



GLOBAL URBAN CONNECTED

2014 ANNUAL REPORT



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4 March 2015

The Hon. Steve Herbert MP
Minister for Training and Skills
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 2014.

The Annual Report was approved by the Council of RMIT University at its meeting on 3 March 2015.

Yours sincerely

A handwritten signature in black ink, appearing to read "J. P. Switkowski".

Dr ZE Switkowski AO
Chancellor

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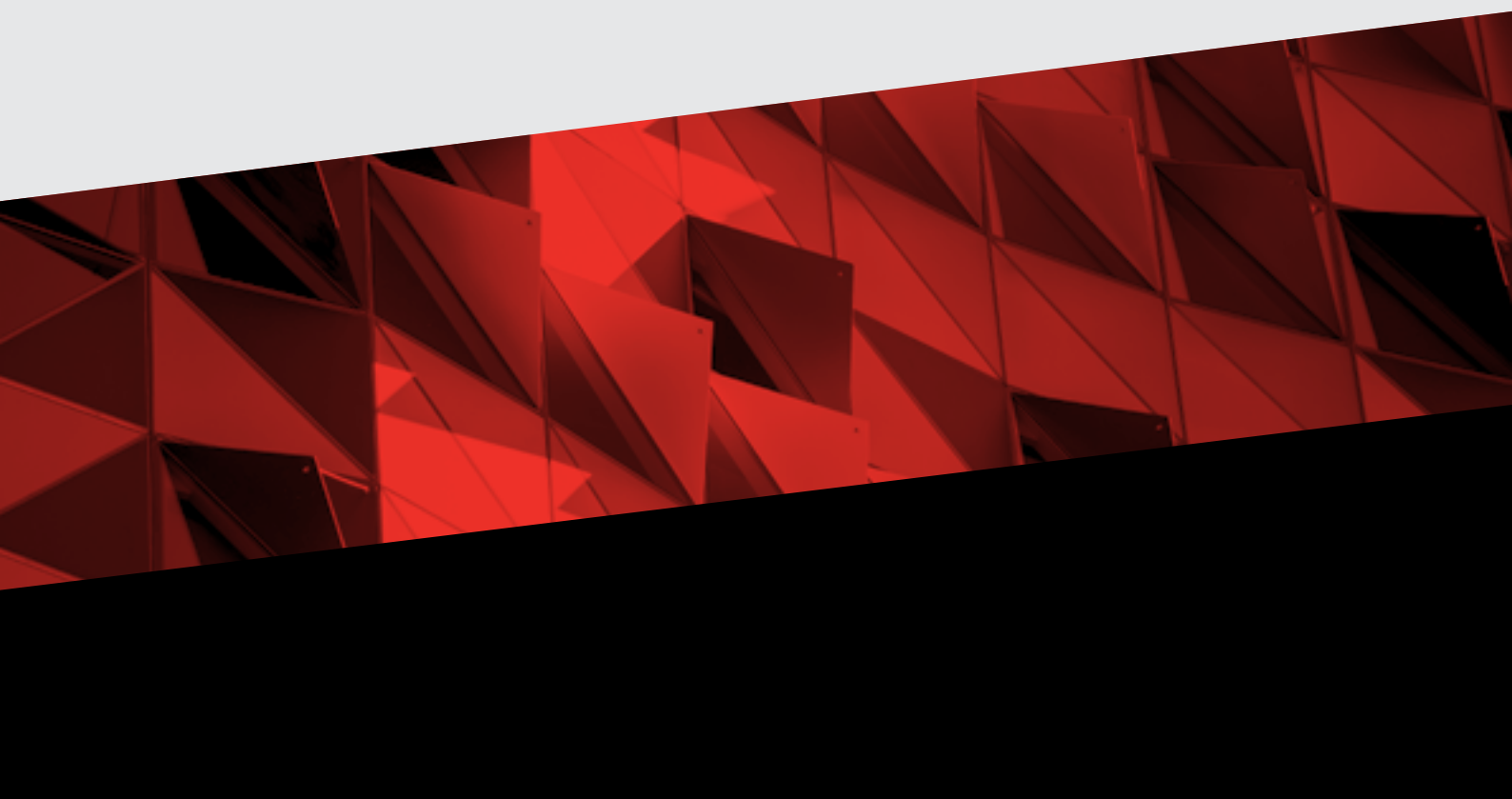
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Mission, Vision, Goals and Values

Mission of RMIT University

The University brings knowledge within reach through education and research to enrich and transform the futures of individuals, cities, industries and nations.

RMIT's Vision to 2015

RMIT will be a global university of technology and design. As a university of technology and design, RMIT will focus on creating solutions that transform the future for the benefit of people and their environments. We will collaborate with partners to ensure the global impact of our education and research, and we will reach out through our presence in cities across the world to make a difference.

Core Values

Creative

- RMIT creates opportunities for students and staff to explore, test and fulfil their potential.
- Imaginative curriculum and research solutions are sought, applied and rewarded.
- RMIT fosters a creative and inventive culture which values achievement.

Connected

- Students' aspirations, experience and needs are central to evaluating our performance and shaping improvement.
- Industry and community are active partners in our education and research.
- Global networks formed around knowledge, industries and cities underpin our operations.
- Collaboration and team work is encouraged and a sense of belonging for students and staff is supported.

Fair

- Learning opportunities support a diverse range of students, including those who may be disadvantaged.
- Respect for Indigenous cultures is reflected in our work.
- Intellectual freedom and tolerance are nurtured and debate encouraged.
- A physically, culturally and socially safe work and study environment is provided for all staff and students.
- Ethical, honest and open dealings characterise relationships with students, staff and partners.

Goals

To achieve our vision, we will be:

1. **Global** in attitude, action and presence, offering our students a global passport to learning and work.
2. **Urban** in orientation and creativity, shaping sustainable cities and drawing inspiration from the challenges and opportunities they provide.
3. **Connected** through active partnerships with professions, industries and organisations to support the quality, reach and impact of our education and research.

Passionate

- Building enthusiasm and a sense of achievement in our students and staff is a high priority.
- Excellence in teaching, scholarship, research and service is rewarded and supported.
- Cultural and social diversity is encouraged and celebrated.

Committed to making a difference

- Our graduates are creative, skilled, highly employable and purposeful.
- Knowledge and skills developed in our students and staff serve the needs of and bring benefits to individuals, cities, industries and nations.
- Our staff are constructive and agile in meeting the needs of individuals, cities, industries and nations.

Chancellor's Statement

2014 was a year that highlighted the most valued attributes of RMIT and saw the University preparing for transition from a solid basis to ensure its continued strong growth into the future.



After more than nine years as Vice-Chancellor and President, Professor Margaret Gardner AO resigned from RMIT University early in 2014 to take up a leadership position at another university. She left behind an institution with an excellent reputation, strong academic and financial performance, and a platform for continuing growth and success.

Mr Martin Bean CBE, formerly Vice-Chancellor at the Open University, UK, was appointed during the year as the new RMIT University head, to take up his position at the start of 2015.

During the search process, we learnt from a number of qualified candidates what they saw as attractive and distinctive about our university. Here is what they noted:

The structure and composition of our three colleges of Science, Engineering and Health, Design and Social Context, and Business, reflect a modern university with a clear, differentiated mission focused upon technology, design and business.

Being a city-based university in one of the most liveable cities in the world is immensely appealing to overseas and domestic students alike.

In an era of globalisation, our strategy, assets and footprint especially across Asia emphasise our historic commitment to international development and the quality of our networks across this vibrant region.

Our scale – 82,000 students across the world – implies levels of resources, range of partnerships and cultural diversity which work to the benefit of our students. Our researchers and alumni are making important contributions across the globe.

Our readiness to construct facilities, and to innovate in learning and teaching to exploit best practice in the use of online processes, ensures a satisfying student experience and builds confidence in our ability to produce graduates who are job-ready and equipped with contemporary skills in a digital and connected world.

We occupy leadership positions across the learning and teaching spectrum – from vocational education to higher education with pathways programs providing important linkages.

The RMIT brand is a valued and trusted one, recognised globally.

I believe these are characteristics which also appeal to parents and the students who join us in growing numbers every year.

The 2014 year saw consolidated group revenues reach \$1078 million, up 6.5 per cent, and operating cash flows of \$151 million. Given our strong balance sheet and the low interest rate environment, this cash flow augmented conservatively by borrowings is sufficient to fund the \$870 million capital investment we expect to make in support of offshore campuses, new infrastructure, IT systems, research facilities and student housing over the next five years or so.

The year ahead will see the development of our next five-year strategy and plan. Our new Vice-Chancellor will lead this at a time when the higher education landscape is changing rapidly.

But it has ever been thus and we look forward with enthusiasm to crafting a plan which will strengthen this University's position among its national and international peers.

The composition of our Council also continues to change. During this past year, Ms Rosi Lever, Deputy Chancellor, and Ms Moira Schulze retired. Dr Stephen Duckett, Brigadier Gary Hogan, Mr James Michelmore and Professor Julianne Reid joined, while Professor David Hayward remained on Council following his re-election as Chair of the Academic Board. Ms Janet Latchford was appointed Deputy Chancellor.

The University has been exceptionally well served by its Council members and I am grateful to them for their diligence, enthusiasm and wisdom in helping guide our institution.

Finally, in the transition from Professor Gardner to Mr Bean, Professor Gill Palmer was Vice-Chancellor for nine months. On behalf of the University and its Council, I would like to thank her for her excellent stewardship through this period.

Dr Ziggy Switkowski AO
Chancellor

Vice-Chancellor's Statement

RMIT's 2010-15 Strategic Plan, *Transforming the Future*, focuses on the University's contribution as a global university of technology and design, and 2014 saw many achievements.



The University graduated 24,833 students, including 276 higher degrees by research. The Group's surplus was \$75.5 million on revenue of \$1078 million. EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) was 14.0 per cent. This strong financial position enabled the University to address ageing infrastructure, adapt administrative systems and teaching delivery to the digital world, and prepare for increased international competition and domestic policy changes.

The University's focus on improving student experience and outcomes has intensified. The new Global Learning by Design project is creating courses and programs with technology-enhanced, work-relevant curriculum developed for multi-channel, multi-location delivery. Projects to achieve paperless student administration are responding to student demand for processes that are seamless and that support the learner experience.

The RMIT Campus Store opened in 2014, giving students at the City and Bundoora campuses a one-stop shop for course materials and branded merchandise.

Student employability was featured in the Jobs on Campus project, with 80 students gaining work experience in the program's first year of operation. A work-integrated learning system was implemented to support the sourcing and management of professional placement activities for students, and mentoring by alumni and industry advisors was expanded to benefit RMIT students in Vietnam and Singapore. More than 1500 Australian-based students undertook part of their study overseas.

Our graduates continue to be highly sought after by employers, with the 2014 QS World University Rankings placing RMIT 79th in the world for employer reputation.

Work continued on delivering the University's capital development program to upgrade ageing buildings and enhance learning spaces. The recently completed Swanston Academic Building was named Best Public Building of 2014 by the Property Council of Australia, and the new Academic Building 2 on the Saigon South campus was a winner in the Vietnam Ministry of Construction's High Quality Construction Awards.

Plans to transform the heart of our campus in central Melbourne were announced. The New Academic Street project will refurbish four 1970s buildings along Swanston Street to create interconnecting learning spaces and laneways which will open the University to the city.

The temporary A'Beckett Urban Square opened in August, providing sporting courts, BBQ facilities, WiFi and bike parking for University and public use.

Infrastructure developments supported the research needed to achieve RMIT's strategy to differentiate itself in technology and design. The MicroNano Research Facility was opened on the City campus, the first of its kind in Australia to bring together multidisciplinary micro and nano technology research.

Research will be a focus of the \$98 million Sustainable Urban Precincts Program which will significantly reduce electricity and water use at RMIT's Melbourne campuses.

RMIT Europe became a founding member of the Barcelona KEY Economic and Knowledge cluster with the Government of Catalonia and Barcelona City Council to further develop research.

RMIT is the most internationalised university in Australia, and possibly the world on many counts. In 2013 it established an internal Global Management Hub to enhance the RMIT Group's overall cohesiveness. In 2014 it delivered an alignment of controlled entity business plans, as well as building closer leadership and management relations between academic colleges, RMIT Vietnam, RMIT Europe and RMIT Training.

RMIT Training has experienced a successful year with the extension of its RMIT English Worldwide business in China and Myanmar, and increased Informit EduTV sales to international universities, securing 36 per cent of market share.

RMIT Vietnam continues to be the world's largest offshore campus with 6263 students in higher education and English language programs.

Academic program delivery through international partnerships continues to grow, with 10,825 students enrolled through partner institutions in Singapore, Indonesia, Hong Kong, mainland China, Sri Lanka, Belgium, Spain and Germany. It is pleasing that the first students to study through RMIT's partnership with Universitas Pelita Harapan in Indonesia graduated in September.

The University is in a very strong position, and I am confident that it will continue to build on its global learning, teaching and research successes as it enters into a new and exciting period, welcoming Martin Bean as its new Vice-Chancellor.

Professor Gill Palmer
Vice-Chancellor and President

About RMIT

RMIT is a global university of technology and design, focused on creating solutions that transform the future for the benefit of people and their environments.

One of Australia's original educational institutions founded in 1887, RMIT University now has more than 82,000 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 cities in which we are located.

RMIT has a 5-Star QS ranking for excellence in higher education and is ranked among the top 15 Australian universities in the 2014 QS World University Rankings.

In the 2014 QS Top 50 Under 50 index, we were 32nd in the world among universities less than 50 years (RMIT was granted university status in 1992).

With three campuses in Melbourne (CBD, 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, Sri Lanka, Spain, Belgium and Germany, and enjoys research and industry partnerships on every continent.

At the inaugural Victorian International Education Awards, RMIT received the Premier's Award for International Education Provider of the Year and the award for Excellence in International Education (University).

We offer postgraduate, undergraduate and vocational 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. RMIT is a leader in engineering, accounting and finance, computer science and information systems, communication and media studies, psychology, education, law and economics.

From the design of curriculum to applied research, RMIT works closely with domestic and international partners to equip students with the knowledge and state-of-the-art skills that enable them to excel in their chosen professions. As a result, RMIT graduates are highly regarded around the world for their leadership skills and work readiness.

We pride ourselves on our work-integrated learning opportunities which combine theory with practice in a workplace environment, ensuring that graduates are equipped with the skills and insight that employers value in the ever-changing global economy.

RMIT's researchers are engaged alongside our partners world-wide in solving practical problems of our time. Our connections to industry partners, to governments, and to the urban communities within which we operate, are vital.

Our four Research Institutes (Design, Global Cities, Platform Technologies, and Health Innovations), together with other research groups in the University, work within multidisciplinary teams to address the needs of industry and communities world-wide.

The quality of the RMIT's research work has been endorsed by the Australian Research Council. The most recent round of its Excellence in Research Australia exercise placed RMIT among the top five Australian universities for excellence in key research disciplines, with 85 per cent of our research outputs rated at "above" or "well above" world standard.

As part of a continuing capital investment program, RMIT has recently completed several major projects including the Swanston Academic Building and Design Hub which have significantly enhanced the University's learning, teaching and research spaces.

RMIT University is a self-accrediting university established under Victorian Government legislation. RMIT's objects under its Act are to foster excellence in teaching, training, scholarship, research, consultancy, community service and other educational services and products. The University has the power to confer degrees, diplomas, certificates and other awards, and is a major provider of vocational education and training programs.

Senior Officers



Vice-Chancellor and President

Professor Gill Palmer
BSocSc(Hons) (Birm, UK),
MSc(Industrial Adm) (LSE), PhD
(London City), GAICD

Professor Palmer is Vice-Chancellor and President of RMIT University and all of its controlled entities. She is also Vice-Chair of RMIT Training.

Professor Palmer has previously worked in the UK at the London School of Economics, Cass Business School, the British Government's Commission on Industrial Relations and her own business consultancy. In Australia from 1984, she has held senior roles at the University of Wollongong, Queensland University of Technology and Monash University.

She has published in organisational sociology and employment relations and has been President of ANZAM and the Association of Industrial Relations Academics of Australia and NZ. She is currently a director of Open Universities Australia and is on the EQUIS Committee of the European Foundation for Management Development.



Acting Deputy Vice-Chancellor Academic and Vice-President

Professor Geoffrey Crisp
BSc(Hons) (UQ), PhD (ANU), FHERDSA

Professor Crisp has held positions in chemistry at the University of Melbourne and University of Adelaide, as well as roles in online education and academic development at the University of Adelaide and at RMIT. He is a former President of HERDSA.

Professor Crisp has received the Royal Australian Chemical Institute's Stranks Medal for Chemical Education, the University of Adelaide's Stephen Cole the Elder Prize for Excellence in Teaching, an Office for Learning and Teaching National Fellowship and an ASCILITE Fellowship.



Chief Operating Officer and Vice-President Resources

Mr Steve Somogyi
MSc (Melb), SM (MIT), FIAA, FAICD,
F Fin

Steve Somogyi was appointed to this role in 2006, having previously had extensive experience in the financial services and health care industries, including three years as executive member of the Australian Prudential Regulation Authority and many years in senior executive roles with National Mutual.

Mr Somogyi is a Fellow of the Institute of Actuaries of Australia, the Australian Institute of Company Directors and the Financial Services Institute of Australia.

He is a commissioner on the Safety, Rehabilitation and Compensation Commission, a director of ANZ Wealth companies, Guild Group companies, UniSuper, Higher Education Services and Spatial Vision Innovations, and a trustee of RMIT Foundation.



Deputy Vice-Chancellor Research and Innovation and Vice-President

Professor Calum Drummond
BscEd, BSc(Hons), DSc, PhD (Melb),
FAICD, FTSE, FRACI, FRSC, CChem

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

Professor Drummond 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 seconded from CSIRO to be the inaugural Vice-President Research at CAP-XX, an Intel portfolio company.

He remains an active research professor and has published more than 200 articles and patents in the area of advanced materials. He has a strong interest in the commercialisation of research outcomes.



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 Treasurer 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 UK, Canada, NZ and Australia, with representation in several permanent art collections. These have included London's Imperial War Museum, the Canadian War Museum and NZ's National War Memorial.

Professor Gough has published five books on the representation of war and peace, and more than 100 research papers. He is an Academician of Royal West of England Academy.

He has chaired international research assessment schemes in UK, Australia, Rumania and NZ, 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 Services, an ARC and NHMRC grants referee and serves on Microbiology Australia's Editorial Board.



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 February 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*.



**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)

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

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



**Deputy Vice-Chancellor
International 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 the Crawford School of Public Policy.

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

A recipient of many international awards, 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 Australian-American Leadership Dialogue and Asia Foundation in Australia.



**University Secretary
and Vice-President**

Mr Trent Gillam

LLB (ANU), F Fin

Mr Gillam was appointed interim University Secretary in August 2014, heading the Office of Governance and Planning which provides integrated support for university governance and strategic, academic and business planning.

He has been RMIT Chief of Staff and Director Government Relations since 2009, and has previously served as Principal Policy Advisor to the Vice-Chancellor.



**President RMIT Europe and
Vice-President RMIT University**

Professor Colin Fudge

BArch(Hons), MA (Town and Regional Planning) (Sheffield), DSc (Bristol), FRIBA, MRTPI, FRSA

From 2008 until being appointed President RMIT Europe in 2013, Professor Fudge held the role of PVC Design and Social Context.

Prior to that, he worked for the two universities in Bristol and the University of Cardiff (UK), Chalmers University and KTH Royal Institute of Technology (Sweden), the UK and Swedish governments, the Victorian Government and European Commission.

Professor Fudge has contributed through interdisciplinary research on public policy and public health, sustainable cities, demographic change, and urban design. This has been recognised through the awarding of the Royal Professorship of Environmental Science by the Swedish Academy of Sciences and an Honorary Fellowship of the Royal Institute of British Architects.



**Chief Executive Officer,
RMIT Training**

Rachel Holthouse

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

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 also worked in Asia as Director of Hawthorn-Singapore Language School, and in Scotland as Principal of Edinburgh School of English. This role included corporate governance responsibilities on the board of UMEE UK Ltd.

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

Academic Schools and Research Institutes

As at 31 December 2014, RMIT University offered programs of study in 23 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	Ms Vicki Molloy

College of Design and Social Context

School	Head of School
Architecture and Design	Professor Richard Blythe
Art	In recruitment
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
Aerospace, Mechanical and Manufacturing Engineering	Professor Aleksandar Subic
Applied Sciences	Professor Andrew Smith
Civil, Environmental and Chemical Engineering	Professor Chun Qing Li
Computer Science and Information Technology	Professor Athman Bouguettaya
Electrical and Computer Engineering	Professor Michael Austin
Health Sciences	Professor Charlie Xue
Mathematical and Geospatial Sciences	Professor John Hearne
Medical Sciences	Professor David Pow
Vocational Engineering	Mr Peter Ryan
Vocational Health and Sciences	Ms Cheryl Underwood

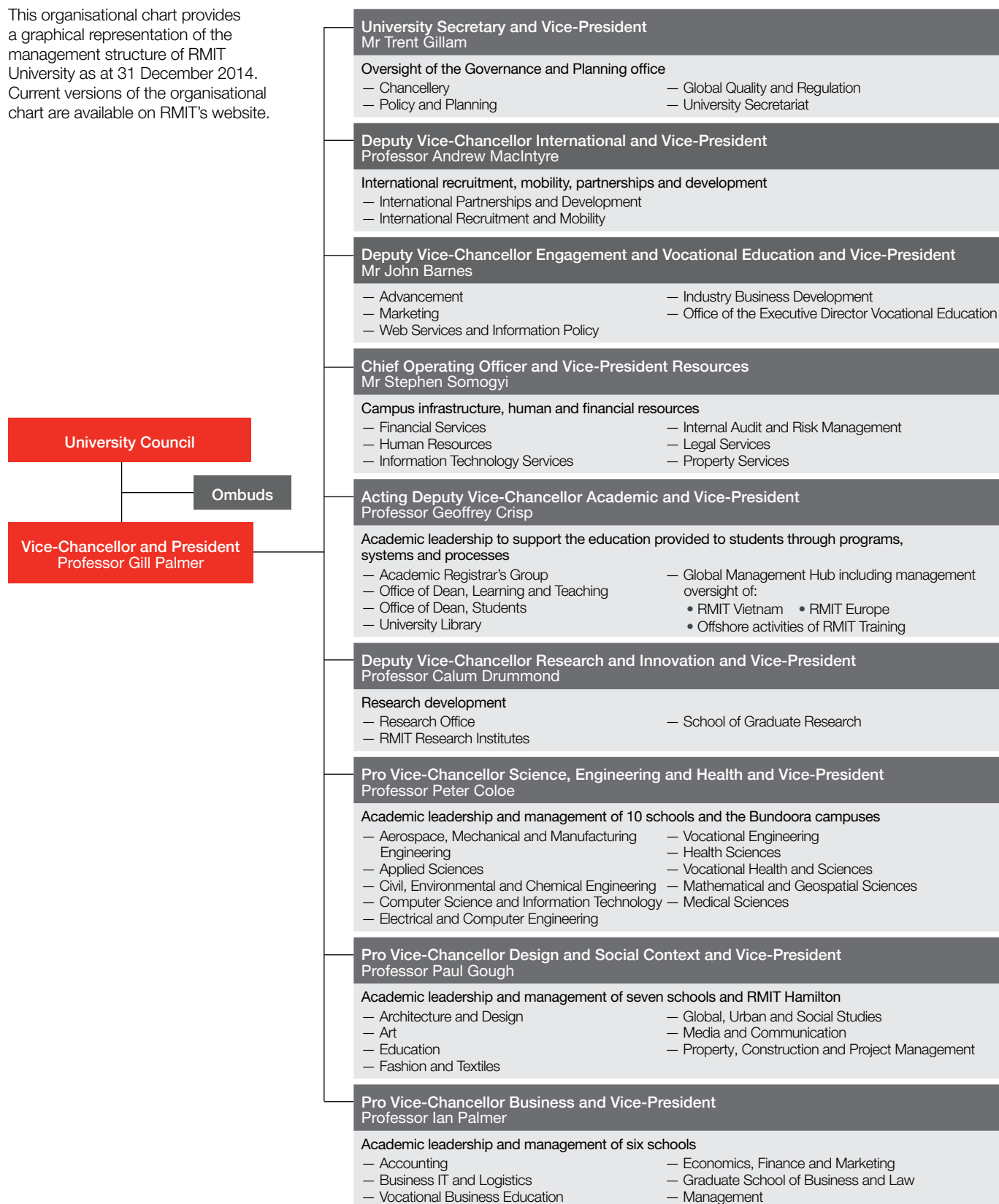
Research Institutes

RMIT University has four Research Institutes which unite researchers from across the University within multidisciplinary teams. These Institutes, together with other research groups in the University, are concerned with addressing the problems and needs of industry and communities world-wide.

Institute	Director
Design Research Institute	Professor Mark Burry
Global Cities Research Institute	Professor Peter Fairbrother
Health Innovations Research Institute	Professor David Adams
Platform Technologies Research Institute	Professor Xinghuo Yu

Organisational Chart

This organisational chart provides a graphical representation of the management structure of RMIT University as at 31 December 2014. Current versions of the organisational chart are available on RMIT's website.



