000	2,629	3,733	2,341
Write back of provision for impairment	(4,440)	(322)	(4,146)	(322)
At 31 December	6,292	9,732	8,903	9,316

The creation and release of the provision for impaired receivables has been included in Bad and Doubtful debts in the income statement. Amounts charged to the provision are generally written off when there is no expectation of recovering further cash flows. The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

(b) Foreign exchange and interest rate risk

The carrying amounts of current and non-current receivables are denominated in the following currencies:

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Australian dollar	349,486	362,514	348,362	368,114
Vietnamese dong	1,026	839	-	-
Other	2,193	1,235	925	377
Total receivables	352,705	364,588	349,287	368,491
Current receivables	55,880	55,070	52,488	59,058
Non-current receivables	296,825	309,518	296,799	309,433
Total receivables	352,705	364,588	349,287	368,491

19 Inventories

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Stock held for distribution	853	2,099	853	1,782
Work in progress	16	147	-	-
Total inventories	869	2,246	853	1,782

20 Available for sale financial assets**Non-Current**

Investments in managed trust funds - at fair value	70,804	70,752	70,804	15,828
Investments in unlisted shares - at fair value	20,327	13,448	20,327	13,448
Total available for sale financial assets	91,131	84,200	91,131	29,276

Impairment and risk exposure

None of the financial assets are either past due or impaired.

All available-for-sale financial assets are denominated in Australian currency. For an analysis of the sensitivity of available-for-sale financial assets to price and interest rate risk refer to note 38.

21 Other financial assets

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Term deposits held-to-maturity	49,034	43,779	-	-
Non-current				
Investments traded on organised markets				
Unlisted shares in subsidiaries	-	-	3,731	4,378
Less Provision for diminution in value of investment	-	-	(2,004)	(2,004)
Unlisted shares in non-related companies	3,342	3,342	3,342	3,342
Less Provision for diminution in value of investment	(3,305)	(3,305)	(3,305)	(3,305)
	37	37	1,764	2,411
Total other financial assets	49,071	43,816	1,764	2,411

22 Property, plant and equipment

Consolidated	Note	Equipment, motor vehicles, furniture and fittings, Library collection, Artworks, Total							
		Land \$'000	Buildings \$'000	Construction in progress \$'000	Leasehold improvements \$'000	Equipment, motor vehicles, furniture and fittings \$'000	Library collection \$'000	Artworks \$'000	Total \$'000
1 January 2015									
Cost		-	43,238	117,796	4,904	33,797	-	-	199,735
Valuation		438,885	1,362,630	-	27,227	273,807	96,391	8,677	2,207,617
Accumulated depreciation		-	(8,610)	-	(24,408)	(221,722)	(59,861)	-	(314,601)
Net book amount		438,885	1,397,258	117,796	7,723	85,882	36,530	8,677	2,092,751
Year ended 31 December 2015									
Opening net book amount		438,885	1,397,258	117,796	7,723	85,882	36,530	8,677	2,092,751
Additions		-	1,970	205,366	96	26,380	5,489	46	239,347
Transfer out of capital work in progress		141	20,445	(64,559)	4,694	39,121	-	158	-
Disposals		(400)	(251)	(1,842)	(8)	(871)	-	-	(3,372)
Depreciation		-	(31,083)	-	(1,279)	(31,651)	(6,323)	-	(70,336)
Foreign currency translation gain/(loss)		-	3,074	120	8	872	-	-	4,074
Closing net book amount		438,626	1,391,413	256,881	11,234	119,733	35,696	8,881	2,262,464
31 December 2015									
Cost		-	48,868	256,881	5,036	38,217	101,880	8,881	459,763
Valuation		438,626	1,382,805	-	31,912	326,914	(66,184)	-	2,114,073
Accumulated depreciation		-	(40,260)	-	(25,714)	(245,398)	-	-	(311,372)
Net book amount		438,626	1,391,413	256,881	11,234	119,733	35,696	8,881	2,262,464
Year ended 31 December 2016									
Opening net book amount		438,626	1,391,413	256,881	11,234	119,733	35,696	8,881	2,262,464
Revaluation		-	-	-	-	-	-	-	-
Additions		75	265	200,469	41	17,593	5,509	562	224,514
Transfer out of capital work in progress		-	191,995	(206,870)	1,674	13,201	-	-	-
Disposals		-	(66)	(1,788)	-	(411)	-	-	(2,265)
Depreciation		-	(34,497)	-	(1,372)	(35,568)	(6,447)	-	(77,884)
Foreign currency translation gain/(loss)		-	(162)	(4)	(3)	(92)	-	-	(261)
Disposal of non-controlled subsidiaries		-	-	-	(234)	(173)	-	-	(407)
Closing net book amount	39	438,701	1,548,948	248,688	11,340	114,283	34,758	9,443	2,406,161
31 December 2016									
Cost		-	48,943	248,688	846	37,888	-	-	336,365
Valuation		438,701	1,574,720	-	28,737	352,638	107,389	9,443	2,511,628
Accumulated depreciation		-	(74,715)	-	(18,243)	(276,243)	(72,631)	-	(441,832)
Net book amount	39	438,701	1,548,948	248,688	11,340	114,283	34,758	9,443	2,406,161

22 Property, plant and equipment (continued)

RMIT	Note	Land \$'000	Buildings \$'000	Construction in progress \$'000	Leasehold improvements \$'000	Equipment, motor vehicles, furniture and fittings \$'000	Library collection \$'000	Artworks \$'000	Total \$'000
1 January 2015									
Cost		-	-	115,800	-	-	-	-	115,800
Valuation		438,885	1,362,631	-	27,227	273,806	96,391	8,677	2,207,617
Accumulated depreciation		-	-	-	(20,198)	(202,101)	(59,861)	-	(282,160)
Net book amount		438,885	1,362,631	115,800	7,029	71,705	36,530	8,677	2,041,257
Year ended 31 December 2015									
Opening net book amount		438,885	1,362,631	115,800	7,029	71,705	36,530	8,677	2,041,257
Additions		-	-	203,951	-	24,296	5,489	46	233,782
Transfer out of capital works in progress		141	20,430	(63,608)	4,693	38,186	-	158	-
Disposals		(400)	(249)	-	(8)	(694)	-	-	(1,351)
Depreciation		-	(29,520)	-	(1,014)	(27,682)	(6,323)	-	(64,539)
Closing net book amount		438,626	1,353,292	256,143	10,700	105,811	35,696	8,881	2,209,149
31 December 2015									
Cost		-	-	256,143	-	-	-	-	256,143
Valuation		438,626	1,382,805	-	31,912	326,914	101,880	8,881	2,291,018
Accumulated depreciation		-	(29,513)	-	(21,212)	(221,103)	(66,184)	-	(338,012)
Net book amount		438,626	1,353,292	256,143	10,700	105,811	35,696	8,881	2,209,149
Year ended 31 December 2016									
Opening net book amount		438,626	1,353,292	256,143	10,700	105,811	35,696	8,881	2,209,149
Additions		75	-	198,365	-	16,344	5,509	562	220,855
Transfers out of capital works in progress		-	191,995	(206,800)	1,674	13,131	-	-	-
Disposals		-	(66)	-	-	(355)	-	-	(421)
Depreciation		-	(32,781)	-	(1,175)	(31,779)	(6,447)	-	(72,182)
Closing net book amount	39	438,701	1,512,440	247,708	11,199	103,152	34,758	9,443	2,357,401
31 December 2016									
Cost		-	-	247,708	-	-	-	-	247,708
Valuation		438,701	1,574,720	-	28,737	352,638	107,389	9,443	2,511,628
Accumulated depreciation		-	(62,280)	-	(17,538)	(249,486)	(72,631)	-	(401,935)
Net book amount	39	438,701	1,512,440	247,708	11,199	103,152	34,758	9,443	2,357,401

(a) Valuations of land and buildings

An independent valuation of land and buildings was carried out as at 31 December 2014 by Cunningham Property Consultants Pty Ltd. The next valuation is due at the end of 2017. Fair value disclosure for land and buildings is included in Note 39.

(b) Assets held in the name of the Minister

Land and buildings valued at \$382.67m (2015 - \$373.39m) is held by RMIT on behalf of the Minister. Upon disposal of any such properties, the application of the proceeds will be directed by the Minister.

(c) Fair Value Disclosure

Fair value disclosure for Property, Plant and Equipment is included in Note 39.