Statistical Snapshot

Sector/Level Enrolments (headcounts)	2010	2011	2012	2013	2014 ¹
Higher Education (HE)	53,350	55,178	56,724	59,313	61,091
Postgraduate Research	1,672	1,690	1,761	1,873	1,945
Postgraduate Coursework	10,805	10,625	9,984	9,836	9,990
Undergraduate	37,813	39,008	40,409	42,197	43,582
Sub Degrees	3,060	3,855	4,570	5,407	5,574
Open Universities Aust	5,821	7,277	6,914	6,090	5,393
Postgraduate	487	564	628	617	690
Undergraduate	5,334	6,713	6,282	5,473	4,663
Vocational Education (VE)	20,554	19,667	17,935	16,200	14,298
Diploma and Advanced Diploma (AQF 5-6)	9,123	8,854	8,302	7,853	7,064
Certificates III and IV (AQF 3-4)	8,775	8,527	7,327	6,215	5,733
Certificates I and II (AQF 1-2)	1,453	1,099	1,029	912	314
VCE/VCAL	511	526	562	572	493
Other ²	692	661	715	648	694
Foundation Studies	808	723	606	626	788
Total	80,533	82,845	82,179	82,229	81,570

Student Fee-Type Enrolments (HE and VE load in %)					
Higher Education					
Government-funded	43	43	47	49	51
Australian fee-paying	6	6	5	5	5
International Onshore	22	22	20	18	18
International Offshore	18	17	16	16	16
Vietnam	11	12	12	11	10
Other	0	0	0	1	0.1
Vocational Education					
Government-funded	71	72	73	77	77
Australian fee-paying	15	17	19	16	16
International Onshore	8	7	6	6	7
International Offshore	3	2	1	0	0
Other	3	2	2	1	0

Student Load					
Student load EFTSL HE	38,985	40,423	41,475	44,169	45,510
Student contact hours VE	8,241,993	7,959,312	7,842,106	7,054,268	6,571,174

Award Completions					
Higher Education	13,762	14,894	15,775	18,034	16,819
Postgraduate Research	207	231	233	297	277
Postgraduate Coursework	4,228	4,538	4,218	4,025	3,661
Undergraduate (including Associate Degrees and Diplomas)	9,327	10,125	11,324	13,712	12,881
Vocational Education	6,497	6,590	6,662	6,384	5,635
Total	20,259	21,484	22,437	24,418	22,415

Graduate Outcomes %	2010	2011	2012	2013	2014 ¹
Higher Education (Domestic)					
Student satisfaction	79.4	80.4	79.2	78.3	79.2
Graduates in full-time employment	76.2	77.6	74.3	69.1	65.8
Graduates in further full-time study	13.7	13.7	13.5	16.1	16.4
Vocational Education					
Student satisfaction	80.8	85.4	86.6	86.0	85.4
Graduates in employment	79.7	78.5	74.4	77.2	69.6
Graduates in further study	46.3	40.1	45.5	44.1	53.6

Global, Urban and Connected ³	2010	2011	2012	2013 ⁴	2014
Research					
Research income from international sources—total	\$1.8m	\$3.3m	\$2.4m	\$1.9m	N/A
Research income from international sources—%	6.3%	8.5%	6.5%	5.0%	N/A
Staff					
HE International academic staff onshore	45.8%	44.0%	45.2%	46.7%	48.9%
HE Academic staff Level B and above holding PhDs	65.5%	67.6%	74.6%	77.4%	81.6%
Mobility					
HE and VE student mobility uptake (onshore EFTSL)	3.9%	4.0%	4.1%	4.5%	3.2%
HE UG completions with a mobility experience	14.2%	15.3%	14.6%	14.6%	16.2%
HE and VE International students EFTSL	41.7%	41.9%	39.1%	38.2%	37.8%
International student ranking in QS World University Rankings	4th	6th	8th	12th	40th
Selectivity					
HE UG and PG selectivity of coursework students (applications per place)	8.8	8.3	8.1	7.7	8.3
HE UG selectivity of coursework students (applications per place)	3.6	3.5	3.2	3.3	3.4
RMIT's global reputation with employers (HE) ranking in QS World University Ranking	76th	51st	75th	87th	79th
Industry					
Industry scholarships	\$2.1 m	\$3.0 m	\$6.6m	\$5.0m	\$6.1m
Industry scholarships (student load EFTSL)	843.2	1,193.4	2,642.3	1,984.9	2,423.2
Commercial revenue from industry	\$31.8m	\$35.0m	\$32.4m	\$30.7m	\$31.9m
Industry scholarships as a % of load (HE onshore EFTSL)	3.1%	4.2%	8.9%	6.2%	7.2%

¹ Some 2014 indicators are provisional and will not be finalised until Q2 2015. HE and VE data excludes Foundation Studies and OUA unless specified. VE student load converted using Student Contact Hours/720.

N/A: Not yet available

UG: Undergraduate

PG: Postgraduate

² Non-award programs not elsewhere classified.

³ This represents a subset of RMIT's Business Plan Indicators.

⁴ Some 2013 and historical values updated to reflect final position.

Financial Performance

The consolidated 2014 net operating result for RMIT University and its subsidiaries was \$75.5 million, continuing the strong results of recent years. RMIT University's operating result was \$71.2 million or 7.2 per cent of revenue.

For the consolidated group, revenue increased to \$1078.3 million in 2014 from \$1012.4 million in 2013. Expenditure increased to \$998.9 million from \$942.9 million, resulting in an operating result of \$75.5 million after income tax. Cash balances for the group totalled \$110.7 million.

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

Revenue increased to \$988.5 million from \$924.9 million. Australian Government Financial Assistance – including HECS-HELP and VET FEE-HELP – increased to \$530.4 million from \$484.9 million. Commonwealth research grants increased to \$24.4 million from \$23.4 million.

VE-specific State Government grants totalled \$31.7 million, a decrease of \$2.7 million on 2013, due to the change in State Government funding arrangements. VET FEE-HELP revenue increased to \$20.0 million from \$16.2 million.

Course fees and charges increased to \$323.6 million from \$307.6 million, or 5.2 per cent.

International fee-paying student revenue increased by 9.6 per cent (or \$24.2 million) to \$274.8 million.

Other fees and charges increased by 5.3 per cent to \$11.5 million. Investment revenue increased slightly to \$5.3 million from \$4.8 million based on the amounts of funds available in short-term deposits. RMIT's Council-approved investment policy ensures only high quality securities issued by prudentially safe institutions are utilised.

Expenditure increased by 4.7 per cent to \$914.5 million from \$873.1 million in 2013.

Employee benefits and on-costs increased by 8.4 per cent to \$554.7 million, excluding the effect of deferred superannuation benefits. Salary increases were incurred according to the enterprise bargaining agreement. The average number of full-time equivalent staff in 2014 was 3665 – 97 higher, or an increase of 2.7 per cent, compared to the previous year.

Repairs and maintenance increased to \$21.1 million from \$15.1 million.

The operating result attributed to VE was a profit of \$1.8 million, compared to a profit of \$1.7 million in 2013. Revenue increased by 1.5 per cent to \$158.3 million. State Government funding decreased by 7.8 per cent or \$2.7 million. Total expenses increased by 1 per cent (\$2.2 million) to \$156.5.

Current assets decreased to \$148.9 million from \$156.8 million, with cash and cash equivalents decreasing by \$5.6 million.

Current liabilities increased by \$9.4 million mainly due to increases in provisions.

Capital expenditure was \$156.2 million, compared to \$102.2 million in 2013, with property-related capital expenditure being a large proportion of the total for the year.

In 2010 RMIT entered into an agreement with CBA for the provision of \$225 million in long-term borrowings, with funds to be drawn down as per the agreement commencing Quarter 1, 2011. The total outstanding loan at the end of 2014 was \$125.0 million, providing a major source of funds for the capital works program. A new borrowing agreement was negotiated at the end of 2014 to replace the existing facility, based on future funding requirements, for a total of \$296 million. This will be drawn down from two banks, namely CBA and Westpac.

From a subsidiaries perspective, RMIT Vietnam delivered a profit of \$2.7 million compared to \$7.9 million in 2013 due to incremental investment in strategic initiatives in 2014.

RMIT Training delivered a minor loss of \$0.7 million compared to a profit of \$2.2 million in 2013. The 2014 loss included a \$4 million donation to RMIT University.

RMIT Foundation delivered an operating result of \$2.5 million compared to \$8.2 million in 2013.

In 2014, RMIT University made significant progress in the implementation of its Strategic Plan to 2015, *Transforming the Future*.

The Strategic Plan commits RMIT to be recognised as a global university of technology and design, focused on creating solutions that transform the future for the benefit of people and their environments. A key aspect in this vision is that we will collaborate with partners to ensure the global impact of our education and research, and will reach out through our presence in cities across the world to make a difference.

The University's Academic Plan, *Transforming the Student Experience*, articulates our goal to facilitate excellent learning, refine our program offerings, seek new educational partnerships and ensure strong student engagement and employment.

Also supporting the Strategic Plan is our Research Plan, *Impact Through Innovation*, which aims to increase the quality, scale and impact of our research activity and outcomes. The Internationalisation Plan, *Enabling RMIT's Global Aspirations*, examines how we can bring international activity into alignment with the University's key priorities to establish a strong global presence by 2015.

This Report highlights key achievements, activities and highlights for the University in 2014 against the three elements of our vision as encapsulated in the Strategic Plan.

Global

RMIT aims to be global in attitude, action and presence, offering our students a global passport to learning and work.

With 28,500 international students, of whom more than 17,000 are taught offshore (including almost 6300 at RMIT Vietnam), RMIT is a recognised global leader in international education.

RMIT's global standing was reflected in the 2014 QS World University Rankings:

- 32nd in the world for the international profile of academic staff
- 40th in the world for the international profile of student cohort
- 79th in the world for employer reputation
- Among the world's top 100 universities in Electrical Engineering, Mechanical Engineering, Accounting and Finance, and Computer Science and Information Systems
- Among the world's top 200 universities in Civil and Structural Engineering, Communication and Media Studies, Psychology, Education, Law, and Economics and Econometrics.

In the QS Top 50 Under 50 index for 2014, RMIT was ranked 32nd in the world among universities less than 50 years old.

RMIT also has a 5-Star ranking in the QS Stars international evaluation system for excellence in teaching, engagement, facilities, infrastructure and student employability.

RMIT's global reach includes:

- **Two campuses in Vietnam.** Since RMIT Vietnam was established in 2001 at the invitation of the Government of Vietnam, enrolments have grown to 6263 at campuses in Ho Chi Minh City and Hanoi.
- **European centre.** In 2013, RMIT opened a postgraduate research and industry collaboration centre in Barcelona, Spain.
- **Offshore partnership programs.** RMIT enrolls 10,825 students through 18 partners in Singapore, Indonesia, Hong Kong, mainland China, Sri Lanka, Vietnam, Belgium, Spain and Germany.
- **Onshore international students.** RMIT has 11,400 international students – 24 per cent of our Australian campus student population.
- **Student mobility.** RMIT places significant emphasis on providing opportunities to gain overseas industry and clinical experience. All students have the chance to participate in international experiences including

student exchange, study tours, industry placements, research programs, internships and volunteering, as well as inter-campus opportunities at RMIT's Melbourne and Vietnam campuses. More than 1500 Australian-based students took part in international mobility programs in 2014.

As well, RMIT enjoys research and industry partnerships on every continent, and recorded many highlights in 2014:

Indonesia

The first students to study through RMIT's partnership with Universitas Pelita Harapan in Indonesia graduated in September. The Diploma of Business students joined 3500 students who marked the end of their studies at RMIT graduation ceremonies in Kuala Lumpur, Singapore, Shanghai and Hong Kong.

Fiji

In a cross-Pacific first, RMIT has partnered with Fiji National University and the Water Authority of Fiji to launch a new training and research hub. The Centre for Water and Energy Engineering will promote research, development and innovation in much-needed resource areas, and will provide top level training to staff at the Water Authority and other institutions in the region.



Deputy Vice-Chancellor International Professor Andrew MacIntyre with one of RMIT's first graduates in Indonesia.



Pro Vice-Chancellor Science, Engineering and Health, Professor Peter Coloe, at the opening of the Centre for Water and Energy Engineering in Fiji.

International Centres at RMIT

- European Union Centre
- Australia APEC Study Centre
- Chinese Medicine Confucius Institute
- World Health Organization (WHO) Collaborating Centre for Traditional Medicine
- Global Compact Cities Programme
- Asia@RMIT

RMIT is also a research partner of UN Habitat Asia-Pacific.



APEC Business Advisory Council members John Denton, Mark Johnson and Anna Buduls brief Australian Prime Minister Tony Abbott.



The Future is Here exhibition charted the changing nature of manufacturing.

Image courtesy of Matthew Sleeth and Claire Oliver Gallery, New York.



Internationally renowned architect Alisa Andrasek's interactive installation *Bloom* was exhibited at RMIT's Design Hub in conjunction with the exhibition. Image courtesy of Alisa Andrasek and Jose Sanchez.

Asia-Pacific

- In 2014, the Department of Foreign Affairs and Trade appointed the Australian APEC Study Centre at RMIT as Secretariat for Australian members of the APEC Business Advisory Council (ABAC). ABAC provides a platform for business to provide input to APEC leaders on regional financial market integration, trade and investment liberalisation, infrastructure development and supply chain connectivity. The Centre's role as ABAC Secretariat puts RMIT in a leading position to support Australian efforts to promote regional economic integration.
- An innovative program supporting cultural immersion for Australian writers is expanding across the region after receiving \$225,000 in funding. The Copyright Agency Cultural Fund will continue to support RMIT's Writers Immersion and Cultural Exchange program until 2017, enabling 15 established, early career and emerging Australian writers to be awarded fellowships over the next three years. The announcement followed the fund's support of a highly successful writers exchange held in Malaysia and Singapore early in 2014.

China

- Research into the use of different metals in 3D printing will be the focus of a new centre, a collaboration between RMIT and Chongqing University of Arts and Sciences. The key research node will be based at RMIT's Centre for Additive Manufacturing. RMIT has invested \$25 million on the establishment of its Advanced Manufacturing Precinct, and the Centre is the latest innovation to be housed there. The Centre is expected to attract HDR students as well as Australian and Chinese industry partners.
- RMIT will work with China's Fengtai District Government to deliver teacher training in the region, which is home to 150 schools with more than 10,000 teachers and 100,000 students. RMIT English Worldwide will provide teachers with programs delivered in English that present the latest teaching methodologies to support them in their professional work. Under a further agreement, RMIT will deliver English teacher training to lecturers at Tongji University in Shanghai.
- In a study funded by the Australia-China Council, researchers from RMIT's Centre for Sustainable Organisations and Work and the School of Management explored the focus and methods of community engagement adopted by Chinese firms in Australia, and the benefits derived by local communities. The researchers interviewed managers of Chinese companies and government officials, as well as visiting remote regions of Australia, meeting with community leaders in mid-west WA and north-west Tasmania.

Myanmar

RMIT English Worldwide has established a new relationship with EduLink Australia to support the development of English language proficiency in Myanmar. The two organisations will work together to provide training for employees in the corporate sector and specialised English programs in the education sector of the developing country.

Europe

RMIT's European Union Centre will strengthen its activities until the end of 2017, following the signing of a new funding agreement with the EU. The agreement allows the Centre to build on its academic outreach and exchange activities developed since its establishment in 2010, and will fund a Comparative Regional Policy Research Project, which provides a foundation for further international research and linkages.

Germany

RMIT's GEElab (Games and Experimental Entertainment Laboratory) has expanded to Europe with a satellite laboratory based in Karlsruhe. In 2014, RMIT's research into the near future for games, entertainment and creative media industries was showcased at key European forums. They included *bizplay*, a two-day symposium in Karlsruhe, the key *Gamescomtrade* fair in Cologne, and the *Respawn: Gathering of Game Developers* conference.

Ireland

In a global work-integrated learning project, Public Relations students travelled to Ireland to present an integrated marketing communications plan to the Dundalk Tourism authority. The students worked in virtual teams with Kirkwood Community College (Iowa, USA) and Dundalk Institute of Technology throughout the semester to develop strategies for increasing international and domestic tourism into Ireland and the Dundalk region.

UK

RMIT's Design Hub hosted *The Future is Here*, a touring exhibition created by London's Design Museum. The exhibition charted the new industrial revolution, focusing on the shift in manufacturing that is changing how we produce, fund, distribute, buy and consume everything from cars to shoes. It included 14 design research projects, the majority from RMIT, which demonstrated the importance of speculation and prototyping to innovation and design within an international context.

In a breakthrough for micro-fluidics, RMIT researchers have developed the world's first liquid metal enabled pump, a revolutionary new micro-scale device with no mechanical parts. The unique design will enable micro-fluidics and lab-on-a-chip technology to realise their potential, with applications ranging from biomedicine to biofuels.

Inspired by nature's own anti-turbulence devices – feathers – researchers from RMIT's Unmanned Systems Research Team have developed an innovative system that mimics the way feathers help birds detect disturbances in the air and could spell the end of turbulence on flights (right). Flight testing on a micro plane showed the system significantly reduced the effects of turbulence and could result in longer life for aircraft.

RMIT has become a key academic partner in the UN's Global Land Tool Network (GLTN), aimed at reducing poverty. GLTN was developed by UN-Habitat as an alliance of global, regional and national partners contributing to poverty alleviation through land reform, improved land management and security of tenure. RMIT is one of only three partners in the southern hemisphere.

A new agreement between RMIT and the Global Compact Cities Programme will strengthen efforts to tackle the world's urban challenges, with RMIT committing \$5 million in funding until 2019.

Hosted by RMIT in Melbourne since 2008, the Cities Programme is the urban component of the UN Global Compact and is dedicated to the promotion and adoption by cities of the initiative's 10 principles on human rights, labour, environment and anti-corruption. Under the new agreement, the Cities Programme will aim to expand into the Asia-Pacific and double the number of signatory cities and states (currently 86).

In the lead up to the 2014 FIFA World Cup, RMIT researchers utilised the Aerodynamics Research Wind Tunnel at Bundoora campus to test the balls designed for Brazil's higher altitude stadiums. The research compared the aerodynamics of the balls used at the last four FIFA World Cups.

RMIT staff and alumni dominated the Augmented Australia exhibition selection for the 2014 Venice Architecture Biennale. Six out of the 11 architectural practices selected are directed by either staff, alumni or current PhD researchers from RMIT. As well, short films made by RMIT students and alumni screened at the Cannes and St Kilda film festivals.

ABC News Breakfast presenter Michael Rowland hosted a forum at RMIT to identify the challenges and opportunities facing global business. The event brought together finance, technology, energy, social enterprise and media experts to explore the theme *Designing Sustainable Business Models*.

For the first time, a team from Singapore Institute of Management (SIM) was among the 10 finalists in the \$100,000 RMIT Business Plan Competition. RMIT has delivered award programs in partnership with SIM for 27 years. As in 2013, the event was won by student entrepreneurs from RMIT Vietnam, and another Vietnam team took out second prize.

RMIT received a record \$501,600 for outbound mobility grants through the New Colombo Plan Mobility Program. This was up from \$88,000 in 2013, and placed RMIT among the most successful recipients in 2014. The funding covers five projects in China, India, Thailand and Vietnam to be delivered by mid-2016.



An image of the aircraft turbulence mitigation system being developed by RMIT researchers.



The Brazuca ball being tested in RMIT's wind tunnel.



Business Plan Competition winners Vu Pham Ngoc Ha, Nguyen Thanh Tu and Nguyen Thuc Hien with Professor Ian Palmer, RMIT Pro Vice-Chancellor Business.

RMIT Europe

In 2013, RMIT opened a postgraduate education, research and industry collaboration centre in Barcelona. Since that time, there has been significant progress in research, postgraduate programs, events in Europe and new projects.

A number of strategic projects are underway, notably:

- Barcelona KEY (Knowledge Economy Yard), an economic and knowledge cluster which fosters international investment projects in Barcelona and Catalonia, of which RMIT is the leading participating university
- research with UN Habitat
- development of research and PhD programs with Volvo Group and Siemens
- planned research and developing relations with Mistra Urban Futures
- a strategic relationship with Tecnalia in the Basque region of Spain, including research bidding, exchange of research staff and involvement in European innovation networks

There are also new strategic partnerships developing with universities across Europe, including:

- University of Barcelona, Universitat Ramon Llull (which includes ESADE) and Aalto University, Helsinki
- industry organisations including SEAT, Solvay, BMW, Volkswagen, Airbus, British Aerospace, Novartis, Audi, Google, Future Cities Catapult, European architecture practices and fashion companies
- European cities including Barcelona, Stockholm, London, Gothenburg and Bristol



Graduation celebrations at the Saigon South campus.

RMIT Vietnam



RMIT Vice-Chancellor Professor Gill Palmer watches as Vietnam's Ambassador to Australia, Thanh Nghi Luong, signs the visitors book.



Professor David Beanland AO and his wife Heather, the then RMIT Vice-Chancellor, Professor Margaret Gardner AO and RMIT Vietnam President Professor Gael McDonald.



South Saigon campus.

RMIT Vietnam is the centrepiece of RMIT's global reach, with campuses in both Ho Chi Minh City and Hanoi catering for 6300 students in higher education and English language programs. In 2014, more than 1800 students graduated in ceremonies at the two campuses.

RMIT's strong links with Vietnam were reinforced in 2014 during a visit from Vietnam's Ambassador to Australia, Thanh Nghi Luong. Mr Luong visited the University as part of his first official visit to Victoria, and was briefed on plans to build on RMIT's strong growth and ongoing success in Vietnam. Plans include expanded program offerings at the South Saigon campus which will bring RMIT in line with Vietnam's growing educational development needs.

Academic Building 2, which doubled the teaching space at the Saigon South campus when it opened in 2013, has been named a winner in the Vietnam Ministry of Construction's Quality Construction Awards.

The prestigious biannual awards program assesses buildings against criteria such as sustainability, quality assurance, safe construction practices, fire protection and new technology. The building meets Australian five-star "green building" standards and was designed by Australian architectural firm Pentago Spowers International.

The building previously known as Academic Building 1 was named in 2014 after a former RMIT Vice-Chancellor and director of RMIT Vietnam, Emeritus Professor David Beanland AO. The Beanland Building at the South Saigon campus recognises Professor Beanland's significant role as a founder and driver in the establishment RMIT Vietnam.

RMIT and KPMG Limited have come together to support good governance through an innovative new centre in the heart of Ho Chi Minh City. The KPMG-RMIT Centre of Governance will develop and disseminate industry-focused research, encouraging discussion at networking events and harnessing the knowledge of University students and academics.

The Centre will offer support and expertise to the business community including government and regulatory agencies, professional bodies, industry leaders and academics.

The 19th International Symposium on Logistics held at RMIT Vietnam provided a forum for discussion between leading academics, researchers and practitioners specialising in logistics and supply chain management. It was organised by Nottingham University's Centre for Concurrent Enterprise, Cardiff Business School, the University of Hull and RMIT.

Also in 2014, Media and Communication students from Vietnam and Melbourne collaborated on a communication project at the Saigon South campus through an innovative cross-campus elective. The study tour was part of the 12-week Interdisciplinary Communication Project, which encourages intercultural awareness and industry engagement through the design and execution of communication campaigns.

A new global mobility model was trialled in 2014, which will see RMIT Vietnam included in all of RMIT's exchange partnerships. It will provide students from partner universities with a unique opportunity to study at our Vietnam campuses, and will allow students from RMIT Vietnam access to a network of more than 150 partners in 40 countries.

Urban

RMIT aims to be urban in orientation and creativity, shaping sustainable cities and drawing inspiration from the challenges and opportunities they provide.

The University's built infrastructure embodies its strategic vision, representing the future of urban campus excellence. Work is continuing on delivering the University's Capital Development Program to provide a built environment that supports students and staff in delivering excellent learning and teaching, enabling innovative research outcomes and providing an enhanced student experience.

During the year, RMIT announced plans to transform the heart of its campus in central Melbourne, making the City campus an even better place to study, collaborate and work. The New Academic Street project will refurbish four 1970s buildings along Swanston Street, opening them to the streetscape and creating interconnected learning spaces, outdoor terraces, laneways and light wells. The Swanston Library, which attracts 9600 students a day, will undergo a major upgrade.

In 2014, a \$1.2 million temporary urban landscaping project, A'Beckett Urban Square, opened to students, staff and the general community. The space has brought a new lease of life to the City campus, providing multi-use sporting courts, landscaping features, BBQ facilities, table tennis, WiFi, bike parking and a specially commissioned large-scale artwork. The Peter Elliott Architects-designed urban pop-up will temporarily occupy the 2800 square metre site, which is flagged for future development by RMIT.

The Swanston Academic Building continues to receive industry recognition. In 2014, it was named Best Public Building by the Property Council of Australia in its prestigious Innovation and Excellence Awards. The project was also a finalist for Best Sustainable Development and represented Victoria in the National Development of the Year category.

At the 2014 Victoria Engineering Excellence Awards, RMIT – together with engineers AECOM and the Bonacci Group – was presented with the Engineering Excellence Award in the Building and Structures category. The Swanston Academic Building was recognised for its technical complexity and elegant design features, with a particular focus on environmental design and smart automation features.

RMIT continued to support a range of learning, teaching and research initiatives in the area of innovation, urban development and sustainability.

A major achievement in 2014 was the launch of a new research facility which will drive cutting-edge advances in micro and nano technologies. The first of its kind in Australia, the MicroNano Research Facility enables undergraduate and postgraduate engineering students to study clean room operations and microfabrication. RMIT researchers are at the forefront of ground-breaking micro nano advances, including bendable electronics and clothing that can potentially incorporate smart devices.

The facility brings to Australia the world's first rapid 3D nanoscale printer, capable of producing thousands of structures – each a fraction of the width of a human hair – in seconds. It will support projects that encompass the traditional disciplines of physics, chemistry, engineering, biology and medicine. The facility designed by SK Jacobs was a major refurbishment of the 31-year-old Microelectronics and Materials Technology Centre.

RMIT has also launched a new centre focusing on critical urban issues. The Centre for Urban Research will provide a home for interdisciplinary and policy-orientated research, with a strong capacity for collaboration with industry and government to help shape sustainable cities and draw inspiration from the opportunities they provide. It builds on the excellent reputation of the Australian Housing and Urban Research Institute at RMIT, established in 1999, which now sits within the new centre.

RMIT has invested in a state-of-the-art laboratory that will allow researchers to work with the aviation industry to develop and test a wide range of new technologies. The custom-designed simulation laboratory, developed in conjunction with SimRoom, will support research into communication, navigation, surveillance and avionics systems for manned and unmanned aircraft, as well as decision-support tools and human machine interfaces for air traffic controllers.

The \$200,000 laboratory, at the Sir Lawrence Wackett Aerospace Centre in Bundoora, also features sophisticated eye and head tracking equipment that will allow researchers to study human performance in the monitoring and control of aircraft.



RMIT A'Beckett Urban Square has made use of a vacant block behind the Swanston Academic Building.



The \$30 million MicroNano Research Facility.



Former Education Minister Bronwyn Pike and Professor Robin Goodman launch the Centre for Urban Research.



RMIT's media and art facilities were boosted in a \$2 million revamp.

Photo: Duta Perdana Mirzani Alamsyah, RMIT photography student.



A major exhibition at RMIT supported architectural collaboration between Melbourne and Seoul.

Another major project has transformed facilities for students in journalism, AV, music, communication and art. The refurbishment was the final phase of a five-year project that transformed Building 9 into a dedicated facility, enhancing RMIT's renowned practice and project-based teaching.

The project will boost the development of students' real-world skills. New spaces include a nine-bay photography studio and a live collaborative venue in the Radio Theatre, which boasts a moving stage, fully-equipped bio-box, lighting truss and acoustically-treated suspended ceiling.

A new student massage and myotherapy clinic opened in 2014 offering treatments to RMIT staff, students and the general public. The clinics are training facilities for RMIT students under the supervision of qualified practitioners.

Also in 2014, RMIT convened two high-level policy events on urban infrastructure and public-private partnerships in the Asia-Pacific. More than 90 regional experts and senior officials from across the region attended a forum and a training program run by the Australian APEC Study Centre. Both programs were part of a capacity-building program funded by the Federal Government under its Government Partnerships for Development Facility.

RMIT's Design Hub hosted a major exhibition and symposium on architectural urbanism and the sustainable future of cities in the Asia-Pacific. *Architectural Urbanism: Seoul/Melbourne* was the second stage of a cross-cultural exhibition of award-winning architects from South Korea and Australia, the first stage having taken place in Seoul in 2013.

RMIT students collaborated on a street art project to raise the issue of constitutional recognition for indigenous Australians. Final-year Public Relations students worked with the *Recognise This* campaign to develop a communication strategy to inform young people about the importance of amending the constitution.

Excellence in Research



Dr Amgad Rezk with the lithium niobate chip used in breakthrough research to develop precise, fast and unconventional micro and nano fabrication.

RMIT was pleased to receive ARC Discovery project funding, Indigenous Scheme grants and Early Career Researcher awards totalling \$6.37 million. The grants include projects to improve the management of urban forests, develop 3D printing of titanium alloys for biomedical and aerospace applications, and analyse local climate change adaptation approaches.

A new facility for advanced optical and chemical spectroscopy of thin films, materials and devices will be established through a \$410,000 Linkage, Infrastructure, Equipment and Facilities grant.

The University was also awarded \$2.36 million in ARC Linkage grants. Eight projects received funding, from research to fight dangerous infections in hospitals to the development of 3D-printed titanium implants for hip and knee joint replacements and finding innovative approaches for ending long-term homelessness.

RMIT's NanoBiotechnology Research Laboratory is working with nanoparticles of different sizes, shapes, compositions and surface coatings to test their ability to destroy bacteria. Research to better understand silver resistance in bacteria received \$880,000 through an ARC Future Fellowship.

The Laboratory has also collaborated with CSIRO scientists to develop an antibacterial fabric that can kill a range of infectious bacteria, such as some strains of *E.coli*, within 10 minutes. The discovery could significantly reduce the risk of deadly hospital-acquired infections and revolutionise the way the medical industry deals with infection control.

In research that was supported by an ARC Discovery grant, RMIT's Functional Materials and Microsystems Research Group has brought ultra-fast nanoscale data storage within reach, using technology that mimics the human brain. The researchers have collaborated with the University of California to build a novel nano-structure that offers a platform for the development of stable and reliable nanoscale memory devices.

Two RMIT researchers – Dr Shiva Balendhran and Dr Amgad Rezk – received prestigious Churchill Fellowships to further their work in micro and nano technologies. Dr Rezk was part of a research team that achieved a breakthrough discovery in 2014, harnessing the power of sound waves to enable precision micro and nano manufacturing.

The University has enhanced its research activities through a range of scholarships and fellowships. A Vice-Chancellor's PhD Scholarship scheme was introduced in 2014 to support high calibre HDR candidates. In addition to a generous stipend, the scheme offers additional support for research activities and a publications award payable on thesis submission. The 10 PhD Scholarships are in addition to an expanded offering of RMIT higher degree by research scholarships for the 2015 intake.

Connected

RMIT aims to be connected through active partnerships with professions, industries and organisations to support the quality, reach and impact of our education and research.

RMIT is proud of the strong industry links it has forged over its 127-year history. Collaboration is integral to the University's leadership in applied research and education, and to the development of highly skilled, globally focused graduates.

The University is focused nationally and globally across six broad sectors in which we have extensive expertise:

- Aerospace and Aviation
- Automotive, Transport and Logistics
- Built Environment, Construction and Infrastructure
- Energy and Resources
- Health and Community Services
- Media and Communications

For each of these sectors, RMIT exhibits excellence in teaching, research and consultancy, and maintains strategic partnerships with key industry players, both locally and abroad.

Throughout 2014, RMIT continued to build on its engagement strategy and recorded many achievements.

- A new \$1.25 million NanoBioSensing Facility will support the development of cheap, ultra-precise and easy-to-use nano devices for the rapid diagnosis and detection of health hazards. Research projects will include a nano-device that cuts diagnosis time of meningococcal from hours to minutes, an inexpensive tool for diagnosing malaria in developing countries, and devices for early-stage diagnosis of cancer and cardio-vascular diseases.
- The RMIT Health Sciences Research Hub was launched in 2014 to support multidisciplinary research into treatments for chronic diseases. The state-of-the-art facilities enable laboratory-based and clinical research in areas such as pharmacology; diabetes and obesity; respiratory, skin and sleep disorders; chronic pain and musculoskeletal disorders; and public health and health services.
- A new lab aims to provide a boost to the emerging data economy for Australian business. The \$1.5 million NICTA RMIT Data Analytics Lab will foster a new generation of researchers as experts in big data and data analytics, and will promote collaborations with other research centres and industry partners, nationally and internationally, to enable local businesses to compete on a global scale.
- RMIT's new Centre for Environmental Sustainability and Remediation is working with industries and research entities world-wide to address the sustainability of local and international communities. The team of world-renowned researchers includes environmental scientists, engineers and social scientists who work collaboratively to minimise the impact of land, water and air pollution.
- RMIT is one of the key participants in the new Australian Cooperative Research Centre for Space Environment Management, based at Mount Stromlo in the ACT. International and Australian space researchers and companies will work together to determine ways to monitor and potentially move space debris that put satellites at risk. Enabled by a \$20 million grant from the Federal Government's Department of Industry, the CRC creates a high-tech consortium including some of the world's leading space agencies. Researchers will be joined by experts from Optus, EOS Space Systems, NASA's Ames Research Centre, Lockheed Martin, and Japan's National Institute of Information and Communications Technology.
- RMIT is a core partner in the ARC's new \$38 million Centre of Excellence for Nanoscale BioPhotonics, which will develop novel techniques for studying individual cells within biological systems. Over a seven-year funding period, the Centre will bring together researchers from RMIT, Macquarie University and the University of Adelaide, in collaboration with key international, national and industry partners, to address the challenges of probing biological molecular processes on the nanometer scale.
- RMIT researchers will lead two major projects in the newly-opened ARC Research Hub for Australian Steel Manufacturing, which will focus on developing breakthrough process and product innovations to solve complex challenges confronting the steel industry.
- SportzEdge researchers received \$62,500 through the Victorian Government's Technology Voucher Program to work with industry in the development of an interactive system that quantifies fitness and links exercise with gaming. "Versus" uses 3D cameras, motion sensors and TV monitors to track a range of exercises through cost-effective, yet accurate, sensors embedded in the gym floor.



Associate Professor Vipul Bansal, Director of the new NanoBioSensing Facility at RMIT, which is being established with the support of a \$500,000 Ian Potter Foundation 50th Anniversary Commemorative Grant.



Entrepreneur Brad Bond with gym users training with the Versus system, being developed by RMIT's SportzEdge research program.



Metro CEO, Andrew Lezala, and the then RMIT Vice-Chancellor, Professor Margaret Gardner AO, at the signing of an agreement aimed at improving Melbourne's suburban railway.



Artists Eric Moora, Larry Gundora and Jimmy Tchooga, Chair of Warlayirti Artists, at RMIT Gallery.



Dr Ysuf Omar, poet, researcher and peace activist, being interviewed for a Somali community project.



RMIT graduate Radek Rozkiewicz was named Green Innovator for the *IN Season* kitchen.

- Meeting Melbourne's future railway needs is the focus of a \$1 million collaboration between RMIT and Metro Trains Melbourne. Metro will provide sponsorship for a Chair in Asset Management of Railway Infrastructure at RMIT, who will lead research into the remaining safe life of ageing railway infrastructure. RMIT will provide support for the research which will bring together different elements of the University's civil, environmental, mechanical and manufacturing engineering expertise.
 - RMIT is the lead agency in collaborative research which will receive \$1.6 million in funding from the Department of Defence's Capability Technology Demonstrator program. The research is developing a silent portable power supply based on a hydrogen fuel cell for defence units in the field.
 - Three RMIT projects to find new ways to make maths more engaging for high school students received research funding totalling \$1.47 million from the Australian Maths and Science Partnership Program.
 - RMIT has celebrated 10 years of success in its collaboration with the Plumbing Trades Employees Union to provide plumbing apprenticeships for young people from Aboriginal communities across Australia. Under the specialised program, the PTEU funds indigenous apprentices to stay in Melbourne and complete their studies at RMIT. Since the program's inception, the PTEU has found employment for 80 per cent of RMIT's indigenous apprentice graduates.
- In 2014, Plumbing teacher Wayne Ellerton from RMIT's School of Vocational Engineering won a prestigious Wurreker Award in recognition of his contribution to indigenous education over the past seven years.
- A partnership with Banyule City Council has provided students with hands-on experience in environmental preservation. Through the program, Conservation and Land Management students undertake regular field trips to Melbourne's north-east to explore natural bushland and undertake restoration projects for rare or threatened species. The importance of engagement with community members and local conservation groups is stressed.
 - Two exhibitions at RMIT Gallery explored indigenous art of remote Western Australia, attracting capacity audiences. Stories of Christianity entwined with the mission history of Balgo from Warlayirti Artists provided a contrast to the Gija narrative of Dreaming Moon man from the neighbouring Warmun Art Centre in the Tanami desert.
 - A collaboration between RMIT and the State Library of Victoria captured the family stories of the Somali community in Melbourne. The project was designed to preserve traditional Somali culture, which has a very strong oral focus that is slowly disappearing as younger generations become more attuned to written and visual media.
- The Centre for Design and Society partnered with Burbank Homes in 2014 to build a sustainable home that diverted 99 per cent of its waste away from landfill. Researchers from RMIT and the Housing Industry Association worked to identify, implement and assess design and waste avoidance strategies for the everyday construction, in a project funded through Sustainability Victoria's Beyond Waste Fund.
 - For four years, RMIT has engaged with the Sustainable Living Festival to offer the Green Innovators Competition, which provides a vehicle for students and graduates to present their ideas for a sustainable future. Industrial design graduate Radek Rozkiewicz was named 2014 Green Innovator of the Year with an innovative reimagining of his own socially-responsible kitchen that works without plumbing or power.
 - RMIT has been awarded a 5-star rating by the Graduate Management Association of Australia for its MBA (Executive), one of only two such programs to receive the top rating in 2014. The annual star rating is recognised across the nation as a rigorous quality assessment of the top Australian business schools.
 - Through a partnership with the Transport Accident Commission, RMIT received a grant to investigate the development and application of assistive technology to help those with reduced abilities improve their quality of life and reduce their dependence on others. Researchers have developed a guidebook to help practitioners develop technologies for robotic wheelchairs and prostheses.
 - A handbook authored by RMIT experts in sports technology and engineering was launched at the Design Hub together with the Australian Sports Technology Network and industry partners. The book is the first to offer a comprehensive review of contemporary sports technology and engineering, and of academic, professional and industrial knowledge and techniques.
 - RMIT confirmed its position as an industry leader with outstanding results at the Fringe Furniture Festival. The open-access program, held in conjunction with Melbourne Fringe, unites local emerging and established designers over inspiring furniture, lighting and interior object design. In 2014, all five award winners, selected from more than 90 works, emanated from the RMIT industrial and furniture design community.
 - RMIT fashion alumni led the field in the National Graduate Showcase at the Virgin Australia Melbourne Fashion Festival, with seven of the 12 featured in the event coming from Bachelor of Design (Fashion).
 - Visual Merchandising students designed and installed a series of window displays to help Country Road celebrate its 40th birthday, in the latest outcome of the seven-year engagement between RMIT and the iconic retailer.

Students and Staff

Equity

RMIT offers more than 2000 scholarships to students, enabling those from diverse and disadvantaged backgrounds to fulfil their potential. However, every year there are significantly more eligible students applying than scholarships available.

In 2014, the University announced it will match donations to a new RMIT Scholarship Philanthropy Fund up to \$10 million. The fund aims to dramatically increase the number of scholarships available for undergraduate and postgraduate students. The matched funding means that donors who give to scholarships will effectively double the impact of their donation, with 100 per cent of the funds raised going directly to students.

Donations to the new fund will be awarded as scholarships to disadvantaged and high achieving undergraduate and postgraduate students.

Developing collaborative partnerships with industry organisations also enables the University to support its students in their learning. RMIT's relationship with iconic French design and retail company Daniel Hechter has led to the introduction of an annual scholarship in the Fashion Design and Technology program.

Student Experience

RMIT Link offered students a wide range of sporting and cultural activities and events both on campus and externally.

A new Campus Store opened early in the year at the City and Bundoora campuses, with retail spaces offering textbooks and branded merchandise. An indoor garden featuring landscaping and comfortable seating was added at the City campus with the support of Greening RMIT, a student-run project which aims to create more green spaces and urban gardens.

Careers and Employment

In 2014 RMIT launched its pioneering Jobs on Campus program to encourage and assist the employment of students within the University. Eighty students were employed through the program in its first year of operation.

The Global Careers and Employment Service worked with 750 graduating students through its Careers Health Check program. Mentoring programs were expanded to include RMIT Vietnam and Singapore Institute of Management as well as the Melbourne campuses, with 376 students linked with the business world.

Also during 2014, a work-integrated learning system, InPlace, was implemented to support all University schools and centres in sourcing and managing professional placement activities and delivering improved student experiences. The system is making it easier for employers and industry to deal with RMIT in providing work placement opportunities.

Learning and Teaching

Global Learning by Design commenced this year with the aim of transforming RMIT courseware through innovative design and flexible delivery. As part of this three-year project, new and revised programs will be developed for multi-channel and multi-location delivery. Innovative curriculum design models and technology-enabled work-integrated learning experiences have been introduced, resulting in a wide range of options for all teaching staff.

A major three-year project funded through the Federal Government's Higher Education Participation and Partnerships Program was completed in 2014. The Inclusive Teaching and Assessment Practices project developed six Principles for Inclusive Teaching and developed strategies, examples and resources for staff to incorporate into their own teaching. An Inclusive Conversation Series of professional development activities was attended by 1800 academic staff members, and an inclusive teaching pattern was developed as part of the Global Learning by Design project.

The University-wide project, Learning and Teaching for Sustainability (LTfS), continued to support curriculum development and renewal, professional development, learning and teaching recognition and course sustainability. The project produced a toolkit providing templates for program mapping and curriculum development, and a new professional development series, Sustainability: Enabling Graduates, was introduced. RMIT funding enabled two LTfS teaching fellowships and a new research project to be introduced.

RMIT continues to support the learning and teaching function by introducing and strengthening ongoing professional development programs. To support good teaching practices, peer review was introduced as a structured process to provide evidence for academic promotion and internal teaching awards.

Health, Safety and Wellbeing

In a major strategic health initiative for the University, all three Australian campuses went smoke-free from Saturday 31 May, World No Tobacco Day. The move has been widely welcomed by staff and students. The message was promoted across the University community through a campaign "RMIT quits ... why don't you?" and a Breathe Easy competition. Staff were offered quit-smoking information sessions and workshops, and students can access tips on quitting smoking via the RMIT website.

In December, the Victorian University Tobacco-Free Working Group comprising nine universities including RMIT received a Victorian Health Promotion Foundation Award for the initiative to prevent tobacco use on campus.



RMIT's Melbourne campuses have gone smoke-free.



The RMIT Redbacks team of 230 students competed at the Australian University Games, winning 12 gold medals and attaining seventh place overall.



RMIT lecturer Nevil Schultz with students Sam and Bree who helped create a "Noah's Ark" for threatened species in Banyule's 380 hectares of natural bushland.

RMIT's health and safety team continued to align with the University's strategic direction, including support for significant capital works programs. 2014 saw increased focus on risk management with particular emphasis on chemical, radiation and noise management, as well as a continued focus on injury management through effective delivery of programs and activities.

There was a significant reduction in the workers' compensation premium as a result of an above industry average performance, and continued success of the University's early intervention program. Work is continuing on enhancement of the OHS management system.

Appreciation awards again acknowledged safety initiatives throughout the University and the dedication of the 1000 volunteers who act as emergency wardens, first aiders and health and safety representatives.

Staff Satisfaction

Following completion of an all-staff survey in 2013, action plans were developed to address the areas identified for improvement which included cross-unit cooperation, workload, entrepreneurship, career opportunities and processes. Progress is being tracked in advance of a further survey to be conducted in 2015.

Leadership Capability

The University's commitment to developing leadership capabilities continued throughout 2014. A 360-degree feedback tool was introduced to 300 senior leaders in 2014 to support interpersonal leadership effectiveness and the development of individual capability plans.

A total of 341 staff members and senior managers from across the organisation took part in new People Management Essentials workshops.

As well, the University launched People Change Management workshops to strengthen its leaders' capacity to managing change. These saw participation from 189 managers, who were given tools to implement a successful and sustainable change program.

Employment and Conduct Principles

RMIT has a comprehensive suite of policies and procedures to ensure that staff adhere to all legislative and regulatory requirements. Data is regularly captured and monitored on staff recruitment, performance and compliance matters. More information is available on the RMIT website at: <http://www1.rmit.edu.au/policies>

Employment Statistics – Melbourne

Staff type	Total FTE*		Female FTE*		% Female	
	2013	2014	2013	2014	2013	2014
Academic (HE)	1,624	1,742	647	694	40	40
Teaching (VET)	606	629	288	307	48	49
Professional	2,194	2,306	1,366	1,431	62	62
Executive	95	95	32	30	34	32
Total	4,519	4,772	2,333	2,462	52	52

New Staff Recruitments	Female	%	Male	%	Total
Academic (HE)	83	39.9	125	60.1	208
Teaching (VET)	12	33.3	24	66.7	36
Professional	221	60.5	144	39.5	365
Executive	1	12.5	7	87.5	8
Total	317	51.4	300	48.6	617

Data as at 31 December 2014

Employment Statistics – Vietnam

Staff type	Total FTE*		Female FTE*		% Female	
	2013	2014	2013	2014	2013	2014
Academic (HE)	179	167	66	61	37	37
English language programs	122	106	43	35	35	33
Professional	327	367	214	245	65	67
President's office	7	14	2	5	29	36
Total	635	654	325	346	51	53

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

Occupational Health and Safety

	2012	2013	2014
Lost time injury frequency rate	3.37	2.86	1.81
<i>Change to previous year</i>	+51%	-15%	-37%
WorkCover claims submitted	49	38	32
<i>Change to previous year</i>	+20%	-22%	-16%
OHS incident reports	364	413	426
<i>Change to previous year</i>	+9%	+13%	+3%
WorkSafe notifiable incidents	11	6	13
<i>Change to previous year</i>	-21%	-45%	+117%
WorkSafe improvement notices	0	3	0

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 are as follows:

Respecting others	When working with others, staff are expected to treat students, other staff and members of the community with respect for their rights and obligations.
Behaving professionally	Staff are expected to carry out their work duties in a professional and conscientious manner at all times.
Avoiding conflict of interest	Staff must take reasonable steps to avoid any actual or potential conflict of interest and act in the best interests of the University.
Using University resources	Staff are expected to use all University facilities, equipment and processes efficiently, carefully and in a proper manner.
Recognising intellectual freedom	Staff have a general right to intellectual freedom of enquiry and expression. This applies to areas of intellectual life over which the academic can demonstrate that they possess a level of expertise.

Student Diversity

	2010	2011	2012	2013	2014 ¹
All Students %					
Higher Education					
Female	50	50	49	49	48
Male	50	50	51	51	52
International	52	51	49	47	45
Domestic	48	49	51	53	55
Vocational Education					
Female	48	46	45	44	43
Male	52	54	55	56	57
International	8	6	5	5	5
Domestic	92	94	95	95	95
Age Group %					
Higher Education					
Young people 15-19	10	10	12	10	11
Aged 20-24	55	57	57	57	59
Mature age 25-44	32	30	28	30	27
Mature age 45+	3	3	3	3	3
Vocational Education					
Young people 15-19	26	30	31	31	29
Aged 20-24	32	32	32	31	33
Mature age 25-44	33	30	29	30	30
Mature age 45+	9	9	9	8	8
Equity (Domestic) %					
Higher Education (Undergraduate only)					
School leavers	48	44	44	47	40
VE student admissions to HE	21	20	18	18	20
Overseas born	20	20	20	20	21
Non-English speaking background	5	5	5	6	6
Rural/remote	11	11	11	8	9
Low socio-economic status (postcode)	15	15	16	16	16
Aboriginal and Torres Strait Islanders	0.4	0.4	0.5	0.4	0.4
Vocational Education					
School leavers	15	17	15	14	15
Overseas born	25	25	25	26	26
Non-English speaking background	9	9	10	10	10
Rural/remote	13	12	13	12	11
Low socio-economic status (postcode)	17	16	18	19	19
Aboriginal and Torres Strait Islanders	1.1	1.2	1.2	1.1	1.3

	2010	2011	2012	2013	2014 ¹
HE and VE Broad Field of Education (Load in EFTSL/EFTS)²					
Natural and Physical Sciences	2,201	3,363	3,593	3,996	4,119
Information Technology	3,440	4,141	3,911	3,863	3,912
Engineering and related technologies	7,541	6,656	7,035	7,021	7,055
Architecture and Building	3,536	3,245	3,307	3,244	3,589
Agriculture, Environment and related studies	365	333	355	390	403
Health	3,507	3,182	3,322	2,991	3,073
Education	1,482	1,282	1,285	1,434	1,447
Management and Commerce	17,800	13,948	13,621	15,048	14,744
Society and Culture	3,587	7,945	8,264	8,469	8,722
Creative Arts	5,968	6,572	6,815	6,881	7,074
Mixed field programs	1,006	811	859	630	498
Total	50,432	51,478	52,367	53,967	54,636
HE and VE Attendance Type/Mode					
Full Time	45,646	47,210	48,674	50,928	52,892
Internal	42,427	43,410	44,197	46,489	47,955
Multi-modal ³	3,219	3,800	4,477	4,439	4,937
Part Time	25,596	25,022	23,757	22,781	21,264
Internal	25,077	24,441	23,087	22,059	20,544
Multi-modal ³	519	581	670	722	720
Distance/fully online	2,662	2,613	2,228	1,804	1,233
Open Universities Australia (OUA)	5,821	7,277	6,914	6,090	5,393
Foundation Studies (FS)	808	723	606	626	788
Total (HE, VE, OUA and FS)	80,533	82,845	82,179	82,229	81,570

¹ 2014 data is provisional as at February 2015. Final data available April 2015. Figures are based on student enrolments and exclude OUA and Foundation Studies unless specified.

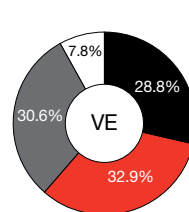
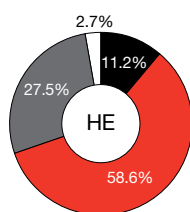
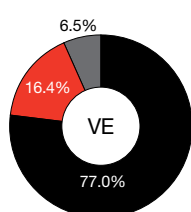
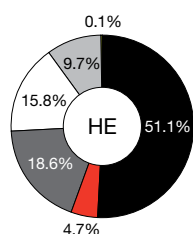
² VE EFTSL converted using Student Contact Hours/720

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

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

Student fee type	HE	VET
Government-funded	51.1	77.0
Australian fee-paying	4.7	16.4
International Onshore	18.6	6.5
International Offshore	15.8	0.0
Vietnam	9.7	0.0
Indonesia	0.1	0.0

Age group	HE % headcount	VE % headcount
Young people 15-19	11.2	28.8
Aged 20-24	58.6	32.9
Mature age 25-44	27.5	30.6
Mature age 45+	2.7	7.8



Sustainability and Resource Usage

RMIT is committed to incorporating sustainability principles and practices into learning and teaching, research and operational activities.

During the year, the University launched a \$98 million Sustainable Urban Precincts Program across all the Melbourne campuses which will reduce electricity use over eight years by an estimated 239 million kilowatt hours, leading to a 30,000-tonne reduction in greenhouse gas emissions. Water use will be cut by an estimated 68 million litres. RMIT has worked with Siemens and Honeywell over the past two years to identify opportunities for energy and water savings in 90 buildings in the City, Bundoora and Brunswick campuses.

As well as contributing to global sustainability objectives, the program provides an interactive learning and teaching platform as it will be integrated into education and research so that students and staff can contribute to the process and learn from it.