23 Intangible assets

	<i>Note</i>	Consolidated		RMIT	
		Software	Total	Software	Total
		\$'000	\$'000	\$'000	\$'000
1 January 2015					
Cost		18,381	18,381	16,319	16,319
Accumulated amortisation and impairment		(1,498)	(1,498)	-	-
Net book amount		16,883	16,883	16,319	16,319
Year ended 31 December 2015					
Opening net book value		16,883	16,883	16,319	16,319
Additions		10,317	10,317	10,201	10,201
Amortisation charge	10	(1,378)	(1,378)	(968)	(968)
Foreign currency translation gain/(loss)		30	30	-	-
Closing net book amount		25,852	25,852	25,552	25,552
31 December 2015					
Cost		28,710	28,710	26,520	26,520
Accumulated amortisation and impairment		(2,858)	(2,858)	(968)	(968)
Net book amount		25,852	25,852	25,552	25,552
Year ended 31 December 2016					
Opening net book amount		25,852	25,852	25,552	25,552
Additions		1,984	1,984	1,775	1,775
Amortisation charge	10	(4,210)	(4,210)	(3,981)	(3,981)
Foreign currency translation gain/(loss)		(4)	(4)	-	-
Transfer of non-controlled subsidiaries		(41)	(41)	-	-
Closing net book amount		23,581	23,581	23,346	23,346
31 December 2016					
Cost		30,543	30,543	28,294	28,294
Accumulated amortisation and impairment		(6,962)	(6,962)	(4,948)	(4,948)
Net book amount		23,581	23,581	23,346	23,346

24 Other non-financial assets

	Consolidated		RMIT	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Library subscriptions prepaid	2,441	1,763	2,587	1,763
Other prepayments	4,975	5,281	2,410	3,013
IT Prepayment	6,874	4,637	6,874	4,637
Total other non-financial assets	14,290	11,681	11,871	9,413

25 Trade and other payables

	Consolidated		RMIT	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Trade creditors	93,406	52,316	86,041	49,719
Sundry creditor and operating accruals	52,133	79,254	35,205	55,494
OS-HELP Liability to Australian Government	202	728	202	728
Related party payables	-	-	32,254	17,837
Derivatives used for hedging	368	474	368	474
Total current trade and other payables	146,109	132,772	154,070	124,252

Foreign currency risk

The carrying amounts of the Group's and parent entity's trade and other payables are denominated in the following currencies:

	Consolidated		RMIT	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Australian dollar	135,390	127,737	151,634	123,381
Vietnamese dong	7,571	3,652	-	-
Other	3,148	1,383	2,436	871
Total current trade and other payables	146,109	132,772	154,070	124,252

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 38.

26 Borrowings

		Consolidated		RMIT	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
Current					
Other loans - unsecured		4,775	-	4,775	-
Total current borrowings		4,775	-	4,775	-
Non-Current					
Bank loan - unsecured	26(b)	220,000	210,000	220,000	210,000
Other loans - unsecured	26(b)	22,225	21,362	22,225	21,362
Total non-current borrowings		242,225	231,362	242,225	231,362
Total borrowings		247,000	231,362	247,000	231,362

26 Borrowings (continued)**(a) Financing arrangements**

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

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Credit standby arrangements				
Bank overdraft facility	-	250	-	-
Amount utilised	-	(2)	-	-
Unused credit facility	-	248	-	-
Bank loan facilities				
Facilities available	296,000	296,000	296,000	296,000
Amount utilised	(220,000)	(210,000)	(220,000)	(210,000)
Unused credit facility	76,000	86,000	76,000	86,000
Technology finance operating lease facility				
Lease facility available	20,000	20,000	20,000	20,000
Amount utilised	(12,338)	(11,680)	(12,338)	(11,680)
Unused credit facility	7,662	8,320	7,662	8,320
Business credit card facility				
Business credit facility available	3,000	5,000	3,000	5,000
Amount utilised	(1,373)	(1,258)	(1,373)	(1,258)
Unused credit facility	1,627	3,742	1,627	3,742
Other loan facilities				
Facilities available	27,000	27,000	27,000	27,000
Amount utilised	(27,000)	(21,362)	(27,000)	(21,362)
Unused credit facility	-	5,638	-	5,638

(b) Details of borrowings**Bank loan facility**

The borrowings at the end of 2016 related to the Syndicated Facilities Agreement with Commonwealth Bank of Australia and Westpac Banking Corporation. The total facility is \$296m and is split in equal proportions between two financial institutions and as at the end of the year is represented by \$110m loan from Commonwealth Bank of Australia and \$110m loan from Westpac Banking Corporation. In 2017 an increase in the facility of \$100m has been negotiated, split in equal proportion between CBA and Westpac.

Credit card facilities

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

Other loans

The Government of Victoria awarded RMIT University with \$27m interest free loan with repayment period over eight years for the Greener Government Building Program. Amount utilised at the end of 2016 was \$27.0m (2015 - \$21.3m).

26 Borrowings (continued)**(c) Fair value**

The carrying amounts and fair values of borrowings at balance date are:

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
On-balance sheet				
Bank loan	220,000	220,000	210,000	210,000
Other loans	27,000	27,000	21,362	21,362
Business credit card borrowings	1,373	1,373	1,258	1,258
	248,373	248,373	232,620	232,620

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

Details of the Group's exposure to risks arising from current and non current borrowings are set out in note 38.

27 Provisions

	Consolidated		RMIT	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months				
Provision for restructuring costs	6,123	5,935	2,759	1,915
Provision for scholarships	8,235	8,419	8,235	2,322
Repairs & maintenance	14,336	-	14,336	-
Employee benefits and oncosts				
Annual leave - at nominal value	31,763	25,724	30,926	24,401
Long service leave - at nominal value	8,635	8,492	8,483	8,089
Employment oncosts provision - at nominal value	8,498	7,042	8,383	6,942
Deferred benefits for superannuation	22,206	22,459	22,206	22,459
	99,796	78,071	95,328	66,128
Current provisions expected to be settled later than 12 months				
Employee benefits and oncosts				
Annual leave - at net present value	1,745	5,499	1,678	5,438
Long service leave - at net present value	49,865	49,047	49,156	48,292
Employment oncosts provision - at net present value	13,694	14,402	13,568	14,286
	65,304	68,948	64,402	68,016
Total current provisions	165,100	147,019	159,730	134,144
Non-current				
Provision for scholarships	11,463	15,120	11,463	7,703
Employee benefits and oncosts				
Long service leave - at net present value	13,786	13,289	13,365	12,924
Employment oncosts provision - at net present value	3,787	3,704	3,716	3,648
Deferred benefits for superannuation	296,390	308,840	296,390	308,840
	325,426	340,953	324,934	333,115
Total non-current provisions	325,426	340,953	324,934	333,115
Total provisions	490,526	487,972	484,664	467,259

27 Provisions (continued)**Consolidated**

	Repairs & maintenance \$'000	Restructuring costs \$'000	Scholarships \$'000	Total \$'000
2016				
Carrying amount at start of year	-	5,935	23,538	29,473
Additional provisions	14,336	2,759	15,522	32,617
Provisions used	-	(2,287)	(17,654)	(19,941)
Provisions reversed	-	(284)	(1,708)	(1,992)
Carrying amount at end of year	14,336	6,123	19,698	40,157

RMIT

	Repairs & maintenance \$'000	Restructuring costs \$'000	Scholarships \$'000	Total \$'000
2016				
Carrying amount at start of year	-	1,915	10,025	11,940
Additional provisions	14,336	2,759	15,522	32,617
Provisions used	-	(1,631)	(4,141)	(5,772)
Provisions reversed	-	(284)	(1,708)	(1,992)
Carrying amount at end of year	14,336	2,759	19,698	36,793

28 Other liabilities

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Australian government unspent financial assistance	4,214	2,715	4,214	2,715
Research grants	248	17,527	-	17,288
Student fees	62,401	50,373	49,430	40,691
Project fees	-	324	-	-
Other	1,035	774	1,030	774
Deferred lease liabilities	-	93	-	-
Total current other liabilities	67,898	71,806	54,674	61,468
Non-current				
Deferred lease liabilities	-	117	-	-
Total non-current other liabilities	-	117	-	-
Total other liabilities	67,898	71,923	54,674	61,468

29 Reserves

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Balance at beginning of year	832,401	814,984	791,220	778,485
Transfers from/(to) retained earnings	(69)	-	(69)	-
Transfer of non-controlled subsidiaries	(1,388)	-	-	-
Revaluations of hedges	106	411	106	411
Revaluation of land, buildings and artworks	-	(383)	-	(383)
Foreign exchange gains/(losses)	(318)	5,502	-	-
Realised (gains)/losses transferred to income statement	-	(157)	-	-
Unrealised valuation gains/(losses) taken to equity	8,718	12,044	8,718	12,707
Balance at end of year	839,450	832,401	799,975	791,220
Represented by:				
Asset revaluation surplus	815,625	815,694	778,853	778,922
Hedge reserve	(368)	(474)	(368)	(474)
Foreign currency translation reserve	2,703	3,021	-	-
Share premium reserve	21	45	21	21
Available for sale revaluation reserve	21,469	14,115	21,469	12,751
	839,450	832,401	799,975	791,220
Movements in reserves during the year were:				
Asset revaluation surplus				
Balance at beginning of year	815,694	816,077	778,922	779,305
Transfers from/(to) retained earnings	(69)	-	(69)	-
Revaluation of land, buildings and artworks	-	(383)	-	(383)
Balance at end of year	815,625	815,694	778,853	778,922
Hedge reserve				
Balance at beginning of year	(474)	(885)	(474)	(885)
Revaluations of hedges	106	411	106	411
Balance at end of year	(368)	(474)	(368)	(474)
Foreign currency translation reserve				
Balance at beginning of year	3,021	(2,481)	-	-
Foreign currency translation gains/(losses)	(318)	5,502	-	-
Balance at end of year	2,703	3,021	-	-
Share premium reserve				
Balance at beginning of year	45	45	21	21
Transfer of non-controlled subsidiaries	(24)	-	-	-
Balance at end of year	21	45	21	21
Available for sale revaluation reserve				
Balance at beginning of year	14,115	2,228	12,751	44
Transfer of non-controlled subsidiaries	(1,364)	-	-	-
Realised (gains)/losses transferred to income statement	-	(157)	-	-
Unrealised valuation gains/(losses) taken to equity	8,718	12,044	8,718	12,707
Balance at end of year	21,469	14,115	21,469	12,751

29 Reserves (continued)**Nature and purpose of reserves****Asset revaluation surplus**

The asset revaluation surplus is used to record asset revaluation increments and decrements in the value of non-current physical assets.

Hedge reserve

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in hedge reserve.

Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled entities are recognised in the foreign currency translation reserve. The reserve is recognised in the profit and loss when the net investment is disposed of.

Share premium reserve

Amount paid by shareholders for shares in excess of their nominal value.

Available for sale revaluation reserve

Changes in fair value are taken to available for sale revaluation reserve, as described in note 1(k).

30 Retained surplus

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Retained surplus at beginning of year	1,132,146	1,064,430	1,055,583	995,104
Net result attributable to RMIT entity	93,454	67,716	67,228	60,479
Transfers from/(to) reserves	69	-	69	-
Transfer of non-controlled subsidiaries	3,677	-	44,571	-
Retained surplus at end of year	1,229,346	1,132,146	1,167,451	1,055,583

31 Non-controlling interest**Outside equity interest in subsidiaries comprises:****Interest in accumulated funds at the beginning of the year**

Interest in net operating result	(23)	130	-	-
Interest in net operating result	-	(153)	-	-
Disposal of non-controlled subsidiaries	23	-	-	-

Interest in accumulated funds at the end of the year

Interest in share capital	-	(23)	-	-
Interest in reserves	-	120	-	-
Interest in reserves	-	28	-	-

Total outside equity interests in controlled entities

	-	125	-	-
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32 Contingencies**Contingent liabilities**

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

	Consolidated		RMIT	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Guarantees				
Contract performance guarantee	28	28	28	28
Security deposit guarantee	20	20	20	20
Non-trade letter of credit/accommodation	79	74	79	74
Lease guarantee	-	147	-	-
Total Guarantees	127	269	127	122

33 Commitments**(a) Capital commitments**

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

	Consolidated		RMIT	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Plant and equipment				
Due within one year	8,549	6,516	8,549	6,516
Due after one year but within five years	623	-	623	-
GST reclaimable on the above	(583)	(502)	(583)	(502)
Net Commitment	8,589	6,014	8,589	6,014
Building works				
Due within one year	137,275	267,859	131,765	266,666
GST reclaimable on the above	(11,979)	(24,242)	(11,979)	(24,242)
Net Commitment	125,296	243,617	119,786	242,424
Software				
Due within one year	62	637	62	637
Due after one year but within five years	141	-	141	-
GST reclaimable on the above	(18)	(20)	(18)	(20)
Net Commitment	185	617	185	617

33 Commitments (continued)**(b) Operating leases - as lessee**

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

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Future minimum rental payments for leased premises				
Due within one year	12,573	12,439	9,336	8,085
Due after one year but within five years	31,883	25,727	20,182	21,581
Due after five years	12,700	1,906	10,361	1,179
GST payable on the above	(3,625)	(2,942)	(3,625)	(2,804)
Net Commitment	53,531	37,130	36,254	28,041
Future minimum rental payments for leased equipment				
Due within one year	7,271	6,664	7,271	6,664
Due after one year but within five years	6,301	5,016	6,301	5,016
GST reclaimable on the above	(1,234)	(1,062)	(1,234)	(1,062)
Net Commitment	12,338	10,618	12,338	10,618
Operating leases - as lessor				
Leases contracted for at the reporting date but not recognised as assets				
Future minimum rental payments for leased premises				
Due within one year	3,710	2,677	7,628	2,536
Due after one year but within five years	7,974	3,783	7,962	3,741
Due after five years	5	-	5	-
GST reclaimable on the above	(1,051)	(572)	(1,418)	(571)
Net Commitment	10,638	5,888	14,177	5,706

(c) Other expenditure commitments

Commitments related to CRC research and other non capital expenditure

Due within one year	39,541	23,641	39,541	23,596
Due after one year but within five years	23,581	5,534	23,581	5,534
GST reclaimable on the above	(5,642)	(2,443)	(5,642)	(2,439)
Net Commitment	57,480	26,732	57,480	26,691

The Company has entered into research contracts with the National Health and Medical Research Council and the Australian Research Council, the revenues from which are recognised in the year of receipt. Under these contracts and as at balance date the University is committed to further expenditure to complete the relevant research and satisfy those commitments.

	18,718	17,288	18,718	17,288
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34 Notes to statement of cash flows**(a) Reconciliation of cash**

Cash on hand, at bank, short term money market deposits, short dated bills of exchange and outstanding bank overdrafts. Cash at the end of the reporting period is shown in the statement of cash flows and is reconciled to the related items in the financial statements as follows:

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at the beginning of year				
Cash at bank and on hand	20,132	10,869	17,397	6,695
Short-term deposits at call	75,519	86,218	73,458	77,084
Foreign currency bank accounts	3,333	13,633	-	-
	98,984	110,720	90,855	83,779
Cash at the end of year				
Cash at bank and on hand	17,640	20,132	12,353	17,397
Short-term deposits at call	64,832	75,519	64,825	73,458
Foreign currency bank accounts	4,626	3,333	-	-
	87,098	98,984	77,178	90,855
Cash movement for the year	(11,886)	(11,736)	(13,677)	7,076

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

	Note	Consolidated		RMIT	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Operating result for the period after income tax		93,454	67,563	67,228	60,479
Loss/(gain) on sale of property, plant and equipment	8 & 15	91	(1,156)	91	(1,156)
Loss/(gain) on sale of available-for-sale financial assets	8	-	(111)	398	-
Loss/(gain) on sale of other financial assets		398	-	-	-
Distribution income re-invested		-	(2,557)	-	-
Depreciation of property plant and equipment	10	77,884	70,336	72,182	64,539
Amortisation of intangible assets	10	4,210	1,378	3,981	968
Provision for doubtful debts		847	229	580	-
Foreign exchange (gain)/loss		85	(169)	388	-
Write off of plant and equipment		-	171	-	-
Income on available for sale financial assets		(1,223)	(647)	(1,223)	(647)
Changes in assets and liabilities					
Net (increase) / decrease in receivables		13,802	(3,740)	11,871	(6,029)
Net (increase) / decrease in inventories		921	(469)	929	(494)
Net (increase) / decrease in other non-financial assets		(2,507)	892	(2,458)	895
Net (increase) / decrease in deferred tax assets		(4)	372	-	-
Net (increase) / decrease in other financial assets		186	(169)	647	121
Net increase / (decrease) in payables		16,254	15,146	14,138	21,837
Net increase / (decrease) in repair and maintenance provision		14,336	-	14,336	-
Net increase / (decrease) in other liabilities		(6,586)	(956)	(6,583)	1,583
Net increase / (decrease) in current tax liability		(1,812)	1,650	(788)	838
Net increase / (decrease) in intercompany payables		-	-	22,771	(3,358)
Net increase / (decrease) in scholarships provision		9,673	7,029	9,673	10,025
Net increase / (decrease) in employee entitlements (excluding deferred superannuation)		(14,657)	5,098	(13,980)	7,269
Net cash flows from operating activities		205,352	159,890	194,181	156,870

35 Economic dependency

The RMIT Consolidated Entity is reliant on a significant volume of its revenue being derived from:

	Consolidated		RMIT	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Commonwealth Government financial assistance	581,783	563,153	581,783	563,153

The percentage of the RMIT consolidated entity revenue was sourced from:

Commonwealth Government financial assistance	46.96 %	48.28 %	51.05 %	52.76 %
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36 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.

37 Superannuation

Funds to which RMIT or any controlled entity contributed during the financial year:

(a) Defined benefit schemes

	Note	Consolidated		RMIT	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
ESSUPER - State Superannuation Fund - closed	9	19,410	27,357	19,410	27,357

(b) Defined contribution schemes

Victorian Superannuation Fund	3,169	3,011	3,072	2,956
UniSuper	47,371	44,944	47,061	44,768
Other Superannuation Funds	22,261	20,926	20,811	19,464
	92,211	96,238	90,354	94,545

ESSUPER

ESSSuper is the dedicated super fund for emergency services employees and state employees. RMIT has in its staffing profile a number of employees who are members of ESSSuper (formerly called the Victorian State Superannuation Fund or the State Employees Retirement Benefit Scheme) and in respect of whom defined benefits are payable on termination of employment.

As at 31 December 2016, ESSSuper were carrying total liabilities for member benefits in excess of the value of the fund's assets. Hence, unfunded superannuation liabilities exist which are recognised in the financial statements of the funds.

The notional share of this public sector employee superannuation funds unfunded liabilities attributable to RMIT, as assessed by the funds as at 31 December 2016, amounted to \$318.60m (\$331.30m at 30 June 2015). Unfunded liabilities are met by the Australian Government. The net movement for the financial year presented in the Statement of Comprehensive Income is \$12.70m (2015 - \$3.44m).