Also in 2014, RMIT won three accolades including a prestigious international prize at the annual Green Gown sustainability awards

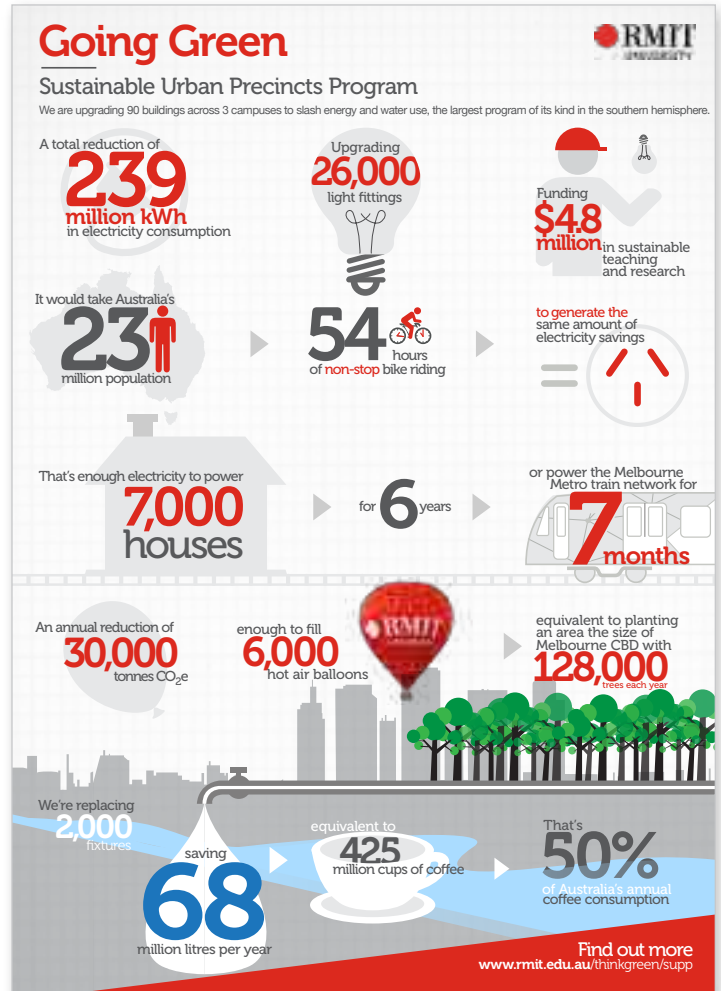


managed by Australasian Campuses Towards Sustainability. RMIT received the *International Green Gown Award for Continuous Improvement – Institutional Change*, for adopting a holistic approach

to sustainability; the *Institutional Award of Excellence*; and the *Australasian Continuous Improvement Award*.

A “living laboratory” project funded by the RMIT Sustainability Committee was highly commended in the *Skills for Sustainability Award*. The project involved landscape architecture students in designing, developing and evaluating green roofs and planting master plans for the City campus as a way of demonstrating best practice sustainable design for the City of Melbourne.

Since 2008, RMIT has committed to a target in partnership with the Australian Technology Network of Universities to reduce greenhouse gas emissions by 25 per cent by 2020, compared to 2007 as the base. To date, RMIT has met all interim targets and is on track to achieve the overall target by 2020.



RMIT's new urban sustainability plan is the largest of its kind in the southern hemisphere.

Resource Usage	2007	2008	2009	2010	2011	2012	2013	2014
Annual energy consumption per floor area (GJ/GFA*)	0.767	0.758	0.732	0.788	0.798	0.767	0.759	0.749
Water consumption per EFTSL (kl)	5.7	5.5	5.1	4.9	4.7	4.9	5.1	5.8
Greenhouse gas emissions (t CO ₂ -e)	79,124	70,548	61,414	63,890	64,608	65,053	65,192	64,402
GreenPower consumption (MWh)	1,072	8,648	11,329	11,953	11,852	11,925	12,545	12,159

*GFA: Gross Floor Area.

	2014
Reduction in emissions from 2007 baseline	19%
Reduction in energy per floor area from 2007 baseline	2%

Governance

RMIT University is governed by a Council that in 2014 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

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 business 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 members of Council hold shares as nominees or beneficially in any statutory authority or subsidiary related to the University. Members of Council do not hold shares in RMIT (no shares are distributed by RMIT) or in related companies. 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 2014. Declarations received from Council members have indicated no conflict of interest or pecuniary interests other than remuneration disclosed in the financial statements.

RMIT 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. Arrangements are currently being made for review. As well as its regular meetings, Council had two strategic discussions in 2014, the first focusing on the impacts of regulatory change and the second on strategic priorities.



L to R: Dr Stephen Duckett, Professor David Hayward, Ms Rhonda O'Donnell, Mr Brett Paton, Ms Rosemary Lever, Mr Gary Hogan AM, Dr Ziggy Switkowski AO, Professor Gill Palmer, Professor Julianne Reid, Mr Bruce Akhurst, Ms Janet Latchford, Mr James Michelmore, Ms Amanda Way (Deputy University Secretary).

The Nomination and Remuneration 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.

Most controlled entities reviewed their statements of governance principles and reported on changes to the skills, experience and qualifications of directors, and on their frameworks for risk management and internal audit.

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

Council Members in 2014

Mr Bruce Akurst

Appointed by RMIT Council, member since 1 August 2013.

Most recent appointment: 1 August 2013.

BEd(Hons) (Monash), LLB.

Other directorships: State Library of Victoria, Adstream Holdings Pty Ltd (Chair), Paul Ramsay Holdings Pty Ltd.

Dr 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, FAICD.

Other directorships: Northern Melbourne Medicare Local, SA Health Performance Council.

Professor Margaret Gardner AO

Vice-Chancellor and President (ex-officio), member from 4 April 2005 to 1 September 2014.

Most recent appointment: 4 April 2005.

BEcon(Hons), PhD (Syd), DUniv (Griffith), FAIM, GAICD.

Other directorships: Museums Board of Victoria (President), Office for Learning and Teaching's Strategic Advisory Committee (Chair), Open Universities Australia, Fulbright Commission Advisory Board.

Professor David Hayward

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

Most recent appointment: 11 February 2014.

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

Mr Gary Hogan AM, CSC

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

Most recent appointment: 13 October 2014.

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

Ms Janet Latchford

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

Most recent appointment: 1 January 2013.

Deputy Chancellor since 8 September 2014.

BCom (Melb), FCPA, GAICD.

Other directorships: Epworth Healthcare (President), Epworth Research Institute (Chair), RCD Fund.

Ms Rosemary Lever

Appointed by Governor in Council, member since 1 January 2005.

Most recent appointment: 1 January 2012.

Deputy Chancellor from 29 August 2011 to 31 December 2014.

DipSocStudies, BSocWork(Hons) (Melb).

Other directorships: Just Ideas, Adult Parole Board of Victoria, Melbourne IVF Human Research Ethics Committee.

Mr James Michelmore

Appointed by RMIT Council, member since 1 January 2014.

Most recent appointment: 1 January 2014.

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

Other directorships: RMIT University Student Union (President), National Union of Students.

Ms Rhonda O'Donnell

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

Most recent appointment: 1 January 2013.

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

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

Professor Gill Palmer

Vice-Chancellor and President (ex-officio), member since 1 September 2014.

Most recent appointment: 1 September 2014.

BSocSc(Hons) (Birmingham), MSc(Industrial Admin) (LSE), PhD (London City), GAICD.

Other directorships: Open Universities Australia, The Cranlana Programme.

Mr Brett Paton

Appointed by RMIT Council, member since 1 January 2013.

Most recent appointment: 1 January 2013.

BEd (Monash), ACA.

Professor Julianne Reid

Appointed by RMIT Council, member since 7 May 2014.

Most recent appointment: 7 May 2014.

BPharm(Hons), PhD (Qld), MAICD.

Ms Moira Schulze

Appointed by Governor in Council, member from 1 January 2005 to 7 July 2014.

Most recent appointment: 1 January 2012.

BA, DipEd(Admin), MEd (Melb), GAICD, FIPAA.

Dr Ziggy Switkowski AO

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

Most recent appointment: 1 January 2011.

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

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

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 2014, 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.

Trust and Philanthropy Committee

The Trust and Philanthropy Committee provides oversight of philanthropic funds and donations received by the University and supports the University's fundraising activities. The Committee:

- supports the University's fund-raising strategy and the promotion and advocacy of its philanthropy-building activity
- sets and monitors an investment strategy for philanthropic funds and donations received by RMIT
- appoints and oversees the performance of an external asset consultant and funds manager to invest trust funds
- reports quarterly to Council on the investment and disbursement of philanthropic funds and donations
- reviews an annual report prepared on the administration and performance of the trusts for submission to Council
- monitors trust fund activities by:
 - receiving regular reports from the University and external funds manager on the investment performance of philanthropic funds
 - receiving regular reports from Management on trust funds' disbursement in line with donor wishes
 - noting signed bank statements of the trust funds

- sets RMIT's annual amount for endowment distribution and oversees the disbursement of funds
- monitors compliance and risk including compliance with the RMIT Foundation Trust Deed, and general and specific-purpose trusts for which the University is trustee
- establishes sub-committees as required from time to time
- considers any matters referred to it by Council, and refers issues to Council that require decisions by Council as they arise
- considers any appropriate matters referred to it by Council or the Vice-Chancellor
- submits the minutes and/or a report of each Committee meeting to the next Council meeting

Nominations and Remuneration Committee

The Nominations and Remuneration 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
- annually agree and monitor performance targets for the Vice-Chancellor
- annually decide on the quantum of the Vice-Chancellor's performance bonus and total employment cost
- consider, when required, issues relating to the Vice-Chancellor's contract and make recommendations to Council
- review and set total employment cost ranges for all executive staff
- review and approve the performance assessments and bonuses recommended by the Vice-Chancellor for the direct-report senior executives
- recommend the appointment and reappointment for more than 12 months of senior executive staff who report to the Vice-Chancellor
- provide advice to the Vice-Chancellor on executive performance appraisal mechanisms.

Attendance at Council and Committee Meetings 2014

Name	Council	Audit and Risk Management	Nominations and Remuneration	Trust and Philanthropy
Bruce Akhurst	6/8			
Stephen Duckett	6/6	4/4		
Margaret Gardner	4/4		2/2	
David Hayward	6/8			
Gary Hogan	2/2			
Janet Latchford	8/8	6/6	3/4	2/2
Rosemary Lever	6/8		4/4	0/2
James Michelmore	7/8			
Rhonda O'Donnell	6/8			
Gill Palmer	5/5		2/2	2/2
Brett Paton	7/8	5/6		
Julianne Reid	5/5			
Moira Schulze	3/4	3/3	1/2	
Ziggy Switkowski	8/8		3/4	

Notes

- Professor Gardner's term ended 1 September
- Professor Palmer's term commenced 1 September
- Ms Schulze's term ended 7 July
- Mr Hogan's term commenced 13 October
- Dr Duckett's term commenced 7 April
- Professor Reid's term commenced 7 May

RMIT Subsidiaries

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

RMIT Vietnam Holdings Pty Ltd

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

RMIT Vietnam Holdings was engaged in six separate 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 the translation of the Dewey Decimal System into Vietnamese, the training of staff in Vietnam libraries through the National Task Force program, and the development of library resources in Vietnam.

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

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 the formal opening of RMIT Europe in 2013, there has been significant progress in research, postgraduate programs, events in Europe and strategic projects. New relationships across Europe, placements in key EU networks and strengthening relations in Catalonia and Barcelona have all served to position RMIT strongly in Europe.

Five new postgraduate masters programs commenced in 2014, with eight programmed for commencement in 2015 and four for 2016. There are also five new or expanded PhD programs with currently close to 70 PhD students in Europe.

There are 70 new European research or research network proposals in progress for the period 2014 to the end of 2015. Up to the end of 2014, there were 16 applications submitted, of which 10 were successful, one was unsuccessful and five are awaiting determination.

More than 50 events (seminars, symposia, research workshops etc.) took place in 2014, with a further 50 planned for 2015 plus two European conferences. The Architecture and Design Practice Research Symposium in November was the largest in Europe so far, with 138 participants at the week-long event.

RMIT Training Pty Ltd

RMIT Training is a company focused on two business activities: English language programs, and support for academic and professional communities through our Informit Collections and media products.

RMIT English Worldwide (REW) works closely with educational organisations and industry to provide English language programs. Partner organisations across Asia, Europe, Russia and the Middle East work with REW to help students and professionals improve their English. Notable international organisations such as the United Nations' International Civil Aviation Organization recognise REW assessment and training.

REW also provides a pathway to RMIT University programs. Upon completion of REW's English programs, students can enter RMIT programs directly, without having to complete further English testing.

The Informit Collections enable researchers to find Australasian content to support their research needs, as well as helping professionals access journals and literature related to 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.

Supporting these activities is a Human Resource, Finance and IT team which provides specialised services for the online products and services the company provides. Production and Client Services teams also support the organisation. The latter includes administration for short and single courses offered by schools across RMIT University, which is provided as a donation service along with the University Press activity.

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. The deed makes the trustees responsible for the prudent stewardship of the funds they invest and manage on behalf of RMIT University. The Board is also responsible for ensuring that donors' wishes in making their gifts are met.

Trustees are appointed by RMIT Council. The Board counts among its numbers higher education, business and community leaders, and financial and legal experts.

The following are some examples of the funds that RMIT Foundation administers. The International Visiting Fellowship program provides critical support to internationally

engaged research, enabling scholars from around the world who are undertaking research in RMIT's areas of strength to spend time with RMIT academic staff.

Similarly, the primary purpose of the RMIT Foundation International Research Exchange Fellowship program is to provide support for researchers at overseas partner institutions and at RMIT to make exchange visits in support of collaborative research. The John Storey Junior Memorial Fund allows undergraduate students to visit a sister institution overseas for a period of study. An industry research program, the Malcolm Moore Industry Research Award, encourages the development of applied research and strong links between RMIT and its industry partners.

The largest part of the Foundation's funds are tied to specific scholarships, prizes, bursaries and grants. These programs support equity in access; overcoming individual financial hardship; excellence in many discipline areas; study and research overseas; presentation of high quality research; industry placements; and community leadership.

Spatial Vision Innovations Pty Ltd

Spatial Vision provides geospatial technology services for use in environmental, land, asset, emergency and health management to government and a growing range of private sector clients. Integrating geographic and organisational data, Spatial Vision provides award-winning solutions including business systems, advanced spatial analyses, reliable planning systems and practical mapping applications to address some of the country's most pressing environmental, economic and resource issues.

In 2014, Spatial Vision implemented a new organisational structure to better reflect the needs of the company. This included an increased focus on business development, including the appointment of dedicated business development resources as well as campaigns targeting the company's core competencies and a small number of new markets.

The importance of mobile and cloud technology continues to be a core consideration for the company, with significant projects undertaken in each of these areas. In 2014, the company commenced development of a number of new products in fisheries administration and market intelligence, for potential launch in 2015.

The company continues to be recognised for its innovation, winning awards at the Asia Pacific Spatial Excellence Awards and Victorian Spatial Excellence Awards for projects undertaken for the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education and seven Victorian catchment management authorities, respectively.

Statutory Reporting

Freedom of Information

During the reporting period, RMIT received seven applications under the Freedom of Information Act 1982 (Vic):

Access granted in full:	1
Access granted in part:	2
Pending:	1
Lapsed:	0
Withdrawn:	0
Refused:	2
No existing documents:	1
Other:	0

(Applications under Sections 34 and 39)

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 2014 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 Deputy 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:

www.rmit.edu.au/policies/pdminstruction

Building Act 1993

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.

Commercial Activities

Commercial activities of RMIT University for 2014: Nil

Commercial activities of controlled entities: Nil

Report of Operations

The RMIT Annual Report 2014 was prepared in accordance with the Financial Reporting Directions issued by the Department of Treasury and Finance.

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 2014, there were no changes to 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 2014-15 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/

Tuition Fees

In 2014, domestic non-government funded fees increased by an average of 7.1 per cent. International onshore student fees were increased by an average of 5.0 per cent.

Course Material and Administrative Fees

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

Additional Information

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

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

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

Risk Management and Internal Audit

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

- 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 outcomes of risk management activities across the group
- a risk management policy that clearly articulates and assigns roles and responsibilities
- 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 and 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
- crisis management planning across all University campuses based on a risk management approach
- 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.

The University considers that this risk management framework is consistent with the Australian Risk Management Standard (AS/NZS ISO 31000:2009).

Objects of RMIT University

Extract from the RMIT Act 2010:

The objects of the University include:

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

Consultancies 2014

Vendor Name	Order Amount (\$)	Invoiced Amount (\$)	Further Commitments (\$)	Description
KPMG	1,075,504	750,504	325,000	Various strategic advice
Quantum Information Technology Pty Ltd	532,300	532,300	Nil	WIL system implementation
Memko Pty Ltd	516,690	516,690	Nil	RAAF course development and training
ServiceNow Neder	484,585	484,585	Nil	ServiceNow implementation and training
Red Design Group	490,900	475,700	15,200	Retail strategy
Pricewaterhouse Coopers	452,190	452,190	Nil	Various strategic advice
EIC Growth Pty Ltd	315,051	315,051	Nil	Entrepreneur in Residence
JDS Australia Pty Ltd	608,723	289,431	319,292	QA Governance 7 testing (ITS)
Nous Group Pty Ltd	288,891	274,391	14,500	Student experience enhancement
Turner & Townsend	267,075	267,075	Nil	Project management office setup (NAS)
Digital Silver Pty Ltd	232,130	232,130	Nil	Facilitation of Vietnam training
DBM Consultants	212,729	206,831	Nil	Market research
Executive Central Group	201,362	201,362	187,280	Coaching, mentoring and organisational support services
JK Vine Consulting	199,125	199,125	Nil	Specialist IT testing
GPD Pty Ltd	190,654	190,654	Nil	Hazardous materials consultancy
ShineWing Australia	213,302	188,302	25,000	Taxation and financial modelling advice
Risk Strategies Pty Ltd	212,119	187,031	25,088	Contractor safety management framework
The Knowledge Partnership	175,398	171,398	4,000	Market research and analysis
Strategic Project Partners	155,100	155,100	Nil	Facilitation of CRC for Future Aviation bid
Consulting & Implementation Services	150,325	150,325	Nil	Research Enterprise program
Lormax Consulting Pty Ltd	201,600	148,610	52,990	IT infrastructure strategy
Tribal Education Ltd	139,945	139,945	Nil	International admissions project
Avaya Australia Pty Ltd	138,490	138,490	Nil	United Communications project
Talent International (Vic)	132,412	132,412	Nil	CareerHUB provisioning solution
Momentum Search and Selection	120,880	120,880	Nil	Global Learning by Design project
Ernst & Young	116,818	116,818	Nil	Market research services – Indonesia
Larkins Family Trust	105,000	105,000	Nil	Indonesia offshore presence project
	7,929,298	7,142,330	968,350	
13 Consultancies of less than \$100,000		855,068		
0 Consultancies of less than \$10,000				

A complete list of all 2014 consultancies is available on the RMIT website at:
www.rmit.edu.au/about/governance-and-management/governance/annual-reports

Item No	Source Reference	Summary of Reporting Requirement	Page(s)
STANDING DIRECTIONS OF THE MINISTER FOR FINANCE			
1	SD 4.2(g)	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the Financial Management Act 1994.	4–33
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	31
3	SD 4.2(j)	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	2
4	SD 4.2(a)	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; 38, 47 – Financial Reporting Directions; and 38, 47 – Business Rules. N/A 	
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> – Balance Sheet and income statement (Statement of Financial Position); 44 – Statement of Recognised Income and Expense (Income Statement); 41 – Cash Flows Statement; and 45 – Notes to the financial statements. 46–98 	
6	SD 4.2(c)	Signed and dated statement by Accountable Officer stating that 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. 	38
7	SD 4.2(d)	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> – \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and – \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000. 	55
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	2, 38–40
9	SD 4.5.5	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	36
FINANCIAL REPORTING DIRECTIONS			
10	FRD 03A	Accounting for dividends	N/A
11	FRD 07A	Early adoption of authoritative accounting pronouncements	55–56
12	FRD 9A	Administered assets and liabilities	N/A
13	FRD 10	Disclosure Index	34–35
14	FRD 11	Disclosure of ex-gratia payments	No ex-gratia payments
15	FRD 17B	Long Service Leave wage inflation and discount rates	47, 53
16	FRD 19	Private Provision of Public Infrastructure	N/A
17	FRD 21B	Responsible Person and Executive Officer Disclosure in the Financial Report	91–94
18	FRD 22E	Consultants – Report of Operations must include a statement disclosing: <ol style="list-style-type: none"> 1. Total number of consultancies over \$10,000 2. Location 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 publication on university website, for each consultancy more than \$10,000, of a schedule listing: <ul style="list-style-type: none"> – Consultant engaged – Brief summary of project – Total project fees approved – Expenditure for reporting period – Any future expenditure committed to the consultant for the project 	33
19	FRD 22E	Manner of establishment and the relevant Minister	7, 27, 91
20	FRD 22E	Objectives, functions, powers and duties	4, 7, 11, 27–29, 32
21	FRD 22E	Nature and range of services provided including communities served	4–26
22	FRD 22E	Organisational structure and chart, including accountabilities	10–11, 27–29
23	FRD 22E	Names of Council members	28
24	FRD 22E	Operational and budgetary objectives, performance against objectives and achievements	12–26
25	FRD 22E	Occupational health and safety statement including performance indicators, performance against those indicators, and how they affected outputs	24

26	FRD 22E	Workforce data for current and previous reporting period including a statement on employment and conduct principles	24
27	FRD 22E	Summary of the financial results for the year including previous 4 year comparisons	99–100
28	FRD 22E	Significant changes in financial position during the year	13
29	FRD 22E	Major changes or factors affecting performance	13
30	FRD 22E	Post-balance sheet date events likely to significantly affect subsequent reporting periods	81
31	FRD 22E	Summary of application and operation of the Freedom of Information Act 1982	31
32	FRD 22E	Statement of compliance with building and maintenance provisions of the Building Act 1993	31
33	FRD 22E	Statement on National Competition Policy	31
34	FRD 22E	Summary of application and operation of the Protected Disclosure Act 2012	31
35	FRD 22E	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
36	FRD 22E	Summary of Environmental Performance	26
37	FRD 22E	List of other information available on request from the Accountable Officer and which must be retained by the Accountable Officer (refer to list at (a) – (l) in the FRD)	31
38	FRD 24C	Reporting of office-based environmental impacts	26
39	FRD 25B	Victorian Industry Participation Policy in the Report of Operations	N/A
40	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004	N/A
41	FRD 101	First time adoption	55–56
42	FRD 102	Inventories	50, 68
43	FRD 103E	Non-current physical assets	52, 69–71
44	FRD 104	Foreign currency	48, 76–77
45	FRD 105A	Borrowing Costs	53, 64, 72–74
46	FRD 106	Impairment of assets	41, 49, 51, 56, 64
47	FRD 107	Investment properties	N/A
48	FRD 109	Intangible assets	52–53, 71
49	FRD 110	Cash Flow Statements	45
50	FRD 112D	Defined benefit superannuation obligations	54, 81
51	FRD 113	Investments in subsidiaries, jointly controlled associates and entities	30, 48, 89–90
52	FRD 119A	Transfers through contributed capital	N/A
53	FRD 120H	Accounting and reporting pronouncements applicable to the reporting period	55–56
54	FMA 1994	Financial Statements:	37–100
	49 (a)	– Contain such information as required by the Minister;	
	49 (b)	– Are prepared in a manner and form approved by the Minister;	
	49 (c)	– Present fairly the financial transactions of the university during the relevant financial year to which they relate;	
	49 (d)	– Present fairly the financial position of the university as at the end of that year; and	
	49 (e)	– Are certified by the accountable officer in the manner approved by the Minister	
55	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2014	31
56	PAEC	Financial and other information relating to the university's international operations.	15–18, 89–90
57	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	30, 31 37–100

N/A – Not applicable

Attestation on compliance with the International Standard for Risk Management

I, Professor Gill Palmer, certify that RMIT University has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard, 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



Professor Gill Palmer
Vice-Chancellor and President
RMIT University

Date 10.12.2014

 RMIT

Building

80

Royal Melbourne Institute of Technology and Subsidiaries

COUNCILLORS' DECLARATION YEAR ENDED 31 DECEMBER 2014

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 2014 and their financial performance represented by the results of their operations for the year ended on that date.

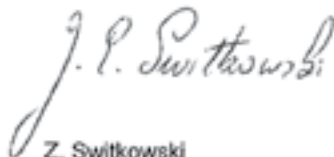
In the Councillors' opinion, as at the date of this declaration, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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.

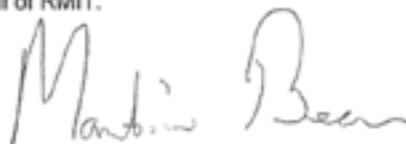
All public funds allocated to RMIT have been expended for the purposes specified by the Government or other public funding bodies, and RMIT has complied with applicable legislation, contracts, agreements and program expenditure.

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 2014 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 2014 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 4.2(c), 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. Donaldson
Chief Finance and Accounting Officer

Dated at Melbourne
This 6 day of March 2015

INDEPENDENT AUDITOR'S REPORT

To the Council members, Royal Melbourne Institute of Technology

The Financial Report

The accompanying financial report for the year ended 31 December 2014 of the Royal Melbourne Institute of Technology which comprises the income statement, statement of comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the councillors' declaration and statement by principal accounting officer has been audited. The financial report is the consolidated financial statements of the consolidated entity, comprising the Royal Melbourne Institute of Technology and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 41 to the consolidated financial statements.