There was no other unfunded superannuation liability for any other scheme.

(i) Defined benefit schemes**ESSUPER - State Superannuation Fund**

RMIT is required to contribute as and when the Higher Education Sector contributors become beneficiaries under the scheme (Emerging cost). The employer's contribution is that which is required to meet the defined benefit.

RMIT is required to contribute on a fortnightly basis for employees in respect of:

- Revised Scheme 17.30%
- New Scheme 7.40%, 8.60%, 9.50% or 10.30% based on members election.

ESSUPER - State Employees Retirement Benefit Scheme

RMIT contributes 100.00% of pensions paid in respect of former employees.

37 Superannuation (continued)

(b) Defined contribution schemes (continued)

(ii) Defined contribution schemes

Victorian Superannuation Fund

RMIT is required to contribute on account of members of the fund at the rate required to meet the "Superannuation Guarantee" - currently 9.50%.

UniSuper Plans

UniSuper is a multi employer superannuation fund operated by UniSuper Limited as the Corporate Trustee and administered by UniSuper Management Pty Ltd, a wholly owned subsidiary of UniSuper Limited. The operations of UniSuper are regulated by the Superannuation Industry (Supervision) Act 1993.

(i) UniSuper offers eligible members the choice of two schemes known as the Defined Benefit Division (DBD) or Accumulation Super (2). The contribution rate to the scheme is 21.00% of member's salary of which the member contributes 7.00% and the Company 14.00%. From 1 July 2006, members can elect to reduce the level of member contributions with corresponding reductions in benefits.

(ii) UniSuper also offers a cash accumulation productivity scheme known as Accumulation Super (1). Company employees have no requirement to contribute to the scheme. The Company contributes the equivalent of 3.00% of the base salary in respect of those employees who were members of the Defined Benefits Division or the Accumulation Super (2) Plan. Employees who do not qualify for membership of the Defined Benefits Division or the Accumulation Super (2) Plan will have a minimum contribution 9.50% of their annual salary contributed by the Company to Accumulation Super (1) prescribed under the Superannuation Guarantee Charges Act 1992.

Casual and non-permanent employees who do not qualify for membership of the Defined Benefit Division or Accumulation Super (2) are eligible for Accumulation Super (1).

The employer is required to contribute on account of eligible employees at a minimum rate of 9.50% to all superannuation funds.

No contribution remained unpaid at the end of the year except to the extent of normal and current terms of payment. The amount payable at 31 December 2016 was \$2.60m (2015 - \$2.85m).

38 Financial risk management

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in note 1 of the financial statements.

(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 Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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

38 Financial risk management (continued)**(b) Foreign currency risk**

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters so as to minimise the total exposure to exchange rate risk.

The Group is mainly exposed to the currencies of the United States of America and Vietnam.

The following table details the Group's sensitivity to a 13% increase or decrease in the Australian Dollar (AUD) against the relevant foreign currencies. 13% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 13% change in foreign currency rates.

31 December 2016	Currency rate risk				
	Carrying Amount \$'000	Result \$'000	-13.0%		13.0%
Equity \$'000			Result \$'000	Equity \$'000	
Consolidated					
Financial Assets					
Cash and cash equivalents	4,626	601	601	(601)	(601)
Receivables	3,219	418	418	(418)	(418)
Other financial assets	49,034	6,374	6,374	(6,374)	(6,374)
Total financial assets	56,879	7,393	7,393	(7,393)	(7,393)
Financial Liabilities					
Payables	10,719	(1,393)	(1,393)	1,393	1,393
Total financial liabilities	10,719	(1,393)	(1,393)	1,393	1,393
31 December 2015	Currency rate risk				
Carrying Amount \$'000	Result \$'000	-13.0%		13.0%	
		Equity \$'000	Result \$'000	Equity \$'000	
Consolidated					
Financial Assets					
Cash and cash equivalents	3,333	433	433	(433)	(433)
Receivables	2,074	270	270	(270)	(270)
Other financial assets	43,779	5,691	5,691	(5,691)	(5,691)
Total financial assets	49,186	6,394	6,394	(6,394)	(6,394)
Financial Liabilities					
Payables	5,035	(655)	(655)	655	655
Total financial liabilities	5,035	(655)	(655)	655	655

(c) Interest rate risk

Interest rate exposures arise predominantly from assets bearing floating interest rates. The Group's exposure to interest rates on financial assets is not considered significant.

38 Financial risk management (continued)**(d) Price risk**

Exposure to price risk arises due to the inherent risk of the possibility of unfavourable movements in the market value of the investments.

The sensitivity analysis has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 10% increase or decrease is used when reporting on price risk of managed trust funds as this represents management's assessment of the possible change in prices:

31 December 2016	Price risk				
			-10.0%		10.0%
	Carrying Amount	Result	Equity	Result	Equity
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Investments in managed trust funds - at fair value	70,804	-	(7,080)	-	7,080

31 December 2015	Price risk				
			-10.0%		10.0%
	Carrying Amount	Result	Equity	Result	Equity
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Investments in managed trust funds - at fair value	70,752	-	(7,075)	-	7,075

A 10% increase or decrease is used when reporting on price risk of Open University as this represents management's assessment of the possible change in prices:.

31 December 2016	Price risk				
			-10.0%		10.0%
	Carrying Amount	Result	Equity	Result	Equity
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Investments in unlisted shares - at fair value (Open University Australia)	9,300	-	(930)	-	930

31 December 2015	Price risk				
			-10.0%		10.0%
	Carrying Amount	Result	Equity	Result	Equity
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000
Investments in unlisted shares - at fair value (Open University Australia)	4,250	-	(425)	-	425

38 Financial risk management (continued)**(d) Price risk (continued)**

A 5% increase or decrease is used when reporting on price risk of Education Australia as this represents management's assessment of the possible change in prices:

31 December 2016	Price risk				
	Carrying Amount \$'000	Result \$'000	-5.0%		5.0%
Equity \$'000			Result \$'000	Equity \$'000	
Consolidated					
Financial Assets					
Investments in unlisted shares - at fair value (Education Australia)	11,027	-	(551)	-	551
31 December 2015	Price risk				
	Carrying Amount \$'000	Result \$'000	-5.0%		5.0%
			Equity \$'000	Result \$'000	Equity \$'000
Consolidated					
Investments in unlisted shares - at fair value (Education Australia)	9,198	-	(460)	-	460

(e) Liquidity risk

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

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

Consolidated	Note	Average interest rate %	Floating interest rate \$'000	Fixed Interest Maturing			Non Interest Bearing \$'000	Total \$'000
				1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000		
31 December 2016								
Financial Assets								
Cash at bank and on hand	17	0.50	17,640	-	-	-	-	17,640
Deposits at call	17	1.82	-	64,832	-	-	-	64,832
Foreign currency bank accounts	17	-	-	-	-	-	4,626	4,626
Receivables, exclude deferred government contributions for superannuation	18	-	-	-	-	-	34,109	34,109
Available for sale financial assets	20	-	-	-	-	-	91,131	91,131
Deferred tax asset	16	-	-	-	-	-	420	420
Term deposits	21	-	-	49,034	-	-	-	49,034
Shares in non-related companies	21	-	-	-	-	-	37	37
Total financial assets			17,640	113,866	-	-	130,323	261,829

38 Financial risk management (continued)

(e) Liquidity risk (continued)

Consolidated	Note	Fixed Interest Maturing						Total \$'000
		Average interest rate %	Floating interest rate \$'000	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non Interest Bearing \$'000	
Financial Liabilities								
Trade and other payables, exclude interest rate swaps	25	-	-	-	-	-	(145,741)	(145,741)
Interest rate swaps used for hedging #1	25	1.73	(368)	-	-	-	-	(368)
Borrowings	26	3.15	(220,000)	-	-	-	-	(220,000)
Current tax liabilities	16	-	-	-	-	-	-	-
Deferred tax liabilities	16	-	-	-	-	-	-	-
Total financial liabilities			(220,368)	-	-	-	(145,741)	(366,109)
Net financial assets (liabilities)			(202,728)	113,866	-	-	(15,418)	(104,280)

Consolidated	Note	Fixed Interest Maturing						Total \$'000
		Average interest rate %	Floating interest rate \$'000	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non Interest Bearing \$'000	
31 December 2015								
Financial assets								
Cash at bank and on hand	17	0.50	20,132	-	-	-	-	20,132
Deposits at call	17	2.05	-	75,519	-	-	-	75,519
Foreign currency bank accounts	17	-	91	-	-	-	3,242	3,333
Receivables, exclude deferred government contributions for superannuation	18	-	-	-	-	-	33,289	33,289
Available for sale financial assets	20	-	-	-	-	-	84,200	84,200
Deferred tax assets	16	-	-	-	-	-	658	658
Term deposits	21	3.20	-	43,779	-	-	-	43,779
Shares in non-related companies	21	-	-	-	-	-	37	37
Total financial assets			20,223	119,298	-	-	121,426	260,947
Financial Liabilities								
Trade and other payables, exclude interest rate swaps	25	-	-	-	-	-	(132,298)	(132,298)
Interest rate swaps used for hedging #1	25	2.39	(474)	-	-	-	-	(474)
Borrowings	26	3.44	(210,000)	-	-	-	(21,362)	(231,362)
Current tax liabilities	16	-	-	-	-	-	(5,785)	(5,785)
Deferred tax liabilities	16	-	-	-	-	-	(3)	(3)
Total financial liabilities			(210,474)	-	-	-	(159,448)	(369,922)
Net financial assets (liabilities)			(190,251)	119,298	-	-	(38,022)	(108,975)

#1 The notional principal value for the interest rate swaps at 31 December 2016 was \$130 million (31 December 2015: \$150 million), \$30 million maturing less than 1 year and \$100 million maturing 1 to 5 years (31 December 2015: \$130 million maturing 1 to 5 years). The average contracted fixed interest rate was 2.26% (2015: 2.39%).

38 Financial risk management (continued)**(f) Credit risk**

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

The Group minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties, spread across diverse industries and geographical areas and by performing extensive due diligence procedures on major new customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit without taking account of the value of any collateral obtained.

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

The Group has not obtained any collateral or other security for its financial assets.

39 Fair value measurements

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in note 1 of the financial statements.

(a) Fair value measurements

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

	Note	2016		2015	
		Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Consolidated					
Financial assets					
Cash at bank and on hand	17	17,640	17,640	20,132	20,132
Deposits at call	17	64,832	64,832	75,519	75,519
Foreign currency bank accounts	17	4,626	4,626	3,333	3,333
Receivables, excluding deferred government contributions for superannuation	18	34,109	34,109	33,289	33,289
Available for sale financial assets	20	91,131	91,131	84,200	84,200
Term deposits	21	49,034	49,034	43,779	43,779
Unlisted shares in non-related companies	21	37	37	37	37
		261,409	261,409	260,289	260,289
Financial Liabilities					
Trade and other payables	25	146,109	146,109	132,772	132,772
Borrowings	26	247,000	247,000	231,362	231,362
		393,109	393,109	364,134	364,134

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying amounts.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

39 Fair value measurements (continued)**(b) Fair value hierarchy**

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

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

(i) Recognised fair value measurements

Consolidated	<i>Note</i>	2016	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Available for sale financial assets	20	91,131	70,804	-	20,327
Unlisted shares in non-related companies	21	37	-	-	37
		91,168	70,804	-	20,364
Non-financial assets					
Land	22	438,701	-	-	438,701
Buildings	22	1,548,948	-	-	1,548,948
Leasehold Improvements	22	11,340	-	-	11,340
Equipment, motor vehicles, furniture & fittings, library collection	22	149,041	-	-	149,041
Artworks	22	9,443	-	9,443	-
		2,157,473	-	9,443	2,148,030
Financial liabilities					
Interest rate swaps	25	368	-	368	-
2015					
Consolidated	<i>Note</i>	\$'000	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Available for sale financial assets	20	84,200	70,752	-	13,448
Unlisted shares in non-related companies	21	37	-	-	37
		84,237	70,752	-	13,485
Non-financial assets					
Land		438,626	-	-	438,626
Buildings		1,391,413	-	-	1,391,413
Leasehold Improvements	22	11,234	-	-	11,234
Equipment, motor vehicles, furniture & fittings, library collection	22	155,429	-	-	155,429
Artworks	22	8,881	-	8,881	-
		2,005,583	-	8,881	1,996,702
Financial liabilities					
Interest rate swaps	25	474	-	474	-

39 Fair value measurements (continued)

(b) Fair value hierarchy (continued)

(ii) Disclosed fair values

The Group has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available for sale securities) is based on quoted market prices for identical assets or liabilities at the balance sheet date (level 1). This is the most representative of fair value in the circumstances.

The fair values of held to maturity investments and interests in associates that are disclosed in note 20 were determined by reference to published price quotations in an active market (level 1).

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments (level 3).

The fair value of non-current borrowings disclosed in note 26 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. For the period ending 31 December 2016, the borrowing rates were determined to be between 3.17% and 4.84% depending on the type of borrowing. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

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

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) 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.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, land (excluding vacant), buildings (excluding recently acquired) equipment and artworks.

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.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- 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.

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

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

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

All resulting fair value estimates for properties are included in level 3 except for vacant land and recently acquired land and buildings. The level 2 fair value of vacant land has been derived using the sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

39 Fair value measurements (continued)**(d) 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 2016:

Level 3 Fair Value Measurements 2016	Available for sale financial assets	Land	Buildings	Leasehold Improvement	Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	13,448	438,626	1,391,413	11,234	155,429	2,010,150
Purchases (sales)	-	75	265	41	23,102	23,483
Transfers out of capital works in progress	-	-	191,995	1,674	13,201	206,870
Depreciations	-	-	(34,497)	(1,372)	(42,015)	(77,884)
Disposals	-	-	(66)	-	(411)	(477)
Foreign currency translation movement	-	-	(162)	(3)	(92)	(257)
Unrealised gain/(losses) recognised in other comprehensive income	6,879	-	-	-	-	6,879
Disposal of non-controlled subsidiaries	-	-	-	(234)	(173)	(407)
Subtotal	20,327	438,701	1,548,948	11,340	149,041	2,168,357
Closing balance	20,327	438,701	1,548,948	11,340	149,041	2,168,357

Level 3 Fair Value Measurements 2015	Available for sale financial assets	Land	Buildings	Leasehold Improvement	Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	-	404,910	1,379,137	7,723	122,412	1,914,182
Purchases (sales)	-	-	1,970	96	31,869	33,935
Transfers out of capital works in progress	-	141	20,445	4,694	39,121	64,401
Transfers in (out) of Level 3	120	33,975	18,120	-	-	52,215
Depreciations	-	-	(31,083)	(1,279)	(37,974)	(70,336)
Disposals	-	(400)	(250)	(8)	(870)	(1,528)
Foreign currency translation movement	-	-	3,074	8	871	3,953
Unrealised gain/(losses) recognised in other comprehensive income	13,328	-	-	-	-	13,328
Subtotal	13,448	438,626	1,391,413	11,234	155,429	2,010,150
Closing balance	13,448	438,626	1,391,413	11,234	155,429	2,010,150

(j) The transfer into Level 3 in 2015 relates to newly acquired and non-specialised land and building in December 2014 that formed part of Level 2 disclosure in 2015 due to its newly acquired status (eg. categorised as L2 in 2015 as depreciation would not be a significant unobservable input). As the land and building is 'specialised' and no longer 'newly acquired' it has been transferred into L3 in 2015.

39 Fair value measurements (continued)**(d) Fair value measurements using significant unobservable inputs (level 3) (continued)***(ii) Valuation inputs and relationships to fair value*

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

Description	Valuation Technique	Unobservable inputs*
Specialised Land	Market Approach	Community Service Obligation (CSO) adjustment
Buildings	Depreciated Replacement Cost	Direct Cost per square metre Useful life
Leasehold Improvements	Depreciated cost	Cost per unit Useful life
Equipment, furniture & fittings and motor vehicles	Depreciated Replacement Cost	Cost per unit Useful life
Investments in unlisted shares - at fair value (Open University Australia)	Net Assets method	
Investments in unlisted shares - at fair value (Education Australia)	Adjusted Net Assets method	

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

40 Subsidiaries

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

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

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

40 Subsidiaries (continued)

	Para 7 (a)	Para 7 (b)	Para 7 (c)	Notes	Class of Shares	Place of Incorporation	Ownership		Shares held		Net equity	
							2016 %	2015 %	2016 No.	2015 No.	2016 \$'000	2015 \$'000
Controlled entities - corporate												
RMIT Training Pty Ltd	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(a)	Ordinary	Australia	100.00	100.00	502,000	502,000	9,249	4,885
Spatial Vision Innovations Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b)	Ordinary	Australia	-	45.90	-	102,000	-	120
RMIT Vietnam Holdings Pty Ltd	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(c)	Ordinary	Australia	100.00	100.00	1,225,373	1,225,373	40,965	24,349
RMIT University Vietnam LLC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(d)	Licence	Vietnam	100.00	100.00	-	-	86,181	81,183
RMIT Spain S.L	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(f)	Ordinary	Spain	100.00	100.00	1,363,608	1,363,608	784	748
RMIT Online Pty Ltd	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(g)	Ordinary	Australia	100.00	-	1	-	(3,088)	-
RMIT University Indonesia Pty Ltd	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	(h)	Ordinary	Australia	100.00	-	1	-	(39)	-
Controlled entities - other												
RMIT Foundation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e)	Unincorporated body		-	-	-	-	-	42,928
											134,052	154,213

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

(b) Spatial Vision Innovations Pty Ltd is a company incorporated under the *Corporations Act 2001*. In 2016 RMIT University disposed of 102,000 "A" Class Shares resulting in the University no longer deemed as having control over Spatial Vision Innovations Pty Ltd and as such removal from the consolidated financial statements.

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

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

(e) RMIT Foundation is a Trust and in the process of winding up. As part of the winding up, the Foundation has submitted the application of revoking its registration with the ACNC on 18 January 2017. During the period, RMIT Foundation has transferred its net assets to RMIT Philanthropy Fund within RMIT University.

(f) RMIT has established a subsidiary in Barcelona. The company was established in 2012. RMIT also provides financial assistance under a Letter of Support.