The Council members' Responsibility for the Financial Report

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

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Council members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Royal Melbourne Institute of Technology and the consolidated entity as at 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

MELBOURNE

16 March 2015


for John Doyle

Auditor-General

Income Statement

for the year ended 31 December 2014

	Note	Consolidated		RMIT	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	308,965	295,194	308,965	295,194
HELP – Australian Government payments	3	221,445	189,657	221,445	189,657
State and Local Government financial assistance	4	31,686	34,393	31,686	34,393
HECS-HELP – Student payments		22,063	22,241	22,063	22,241
Fees and charges	5	409,824	386,505	335,064	318,558
Investment revenue	6	7,683	6,735	5,271	4,840
Consultancy and contracts	7	35,663	33,820	31,873	30,704
Other revenue	8	40,986	43,882	32,168	29,341
Total income from continuing operations		1,078,315	1,012,427	988,535	924,928
Expenses from continuing operations					
Employee related expenses	9	607,932	557,254	554,754	511,667
Depreciation and amortisation	10	66,292	77,682	58,859	70,570
Repairs and maintenance	11	21,058	15,088	21,051	15,073
Borrowing costs	12	6,871	6,443	7,336	6,810
Impairment of assets	13	(4,077)	12,604	(4,277)	14,628
Other expenses	14	300,807	273,849	276,740	254,364
Total expenses from continuing operations		998,883	942,920	914,463	873,112
Net result before income tax		79,432	69,507	74,072	51,816
Income tax expense	17	3,833	2,450	2,873	1,744
Net result after income tax for the period		75,599	67,057	71,199	50,072
Net result attributable to non-controlling interest	32	(124)	320	–	–
Net result attributed to RMIT entity		75,475	67,377	71,199	50,072

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

Statement of Comprehensive Income

for the year ended 31 December 2014

	Note	Consolidated		RMIT	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Net result after income tax for the period		75,599	67,057	71,199	50,072
Items that may be reclassified to profit or loss					
Gain/(loss) on revaluation of available for sale financial assets, net of tax	30	1,678	(1,532)	44	–
Cash flow hedges, net of tax	30	(283)	116	(283)	116
Exchange differences on translation of foreign operations	30	6,206	8,264	–	–
Total items that may be reclassified to profit or loss		7,601	6,848	(239)	116
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of land, buildings and artworks, net of tax	30	171,886	–	171,886	–
Deferred government superannuation contributions	38	1,858	130,639	1,858	130,639
Deferred employee benefits for superannuation	38	(1,858)	(130,639)	(1,858)	(130,639)
Increase in reserve due to deregistration of subsidiaries		–	21	–	–
Other adjustments		–	(21)	–	–
Total items that will not be reclassified to profit or loss		171,886	–	171,886	–
Total comprehensive income		255,086	73,905	242,846	50,188
Total comprehensive income attributable to non-controlling interest	32	(124)	320	–	–
Total comprehensive income attributable to RMIT entity		254,962	74,225	242,846	50,188

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

Statement of Changes in Equity

for the year ended 31 December 2014

	Reserves	Retained Earnings	Non-controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000
RMIT CONSOLIDATED ENTITY				
Balance at 1 January 2013	628,628	924,047	534	1,553,209
Profit or (loss)	–	67,377	(320)	67,057
Gain/(loss) on revaluation of available for sale financial assets, net of tax	(1,532)	–	–	(1,532)
Exchange differences on translation of foreign operations	8,264	–	–	8,264
Revaluation of hedges	116	–	–	116
Other adjustments	21	(21)	–	–
Balance at 31 December 2013	635,497	991,404	214	1,627,115
Balance at 1 January 2014	635,497	991,404	214	1,627,115
Profit or (loss)	–	75,475	124	75,599
Gain/(loss) on revaluation of land, buildings and artworks, net of tax	171,886	–	–	171,886
Gain/(loss) on revaluation of available for sale financial assets, net of tax	1,678	–	–	1,678
Exchange differences on translation of foreign operations	6,206	–	–	6,206
Revaluations of hedges	(283)	–	–	(283)
Other adjustments	–	74	(60)	14
Balance at 31 December 2014	814,984	1,066,954	278	1,882,216
PARENT ENTITY				
Balance at 1 January 2013	606,722	873,833	–	1,480,555
Profit or (loss)	–	50,072	–	50,072
Revaluations of hedges	116	–	–	116
Balance at 31 December 2013	606,838	923,905	–	1,530,743
Balance at 1 January 2014	606,838	923,905	–	1,530,743
Profit or (loss)	–	71,199	–	71,199
Gain/(loss) on revaluation of land, buildings and artworks, net of tax	171,886	–	–	171,886
Gain/(loss) on revaluation of available for sale financial assets, net of tax	44	–	–	44
Revaluations of hedges	(283)	–	–	(283)
Balance at 31 December 2014	778,485	995,104	–	1,773,589

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

Statement of Financial Position

as at 31 December 2014

	Note	Consolidated		RMIT	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	18	110,720	135,110	83,779	89,413
Receivables	19	49,534	52,794	53,553	56,958
Inventories	20	1,775	1,728	1,288	1,159
Other financial assets	22	28,132	17,250	–	–
Other non-financial assets	25	12,410	11,138	10,308	9,280
Total current assets		202,571	218,020	148,928	156,810
Non-current assets					
Receivables	19	313,274	315,830	313,210	315,894
Available for sale financial assets	21	54,037	28,001	3,960	–
Property, plant and equipment	23	2,095,275	1,832,345	2,041,257	1,780,696
Deferred tax asset	17	1,016	692	–	–
Intangible assets	24	16,883	814	16,319	–
Other financial assets	22	158	2,162	2,532	2,536
Total non-current assets		2,480,643	2,179,844	2,377,278	2,099,126
Total assets		2,683,214	2,397,864	2,526,206	2,255,936
LIABILITIES					
Current liabilities					
Trade and other payables	26	134,195	131,242	83,333	85,287
Borrowings	27	–	–	18,137	16,095
Provisions	28	130,656	118,794	129,237	117,378
Current tax liabilities	17	4,947	4,439	4,947	4,439
Other liabilities	29	73,109	76,234	59,991	63,066
Total current liabilities		342,907	330,709	295,645	286,265
Non-current liabilities					
Borrowings	27	128,868	110,000	128,868	110,000
Provisions	28	328,916	329,638	328,104	328,928
Deferred tax liabilities	17	4	5	–	–
Other liabilities	29	303	397	–	–
Total non-current liabilities		458,091	440,040	456,972	438,928
Total liabilities		800,998	770,749	752,617	725,193
Net assets		1,882,216	1,627,115	1,773,589	1,530,743
EQUITY					
RMIT entity interest					
Reserves	30	814,984	635,497	778,485	606,838
Retained earnings	31	1,066,954	991,404	995,104	923,905
Total RMIT entity interest		1,881,938	1,626,901	1,773,589	1,530,743
Non-controlling interest	32	278	214	–	–
Total equity		1,882,216	1,627,115	1,773,589	1,530,743

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

Statement of Cash Flows

for the year ended 31 December 2014

	Note	Consolidated		RMIT	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash flows from operating activities					
Australian Government Grants received	3(g)	495,117	473,723	495,117	473,722
OS-HELP (net)		561	(98)	561	(98)
Superannuation Supplementation		22,550	20,156	22,550	20,156
State Government Grants received		31,686	34,296	31,686	34,296
HECS-HELP – Student payments		22,063	22,241	22,063	22,241
Receipts from student fees and other customers		508,993	475,225	419,119	393,411
Dividends received		1,813	1,413	1,541	1,320
Interest received		5,187	4,897	3,802	3,561
Payments to suppliers and employees (inclusive of GST)		(956,199)	(875,440)	(876,255)	(828,755)
Interest and other costs of finance		(6,822)	(6,447)	(7,287)	(6,810)
GST recovered/(paid)		28,446	26,116	28,851	26,235
Income tax paid		(2,802)	(1,569)	(2,365)	(1,358)
Net cash provided by (used in) operating activities	35(b)	150,594	174,515	139,383	137,921
Cash flows from investing activities					
Proceeds from sale of financial assets		6,000	36,658	–	–
Proceeds from sale of property, plant and equipment		615	698	615	693
Payments for financial assets		(36,986)	(50,720)	(3,900)	–
Payments for intangible assets		(17,503)	(476)	(17,377)	–
Payments for property, plant and equipment		(152,171)	(90,258)	(142,713)	(83,296)
Net cash provided by (used in) investing activities		(200,045)	(104,098)	(163,375)	(82,603)
Cash flows from financing activities					
Proceeds from borrowings		48,868	57,000	48,868	57,000
Loans from/(to) related parties		6	(770)	(511)	(925)
Repayment of borrowings		(30,000)	(102,000)	(30,000)	(102,000)
Net cash provided by (used in) financing activities		18,874	(45,770)	18,357	(45,925)
Net increase (decrease) in cash and cash equivalents		(30,577)	24,646	(5,635)	9,393
Cash and cash equivalents at the beginning of the financial year		135,110	109,117	89,414	80,021
Effects of exchange rate changes on cash and cash equivalents		6,187	1,348	–	–
Cash and cash equivalents at the end of the financial year	35(a)	110,720	135,110	83,779	89,414

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

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Notes to the Financial Statements 31 December 2014

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 statements for Royal Melbourne Institute of Technology (RMIT) as the parent entity and the consolidated entity consisting of RMIT and its subsidiaries.

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

1.01 Basis of preparation

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

RMIT applies Tier 1 reporting requirements.

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

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *Australian Accounting Standards Board (AASB) Interpretations*
- *Financial Management Act 1994*

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 the IFRS requirements.

Date of authorisation for issue

The financial statements were authorised for issue by the Council members of RMIT on 3 March 2015.

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.

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

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

Key Estimates

Depreciation

Management uses external independent valuers to establish the useful life of buildings. 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.

Amortisation of Intangible Assets

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

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.

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. The methodology is consistent with the Department of Treasury and Finance's long service leave model.

Key Judgments – Provision for impaired receivables

Included in consolidated Accounts Receivable at 31 December 2014 are amounts receivable from customers and students amounting to \$20.469m (2013 – \$22.573m). The full amount of the debt is not recoverable and as such a doubtful debts provision amounting to \$7.425m (2013 – \$3.310m) has been set aside.

Comparative amounts

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

1 Summary of significant accounting policies *(continued)*

1.02 Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of RMIT as at 31 December 2014 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.

1.03 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.

(iii) Group companies

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

- assets and liabilities for each 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.

1.04 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) 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 is 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.

(iii) Investment income

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

(iv) 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.

- 1 **Summary of significant accounting policies** (*continued*)
- 1.04 **Revenue recognition** (*continued*)
- (v) **Sale of non-current assets**
- The net profit or loss of non-current asset sales are included as revenue or expense at the date control of the asset passes to the purchaser, usually when an unconditional contract of sale is signed.
- The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.
- (vi) **Property rental (lease) income**
- Rental income from operating leases is recognised as income on a straight-line basis over the lease term.
- (vii) **Contribution of assets and donations**
- Contributions of assets and contributions to assist in the acquisition of assets, being non-reciprocal transfers, are recognised as revenue at the fair value of the asset received when the RMIT Consolidated Group gains control of the contribution.
- 1.05 **Income tax**
- 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.
- 1.06 **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 34(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.
- 1.07 **Business combinations**
- The acquisition method is used to account for each business combination; this does not include a combination of entities or businesses under common control, the formation of a joint venture, or the acquisition of an asset or a group of assets. Identifiable assets acquired, liabilities assumed and any non-controlling interest are recognised separately from goodwill as of the acquisition date. Intangible assets acquired in a business combination are recognised separately from goodwill if they are separable, but only together with a related contract, identifiable asset or liability. Acquisition related costs are expensed in the periods in which they are incurred with the exception of costs to issue debt or equity securities, which are recognised in accordance with AASB132 and AASB139.
- Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Measurement of any non-controlling interest is recorded at fair value or the present ownership instruments proportionate share in the recognised amounts of the identifiable net assets. All other components of non-controlling interests are measured at their acquisition-date fair values. Contingent liabilities assumed are recognised as part of the acquisition if there is a present obligation arising from past events and the fair value can be reliably measured. The excess at the acquisition date of the aggregate of the consideration transferred, the amount of any non-controlling interest and any previously held equity interest over the net amounts of identifiable assets acquired and liabilities assumed is recognised as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.
- Consideration transferred in a business combination is measured at fair value. Where the business combination is achieved in stages, previously held equity interest is remeasured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.
- 1.08 **Impairment of assets**
- Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other 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.
- 1.09 **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)

1.10 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. 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.

1.11 Inventories

Stock held for distribution

Stock held for distribution are 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 on-costs, 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.

1.12 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. 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.

(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.

1 Summary of significant accounting policies (*continued*)

1.12 Investments and other financial assets (*continued*)

(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.

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.

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.

1.13 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)

1.14 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. The total revaluation adjustment was \$171.9m consisting of a revaluation of land of \$49.1m, a revaluation of buildings of \$117.6m and a revaluation of artworks of \$5.2m. The next full revaluation is due at the end of 2017. 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 property, 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 depreciated cost and depreciated cost represents a reasonable approximation of fair value.

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:

	2014 Years	2013 Years
Buildings	25 – 100	25 – 100
Equipment, motor vehicles, furniture and fittings	1.5 – 20	3 – 20
Leasehold improvements	2 – 51	2 – 51
Computer equipment	4	4
Library collections	3 – 10	10

The capitalisation threshold for plant, equipment, computers, motor vehicles and furniture and fittings to be recognised as an asset is \$2,000 (2013: \$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.

1.15 Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the RMIT Consolidated Group, whichever is the shorter.

1.16 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 (2013: 4 to 20 years).

(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.

1 Summary of significant accounting policies (continued)

1.16 Intangible assets (continued)

(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:

	2014	2013
	Years	Years
Intellectual property, trademarks and licences	4 – 20	4 – 20
Capitalised development costs	2 – 5	2 – 5
Other intangible assets	3	3

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

1.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1.18 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 balance sheet 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.

1.19 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are expensed as incurred in accordance with Financial Reporting Directions 105A. 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.

1.20 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.

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.

1.21 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, non-monetary benefits and profit-sharing bonuses 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, accumulating sick leave 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.

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.

1 Summary of significant accounting policies (continued)

1.21 Employee benefits (continued)

(iii) Retirement benefit obligations

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

A liability or asset in respect of defined benefit superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date 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 38.

(iv) Deferred government benefit for superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education (Education), the effects of the unfunded superannuation liabilities of RMIT and its controlled entities were recorded in the Income Statement and the Statement of Financial Position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the balance sheet under provisions have been determined by actuary of the Victorian Government Superannuation Office and relate to the estimates of net liabilities at 30 June 2014. The methodology of measurement of the net liabilities is based on the following actuarial assumptions:

Economic	2014	2013
Discount Rate	4.1% pa	4.3% pa
Salary increase rate	4.0% pa	4.0% pa
Pension Indexation	2.5% pa	2.5% pa

The actuary currently believes, in respect of the long-term financial condition of the Fund, that assets as at 30 June 2014, 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 RMIT.

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.

1.22 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.

1 Summary of significant accounting policies (continued)

1.23 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.

1.24 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.

1.25 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 33) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

1.26 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.

1.27 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.

1.28 New Accounting Standards and Interpretations

Certain New Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014. RMIT's assessment of the impact of these new Standards and Interpretations is set out below:

Standard/Interpretation	Application date	Impact on financial reports
2010-7 The amendments to other Australian Accounting Standards in AASB 2010-7 arise from the reissuance of AASB 9 in December 2010. In reissuing AASB 9 (December 2010), the derecognition requirements for financial instruments and the recognition and measurement requirements for financial liabilities were transferred from AASB 139. The only change to those requirements is that the portion of a change of fair value relating to the entity's own credit risk for financial liabilities measured at fair value utilising the fair value option is required to be separately presented in other comprehensive income, except when that would create or enlarge an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss. There were no changes to the main recognition and measurement requirements for financial liabilities.	1 January 2018	Further assessment is required based on the Financial Assets and Liabilities of the entity and Assets held for sale.
AASB 2014-1 Part D – AASB 14 permits first-time adopters to continue to account for amounts related to rate regulation in accordance with their previous GAAP when they adopt Australian Accounting Standards. However, to enhance comparability with entities that already apply Australian Accounting Standards and do not recognise such amounts, AASB 14 requires that the effect of rate regulation must be presented separately from other items. An entity that is not a first-time adopter of Australian Accounting Standards will not be able to apply AASB 14. AASB 2014-1 Part D makes amendments to AASB 1 First-time Adoption of Australian Accounting Standards, which arise from the issuance of AASB 14 Regulatory Deferral Accounts in June 2014.	1 January 2016	Not applicable.
2014-1– Amendments to number of accounting standards.	Various	Further assessment is required. The full impact of the change has not been assessed in full.
2014-3 This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.	1 January 2016	Currently not applicable, further assessment will be required pending business activities and development of possible joint ventures. The assessment of implication should be included in Business Cases for joint ventures.

- 1 Summary of significant accounting policies (continued)
 1.28 New Accounting Standards and Interpretations (continued)

Standard/Interpretation	Application date	Impact on financial reports
2014-4 – This Standard amends AASB 116 and AASB 138 to: a) establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; (b) clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset; and (c) clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	This change may affect the principles of amortisation of Intangible Assets adopted by RMIT.

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

(a) Industries – 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.

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2014	2014	2014	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(i) Income Statement						
Income from continuing operations						
Australian Government financial assistance						
Australian Government grants	273,948	35,017	308,965	262,193	33,094	295,287
HELP – Australian Government payments	201,421	20,024	221,445	173,458	16,199	189,657
State and Local Government financial assistance	57	31,629	31,686	–	34,300	34,300
HECS-HELP – Student Payments	22,063	–	22,063	22,241	–	22,241
Fees and charges	268,437	66,627	335,064	251,528	67,030	318,558
Investment revenue and income	4,628	643	5,271	4,226	614	4,840
Consultancy and contracts	30,423	1,450	31,873	28,660	2,044	30,704
Other revenue and income	29,282	2,886	32,168	26,692	2,649	29,341
Total income from continuing operations excluding deferred government superannuation contributions	830,259	158,276	988,535	768,998	155,930	924,928
Deferred government superannuation contributions	1,858	–	1,858	130,639	–	130,639
Total income from continuing operations	832,117	158,276	990,393	899,637	155,930	1,055,567
Expenses from continuing operations						
Employee related expenses	454,826	99,928	554,754	415,871	95,796	511,667
Depreciation and amortisation	47,674	11,185	58,859	57,797	12,773	70,570
Repairs and maintenance	16,770	4,281	21,051	11,918	3,155	15,073
Borrowing costs	6,650	686	7,336	6,173	637	6,810
Impairment of assets	(3,447)	(830)	(4,277)	12,138	2,490	14,628
Other expenses	235,529	41,211	276,740	215,032	39,332	254,364
Total expenses from continuing operations excluding deferred government superannuation contributions	758,002	156,461	914,463	718,929	154,183	873,112
Deferred employee benefits for superannuation	1,858	–	1,858	130,639	–	130,639
Total expenses from continuing operations	759,860	156,461	916,321	849,568	154,183	1,003,751
Operating result before income tax	72,257	1,815	74,072	50,069	1,747	51,816
Income tax expense	2,873	–	2,873	1,744	–	1,744
Operating result after income tax for the period	69,384	1,815	71,199	48,325	1,747	50,072

2 Disaggregation information (continued)

	Higher Education 2014 \$'000	VET 2014 \$'000	Total RMIT 2014 \$'000	Higher Education 2013 \$'000	VET 2013 \$'000	Total RMIT 2013 \$'000
(ii) Statement of Comprehensive Income						
Net result after income tax for the period	69,384	1,815	71,199	48,325	1,747	50,072
Gain/(loss) on revaluation of land, buildings and artworks, net of tax	140,528	31,358	171,886	-	-	-
Gain/(loss) on revaluation of available for sale financial assets, net of tax	44	-	44	-	-	-
Cash flow hedges	(254)	(29)	(283)	104	12	116
Increase in reserves due to deregistration of subsidiary	-	-	-	-	-	-
Total comprehensive income	209,702	33,144	242,846	48,429	1,759	50,188
(iii) Balance sheet						
ASSETS						
Current assets						
Cash and cash equivalents	75,186	8,593	83,779	62,819	26,594	89,413
Receivables	48,657	4,896	53,553	51,898	5,060	56,958
Inventories	1,030	258	1,288	927	232	1,159
Other non-financial assets	8,833	1,475	10,308	8,246	1,034	9,280
Total current assets	133,706	15,222	148,928	123,890	32,920	156,810
Non-current assets						
Receivables	313,210	-	313,210	315,894	-	315,894
Available for sale financial assets	3,960	-	3,960	-	-	-
Property, plant and equipment	1,675,084	366,173	2,041,257	1,456,426	324,270	1,780,696
Intangible Assets	12,341	3,978	16,319	-	-	-
Other financial assets	2,532	-	2,532	2,536	-	2,536
Total non-current assets	2,007,127	370,151	2,377,278	1,774,856	324,270	2,099,126
Total assets	2,140,833	385,373	2,526,206	1,898,746	357,190	2,255,936
LIABILITIES						
Current liabilities						
Trade and other payables	67,068	16,265	83,333	68,632	16,655	85,287
Borrowings	18,137	-	18,137	16,095	-	16,095
Provisions	110,403	18,834	129,237	99,962	17,416	117,378
Current tax liabilities	4,947	-	4,947	4,439	-	4,439
Other liabilities	55,932	4,059	59,991	50,487	12,579	63,066
Total current liabilities	256,487	39,158	295,645	239,615	46,650	286,265
Non-current liabilities						
Borrowings	115,594	13,274	128,868	99,000	11,000	110,000
Provisions	324,986	3,118	328,104	326,068	2,860	328,928
Total non-current liabilities	440,580	16,392	456,972	425,068	13,860	438,928
Total liabilities	697,067	55,550	752,617	664,683	60,510	725,193
Net assets	1,443,766	329,823	1,773,589	1,234,063	296,680	1,530,743

2 Disaggregation information (continued)

(iii) Balance sheet (continued)

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2014	2014	2014	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY						
RMIT entity interest						
Reserves	567,940	210,545	778,485	427,622	179,216	606,838
Retained earnings	875,826	119,278	995,104	806,441	117,464	923,905
Total equity	1,443,766	329,823	1,773,589	1,234,063	296,680	1,530,743

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.

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 only.

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 current interest bearing loan facility solely relates to the Higher Education Division and is directly attributed to intercompany loans between RMIT and its subsidiaries. The non-current interest bearing loan facility represents RMIT's loan with the CBA and is allocated on a proportional basis between Higher Education and VET based on the usability of assets.

Provisions

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

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

Other liabilities

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

2 Disaggregation information (continued)

(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 at 1 January 2013	427,519	758,115	1,185,634	179,204	115,717	294,921	1,480,555
Profit or loss	–	48,325	48,325	–	1,747	1,747	50,072
Cash flow hedges	104	–	104	12	–	12	116
Balance at 31 December 2013	427,623	806,440	1,234,063	179,216	117,464	296,680	1,530,743
Balance at 1 January 2014	427,623	806,440	1,234,063	179,216	117,464	296,680	1,530,743
Profit or loss	–	69,384	69,384	–	1,815	1,815	71,199
Cash flow hedges	(254)	–	(254)	(29)	–	(29)	(283)
Gain/(loss) on revaluation of land, buildings and artworks, net of tax	140,528	–	140,528	31,358	–	31,358	171,886
Gain/(loss) on revaluation of available for sale financial assets, net of tax	44	–	44	–	–	–	44
Balance at 31 December 2014	567,940	875,825	1,443,765	210,545	119,279	329,824	1,773,589

(v) Statement of Cash Flows

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2014	2014	2014	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Australian Government Grants received	460,100	35,017	495,117	440,628	33,094	473,722
OS-HELP (net)	561	–	561	(98)	–	(98)
Superannuation Supplementation	22,550	–	22,550	20,156	–	20,156
State Government Grants received	57	31,629	31,686	93	34,203	34,296
HECS-HELP – Student payments	22,063	–	22,063	22,241	–	22,241
Receipts from student fees and other customers	348,121	70,998	419,119	322,534	70,877	393,411
Dividends received	1,541	–	1,541	1,320	–	1,320
Interest received	3,141	661	3,802	2,998	563	3,561
Payments to suppliers and employees (inclusive of GST)	(740,927)	(135,328)	(876,255)	(705,851)	(122,904)	(828,755)
Interest and other costs of finance	(6,601)	(686)	(7,287)	(6,173)	(637)	(6,810)
GST recovered/(paid)	24,073	4,778	28,851	21,791	4,444	26,235
Income tax paid	(2,365)	–	(2,365)	(1,358)	–	(1,358)
Net cash provided by (used in) operating activities	132,314	7,069	139,383	118,281	19,640	137,921
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment	385	230	615	368	325	693
Payments for financial assets	(3,900)	–	(3,900)	–	–	–
Payments for intangible assets	(13,141)	(4,236)	(17,377)	–	–	–
Payments for property, plant and equipment	(119,762)	(22,951)	(142,713)	(77,686)	(5,610)	(83,296)
Net cash provided by (used in) investing activities	(136,418)	(26,957)	(163,375)	(77,318)	(5,285)	(82,603)
Cash flows from financing activities						
Proceeds from borrowings	43,981	4,887	48,868	51,300	5,700	57,000
Loans (from)/to related parties	(511)	–	(511)	(925)	–	(925)
Repayment of borrowings	(27,000)	(3,000)	(30,000)	(91,800)	(10,200)	(102,000)
Net cash provided by (used in) financing activities	16,470	1,887	18,357	(41,425)	(4,500)	(45,925)

2 Disaggregation information (continued)
(v) Statement of Cash Flows (continued)

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2014	2014	2014	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net increase (decrease) in cash and cash equivalents	12,367	(18,001)	(5,634)	(463)	9,855	9,392
Cash and cash equivalents at the beginning of the financial year	62,819	26,594	89,413	63,282	16,739	80,021
Cash and cash equivalents at end of year	75,186	8,593	83,779	62,819	26,594	89,413

(b) RMIT Consolidated Entity	Total Revenue		Net Operating Results		Total Assets	
Geographical	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	1,014,347	954,169	72,935	60,407	2,584,764	2,312,418
South East Asia	62,292	58,166	2,740	7,852	96,867	83,614
Europe	1,676	92	(200)	(882)	1,583	1,832
	1,078,315	1,012,427	75,475	67,377	2,683,215	2,397,864