(g) RMIT has established a new subsidiary in 2016. Its purpose is to advance education through online education.

(h) RMIT has established a new subsidiary in 2016. Its purpose is to advance education at the tertiary level specifically to support activities of RMIT's presence in Indonesia.

41 Related parties

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

(a) Responsible persons and specified executives

The names, remuneration and retirement benefits of persons who were Councillors of RMIT and specified executives at any time during the financial year are set out in note 43.

(b) Controlled entities

Interest in subsidiaries is set out in note 40.

41 Related parties (continued)**(c) Transactions with related parties**

The following transactions occurred with related parties:

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

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Sale of services				
Fees and charges	-	-	4,064	3,910
Donations and bequests	-	-	905	6,752
Rental income	-	-	1,630	1,785
Purchase of services				
Grants, scholarships and prizes	-	-	17,396	626
Service Level Agreement charges	-	-	2,798	2,136
Project expenditure	-	-	50	2
Expenditure incurred on behalf of related parties				
Audit fees	-	-	9	8
Loans advanced to/(repaid by) subsidiaries				
	-	-	(3,611)	966
Interest expense				
	-	-	329	426
Interest income				
	-	-	11	-

(d) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current Receivables	-	-	3,513	7,124
Interest bearing liabilities	-	-	32,254	17,837

(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 1.88% (2015 - 2.21%).

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.

42 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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Audit of the Financial Statements				
Fees paid to Auditor-General of Victoria	430	392	289	281
Fees paid to Pricewaterhouse Coopers	-	56	-	-
Total auditing services	430	448	289	281

43 Key management personnel disclosures

(a) Responsible persons related disclosures

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

(i) Minister

The Hon. Steve Herbert was the Minister for Training and Skills (January 2016 to November 2016).

The Hon. Gayle Tierney, MLC is the current Minister for Training and Skills (November 2016 to December 2016).

Remuneration of these Ministers is disclosed in the financial statements of the Department of Premier and Cabinet.

Other relevant interests are declared in the Register of Members interests which is completed by each member of Parliament.

(ii) Names of responsible persons and executive officers

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

Responsible persons

Council Members

Bean, M. (Accountable Officer)	Michelmores, J. (term concluded 31 Jul 2016)
Akhurst, B.	O'Donnell, R.
Bateman, D. (term commenced 1 Aug 2016)	Paton, B. (term concluded 1 Sep 2016)
Duckett, S. (term concludes 31 Mar 2017)	Switkowski, Z.
Hayward, D. (term concludes 31 Jan 2017)	Ward, A.
Hogan, G.	Zohar, A. (term commenced on 1 Aug 2016)
Latchford, J.	

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

Executive Officers

Barnes, J.	MacIntyre, A.
Coloe, P.	Miller, L.
Donaldson, S. (term concluded 16 Dec 2016)	Palmer, I.
Drummond, C.	Somogyi, S. (term concluded 2 Jul 2016)
Gough, P.	Tynan, B. (term commenced 9 May 2016)
Higgins, D. (term commenced 19 Sep 2016)	

Executive officers disclosed above are RMIT's VCE members only. The executive officers of RMIT's controlled entities are disclosed in the financial statements of the respective entities.

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

43 Key management personnel disclosures (continued)**(b) Remuneration of responsible persons**

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

	Consolidated		RMIT	
	2016	2015	2016	2015
\$0-\$10,000	10	8	2	1
\$10,000-\$19,999	1	8	1	8
\$20,000-\$29,999	1	-	1	-
\$30,000-\$39,999	4	-	4	-
\$40,000-\$49,999	2	-	2	-
\$60,000-\$69,999	1	-	1	-
\$100,000-\$109,999	-	1	-	-
\$120,000-\$129,999	-	1	-	-
\$140,000-\$149,999	-	1	-	-
\$220,000-\$229,999	-	1	-	-
\$290,000-\$299,999	-	1	-	1
\$400,000-\$409,999	1	-	-	-
\$490,000-\$499,999	1	-	1	-
\$510,000-\$519,999	-	1	-	-
\$570,000-\$579,999	-	1	-	-
\$580,000-\$589,999	1	-	-	-
\$770,000-\$779,999	-	1	-	1
\$950,000-\$959,999	-	1	-	-
\$960,000-\$969,999	1	-	1	-
Total Numbers	23	25	13	11
Total Amount	\$ 2,785,000	\$ 3,836,000	\$ 1,799,000	\$ 1,183,000

43 Key management personnel disclosures (continued)

(c) Remuneration of executive officers

Income received or due and receivable from entities in the consolidated entity and related parties by Australian-based executive officers occupying a senior management role except for responsible persons whose remuneration was at least \$100,000. In addition to the senior executive officers reported under Note 43(a)(ii) for RMIT, the Consolidated disclosures below include executives of controlled entities.

Income Band	Consolidated				RMIT			
	2016		2015		2016		2015	
	Total Remuneration	Base Remuneration	Total Remuneration	Base Remuneration	Total Remuneration	Base Remuneration	Total Remuneration	Base Remuneration
\$100,000 - \$109,999	-	-	1	1	-	-	-	-
\$120,000 - \$129,999	-	1	-	1	-	1	-	1
\$130,000 - \$139,999	1	-	-	-	1	-	-	-
\$150,000 - \$159,999	1	1	-	-	-	-	-	-
\$160,000 - \$169,999	-	-	1	1	-	-	1	1
\$180,000 - \$189,999	-	-	-	1	-	-	-	-
\$190,000 - \$199,999	-	-	2	-	-	-	1	-
\$200,000 - \$209,999	-	-	-	1	-	-	-	-
\$230,000 - \$239,999	-	1	-	-	-	-	-	-
\$250,000 - \$259,999	-	1	-	1	-	1	-	1
\$270,000 - \$279,999	-	-	1	-	-	-	-	-
\$280,000 - \$289,999	1	-	-	1	-	1	-	1
\$290,000 - \$299,999	-	1	-	-	-	-	-	-
\$300,000 - \$309,999	1	-	-	-	1	-	-	-
\$310,000 - \$319,999	-	-	-	1	-	-	-	-
\$320,000 - \$329,999	2	1	-	-	1	-	-	-
\$340,000 - \$349,999	-	-	1	1	-	-	1	1
\$350,000 - \$359,999	-	1	-	2	-	1	-	2
\$360,000 - \$369,999	-	-	-	1	-	-	-	1
\$380,000 - \$389,999	-	1	-	-	-	1	-	-
\$390,000 - \$399,999	1	2	1	1	1	1	1	1
\$400,000 - \$409,999	1	-	-	-	1	-	-	-
\$410,000 - \$419,999	-	-	-	1	-	-	-	-
\$420,000 - \$429,999	-	-	-	1	-	-	-	1
\$430,000 - \$439,999	-	2	-	-	-	2	-	-
\$450,000 - \$459,999	-	1	1	-	-	1	1	-
\$460,000 - \$469,999	1	-	1	-	1	-	1	-
\$470,000 - \$479,999	-	-	1	1	-	-	1	1
\$480,000 - \$489,999	-	2	2	-	-	2	2	-
\$500,000 - \$509,999	3	-	-	-	3	-	-	-
\$510,000 - \$519,999	-	-	1	-	-	-	1	-
\$530,000 - \$539,999	-	-	1	-	-	-	-	-
\$550,000 - \$559,999	1	-	1	-	1	-	1	-
\$580,000 - \$589,999	1	-	1	-	-	-	-	-
\$660,000 - \$669,999	1	-	-	-	1	-	-	-
Total Numbers	15	15	16	16	11	11	11	11
Total annualised employee equivalent (AEE)	12	12	14	14	10	10	10	10
Total Amount	\$ 6,123,000	\$ 5,209,000	\$ 6,246,000	\$ 4,771,000	\$ 4,780,000	\$ 4,106,000	\$ 4,552,000	\$ 3,548,000

Total remuneration includes includes basic salary, bonus, annual leave, long service leave, termination payments, motor vehicle and other non-monetary benefits received or due and receivable by executive officers. Base remuneration is exclusive of benefits that are more likely to be paid on a discrete basis such as bonus, long service leave, termination payments and retirement benefits.

Increase in remuneration due to annual review and newly appointed Senior Executive staff in positions for a longer period of time than in 2015. In turn this has reduced the number of staff acting in Senior positions whose salary was at a lower rate.

43 Key management personnel disclosures (continued)

(d) Related party transactions

The following transactions were entered into by RMIT University with related entities of members of Council and Executive Officers:

Council member/Executive officer	External position held	Nature of transaction	2016	2015
			Received/ (Paid) by RMIT \$'000	Received/ (Paid) by RMIT \$'000
Garry Hogan	Senior Advisor, Defence and National Security, KPMG Australia	Contribution to Educator award.	3	-
Bruce Akhurst	Director, State Library of Victoria	Venue hire and provision of training/workshops.	(17)	(27)
Emeritus Professor Stephen Duckett	Director, Health Program at Grattan Institute	Guest speaker at conference.	-	(3)
Rhonda O'Donnell	Director, Catapult Group International Ltd	Provision of computer package/services.	(25)	(16)
Anne Ward	Chair, Colonial First State Investments Limited	Superannuation expense.	-	(7)
	Non Executive Director, MYOB Group Ltd	Annual subscription.	(1)	-
	Chair, Zoological Parks and Gardens Board of Victoria	Provision of research.	25	38
Martin Bean	Board member, Commonwealth of Learning	Reimbursement of travel expenses.	2	12
Dr Ziggy Switkowski AO	Chair, NBN Co	Completion of industry research projects.	-	66
	Non Executive Director, Healthscope Ltd	Student placements.	(5)	-
	Chair and Director, Suncorp Ltd.	Provision of research.	18	-
Steve Somogyi	Director, Spatial Vision Innovations Pty Ltd	Provision of consultancy services by Spatial Vision.	(6)	(2)
	Trustee, RMIT Foundation	Grants received by RMIT departments.	905	1,752
	Director and Chair, Audit Committee, UniSuper Limited	Director's Fees.	45	88
Andrew MacIntyre	Director, RMIT Training Pty Ltd	Rental income charged to subsidiary.	1,630	1,785
Dionne Higgins	Director, RMIT Training Pty Ltd	Charge back of ELICOS commission and ISU administration fees.	3,769	3,822
John Barnes	Chair, RMIT Training Pty Ltd	Subscription charge to parent.	(146)	-
Loren Miller	Director, RMIT Training Pty Ltd	Interest charged to parent.	(329)	(424)
Paul Gough	Director, RMIT Training Pty Ltd		-	-
Steve Somogyi	Director, RMIT Training Pty Ltd		-	-
Gael McDonald	Director, RMIT International University Vietnam Llc	Grants paid to subsidiary.	(696)	(626)
Loren Miller	Director, RMIT University Vietnam LLC	Service fees charged to subsidiary.	2,958	2,743
Andrew MacIntyre	Chair, RMIT University Vietnam LLC		-	-
Paul Gough	Chair, RMIT Spain S.L	Service fees paid by parent.	(2,798)	(2,136)
Andrew MacIntyre	Director, RMIT Spain S.L	Interest expense paid by parent.	-	(3)
Calum Drummond	Vice Chair, RMIT Spain S.L	Interest charged by parent.	11	-
Dionne Higgins	Chair, RMIT Vietnam Holdings Pty Ltd	Grants paid to subsidiary.	(16,700)	-
Associate Professor Debra Bateman	Victoria Police Blue Ribbon Foundation	Blue Ribbon annual ball.	(2)	-
Calum Drummond	Innovative Manufacturing CRC	Cash contribution for CRC.	(55)	-

All transactions disclosed above were on normal commercial terms and conditions.

44 Ex gratia expenses

	Consolidated		RMIT	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Gifts or other voluntary payments	-	46	-	10
Total ex gratia expenses	-	46	-	10

45 Acquittal of Australian Government financial assistance

(a) Education - CGS and Other Education Grants

		Commonwealth Grants Scheme#1		Indigenous Support Program		Higher Education Participation Program	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Parent Entity (RMIT) Only	<i>Note</i>						
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		265,158	243,983	378	437	4,920	4,869
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	<i>3(a)</i>	265,158	243,983	378	437	4,920	4,869
Surplus/(deficit) from the previous year		-	-	(301)	28	-	-
Total revenue including accrued revenue		265,158	243,983	77	465	4,920	4,869
Less expenses including accrued expenses		(265,158)	(243,983)	(433)	(766)	(4,920)	(4,869)
Surplus/(deficit) for the reporting period		-	-	(356)	(301)	-	-

		Disability Support Program		Diversity and Structural Adjustment Fund #3		Promo of Exc in Learning and Teaching	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Parent Entity (RMIT) Only	<i>Note</i>						
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		140	242	-	-	311	874
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	<i>3(a)</i>	140	242	-	-	311	874
Surplus/(deficit) from the previous year		(505)	(467)	(11)	(11)	515	217
Total revenue including accrued revenue		(365)	(225)	(11)	(11)	826	1,091
Less expenses including accrued expenses		(182)	(280)	-	-	(408)	(576)
Surplus/(deficit) for the reporting period		(547)	(505)	(11)	(11)	418	515

45 Acquittal of Australian Government financial assistance (continued)

(a) Education - CGS and Other Education Grants (continued)

		Australian Maths & Science Partnership Program		Total	
		2016	2015	2016	2015
Parent Entity (RMIT) Only	Note	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		447	496	271,354	250,901
Net accrual adjustments		-	-	-	-
Revenue for the period	3(a)	447	496	271,354	250,901
Surplus/(deficit) from the previous year		754	722	452	489
Total revenue including accrued revenue		1,201	1,218	271,806	251,390
Less expenses including accrued expenses		(448)	(464)	(271,549)	(250,938)
Surplus/(deficit) for the reporting period		753	754	257	452

#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Equity Support Program.

#3 Includes Collaboration and Structural Adjustments Program

(b) Higher Education Loan Programs (excl OS-HELP)

		HECS-HELP (Aust. Government payments only)		FEE-HELP #4		VET FEE-HELP	
		2016	2015	2016	2015	2016	2015
Parent Entity (RMIT) Only	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable/(Receivable) at the beginning of the year		-	-	(934)	(2,131)	(2,587)	(1,030)
Financial assistance received in cash during the reporting period		175,385	167,352	37,059	41,454	18,801	19,885
Cash available for the period		175,385	167,352	36,125	39,323	16,214	18,855
Revenue earned	3(b)	175,385	167,352	35,480	40,257	22,171	21,442
Cash Payable/(Receivable) at the end of the year		-	-	645	(934)	(5,957)	(2,587)

		SA-HELP		Total	
		2016	2015	2016	2015
Parent Entity (RMIT) Only	Note	\$'000	\$'000	\$'000	\$'000
Cash Payable/(Receivable) at the beginning of the year		(181)	22	(3,702)	(3,139)
Financial assistance received in cash during the reporting period		3,882	3,432	235,127	232,123
Cash available for the period		3,701	3,454	231,425	228,984
Revenue earned	3(b)	3,929	3,635	236,965	232,686
Cash Payable/(Receivable) at the end of the year		(228)	(181)	(5,540)	(3,702)

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

45 Acquittal of Australian Government financial assistance (continued)

(c) Scholarships

		Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships #5	
		2016	2015	2016	2015	2016	2015
Parent Entity (RMIT) Only	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		6,551	6,000	519	464	-	-
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(c)	6,551	6,000	519	464	-	-
Surplus/(deficit) from the previous year		753	1,101	(204)	(170)	(473)	(473)
Total revenue including accrued revenue		7,304	7,101	315	294	(473)	(473)
Less expenses including accrued expenses		(7,058)	(6,348)	(519)	(498)	-	-
Surplus/(deficit) for the reporting period		246	753	(204)	(204)	(473)	(473)

		Commonwealth Accommodation Scholarships #5		Indigenous Access Scholarship		Total	
		2016	2015	2016	2015	2016	2015
Parent Entity (RMIT) Only	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		-	-	59	63	7,129	6,527
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(c)	-	-	59	63	7,129	6,527
Surplus/(deficit) from the previous year		(118)	(118)	-	-	(41)	341
Total revenue including accrued revenue		(118)	(118)	59	63	7,088	6,868
Less expenses including accrued expenses		-	-	(59)	(63)	(7,636)	(6,909)
Surplus/(deficit) for the reporting period		(118)	(118)	-	-	(548)	(41)

#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

(d) Education Research

		Joint Research Engagement		JRE Engineering Cadetships		Research Training Scheme	
		2016	2015	2016	2015	2016	2015
Parent Entity (RMIT) Only	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		8,195	7,578	129	113	14,345	13,699
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(d)	8,195	7,578	129	113	14,345	13,699
Surplus/(deficit) from the previous year		(91)	-	158	107	-	-
Total revenue including accrued revenue		8,104	7,578	287	220	14,345	13,699
Less expenses including accrued expenses		(8,104)	(7,669)	(55)	(62)	(14,345)	(13,699)
Surplus/(deficit) for the reporting period		-	(91)	232	158	-	-

45 Acquittal of Australian Government financial assistance (continued)

(d) Education Research (continued)

		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities		Total	
		2016	2015	2016	2015	2016	2015
Parent Entity (RMIT) Only	<i>Note</i>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		2,275	2,064	2,087	1,827	27,031	25,281
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(d)	2,275	2,064	2,087	1,827	27,031	25,281
Surplus/(deficit) from the previous year		(11)	-	(2)	-	54	107
Total revenue including accrued revenue		2,264	2,064	2,085	1,827	27,085	25,388
Less expenses including accrued expenses		(2,264)	(2,075)	(2,085)	(1,829)	(26,853)	(25,334)
Surplus/(deficit) for the reporting period		-	(11)	-	(2)	232	54

(e) Australian Research Council Grants

		Projects		Fellowships		Total	
		2016	2015	2016	2015	2016	2015
(i) Discovery Parent Entity (RMIT) Only	<i>Note</i>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		6,041	7,473	1,329	2,238	7,370	9,711
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)(i)	6,041	7,473	1,329	2,238	7,370	9,711
Surplus/(deficit) from the previous year		5,635	3,475	1,639	1,341	7,274	4,816
Total revenue including accrued revenue		11,676	10,948	2,968	3,579	14,644	14,527
Less expenses including accrued expenses		(4,162)	(5,313)	(1,617)	(1,940)	(5,779)	(7,253)
Surplus/(deficit) for the reporting period		7,514	5,635	1,351	1,639	8,865	7,274