	Consolidated		RMIT	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<i>Note</i>				
3 Australian Government financial assistance including HECS-HELP and FEE-HELP				
(a) Commonwealth Grants Scheme and Other Grants 45.1				
Commonwealth Grants Scheme		233,092	224,016	233,092
Indigenous Support Program		472	473	472
Partnership & Participation Program		5,457	4,377	5,457
Disability Support Program		324	149	324
Promotion of Excellence in Learning and Teach		535	13	535
Reward Funding		–	530	–
Australian Maths & Science Partnership		520	539	520
Total Commonwealth Grants Scheme and Other Grants		240,401	230,097	240,401
(b) Higher Education Loan Programs 45.2				
HECS-HELP		159,536	135,590	159,536
FEE-HELP		38,257	34,543	38,257
VET FEE-HELP		20,024	16,199	20,024
SA-HELP		3,628	3,325	3,628
Total Higher Education Loan Programs		221,445	189,657	221,445
(c) Scholarships 45.3				
Australian Postgraduate Awards		5,345	4,883	5,345
International Postgraduate Research Scholarships		411	409	411
Commonwealth Education Cost Scholarships		(43)	(645)	(43)
Commonwealth Accommodation Scholarships		–	(13)	–
Indigenous Access Scholarships		54	65	54
Total Scholarships		5,767	4,699	5,767

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

	Note	Consolidated		RMIT	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
(d) Education – Research	45.4				
Joint Research Engagement		7,157	6,284	7,157	6,284
JRE Engineering Cadetship		82	49	82	49
Research Training Scheme		13,471	13,550	13,471	13,550
Research Infrastructure Block Grants		2,048	1,887	2,048	1,887
Sustainable Research Excellence in Universities		1,678	1,602	1,678	1,602
Total Education – Research Grants		24,436	23,372	24,436	23,372
(e) Australian Research Council	45.5				
(i) Discovery	45.5(a)				
Projects		6,356	4,608	6,356	4,608
Fellowships		1,959	1,305	1,959	1,305
Total Discovery		8,315	5,913	8,315	5,913
(ii) Linkages	45.5(b)				
Infrastructure		500	–	500	–
Projects		3,421	2,675	3,421	2,675
Total Linkages		3,921	2,675	3,921	2,675
(f) Other Australian Government financial assistance					
Non-Capital					
Superannuation Supplementation		22,320	21,884	22,320	21,884
Other		3,805	6,554	3,805	6,554
Total Non-Capital		26,125	28,438	26,125	28,438
Total Australian Government financial assistance		530,410	484,851	530,410	484,851
Reconciliation					
Australian Government grants [a + c + d + e + f]		308,965	295,194	308,965	295,194
HECS-HELP payments		159,536	135,590	159,536	135,590
FEE-HELP payments		38,257	34,543	38,257	34,543
VET FEE-HELP payments		20,024	16,199	20,024	16,199
SA-HELP payments		3,628	3,325	3,628	3,325
Total Australian Government financial assistance		530,410	484,851	530,410	484,851
(g) Australian Government Grants received – cash basis					
CGS and Other Education Grants	45.1	240,401	230,471	240,401	230,471
Higher Education Loan Programs	45.2	207,257	203,320	207,257	203,320
Scholarships	45.3	5,767	4,699	5,767	4,699
Education research	45.4	24,436	23,372	24,436	23,372
ARC grants – Discovery	45.5	8,315	5,913	8,315	5,913
ARC grants – Linkages	45.5	3,921	2,660	3,921	2,660
Other Australian Government Grants		5,020	3,287	5,020	3,287
Total Australian Government Grants received – cash basis		495,117	473,722	495,117	473,722
OS-Help (Net)	45.6	561	(98)	561	(98)
Superannuation Supplementation	45.7	22,550	20,156	22,550	20,156
Total Australian Government funding received – cash basis		518,228	493,780	518,228	493,780

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
4 State and Local Government financial assistance				
Non-Capital				
Recurrent grants	31,203	32,655	31,203	32,655
Other grants	483	869	483	869
	31,686	33,524	31,686	33,524
Capital				
Capital grants	–	869	–	869
	–	869	–	869
Total State and Local Government financial assistance	31,686	34,393	31,686	34,393
5 Fees and charges				
Course fees and charges				
Fee paying onshore overseas students	225,139	202,952	209,034	190,604
Fee paying offshore overseas students	121,629	112,853	65,746	59,949
Continuing education	20,783	19,171	20,729	19,189
Fee paying domestic postgraduate students	8,938	10,421	8,938	10,421
Fee paying domestic undergraduate students	12,805	22,104	12,805	22,104
Fee paying domestic non-award students	2,766	2,638	2,766	2,638
Other domestic course fees and charges	4,113	3,289	3,547	2,735
Total course fees and charges	396,173	373,428	323,565	307,640
Other non-course fees and charges				
Amenities and service fees	10,499	9,511	7,430	6,828
Late fees	138	230	138	230
Library fines	6	4	6	4
Registration fees	30	5	30	5
Other fees and charges	2,978	3,327	3,895	3,851
Total other fees and charges	13,651	13,077	11,499	10,918
Total fees and charges	409,824	386,505	335,064	318,558
6 Investment revenue and income				
Interest	5,152	5,027	3,713	3,520
Dividends	2,531	1,708	1,558	1,320
Net investment income	7,683	6,735	5,271	4,840
7 Consultancy and contracts				
Consultancy	5,952	6,271	2,736	3,433
Contract research				
Commonwealth Government	14,876	15,053	14,876	15,053
Victorian State Government	2,509	3,179	2,509	3,179
Local Government	477	5	477	5
Industry and other	10,800	8,359	10,527	8,359
Total contract research	28,662	26,596	28,389	26,596
Other contract revenue				
Seminar and conference fees	567	531	567	531
Service fees	482	422	181	144
Total other contract revenue	1,049	953	748	675
Total consultancy and contracts	35,663	33,820	31,873	30,704

	Note	Consolidated		RMIT		
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	
8		Other revenue and income				
		Donations and bequests	1,597	4,240	7,098	7,512
		Scholarships and prizes	6,220	5,224	6,220	5,224
		Product sales	18,658	16,796	6,929	4,910
		Property rental	6,811	6,589	8,018	7,554
		Foreign exchange gains	563	197	209	146
		Net realised gain on sale of available-for-sale financial assets	22	4,899	–	–
	16	Net gain on disposal of property, plant and equipment	59	189	62	189
		Supplier rebate	1,178	817	1,178	817
		Other	5,878	4,931	2,454	2,989
		Total other revenue and income	40,986	43,882	32,168	29,341
9		Employee related expenses				
		Academic				
		Salaries	253,604	228,714	215,510	196,907
		Contributions to superannuation and pension schemes:				
	38 (a)	Emerging cost	15,635	15,330	15,635	15,330
		Funded	31,658	29,562	31,374	29,351
		Payroll tax	13,225	12,159	12,969	11,969
		Worker's compensation	684	1,526	614	1,475
		Long service leave expense	3,865	4,015	3,865	4,015
		Annual leave expense	18,314	19,279	18,291	19,257
		Total academic	336,985	310,585	298,258	278,304
		Non-academic				
		Salaries	194,316	177,467	182,028	166,047
		Contributions to superannuation and pension schemes:				
	38 (a)	Emerging cost	6,685	6,554	6,685	6,554
		Funded	31,469	28,980	30,223	27,873
		Payroll tax	11,899	10,931	11,301	10,332
		Worker's compensation	674	1,306	646	1,274
		Long service leave expense	6,010	2,149	5,838	2,042
		Annual leave expense	19,894	19,282	19,775	19,241
		Total non-academic	270,947	246,669	256,496	233,363
		Total employee related expenses	607,932	557,254	554,754	511,667
10		Depreciation and amortisation				
		Depreciation				
		Buildings	26,227	25,390	24,579	24,089
		Leasehold improvements	889	3,662	435	3,116
		Equipment, motor vehicles and furniture and fittings	33,406	39,741	28,537	35,728
		Library collection	5,308	8,617	5,308	7,637
	23	Total depreciation	65,830	77,410	58,859	70,570
		Amortisation				
		Intangible assets	462	272	–	–
	24	Total amortisation	462	272	–	–
		Total depreciation and amortisation	66,292	77,682	58,859	70,570
11		Repairs and maintenance				
		Buildings	19,940	13,033	19,934	13,022
		Equipment	1,118	2,055	1,117	2,051
		Total repairs and maintenance	21,058	15,088	21,051	15,073

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
12	Borrowing costs			
Interest to related corporations	–	–	479	367
Interest to other corporations	6,871	6,443	6,857	6,443
Total borrowing costs	6,871	6,443	7,336	6,810
13	Impairment of assets			
Amounts set aside for impaired receivables				
Trade debtors	1,369	1,885	1,393	1,800
Student debtors	2,770	(1,753)	2,698	(1,753)
Subsidiaries	–	–	(2,145)	2,145
	4,139	132	1,946	2,192
Amounts set aside for impaired intangibles				
	(8,177)	8,177	(8,177)	8,177
Bad debts written off/(recovered) in the Income Statement				
Trade debtors	110	22	108	–
Student debtors	(157)	4,259	(157)	4,259
	(47)	4,281	(49)	4,259
Amounts written off in relation to investment				
Non-related companies	8	14	–	–
	8	14	–	–
Amounts provided for impairment in investment to subsidiaries				
Subsidiaries	–	–	2,003	–
	–	–	2,003	–
Total impairment of assets	(4,077)	12,604	(4,277)	14,628
14	Other expenses			
Scholarships, grants and prizes	46,743	51,321	47,200	52,411
Non-capitalised equipment	9,868	10,435	9,767	10,371
Advertising, marketing and promotional expenses	21,142	17,091	15,467	12,641
General consumables	9,816	10,258	9,639	10,018
Printing and stationery	6,061	6,465	5,979	6,355
Minimum lease payments on operating leases	25,923	26,859	22,452	23,397
Telecommunications	6,781	6,928	4,781	5,153
Travel, staff development and entertainment	23,770	20,138	21,271	18,090
Net loss on disposal of property, plant and equipment	–	40	–	–
Foreign exchange losses	1,293	361	614	234
Occupancy expenses	29,364	28,574	26,148	25,900
Audit fees, bank charges, legal costs, insurance and taxes	6,711	7,759	6,257	7,067
Contractors and consultancy fees	68,015	50,881	65,614	49,333
Patents, copyright and licences	16,085	14,337	14,011	12,768
Memberships and subscription fees	3,393	3,306	3,369	3,287
Computer software support and maintenance	16,306	12,815	16,020	12,565
Other expenses	9,536	6,281	8,151	4,774
Total other expenses	300,807	273,849	276,740	254,364

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
15	Significant items of revenue and expenditure			
	Revenue			
Donation from related party	–	–	5,306	3,060
	Expenditure			
Staff separation payments	9,521	3,169	9,248	2,893
Impairment of receivables	4,139	132	1,946	2,192
Bad debt written off/(recovered)	(47)	4,281	(49)	4,259
Impairment in respect of financial assets	–	4,899	–	–
Donation to related entity	–	–	5,300	19,110
16	Sales of assets			
	Proceeds from disposal of assets			
Property, plant & equipment	612	698	615	693
Total proceeds from sale of assets	612	698	615	693
	Carrying amount of assets disposed			
Property, plant & equipment	553	549	553	504
Total carrying amount of assets sold	553	549	553	504
Net gain/(loss) on sale of assets	59	149	62	189
17	Income tax			
	(a) Income tax expense			
Current tax	4,302	2,918	3,085	2,100
Deferred tax	(257)	(133)	–	–
Adjustment for current tax of prior periods	(212)	(335)	(212)	(356)
	3,833	2,450	2,873	1,744
	Income tax expense is attributable to:			
Net result from continuing operations	3,833	2,450	2,873	1,744
Aggregate income tax expense	3,833	2,450	2,873	1,744
	(b) Numerical reconciliation of income tax expense to prima facie tax payable			
	RMIT's foreign operations are subject to income tax in the following jurisdictions: Germany, Hong Kong, Malaysia, Singapore and Spain.			
Net result from continuing operations before income tax expense	21,949	20,303	18,018	12,336
Tax at the Australian tax rate of 30% (2013 – 30%)	6,585	6,091	5,405	3,701
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Entertainment	1	1	–	–
Non-deductible expenses	468	654	–	–
Penalty of Tax Audit	–	4	–	–
Tax (deduction)/(exemption)	(288)	(279)	–	–
Additional income tax charge per tax audit	–	(338)	–	–
Additional business income tax provision	269	(458)	–	–
Sub total	450	(416)	–	–
Difference in overseas tax rates	(2,838)	(3,038)	(2,320)	(1,601)
Adjustment for current tax of prior periods	(212)	(335)	(212)	(356)
Previously unrecognised tax losses now recouped to reduce current tax expense	118	245	–	–
Deferred income tax benefit reversal/(arising) from deductible temporary differences	(269)	(97)	–	–
Total Income tax expense	3,834	2,450	2,873	1,744

17 Income tax (continued)

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
(c) Deferred tax				
Deferred tax assets				
Non-current	1,016	692	–	–
	1,016	692	–	–
Deferred tax liabilities				
Non-current	4	5	–	–
	4	5	–	–
Net deferred tax liabilities	1,012	687	–	–
(d) Current tax liabilities				
Current tax liability	4,947	4,439	4,947	4,439
The following subsidiary is subject to income tax in Australia: Spatial Vision Innovations Pty Ltd				
18 Cash and cash equivalents				
Cash at bank and on hand	11,025	10,027	6,695	7,181
Deposits at call	86,218	108,671	77,084	82,232
Foreign currency bank accounts	13,477	16,412	–	–
Total cash and cash equivalents	110,720	135,110	83,779	89,413
(a) Cash at bank				
The cash at bank is bearing floating interest rates between 0.00% and 1.00% (2013 – 0.00% and 1.00%).				
(b) Deposits at call				
The deposits are bearing floating interest rates between 2.50% and 2.65% (2013 – 2.50% and 3.75%). These deposits have an average maturity of 45 days.				
19 Receivables				
Current				
Trade receivables	10,328	13,444	7,892	10,383
Less provision for impaired receivables	(1,956)	(540)	(1,828)	(436)
	8,372	12,904	6,064	9,947
Student loans & student receivables	10,141	9,129	10,141	9,129
Less provision for impaired receivables	(5,469)	(2,770)	(5,469)	(2,770)
	4,672	6,359	4,672	6,359
Government grants receivable	6,362	4,428	6,362	4,428
Deferred government contributions for superannuation *	22,292	21,874	22,292	21,874
Interest receivable	248	472	167	256
Other debtors and accrued income	7,588	6,800	7,838	7,054
Related parties receivable:				
Amounts receivable from subsidiaries	–	(43)	6,158	9,185
Less Provision for impairment	–	–	–	(2,145)
	36,490	33,531	42,817	40,652
Total current receivables	49,534	52,794	53,553	56,958
Non-current				
Other debtors	776	1,056	764	1,022
Deferred government contributions for superannuation *	312,446	314,722	312,446	314,722
Related parties receivable:				
Other related parties	52	52	–	150
Total non-current receivables	313,274	315,830	313,210	315,894
Total receivables	362,808	368,624	366,763	372,852

* RMIT recognises a receivable for the amount expected to be received from the Commonwealth Government in respect of unfunded superannuation schemes operated by the State Government. The total consolidated amount owing in respect of these at 30 June 2014 amounted to \$334.7m (2013 – \$336.6m). Refer to note 28.

19 Receivables (continued)

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
(a) Impaired receivables				
Nominal value of impaired receivables				
Trade receivables	1,956	540	1,828	436
Student loans and student receivables	5,469	2,770	5,469	2,770
Amounts receivable from subsidiaries	–	–	–	2,145
	7,425	3,310	7,297	5,351
Amount of provision for impaired receivable set aside				
Trade receivables	1,956	540	1,828	436
Student loans and student receivables	5,469	2,770	5,469	2,770
Amounts receivable from subsidiaries	–	–	–	2,145
	7,425	3,310	7,297	5,351
The ageing of these receivables is as follows:				
3 to 6 months	3,280	2,466	3,235	4,608
Over 6 months	4,145	844	4,062	743
	7,425	3,310	7,297	5,351
Receivables which were past due but not impaired				
These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:				
3 to 6 months	–	1,986	61	1,846
Over 6 months	–	793	–	707
	–	2,779	61	2,553
Movements in the provision for impaired receivables are as follows:				
At 1 January	1,012	5,909	5,351	5,895
Provision for impairment recognised during the year	(199)	3,050	1,946	5,195
Write back of provision for impairment	6,612	(7,947)	–	(5,739)
At 31 December	7,425	1,012	7,297	5,351

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.

19 Receivables (continued)

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
(b) Foreign exchange and interest rate risk				
The carrying amounts of current and non-current receivables are denominated in the following currencies:				
Australian dollar	359,197	364,907	364,829	370,883
American dollar	1,085	1,200	1,063	1,064
British pound	–	1	–	1
Canadian dollar	–	–	–	–
Euro	150	92	142	3
Hong Kong dollar	675	902	675	902
Japanese yen	7	–	7	–
New Zealand dollar	3	–	3	–
Norwegian krone	–	–	–	–
Saudi riyal	–	–	–	–
Singapore dollar	45	–	45	–
South African rand	–	–	–	–
Vietnamese dong	1,647	1,522	–	–
Total receivables	362,808	368,624	366,763	372,852
Current receivables	49,534	52,794	53,553	56,958
Non-current receivables	313,274	315,830	313,210	315,894
Total receivables	362,808	368,624	366,763	372,852
A summarised analysis of the sensitivity of receivables to foreign exchange and interest rate risk can be found in note 39.				
20 Inventories				
Current				
Stock held for distribution	1,604	1,549	1,288	1,159
Work in progress	171	179	–	–
Total inventories	1,775	1,728	1,288	1,159
21 Available for sale financial assets				
Non-current				
Investments in managed trust funds – at fair value	54,037	28,001	3,960	–
Total available for sale financial assets	54,037	28,001	3,960	–
Balance 1 January 2014	28,001	20,340	–	–
Additions	26,336	28,031	3,916	–
Disposals (sale and redemption)	(2,000)	(23,758)	–	–
Realised gains/(losses) in the market value throughout the year	22	2,838	–	–
Unrealised gains/(losses) in the market value throughout the year	1,678	550	44	–
Balance 31 December 2014	54,037	28,001	3,960	–
Represented by:				
Financial assets under funds management	54,037	28,001	3,960	–
	54,037	28,001	3,960	–

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 39.

	Note	Consolidated		RMIT	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
22 Other financial assets					
Current					
Term deposits held-to-maturity		28,132	17,250	–	–
		28,132	17,250	–	–
Non-current					
Investments traded on organised markets					
Term deposits held-to-maturity		–	2,000	–	–
Unlisted shares in subsidiaries		–	–	4,378	2,378
Less Provision for diminution in value of investment		–	–	(2,004)	–
Unlisted shares in non-related companies		7,466	7,470	7,466	7,466
Less Provision for diminution in value of investment		(7,308)	(7,308)	(7,308)	(7,308)
		158	2,162	2,532	2,536
Total other financial assets		28,290	19,412	2,532	2,536

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
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23 Property, plant and equipment

RMIT Consolidated Entity

1 January 2013

Cost	–	31,587	34,996	4,567	24,344	3,606	–	99,100
Valuation	379,262	1,235,384	–	26,231	229,591	78,264	1,808	1,950,540
Accumulated depreciation	–	(24,999)	–	(20,553)	(152,868)	(49,041)	–	(247,461)
Net book amount	379,262	1,241,972	34,996	10,245	101,067	32,829	1,808	1,802,179

Year ended 31 December 2013

Opening net book amount	379,262	1,241,972	34,996	10,245	101,067	32,829	1,808	1,802,179
Revaluation	–	–	–	–	–	–	–	–
Additions	4,784	1,840	66,643	–	20,841	7,225	7	101,340
Transfer out of capital works in progress	233	25,034	(30,157)	157	3,502	–	1,222	(9)
Disposals	–	–	–	(57)	(536)	–	–	(593)
Depreciation	–	(25,390)	–	(3,662)	(39,741)	(8,617)	–	(77,410)
Reclassification	–	–	–	2,310	(887)	(1,423)	–	–
Foreign currency translation gain/(loss)	–	4,321	520	187	1,701	109	–	6,838
Closing net book amount	384,279	1,247,777	72,002	9,180	85,947	30,123	3,037	1,832,345

31 December 2013

Cost	–	35,973	72,002	5,666	27,122	2,622	–	143,385
Valuation	384,279	1,262,482	–	26,392	249,441	84,676	3,037	2,010,307
Accumulated depreciation	–	(50,678)	–	(22,878)	(190,616)	(57,175)	–	(321,347)
Net book amount	384,279	1,247,777	72,002	9,180	85,947	30,123	3,037	1,832,345

23 Property, plant and equipment (continued)

		Land	Buildings	Construction in progress	Leasehold improvements	Equipment, motor vehicles, furniture and fittings	Library collection	Artworks	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2014									
Opening net book amount		384,279	1,247,777	72,002	9,180	85,947	30,123	3,037	1,832,345
Revaluation		49,071	117,614	–	–	–	–	5,201	171,886
Additions		3,950	1,070	116,309	166	19,353	11,715	534	153,097
Transfer out of capital works in progress		1,585	54,126	(70,646)	1,684	13,178	–	73	–
Disposals		–	–	–	(4)	(403)	–	(168)	(575)
Depreciation		–	(26,227)	–	(889)	(33,406)	(5,308)	–	(65,830)
Reclassification – prior year adjustments		–	–	–	(2,424)	2,424	–	–	–
Foreign currency translation gain/(loss)		–	2,898	131	10	1,313	–	–	4,352
Closing net book amount	40	438,885	1,397,258	117,796	7,723	88,406	36,530	8,677	2,095,275
31 December 2014									
Cost		–	43,238	117,796	4,904	43,521	–	–	209,459
Valuation		438,885	1,362,630	–	27,227	273,806	96,391	8,677	2,207,616
Accumulated depreciation		–	(8,610)	–	(24,408)	(228,921)	(59,861)	–	(321,800)
Net book amount	40	438,885	1,397,258	117,796	7,723	88,406	36,530	8,677	2,095,275
Parent entity									
1 January 2013									
Cost		–	–	33,875	–	–	–	–	33,875
Valuation		379,261	1,235,388	–	26,235	229,587	78,264	1,808	1,950,543
Accumulated depreciation		–	(21,112)	–	(17,397)	(141,202)	(46,916)	–	(226,627)
Net book amount		379,261	1,214,276	33,875	8,838	88,385	31,348	1,808	1,757,791
Year ended 31 December 2013									
Opening net book amount		379,261	1,214,276	33,875	8,838	88,385	31,348	1,808	1,757,791
Additions		4,785	2,125	62,349	–	18,301	6,412	7	93,979
Transfer out of capital works in progress		233	24,969	(30,032)	157	3,450	–	1,222	(1)
Disposals		–	–	–	–	(503)	–	–	(503)
Depreciation		–	(24,089)	–	(3,116)	(35,728)	(7,637)	–	(70,570)
Closing net book amount		384,279	1,217,281	66,192	5,879	73,905	30,123	3,037	1,780,696
31 December 2013									
Cost		–	–	66,192	–	–	–	–	66,192
Valuation		384,279	1,262,482	–	26,392	249,441	84,676	3,037	2,010,307
Accumulated depreciation		–	(45,201)	–	(20,513)	(175,536)	(54,553)	–	(295,803)
Net book amount		384,279	1,217,281	66,192	5,879	73,905	30,123	3,037	1,780,696
Year ended 31 December 2014									
Opening net book amount		384,279	1,217,281	66,192	5,879	73,905	30,123	3,037	1,780,696
Revaluation		49,071	117,614	–	–	–	–	5,201	171,886
Additions		3,950	1,050	113,463	–	17,386	11,715	534	148,098
Transfer out of capital works in progress		1,585	51,265	(63,855)	1,585	9,347	–	73	–
Disposals		–	–	–	–	(396)	–	(168)	(564)
Depreciation		–	(24,580)	–	(435)	(28,536)	(5,308)	–	(58,859)
Closing net book amount	40	438,885	1,362,630	115,800	7,029	71,706	36,530	8,677	2,041,257

23 Property, plant and equipment (continued)

		Land	Buildings	Construction in progress	Leasehold improvements	Equipment, motor vehicles, furniture and fittings	Library collection	Artworks	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2014									
Cost		–	–	115,800	–	–	–	–	115,800
Valuation		438,885	1,362,630	–	27,227	273,806	96,391	8,677	2,207,616
Accumulated depreciation		–	–	–	(20,198)	(202,100)	(59,861)	–	(282,159)
Net book amount	40	438,885	1,362,630	115,800	7,029	71,706	36,530	8,677	2,041,257

(a) Valuation 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. Fair value disclosure for land and buildings is included in Note 40.

(b) Assets held in the name of the Minister

Land and buildings valued at \$369.32m (2013 - \$331.88m) 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 40.