		Infrastructure		Projects		Total	
		2016	2015	2016	2015	2016	2015
(ii) Linkages Parent Entity (RMIT) Only	<i>Note</i>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		642	410	2,999	3,497	3,641	3,907
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)(ii)	642	410	2,999	3,497	3,641	3,907
Surplus/(deficit) from the previous year		90	90	3,131	2,461	3,221	2,551
Total revenue including accrued revenue		732	500	6,130	5,958	6,862	6,458
Less expenses including accrued expenses		-	(410)	(3,177)	(2,827)	(3,177)	(3,237)
Surplus/(deficit) for the reporting period		732	90	2,953	3,131	3,685	3,221

45 Acquittal of Australian Government financial assistance (continued)

(f) OS-HELP

Parent Entity (RMIT) Only	<i>Note</i>	2016 \$'000	2015 \$'000
Cash received during the reporting period		3,424	3,281
Cash spent during the reporting period		(3,950)	(3,378)
Net cash received	3(g)	(526)	(97)
Cash surplus/(deficit) from the previous period		727	824
Cash surplus/(deficit) for the reporting period		201	727

(g) Superannuation Supplementation

Parent Entity (RMIT) Only	<i>Note</i>	2016 \$'000	2015 \$'000
Cash received during the reporting period	3(g)	21,170	27,760
University contribution in respect of current employees		-	3,424
Cash available		21,170	31,184
Cash surplus / (deficit) from the previous period		540	(3,287)
Cash available for current period		21,710	27,897
Contributions to specified defined benefit funds		(22,834)	(27,357)
Cash surplus/(deficit) for this period		(1,124)	540

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

(h) Student Services and Amenities Fee

Parent Entity (RMIT) Only	2016 \$'000	2015 \$'000
SA-HELP revenue earned	3,929	3,635
Student services fees direct from students	11,984	11,521
Total revenue expendable in period	15,913	15,156
Student services expenses during period	(16,098)	(15,156)
Unspent/(overspent) student services revenue	(185)	-

Income Statement

for the years 2016 to 2012 inclusive

	Consolidated					RMIT				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Incoming from continuing operations										
Australian Government financial assistance										
Australian Government grants	344,818	330,467	308,965	295,194	276,248	344,818	330,467	308,965	295,194	276,248
HELP - Australian Government payments	236,965	232,686	221,445	189,657	145,925	236,965	232,686	221,445	189,657	145,925
State and Local Government financial assistance	33,131	32,488	31,686	34,393	56,892	33,131	32,488	31,686	34,393	56,892
HECS-HELP - Student payments	19,309	17,354	22,063	22,241	21,182	19,309	17,354	22,063	22,241	21,182
Fees and charges	492,846	455,620	409,824	386,505	351,009	407,809	369,948	335,064	318,558	293,909
Other investment income	4,367	7,996	7,683	6,735	7,209	3,106	5,469	5,271	4,840	5,101
Consultancy and contracts	51,418	40,115	35,663	33,820	36,670	50,924	36,518	31,873	30,704	32,417
Other revenue	43,225	46,326	40,986	43,882	30,662	30,916	38,967	32,168	29,341	28,988
Total revenue from continuing operations	1,226,079	1,163,052	1,078,315	1,012,427	925,797	1,126,978	1,063,897	988,535	924,928	860,662
Expenses from continuing operations										
Employee related expenses	677,164	662,514	607,932	557,254	549,929	625,499	604,318	554,754	511,667	506,925
Depreciation and amortisation	82,094	71,714	64,662	77,682	66,339	76,163	65,507	58,859	70,570	60,060
Repairs and maintenance	39,747	24,036	21,058	15,088	11,713	39,649	23,930	21,051	15,073	11,672
Borrowing costs	7,340	7,354	6,871	6,443	8,227	7,664	7,772	7,336	6,810	8,786
Impairment of assets	(731)	4,056	(4,077)	12,604	3,904	2,001	3,774	(4,277)	14,628	4,296
Other expenses	325,338	321,473	304,962	273,849	234,259	308,215	295,427	276,740	254,364	217,648
Total expenses from continuing operations	1,130,952	1,091,147	1,001,408	942,920	874,371	1,059,191	1,000,728	914,463	873,112	809,387
Operating result before income tax	95,127	71,905	76,907	69,507	51,426	67,787	63,169	74,072	51,816	51,275
Income tax expense	(1,673)	(4,342)	(3,832)	(2,450)	(2,192)	(559)	(2,690)	(2,873)	(1,744)	(1,670)
Operating result from continuing operations	93,454	67,563	73,075	67,057	49,234	67,228	60,479	71,199	50,072	49,605
Operating result attributable to minority interest	-	153	(124)	320	164	-	-	-	-	-
Operating result attributed to RMIT entity	93,454	67,716	72,951	67,377	49,398	67,228	60,479	71,199	50,072	49,605

Balance Sheet

for the years 2016 to 2012 inclusive

	Consolidated					RMIT				
	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000	2012 \$'000
ASSETS										
Current assets										
Cash and cash equivalents	87,098	98,984	110,721	135,110	109,117	77,178	90,855	83,780	89,413	80,021
Receivables	55,880	55,070	49,534	52,794	50,003	52,488	59,058	53,553	56,958	49,500
Inventories	869	2,246	1,775	1,728	586	853	1,782	1,288	1,159	-
Other financial assets	49,034	43,779	28,132	17,250	8,800	-	-	-	-	-
Other non-financial assets	14,290	11,681	12,410	11,138	12,493	11,871	9,413	10,308	9,280	10,409
Total current assets	207,171	211,760	202,572	218,020	180,999	142,390	161,108	148,929	156,810	139,930
Non-current assets										
Receivables	296,825	309,518	313,274	315,830	443,839	296,799	309,433	313,210	315,894	443,787
Available for sale financial assets	91,131	84,200	54,037	28,001	20,340	91,131	29,276	3,960	-	-
Property, plant and equipment	2,406,161	2,262,464	2,092,751	1,832,345	1,802,180	2,357,401	2,209,149	2,041,257	1,780,696	1,757,790
Deferred tax asset	420	658	1,016	692	749	-	-	-	-	-
Intangible assets	23,581	25,852	16,883	814	422	23,346	25,552	16,319	-	-
Other financial assets	37	37	158	2,162	172	1,764	2,411	2,532	2,536	2,536
Investment property	-	-	-	-	-	-	-	-	-	-
Total non-current assets	2,818,155	2,682,729	2,478,119	2,179,844	2,267,702	2,770,441	2,575,821	2,377,278	2,099,126	2,204,113
Total assets	3,025,326	2,894,489	2,680,691	2,397,864	2,448,701	2,912,831	2,736,929	2,526,207	2,255,936	2,344,043
LIABILITIES										
Current liabilities										
Trade and other payables	146,109	132,772	127,095	131,242	93,399	154,070	124,252	83,333	85,287	65,579
Borrowings	4,775	-	1	-	-	4,775	-	18,138	16,095	10,650
Provisions	165,100	147,019	138,232	118,794	122,797	159,730	134,144	129,237	117,378	121,436
Current tax liabilities	4,997	5,785	4,947	4,439	4,053	4,997	5,785	4,947	4,439	4,053
Other liabilities	67,898	71,806	73,202	76,234	62,769	54,674	61,468	59,991	63,066	50,527
Total current liabilities	388,879	357,382	343,477	330,709	283,018	378,246	325,649	295,646	286,265	252,245
Non-current liabilities										
Borrowings	242,225	231,362	128,868	110,000	155,000	242,225	231,362	128,868	110,000	155,000
Provisions	325,426	340,953	328,440	329,638	456,972	324,934	333,115	328,104	328,928	456,243
Deferred tax liabilities	-	3	4	5	12	-	-	-	-	-
Other liabilities	-	117	210	397	490	-	-	-	-	-
Total non-current liabilities	567,651	572,435	457,522	440,040	612,474	567,159	564,477	456,972	438,928	611,243
Total liabilities	956,530	929,817	800,999	770,749	895,492	945,405	890,126	752,618	725,193	863,488
Net assets	2,068,796	1,964,672	1,879,692	1,627,115	1,553,209	1,967,426	1,846,803	1,773,589	1,530,743	1,480,555
EQUITY										
RMIT entity interest										
Reserves	839,450	832,401	814,984	635,497	628,628	799,975	791,219	778,485	606,838	606,722
Retained earnings	1,229,346	1,132,146	1,064,430	991,404	924,047	1,167,451	1,055,584	995,104	923,905	873,833
Total RMIT entity interest	2,068,796	1,964,547	1,879,414	1,626,901	1,552,675	1,967,426	1,846,803	1,773,589	1,530,743	1,480,555
Outside equity interest in controlled entities	-	125	278	214	534	-	-	-	-	-
Total equity	2,068,796	1,964,672	1,879,692	1,627,115	1,553,209	1,967,426	1,846,803	1,773,589	1,530,743	1,480,555



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