	Note	Consolidated		RMIT	
		Intellectual property	Total	Intellectual property	Total
		\$'000	\$'000	\$'000	\$'000
24 Intangible assets					
1 January 2013					
Cost			2,430	2,430	–
Accumulated amortisation and impairment			(2,008)	(2,008)	–
Net book amount			422	422	–
Year Ended 31 December 2013					
Opening net book amount			422	422	–
Additions			8,751	8,751	8,177
Transfer from equipment under construction			6	6	–
Impairment losses			(8,177)	(8,177)	(8,177)
Amortisation charge	10		(272)	(272)	–
Foreign currency translation gain/(loss)			84	84	–
Closing net book amount			814	814	–
31 December 2013					
Cost			9,960	9,960	8,177
Accumulated amortisation and impairment			(9,146)	(9,146)	(8,177)
Net book amount			814	814	–
Year Ended 31 December 2014					
Opening net book amount			814	814	–
Additions			8,319	8,319	8,142
Transfer from equipment under construction			7	7	–
Disposals			(10)	(10)	–
Impairment losses			8,177	8,177	8,177
Amortisation charge	10		(462)	(462)	–
Foreign currency translation gain/(loss)			38	38	–
Net book amount			16,883	16,883	16,319
31 December 2014					
Cost			18,381	18,381	16,319
Accumulated amortisation			(1,498)	(1,498)	–
Net book amount			16,883	16,883	16,319

	Note	Consolidated		RMIT		
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	
25						
		Other non-financial assets				
		Current				
		Library subscriptions prepaid	2,089	1,032	2,089	1,032
		Other prepayments	10,321	10,106	8,219	8,248
		Total other non-financial assets	12,410	11,138	10,308	9,280
26						
		Trade and other payables				
		Current				
		Trade creditors	50,002	35,579	47,007	32,502
		Sundry creditor and operating accruals	82,483	94,800	34,616	51,920
		OS-HELP Liability to Australian Government	825	264	825	264
		Derivatives used for hedging	885	601	885	601
		Total current trade and other payables	134,195	131,244	83,333	85,287
		Foreign currency risk				
		The carrying amounts of the Group's and parent entity's trade and other payables are denominated in the following currencies:				
		Australian dollar	108,490	111,344	80,688	84,491
		American dollar	1,094	335	1,094	335
		British pound	10	67	10	67
		Canadian dollar	4	31	4	31
		Chinese renminbi	30	3	30	3
		Danish krone	-	36	-	36
		Euro	1,346	216	1,346	216
		Hong Kong dollar	67	2	67	2
		Indian rupee	6	3	6	3
		Japanese yen	-	5	-	5
		Mexican peso	-	2	-	2
		New Zealand dollar	-	13	-	13
		Singapore dollar	10	5	10	5
		Swiss franc	-	7	-	7
		Thailand bhat	80	71	80	71
		Vietnamese dong	23,060	19,104	-	-
		Total current trade and other payables	134,195	131,244	83,333	85,287
		For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 39.				
27						
		Borrowings				
		Current				
		Amounts payable to subsidiaries – unsecured	-	-	18,137	16,095
		Total current borrowings	-	-	18,137	16,095
		Non-current				
		Bank loan – unsecured	27(b) 125,000	110,000	125,000	110,000
		Other loans – unsecured	27(b) 3,868	-	3,868	-
		Total non-current borrowings	128,868	110,000	128,868	110,000
		Total borrowings	128,868	110,000	147,005	126,095

27 Borrowings (continued)

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
(a) Financing arrangements				
Unrestricted access was available at balance date to the following lines of credit:				
Credit standby arrangements				
Fixed term debt facility	30,000	30,000	30,000	30,000
Working capital redraw facility	10,000	10,000	10,000	10,000
Bank overdraft facility	250	250	–	–
Total facilities	40,250	40,250	40,000	40,000
Amount utilised	–	–	–	–
Unused credit facility	40,250	40,250	40,000	40,000
Bank loan facilities				
Facilities available	215,625	225,000	215,625	225,000
Amount utilised	(125,000)	(110,000)	(125,000)	(110,000)
Unused credit facility	90,625	115,000	90,625	115,000
Technology finance operating lease facility				
Lease facility available	20,000	20,000	20,000	20,000
Amount utilised	(9,876)	(7,710)	(9,876)	(7,710)
Unused credit facility	10,124	12,290	10,124	12,290
Business credit card facility				
Business credit facility available	5,000	7,500	5,000	7,500
Amount utilised	(1,267)	(1,090)	(1,267)	(1,090)
Unused credit facility	3,733	6,410	3,733	6,410
Other loan facilities				
Facilities available	27,000	–	27,000	–
Amount utilised	(3,868)	–	(3,868)	–
Unused credit facility	23,132	–	23,132	–

(b) Details of borrowings**Credit standby arrangements**

The fixed term debt facility of \$30m and working capital redraw facility of \$10m expires on 30 January 2016. The working capital redraw facility is subject to biennial review.

Bank loan facility

The borrowings at the end of 2014 related to the facilities agreement with the Commonwealth Bank of Australia (CBA) signed in December 2010 for the provision of a \$215.6m loan facility (2013 – \$225m).

In December 2014 a syndicated facility agreement was signed between RMIT University, CBA and Westpac Bank for the provision of a \$296m loan facility for a period of 10 years. At the end of 2014 the new facility has not been utilised. Once activated this new facility will replace the CBA \$225 million loan facility.

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 2014 was \$3.9m.

27 Borrowings (continued)

(c) Fair value

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

	2014		2013	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
On-balance sheet				
Bank loan	125,000	125,000	110,000	110,000
Other loans	3,868	3,868	–	–
Business credit card borrowings	1,267	1,267	1,090	1,090
	130,135	130,135	111,090	111,090

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 39.

	Consolidated		RMIT	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
28 Provisions				
Current provisions expected to be settled within 12 months				
Provision for restructuring costs	5,478	1,076	5,478	1,076
Employee benefits and oncosts				
Annual leave – at nominal value	25,402	26,624	25,160	26,371
Long service leave – at nominal value	10,970	9,889	10,612	9,474
Deferred benefits for superannuation [#]	22,292	21,874	22,292	21,874
	58,664	58,387	58,064	57,719
Current provisions expected to be settled later than 12 months				
Employee benefits and oncosts				
Annual leave – at net present value	8,333	5,091	7,757	4,543
Long service leave – at net present value	58,181	54,240	57,938	54,040
	66,514	59,331	65,695	58,583
Total current provisions	130,656	118,794	129,237	117,378
Non-current				
Employee benefits and oncosts				
Long service leave – at net present value	16,470	14,916	15,658	14,206
Deferred benefits for superannuation [#]	312,446	314,722	312,446	314,722
Total non-current provisions	328,916	329,638	328,104	328,928
Total provisions	459,572	448,432	457,341	446,306
Movements in provisions				
Movements in each class of provision during the financial year, other than employee benefits, are set out below:				
Carrying amount at start of year	1,076	5,584	1,076	5,584
Additional provisions recognised	4,402	(4,508)	4,402	(4,508)
Carrying amount at end of year	5,478	1,076	5,478	1,076
Employee benefits				
Provision for employee benefits and oncosts – current	125,178	117,718	123,759	116,302
Provision for employee benefits and oncosts – non-current	328,916	329,638	328,104	328,928
Aggregate employee benefits	454,094	447,356	451,863	445,230

28 Provisions (continued)

	Restructuring costs	Annual leave	Long service leave	Deferred benefits for superannuation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
RMIT Consolidated Entity					
2013					
Carrying amount at start of year	5,584	30,538	76,561	467,086	579,769
Net additional provisions recognised/(used)	(4,508)	1,177	2,484	(130,490)	(131,337)
Carrying amount at end of year	1,076	31,715	79,045	336,596	448,432
2014					
Carrying amount at start of year	1,076	31,715	79,045	336,596	448,432
Net additional provisions recognised/(used)	4,402	2,020	6,576	(1,858)	11,140
Carrying amount at end of year	5,478	33,735	85,621	334,738	459,572
Parent entity					
2013					
Carrying amount at start of year	5,584	29,731	75,278	467,086	577,679
Net additional provisions recognised/(used)	(4,508)	1,183	2,442	(130,490)	(131,373)
Carrying amount at end of year	1,076	30,914	77,720	336,596	446,306
2014					
Carrying amount at start of year	1,076	30,914	77,720	336,596	446,306
Net additional provisions recognised/(used)	4,402	2,003	6,488	(1,858)	11,035
Carrying amount at end of year	5,478	32,917	84,208	334,738	457,341

A total consolidated unfunded liability for retirement benefits of \$334.7m (2013 – \$336.6m) accruing to beneficiaries of the State Superannuation Scheme has been recorded in the Balance Sheet as a liability. Refer Notes 1.21 and 38.

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
29 Other liabilities				
Current				
Australian Government unspent financial assistance	1,136	12,965	1,136	12,965
Research grants	19,511	14,968	19,121	14,360
Student fees	50,856	44,519	38,425	32,044
Project fees	296	85	–	–
Other	1,310	3,697	1,309	3,697
Total current other liabilities	73,109	76,234	59,991	63,066
Non-current				
Deferred lease liabilities	303	397	–	–
Total non-current other liabilities	303	397	–	–
Total other liabilities	73,412	76,631	59,991	63,066

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
30 Reserves				
Balance at beginning of year	635,497	628,628	606,838	606,722
Transfers from/(to) retained earnings	–	–	–	–
Transfers from/(to) subsidiaries	–	21	–	–
Revaluations of hedges	(283)	116	(283)	116
Revaluation of land, buildings and artworks	171,886	–	171,886	–
Foreign exchange gains/(losses)	6,206	8,264	–	–
Unrealised valuation gain/(losses) taken to equity	1,678	(1,532)	44	–
Balance at end of year	814,984	635,497	778,485	606,838
Represented by:				
Asset revaluation surplus	816,077	644,191	779,305	607,419
Hedge reserve	(885)	(602)	(885)	(602)
Foreign currency translation reserve	(2,481)	(8,687)	–	–
Share premium reserve	45	45	21	21
Available for sale revaluation surplus	2,228	550	44	–
	814,984	635,497	778,485	606,838
Movements in reserves during the year were:				
Asset revaluation surplus				
Balance at beginning of year	644,191	644,212	607,419	607,440
Transfers from/(to) subsidiary	–	(21)	–	(21)
Revaluation of land, buildings and artworks	171,886	–	171,886	–
Balance at end of year	816,077	644,191	779,305	607,419
Hedge reserve				
Balance at beginning of year	(602)	(718)	(602)	(718)
Revaluations of hedges	(283)	116	(283)	116
Balance at end of year	(885)	(602)	(885)	(602)
Foreign currency translation reserve				
Balance at beginning of year	(8,687)	(16,951)	–	–
Foreign currency translation gains/(losses)	6,206	8,264	–	–
Balance at end of year	(2,481)	(8,687)	–	–
Share premium reserve				
Balance at beginning of year	45	24	21	–
Transfers from/(to) subsidiary	–	21	–	21
Balance at end of year	45	45	21	21
Available for sale revaluation reserve				
Balance at beginning of year	550	2,061	–	–
Unrealised valuation gains/(losses) taken to equity	1,678	(1,511)	44	–
Balance at end of year	2,228	550	44	–

30 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 1.12.

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
31 Retained surplus				
Retained surplus at beginning of year	991,404	924,047	923,905	873,833
Net result attributable to RMIT entity	75,475	67,377	71,199	50,072
Other adjustments	74	(21)	–	–
Retained surplus at end of year	1,066,954	991,404	995,104	923,905
32 Non-controlling interest				
Outside equity interest in subsidiaries comprises:				
Interest in accumulated funds at the beginning of the year	66	386	–	–
Interest in net operating result	124	(320)	–	–
Other adjustments	(60)	–	–	–
Interest in accumulated funds at the end of the year	130	66	–	–
Interest in share capital	120	120	–	–
Interest in reserves	28	28	–	–
Total outside equity interests in controlled entities	278	214	–	–
33 Contingencies				
Contingent liabilities				
The RMIT Consolidated Entity and RMIT have contingent liabilities at 31 December in respect of:				
Guarantees				
Contract performance guarantee	28	28	28	28
Security deposit guarantee	20	20	20	20
Non-trade letter of credit/accommodation	63	42	63	42
Lease guarantee	141	266	–	–
Total Guarantees	252	356	111	90

	Consolidated		RMIT		
	2014	2013	2014	2013	
Note	\$'000	\$'000	\$'000	\$'000	
34	Commitments				
	(a) Capital commitments				
	Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:				
	Plant and equipment				
	Due within one year	10,444	13,285	10,444	13,285
	GST reclaimable on the above	(568)	(1,052)	(568)	(1,052)
	Net Commitment	9,876	12,233	9,876	12,233
	Building works				
	Due within one year	212,590	141,947	211,744	141,717
	GST reclaimable on the above	(19,249)	(12,879)	(19,249)	(12,879)
	Net Commitment	193,341	129,068	192,495	128,838
	(b) Operating leases – as lessee				
	Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities payable:				
	Future minimum rental payments for leased premises				
	Due within one year	7,681	9,330	4,383	7,098
	Due after one year but within five years	19,759	14,205	13,314	12,380
	Due after five years	2,569	3,870	1,585	3,570
		30,009	27,405	19,282	23,048
	GST payable on the above	(1,889)	(2,286)	(1,753)	(2,095)
	Net Commitment	28,120	25,119	17,529	20,952
	Future minimum rental payments for leased equipment				
	Due within one year	5,251	4,915	5,251	4,915
	Due after one year but within five years	4,873	3,567	4,873	3,567
		10,124	8,482	10,124	8,482
	GST reclaimable on the above	(920)	(771)	(920)	(771)
	Net Commitment	9,204	7,711	9,204	7,711
	Operating leases – as lessor				
	Leases contracted for at the reporting date but not recognised as assets				
	Future minimum rental receivable				
	Due within one year	2,538	2,759	2,535	2,756
	Due after one year but within five years	2,918	5,428	2,918	5,428
		5,456	8,187	5,453	8,184
	GST reclaimable on the above	(497)	(744)	(496)	(744)
	Net Commitment	4,959	7,443	4,957	7,440
	(c) Other expenditure commitments				
	Commitments related to CRC research and other non capital expenditure				
	Due within one year	32,521	35,864	32,521	35,864
	Due after one year but within five years	2,922	1,355	2,922	1,355
		35,443	37,219	35,443	37,219
	GST reclaimable on the above	(2,691)	(3,000)	(2,691)	(3,000)
	Net Commitment	32,752	34,219	32,752	34,219

34 Commitments (continued)

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
The University has entered into research contracts with the National Health and Medical Research Council and the Australian Research Council, the revenues from which are recognised in the year of receipt. Under these contracts and as at balance date the University is committed to further expenditure to complete the relevant research and satisfy those commitments.	19,121	15,223	19,121	15,223
(d) Remuneration commitments				
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities.				
Due within one year	47,609	62,515	47,609	62,515
Due after one year but within five years	43,780	55,127	43,780	55,127
Due after five years	240	355	240	355
	91,629	117,997	91,629	117,997

35 Notes to statement of cash flows

(a) Reconciliation of cash

For the purpose of the statement of cash flows, cash represents:

Cash on hand, at bank, short term money market deposits, short dated bills of exchange and outstanding bank overdrafts.

Cash at the end of the reporting period is shown in the Statement of Cash Flows and is reconciled to the related items in the financial statements as follows:

Cash at the beginning of year

Cash at bank and on hand	10,027	9,459	7,181	8,240
Short-term money market deposits	108,671	82,024	82,232	71,781
Foreign currency bank accounts	16,412	17,634	–	–
	135,110	109,117	89,413	80,021

Cash at the end of year

Cash at bank and on hand	11,025	10,027	6,695	7,181
Short-term money market deposits	86,218	108,671	77,084	82,232
Foreign currency bank accounts	13,477	16,412	–	–
	110,720	135,110	83,779	89,413
Cash movement for the year	(24,390)	25,993	(5,634)	9,392

35 Notes to statement of cash flows (continued)

	Note	Consolidated		RMIT	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
(b) Reconciliation of operating result after income tax to net cash inflow from operating activities					
Operating result for the period after income tax		75,599	67,057	71,199	50,072
Loss/(gain) on sale of property, plant and equipment	8 & 16	(59)	(192)	(62)	(189)
Loss/(gain) on sale of available-for-sale financial assets	8	(22)	(4,899)	–	–
Loss/(gain) on sale of other non-financial assets		10	–	–	–
Distribution income re-invested		(2,226)	(665)	–	–
Depreciation of property plant and equipment	10	65,830	77,410	58,859	70,570
Amortisation of intangible assets	10	462	272	–	–
Net asset impairment loss/(gain)	13	(4,038)	9,306	(4,228)	9,306
Bad debt written off	13	(47)	–	(49)	–
Provision for doubtful debts		72	59	–	–
Investment written off/(written back)	13	8	14	–	–
Foreign exchange (gain)/loss		505	(114)	405	88
Write off of plant and equipment		8	38	–	–
Change in assets and liabilities					
Net (increase)/decrease in receivables		4,330	125,044	5,058	118,440
Net (increase)/decrease in inventories		(50)	(1,142)	(129)	(1,159)
Net (increase)/decrease in other non-financial assets		(968)	1,128	(1,028)	1,129
Net (increase)/decrease in deferred tax assets		(337)	(153)	–	–
Net (increase)/decrease in other financial assets		(257)	97	4	–
Net increase/(decrease) in payables		1,097	18,307	(1,954)	847
Net Increase/(decrease) in borrowings		–	–	3,074	7,440
Net increase/(decrease) in other liabilities		(3,253)	(116,756)	(3,309)	(118,127)
Net increase/(decrease) in current tax liability		317	12	508	386
Net increase/(decrease) in employee entitlements (excluding deferred superannuation)		13,615	(314)	11,035	(883)
Net cash flows from operating activities		150,594	174,515	139,383	137,920

36 Economic dependency

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

Commonwealth Government financial assistance	547,144	630,543	547,144	630,543
Victorian State Government financial assistance	34,195	37,572	34,195	37,572
	581,339	668,115	581,339	668,115

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

Commonwealth Government financial assistance	50.65%	55.16%	55.25%	59.74%
Victorian State Government financial assistance	3.17%	3.29%	3.45%	3.56%

	Note	Consolidated		RMIT		
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	
37	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.					
38	Superannuation					
	Funds to which RMIT or any controlled entity contributed during the financial year:					
	(a) Defined benefit schemes					
	ESSSUPER – State Superannuation Fund – closed	9	22,320	21,884	22,320	21,884
	(b) Defined contribution schemes					
	Victorian Superannuation Fund		2,292	2,313	2,252	2,273
	UniSuper		41,055	38,794	41,028	38,767
	Other Superannuation Funds		19,602	17,469	18,317	16,184
			85,269	80,460	83,917	79,108

ESSSUPER

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 30 June 2014, 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 30 June 2014, amounted to \$334.74m (2013 – \$336.60m). Unfunded liabilities are met by the Australian Government. The net movement for the financial year presented in the Statement of Comprehensive Income is \$1.86m (2013 – \$130.64m).

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

(i) Defined benefit schemes**ESSSUPER – 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 VET employees in respect of:

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

ESSSUPER – State Employees Retirement Benefit Scheme

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

(ii) Defined contribution schemes**Victorian Superannuation Fund**

RMIT is required to contribute on account of members of the fund at the rate required to meet the "Superannuation Guarantee" – currently 9.5%.

UniSuper Plans

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

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

38 Superannuation (continued)

In 2005, UniSuper advised that the Defined Benefits Plan should be disclosed under the multi employer provisions of AASB 119 Employee Benefits which allowed for defined benefit obligations to be reported on a defined contribution basis with some additional information. AASB 119 Employee Benefits states that this is an appropriate solution for a Defined Benefit Plan where the employer does not have access to the information required and there is no reliable basis for allocating the benefits, liabilities, assets and costs between employers.

As a consequence of changes to the UniSuper Trust deed in December 2006, UniSuper has advised that the foregoing no longer applies and that both the Defined Benefit Division and Accumulation Super (2) plans are defined as Multi Employer Defined Contribution Schemes in accordance with AASB 119 Employee Benefits.

(ii) UniSuper also offers a cash accumulation productivity scheme known as Accumulation Super (1) (previously referred to as the Award Plus Plan (APP)). University employees have no requirement to contribute to the scheme. The University contributes the equivalent of 3% of the base salary in respect of 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 9.5% of their annual salary contributed by the University to Accumulation Super (1) prescribed under the *Superannuation Guarantee Charges Act 1992*.

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

The employer is required to contribute on account of eligible employees at a minimum rate of 9.5% 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 2014 was \$3.37m (2013-\$2.30m).

39 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.

(i) 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.

(ii) 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 8% increase or decrease in the Australian Dollar (AUD) against the relevant foreign currencies. 8% 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 8% change in foreign currency rates.

31 December 2014

	Carrying Amount \$'000	Currency rate risk			
		-8%		8%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Consolidated					
Financial Assets					
Cash and cash equivalents	13,633	1,091	1,091	(1,091)	(1,091)
Receivables	3,611	289	289	(289)	(289)
Other financial assets	26,132	2,091	2,091	(2,091)	(2,091)
Total financial assets	43,376	3,470	3,470	(3,470)	(3,470)
Financial Liabilities					
Payables	25,705	(2,056)	(2,056)	2,056	2,056
Total financial liabilities	25,705	(2,056)	(2,056)	2,056	2,056

39 Financial risk management (continued)

(ii) Foreign currency risk (continued)

31 December 2013

	Carrying Amount \$'000	Currency rate risk			
		-14.0%		14.0%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Consolidated					
Financial Assets					
Cash and cash equivalents	17,765	2,487	2,487	(2,487)	(2,487)
Receivables	3,717	520	520	(520)	(520)
Other financial assets	13,250	1,855	1,855	(1,855)	(1,855)
Total financial assets	34,732	4,862	4,862	(4,862)	(4,862)
Financial Liabilities					
Payables	19,900	(2,786)	(2,786)	2,786	2,786
Total financial liabilities	19,900	(2,786)	(2,786)	2,786	2,786

(iii) 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 detailed in the liquidity risk management section of this note.

The Group adopts a policy of ensuring that for debt aged 1 year and greater between 20 and 80 percent of its exposure to changes in interest rates on borrowings is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates. The Group enters into and designates interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

The sensitivity analysis below has been determined based on the exposure to price adjustments 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 100 basis point increase or 50 basis point decrease is used when reporting interest rate risk as this represents management's assessment of the possible change in interest rates:

31 December 2014

	Carrying Amount \$'000	Interest rate risk			
		-0.50%		1.00 %	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Consolidated					
Financial Assets					
Cash and cash equivalents	109,165	(546)	(546)	1,092	1,092
Total financial assets	109,165	(546)	(546)	1,092	1,092
Financial Liabilities					
Borrowings	125,000	625	625	(1,250)	(1,250)
Interest rate swap	885	(293)	(479)	586	957
Total financial liabilities	125,885	332	146	(664)	(293)

31 December 2013

	Carrying Amount \$'000	Interest rate risk			
		-0.50%		1.00 %	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Consolidated					
Financial Assets					
Cash and cash equivalents	135,110	(676)	(676)	1,351	1,351
Total financial assets	135,110	(676)	(676)	1,351	1,351
Financial Liabilities					
Borrowings	110,000	550	550	(1,100)	(1,100)
Interest rate swap	601	(400)	(879)	800	1,757
Total financial liabilities	110,601	150	(329)	(300)	657

39 Financial risk management (continued)

(iv) 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 below 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 as this represents management's assessment of the possible change in prices:

31 December 2014		Price risk			
		-10.0%		10.0%	
Consolidated	Carrying Amount \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial Assets					
Available for sale financial assets – equity	54,037	–	(5,404)	–	5,404
31 December 2013		Price risk			
		-10.0%		10.0%	
Consolidated	Carrying Amount \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial Assets					
Available for sale financial assets – equity	28,001	–	(2,800)	–	2,800

(v) 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.

The Group has also established a standby facility of \$10 million to provide short-term cash should the need arise. Exposure to liquidity risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table.

Consolidated	Note	Floating interest rate \$'000	Fixed Interest Maturing			Non Interest Bearing \$'000	Total \$'000
			1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000		
31 December 2014							
Financial assets							
Cash at bank and on hand	18	11,025	–	–	–	–	11,025
Deposits at call	18	16,142	70,076	–	–	–	86,218
Foreign currency bank accounts	18	–	11,922	–	–	1,555	13,477
Receivables, exclude deferred government contributions for superannuation	19	–	–	–	–	28,070	28,070
Available for sale financial assets	21	–	–	–	–	54,037	54,037
Deferred tax asset	17	–	–	–	–	1,016	1,016
Term deposits held-to-maturity	22	–	28,132	–	–	–	28,132
Shares in non-related companies	22	–	–	–	–	158	158
Total financial assets		27,167	110,130	–	–	84,836	222,133
Weighted average interest rate		1.31%	2.88%				
Financial liabilities							
Trade and other payables, exclude interest rate swaps	26	–	–	–	–	133,310	133,310
Interest rate swaps used for hedging #1	26	885	–	–	–	–	885
Borrowings	27	125,000	–	–	–	3,868	128,868
Current tax liabilities	17	–	–	–	–	4,947	4,947
Deferred tax liabilities	17	–	–	–	–	4	4
Total financial liabilities		125,885	–	–	–	142,129	268,014
Weighted average interest rate		5.28%					
Net financial assets (liabilities)		(98,718)	110,130	–	–	(57,293)	(45,881)

39 Financial risk management (continued)

(v) Liquidity risk (continued)

	Note	Floating interest rate \$'000	Fixed Interest Maturing			Non Interest Bearing \$'000	Total \$'000
			1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000		
31 December 2013							
Financial assets							
Cash at bank and on hand	18	10,027	–	–	–	–	10,027
Deposits at call	18	42,545	66,126	–	–	–	108,671
Foreign currency bank accounts	18	1,915	14,498	–	–	–	16,412
Receivables, exclude deferred government contributions for superannuation	19	–	–	–	–	32,028	32,028
Available for sale financial assets	21	–	–	–	–	28,001	28,001
Deferred tax assets	17	–	–	–	–	692	692
Term deposits	22	–	17,250	2,000	–	–	19,250
Shares in non-related companies	22	–	–	–	–	162	162
Total financial assets		54,487	97,874	2,000	–	60,883	215,243
Weighted average interest rate		1.64%	4.58%	4.45%			
Financial liabilities							
Trade and other payables, exclude interest rate swaps	26	–	–	–	–	130,643	130,643
Interest rate swaps used for hedging #1	26	601	–	–	–	–	601
Borrowings	27	110,000	–	–	–	–	110,000
Current tax liabilities	17	–	–	–	–	4,439	4,439
Deferred tax liabilities	17	–	–	–	–	5	5
Total financial liabilities		110,601	–	–	–	135,087	245,688
Weighted average interest rate		5.33%					
Net financial assets (liabilities)		(56,114)	97,874	2,000	–	(74,204)	(30,445)

#1 The notional principal value for the interest rate swaps at 31 December 2014 was \$80 million (31/12/2013: \$80 million), \$40 million maturing less than 1 year and \$40 million maturing 1 to 5 years (31/12/2013: \$80 million maturing 1 to 5 years). The average contracted fixed interest rate was 3.39% (2013: 3.39%).

(vi) 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.

40 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 fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

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

	Note	2014		2013	
		Carrying	Fair	Carrying	Fair
		Amount	Value	Amount	Value
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash at bank and on hand	18	11,025	11,025	10,027	10,027
Deposits at call	18	86,218	86,218	108,671	108,671
Foreign currency bank accounts	18	13,477	13,477	16,412	16,412
Receivables, exclude deferred government contributions for superannuation	19	28,070	28,070	32,028	32,028
Available for sale financial assets	21	54,037	54,037	28,001	28,001
Term deposits	22	28,132	28,132	19,250	19,250
Unlisted shares in non-related companies	22	158	158	162	162
		221,117	221,117	214,551	214,551
Financial liabilities					
Trade and other payables	26	134,195	134,195	131,244	131,244
Borrowings	27	128,868	128,868	110,000	110,000
		263,063	263,063	241,244	241,244

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

(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 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

	Note	2014	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000	\$'000
Financial assets					
Available for sale financial assets	21	54,037	54,037	–	–
Unlisted shares in non-related companies	22	158	–	–	158
		54,195	54,037	–	158
Non-financial assets					
Land	23	438,885	–	33,975	404,910
Buildings	23	1,397,258	–	18,120	1,379,138
Leasehold Improvements	23	7,723	–	–	7,723
Equipment, motor vehicles, furniture & fittings, library collection	23	124,936	–	–	124,936
Artworks	23	8,677	–	8,677	–
		1,977,479	–	60,772	1,916,707

40 Fair Value Measurements (continued)

(i) Recognised fair value measurements (continued)

	Note	2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial liabilities					
Interest rate swaps	26	885	–	885	–
		885	–	885	–
	Note	2013 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Available for sale financial assets	21	28,001	28,001	–	–
Unlisted shares in non-related companies	22	162	–	–	162
		28,163	28,001	–	162
Non-financial assets					
Land	23	384,279	–	24,980	359,299
Buildings	23	1,247,777	–	17,765	1,230,012
Leasehold Improvements	23	9,180	–	–	9,180
Equipment, motor vehicles, furniture & fittings, library collection	23	116,070	–	–	116,070
Artworks	23	3,037	–	3,037	–
		1,760,343	–	45,782	1,714,561
Financial liabilities					
Interest rate swaps	26	601	–	601	–
		601	–	601	–

Newly acquired land and buildings classified as Level 2 have been transferred to Level 3 in 2014 where categorised as specialised.

(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 21 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 27 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 2014, the borrowing rates were determined to be between 4.79% and 4.86% 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.

40 Fair Value Measurements (continued)

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

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.

(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 2014:

Level 3 Fair Value Measurements 2014	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Equipment \$'000	Total \$'000
Opening balance	359,299	1,230,012	9,180	116,070	1,714,561
Purchases (sales)	–	20	166	31,068	31,254
Transfers out of capital works in progress	1,585	54,126	1,684	13,178	70,573
Transfers in (out) of Level 3	1,550	950	–	–	2,500
Depreciations	–	(25,777)	(893)	(38,713)	(65,383)
Disposals	–	–	–	(403)	(403)
Foreign Currency Translation Movement	–	2,898	(2,414)	3,737	4,221
Subtotal	362,434	1,262,229	7,723	124,937	1,757,323
Revaluation	42,476	116,908	–	–	159,384
Subtotal	42,476	116,908	–	–	159,384
Closing balance	404,910	1,379,137	7,723	124,937	1,916,707
Level 3 Fair Value Measurements 2013					
	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Equipment \$'000	Total \$'000
Opening balance	358,391	1,225,797	12,557	131,583	1,728,328
Purchases (sales)	675	125	672	27,065	28,537
Transfers out of capital works in progress	233	25,034	157	3,502	28,926
Transfers in (out) of Level 3	–	–	–	–	–
Depreciations	–	(25,265)	(4,392)	(47,378)	(77,035)
Disposals	–	–	(1)	(503)	(504)
Foreign Currency Translation Movement	–	4,321	187	1,801	6,309
Subtotal	359,299	1,230,012	9,180	116,070	1,714,561
Revaluation	–	–	–	–	–
Subtotal	–	–	–	–	–
Closing balance	359,299	1,230,012	9,180	116,070	1,714,561

(i) The transfer into Level 3 in 2014 relates to a newly acquired building in December 2013 that formed part of Level 2 disclosure in 2013 due to its newly acquired status (eg. categorised as L2 in 2013 as depreciation would not be a significant unobservable input). As the building is 'specialised' and no longer 'newly acquired' it has been transferred into L3 in 2014.

(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.

40 Fair Value Measurements (continued)

(d) Fair value measurements using significant unobservable inputs (level 3) (continued)

Description	Valuation Technique	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
Specialised Land	Market Approach	Community Service Obligation (CSO) adjustment	10–50% (50%)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value
Buildings	Depreciated Replacement Cost	Direct cost per square metre	\$217–\$9.4K/m ² \$3.5K per m ²	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value
		Useful life	25–100 years (37 years)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
Leasehold Improvements	Depreciated Cost	Cost per unit	5K–6.4 mil (\$1.4 mil per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life	2–51 years 7 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Equipment	Depreciated Replacement Cost	Cost per unit	\$600–14 mil per unit (\$27K per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life	3–20 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Furniture & Fittings	Depreciated Replacement Cost	Cost per unit	1.2K–853K (\$8K per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life	2–20 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation
Motor Vehicles	Depreciated Replacement Cost	Cost per unit	\$12.8K–\$185K per unit (\$36K per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value
		Useful life of vehicles	6 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation

note a – CSO adjustments ranging from 10% to 50% were applied to reduce the market approach value for the Department's specialised land, with the weighted average 50% reduction applied

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

41 Subsidiaries

The consolidated financial statements are prepared in accordance with AASB 10. Whether the University 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 1.02:

	Para 7 (a)	Para 7 (b)	Para 7 (c)	Notes	Class of Shares	Place of Incorporation	Ownership		Shares held		Net equity	
							2014	2013	2014	2013	2014	2013
							%	%	No.	No.	\$'000	\$'000
Controlled entities – corporate												
RMIT Training Pty Ltd	✓	✓	✓	(a)	Ordinary	Australia	100	100	502,000	502,000	4,867	5,600
RMIT Spain S.L	✓	✓	✓	(f)	Ordinary	Spain	100	100	1,363,608	3,000	865	(1,002)
Spatial Vision Innovations Pty Ltd	✓	✓	✓	(b)	Ordinary	Australia	45.90	45.90	102,000	102,000	404	174
RMIT Vietnam Holdings Pty Ltd	✓	✓	✓	(c)	Ordinary	Australia	100	100	1,225,373	1,225,373	24,400	24,254
RMIT International University Vietnam LLC	✓	✓	✓	(d)	Licence	Vietnam	100	100	–	–	73,395	64,511
Controlled entities – other												
RMIT Foundation	✓	✓	✓	(e)	Unincorporated body						41,048	36,928
											144,979	130,465

41 **Subsidiaries** (continued)

- (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 with ordinary shares of 222,222 (2013 - 222,222) of \$1 each. The company is a subsidiary of RMIT by virtue of its financial control and the power to appoint the board. During 2013, RMIT negotiated with Spatial Vision an interest bearing intercompany loan facility of \$250,000. \$150,000 was drawn down in 2013 and has been fully repaid in 2014.
- (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 International University Vietnam (RIUV) and to hold funds for distribution to operations at the RIUV Campus and RMIT's investment in RIUV. Each year the RVH results will be affected by a timing difference between receipt of grants and the subsequent payment of those grants to RIUV.
- (d) RMIT International University Vietnam is a wholly owned entity of RMIT Vietnam Holdings Pty Ltd. Its purpose is to provide advanced education to the Vietnamese community in Vietnam.
- (e) RMIT Foundation is a trust. Its principal purpose is to raise funds, provide grants to RMIT for the conduct of research, provide for scholarships and student awards and to engage visiting scholars.
- (f) RMIT has established a new subsidiary in Barcelona. The company was established in 2012. RMIT provided a capital injection of 3,000 Euros (\$4.6K) in 2013 and an additional paid in capital of \$1.36 million Euros (\$2.02 million) in 2014. RMIT also provides financial assistance under a Letter of Support.

42 **Related parties**

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

(a) **Responsible persons and specified executives**

The names, remuneration and retirement benefits of persons who were Councillors of RMIT and specified executives at any time during the financial year are set out in note 44.

(b) **Controlled entities**

Interests in subsidiaries is set out in note 41.

(c) **Transactions with related parties**

The following transactions occurred with related parties:

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

	Consolidated		RMIT	
	2014	2013	2014	2013
Note	\$'000	\$'000	\$'000	\$'000
Sale of services				
Fees and charges	-	-	3,353	3,207
Donations and bequests	-	-	5,300	4,638
Rental income	-	-	1,246	1,182
Purchase of services				
Expenditure in relation to delivery of programs	-	-	-	-
Grants, scholarships and prizes	-	-	5,300	19,110
Expenditure incurred on behalf of related parties				
Audit fees	-	-	8	8
Loans advanced to/(repaid by) subsidiaries	-	-	(3,027)	7,093
Interest expense	-	-	479	376
Interest income	-	-	41	33
(d) Outstanding balances				
The following balances are outstanding at the reporting date in relation to transactions with related parties:				
Current Receivables	-	-	6,158	9,185
Provision for impairment	-	-	-	(2,145)
Interest bearing liabilities	-	-	18,137	16,095

(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 2.60% (2013 - 2.87%).

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.

	Consolidated		RMIT		
	2014	2013	2014	2013	
	\$'000	\$'000	\$'000	\$'000	
43	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:				
	Audit and review of the Financial Statements				
	Fees paid to Auditor-General of Victoria	378	354	273	266
	Fees paid to PricewaterhouseCoopers	56	51	–	–
	Total auditing services	434	405	273	266

44 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. Peter Hall, MLC was the Minister for Higher Education and Skills (1 Jan to 17 Mar 2014)

The Hon. Nick Wakeling, MP was the Minister for Higher Education and Skills (17 Mar to 3 Dec 2014)

The Hon. Steve Herbert, MP is the current Minister for Training and Skills.

Remuneration of these Ministers is disclosed in the financial statements of the Department of Premier and Cabinet.

Other relevant interests are declared in the Register of Members interests which is completed by each member of Parliament.

(ii) Names of responsible persons and executive officers

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

Responsible persons**Council Members**

Akhurst, B.

Michelmores, J.

Duckett, S. (term commenced on 7 Apr 2014)

O'Donnell, R.

Gardner, M. (term concluded on 31 Aug 2014)

Palmer, G. (term commenced on 1 Sep 2014)

Hayward, D. (term commenced on 11 Feb 2014)

Paton, B.

Hogan, G. (term commenced on 13 Oct 2014)

Reid, J. (term commenced on 7 May 2014)

Latchford, J.

Schulze, M. (term concluded on 7 Jul 2014)

Lever, R.

Switkowski, Z.

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

Adams, D. (term concluded on 21 Feb 2014)

Gillam, T. (term: 5 Aug 2014 to 31 Dec 2014)

Barnes, J.

Gough, P. (term commenced on 3 Feb 2014)

Coloe, P.

MacIntyre, A. (term commenced on 3 Mar 2014)

Cowlshaw, K. (term concluded on 28 Feb 2014)

Palmer, G.

Crisp, G. (term: 1 Sep 2014 to 31 Dec 2014)

Palmer, I.

De La Harpe, B. (term concluded on 14 Feb 14)

Somogyi, S.

Drummond, C. (term commenced on 27 Jan 14)

Wells, J. (term concluded on 27 Jun 2014).

Fudge, C.

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

44 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.

Consolidated		RMIT	
2014	2013	2014	2013
\$'000	\$'000	\$'000	\$'000
2,736	2,792	1,342	1,310

Number of RMIT Councillors and directors whose total remuneration from RMIT and any related bodies corporate was within the following bands:

	2014	2013	2014	2013
	No.	No.	No.	No.
\$ 0 – \$ 10,000	14	12	4	3
\$ 10,000 – \$ 19,999	7	9	7	7
\$ 70,000 – \$ 79,999	–	1	–	–
\$110,000 – \$119,999	–	1	–	–
\$120,000 – \$129,999	–	1	–	–
\$130,000 – \$139,999	–	1	–	–
\$170,000 – \$179,999	1	–	1	–
\$190,000 – \$199,999	–	1	–	–
\$200,000 – \$299,999	1	–	–	–
\$240,000 – \$249,999	–	2	–	1
\$270,000 – \$279,999	1	–	1	–
\$520,000 – \$529,999	–	1	–	–
\$540,000 – \$549,999	1	–	–	–
\$630,000 – \$639,999	1	–	–	–
\$770,000 – \$779,999	1	–	1	–
\$940,000 – \$949,999	–	1	–	1
	27	30	14	12

44 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 44 (a)(ii) for RMIT, the Consolidated disclosures below include executives of controlled entities.

	Consolidated		RMIT	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Total remuneration of executive officers	5,681	5,616	4,344	4,575

The number of executive officers whose total remuneration was within the following bands:

	2014	2013	2014	2013
	No.	No.	No.	No.
\$100,000 – \$109,999	1	–	–	–
\$110,000 – \$119,999	1	–	1	–
\$120,000 – \$129,999	–	2	–	1
\$150,000 – \$159,999	–	1	–	1
\$220,000 – \$229,999	–	1	–	–
\$260,000 – \$269,999	2	1	1	1
\$270,000 – \$279,999	–	–	–	1
\$290,000 – \$299,999	–	1	–	1
\$300,000 – \$309,999	–	1	–	1
\$330,000 – \$339,999	1	2	1	2
\$360,000 – \$369,999	1	–	1	–
\$390,000 – \$399,999	–	1	–	–
\$410,000 – \$419,999	1	–	1	–
\$420,000 – \$429,999	1	–	1	–
\$440,000 – \$449,999	1	2	–	2
\$470,000 – \$479,999	2	–	2	–
\$510,000 – \$519,999	–	1	–	1
\$520,000 – \$529,999	–	1	–	1
\$530,000 – \$539,999	–	1	–	1
\$540,000 – \$549,999	1	–	1	–
\$570,000 – \$579,999	–	1	–	–
\$600,000 – \$609,999	1	–	–	–
\$630,000 – \$639,999	1	–	1	–
	14	16	10	13

* Total remuneration of executive officers 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.

44 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	2014 Received/ (Paid) by RMIT \$'000	2013 Received/ (Paid) by RMIT \$'000
Janet Latchford	President and Board member, Epworth Healthcare	Provision of clinical health placements to RMIT students.	(127)	(120)
		Establishing and maintaining the Chair to be occupied by key personnel for joint benefit.	55	55
Daine Alcorn	Director, Peter MacCallum Cancer Centre	Provision of clinical health placements and lectures to RMIT students.	–	(68)
		Provision of research programs by RMIT.	–	38
	Director, Spatial Vision Innovations Pty Ltd	Provision of consultancy services by Spatial Vision.	(25)	(127)
Stephen Connelly	President, International Education Association of Australia (IEAA)	Charge back by RMIT for reimbursement of expenses	–	302
Margaret Gardner	Director, Open Universities Australia	Provision of student tuition and charges for RMIT Board nominee.	8,718	14,258
		Student registrations and fees for delivery of programs.	(153)	(283)
Gill Palmer	Vice Chair, RMIT Training Pty Ltd	Rental income charged to subsidiary	1,246	1,182
		Charge back of ELICOS commission and administration fees	3,022	2,287
Peter Coloe	Board Member, RMIT International University Vietnam	Service fees charged to subsidiary.	3,009	2,979
		Grants received from subsidiary.	–	3,060
		Provision of fibre services/links.	–	(134)
Steve Somogyi	Director, Spatial Vision Innovations Pty Ltd	Provision of consultancy services by Spatial Vision.	(25)	(127)
		Intercompany loan	–	(150)
	Director and Chair, Audit Committee, UniSuper Limited	Director's Fees	14	–
Colin Fudge	President RMIT Spain	Service fee paid by parent	(1,399)	–

All transactions disclosed above were on normal commercial terms and conditions.

45 Acquittal of Australian Government financial assistance

45.1 Education – CGS and Other Education Grants

	Note	Parent entity (RMIT) ONLY							
		Commonwealth Grants Scheme #1		Indigenous Support Program		Partnership & Participation Program #2		Disability Support Program	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		233,092	224,016	472	473	5,457	4,377	324	149
Net accrual adjustments		–	–	–	–	–	–	–	–
Revenue for the period	3(a)	233,092	224,016	472	473	5,457	4,377	324	149
Surplus/(deficit) from the previous year		–	–	48	–	–	30	(467)	(169)
Total revenue including accrued revenue		233,092	224,016	520	473	5,457	4,407	(143)	(20)
Less expenses including accrued expenses		233,092	224,016	492	425	5,457	4,407	324	447
Surplus/(deficit) for reporting period		–	–	28	48	–	–	(467)	(467)

#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

45 Acquittal of Australian Government financial assistance (continued)

45.1 Education – CGS and Other Education Grants (continued)

	Note	Parent entity (RMIT) ONLY							
		Diversity and Structural Adjustment Fund #3		Transitional Cost Program		Promo of Exc in Learn and Teaching		Reward Funding	
		2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		-	-	-	-	535	387	-	530
Net accrual adjustments		-	-	-	-	-	(374)	-	-
Revenue for the period	3(a)	-	-	-	-	535	13	-	530
Surplus/(deficit) from the previous year		(11)	(11)	-	94	5	27	-	496
Total revenue including accrued revenue		(11)	(11)	-	94	540	40	-	1,026
Less expenses including accrued expenses		-	-	-	94	323	35	-	1,026
Surplus/(deficit) for reporting period		(11)	(11)	-	-	217	5	-	-

#3 includes Collaboration and Structural Adjustment Program

	Note	Parent entity (RMIT) ONLY			
		Australian Maths & Science Partnership Program		Total	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		520	539	240,401	230,471
Net accrual adjustments		-	-	-	(374)
Revenue for the period	3(a)	520	539	240,401	230,097
Surplus/(deficit) from the previous year		234	-	(191)	467
Total revenue including accrued revenue		754	539	240,210	230,564
Less expenses including accrued expenses		32	305	239,721	230,755
Surplus/(deficit) for reporting period		722	234	489	(191)

45.2 Higher Education Loan Programs (excl OS-HELP)

	Note	Parent entity (RMIT) ONLY							
		HECS-HELP (Australian Government payments only)		FEE-HELP #4		VET FEE-HELP		SA HELP	
		2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable/(Receivable) at beginning of year		-	-	(427)	(1,360)	8,780	(376)	2,696	(878)
Financial assistance received in Cash during the reporting period		159,536	135,590	36,554	35,476	10,214	25,355	954	6,899
Cash available for period		159,536	135,590	36,126	34,116	18,994	24,979	3,650	6,021
Revenue earned	3(b)	159,536	135,590	38,257	34,543	20,024	16,199	3,628	3,325
Cash Payable/(Receivable) at end of year		-	-	(2,131)	(427)	(1,030)	8,780	22	2,696

#4 Program is in respect of FEE-HELP for Higher Education only and excluded funds received in respect of VET FEE-HELP

45 Acquittal of Australian Government financial assistance (*continued*)45.2 Higher Education Loan Programs (excl OS-HELP) (*continued*)

	Note	Parent entity (RMIT) ONLY	
		Total	
		2014	2013
		\$'000	\$'000
Cash Payable/(Receivable) at beginning of year		11,049	(2,614)
Financial assistance received in Cash during the reporting period		207,257	203,320
Cash available for period		218,306	200,706
Revenue earned	3(b)	221,445	189,657
Cash Payable/(Receivable) at end of year		(3,139)	11,049

45.3 Scholarships

	Note	Parent entity (RMIT) ONLY							
		Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships #5		Commonwealth Accommodation Scholarships #5	
		2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		5,345	4,883	411	409	(43)	(645)	-	(13)
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(c)	5,345	4,883	411	409	(43)	(645)	-	(13)
Surplus/(deficit) from the previous year		1,247	863	(174)	(175)	(430)	320	(118)	(51)
Total revenue including accrued revenue		6,592	5,746	237	234	(473)	(325)	(118)	(64)
Less expenses including accrued expenses		5,491	4,499	407	408	-	105	-	54
Surplus/(deficit) for reporting period		1,101	1,247	(170)	(174)	(473)	(430)	(118)	(118)

	Note	Parent entity (RMIT) ONLY			
		Indigenous Access Scholarships		Total	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		54	65	5,767	4,699
Net accrual adjustments		-	-	-	-
Revenue for the period	3(c)	54	65	5,767	4,699
Surplus/(deficit) from the previous year		-	-	525	957
Total revenue including accrued revenue		54	65	6,292	5,656
Less expenses including accrued expenses		54	65	5,951	5,131
Surplus/(deficit) for reporting period		-	-	341	525

#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarship respectively

45 Acquittal of Australian Government financial assistance (continued)

45.4 Education Research

	Note	Parent entity (RMIT) ONLY							
		Joint research Engagement		Research Training Scheme		Research Infrastructure Block Grants		JRE Engineering Cadetships	
		2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		7,157	6,284	13,471	13,550	2,048	1,887	82	49
Net accrual adjustments		-	-	-	-	-	-	-	-
Revenue for the period	3(d)	7,157	6,284	13,471	13,550	2,048	1,887	82	49
Surplus/(deficit) from the previous year		250	-	-	-	-	14	50	12
Total revenue including accrued revenue		7,407	6,284	13,471	13,550	2,048	1,901	132	61
Less expenses including accrued expenses		7,407	6,034	13,471	13,550	2,048	1,901	24	11
Surplus/(deficit) for reporting period		-	250	-	-	-	-	107	50

	Note	Parent entity (RMIT) ONLY					
		Australian Scheme for Higher Education Repositories		Sustainable Research Excellence in Universities		Total	
		2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		-	-	1,678	1,602	24,436	23,372
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(d)	-	-	1,678	1,602	24,436	23,372
Surplus/(deficit) from the previous year		-	-	509	436	809	462
Total revenue including accrued revenue		-	-	2,187	2,038	25,245	23,834
Less expenses including accrued expenses		-	-	2,187	1,529	25,137	23,025
Surplus/(deficit) for reporting period		-	-	-	509	107	809

45.5 Australian Research Council Grants

(a) Discovery

	Note	Parent entity (RMIT) ONLY					
		Projects		Fellowships		Total	
		2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		6,356	4,608	1,959	1,305	8,315	5,913
Net Accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(e)/(f)	6,356	4,608	1,959	1,305	8,315	5,913
Surplus/(deficit) from the previous year		2,666	2,342	1,208	1,349	3,874	3,691
Total revenue including accrued revenue		9,022	6,950	3,167	2,654	12,189	9,604
Less expenses including accrued expenses		5,547	4,284	1,826	1,446	7,373	5,730
Surplus/(deficit) for reporting period		3,475	2,666	1,341	1,208	4,816	3,874

45 Acquittal of Australian Government financial assistance (continued)

45.5 Australian Research Council Grants (continued)

(b) Linkages

	Note	Parent entity (RMIT) ONLY					
		Infrastructure		Projects		Total	
		2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		500	–	3,421	2,660	3,921	2,660
Net Accrual adjustments		–	–	–	15	–	15
Revenue for the period	3(e)(ii)	500	–	3,421	2,675	3,921	2,675
Surplus/(deficit) from the previous year		90	587	2,028	1,716	2,118	2,303
Total revenue including accrued revenue		590	587	5,449	4,391	6,039	4,978
Less expenses including accrued expenses		500	497	2,988	2,363	3,488	2,860
Surplus/(deficit) for reporting period		90	90	2,461	2,028	2,551	2,118

45.6 OS-HELP

	Note	Parent entity (RMIT) ONLY	
		2014	2013
		\$'000	\$'000
Cash Received during the reporting period		3,289	889
Cash Spent during the reporting period		2,728	987
Net Cash received	3(g)	561	(98)
Cash Surplus/(deficit) from the previous period		263	361
Cash Surplus/(deficit) for reporting period		824	263

45.7 Superannuation Supplementation

	Note	Parent entity (RMIT) ONLY	
		2014	2013
		\$'000	\$'000
Cash Received during the reporting period	3(g)	22,550	20,156
University contribution in respect of current employees		(22,965)	(22,474)
Cash available		(415)	(2,318)
Cash Surplus/(deficit) from previous period		(2,872)	(554)
Cash available for current period		19,678	19,602
Contribution to specified defined benefit funds		22,965	22,474
Cash surplus/(deficit) this period		(3,287)	(2,872)

45.8 Student Services and Amenities Fee

	Note	Parent entity (RMIT) ONLY	
		2014	2013
		\$'000	\$'000
Unspent/(overspent) revenue from previous period		–	–
SA-HELP Revenue Earned		3,628	3,325
Student Services Fees direct from Students		11,058	10,153
Total revenue expendable in period		14,686	13,478
Student Services expenses during period		(14,686)	(13,478)
Unspent/(overspent) Student Services Revenue		–	–

Balance Sheet

for the years 2014 to 2010 inclusive

	Consolidated					RMIT				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current assets										
Cash and cash equivalents	110,720	135,110	109,117	69,262	82,276	83,779	89,413	80,021	41,677	47,333
Receivables	49,534	52,794	50,003	57,029	59,402	53,553	56,958	49,500	59,320	63,062
Inventories	1,775	1,728	586	720	658	1,288	1,159	–	–	–
Other financial assets	28,132	17,250	8,800	7,200	–	–	–	–	–	–
Other non-financial assets	12,410	11,138	12,493	8,774	8,653	10,308	9,280	10,409	7,148	6,983
Total current assets	202,571	218,020	180,999	142,985	150,989	148,928	156,810	139,930	108,145	117,378
Non-current assets										
Receivables	313,274	315,830	443,839	339,833	339,134	313,210	315,894	443,787	339,781	339,082
Available for sale financial assets through equity	54,037	28,001	20,340	17,665	20,896	3,960	–	–	–	–
Other financial assets	158	2,162	172	2,468	164	2,532	2,536	2,536	2,494	2,494
Property, plant and equipment	2,095,275	1,832,345	1,802,180	1,699,222	1,566,691	2,041,257	1,780,696	1,757,790	1,657,989	1,529,682
Deferred tax asset	1,016	692	749	231	183	–	–	–	–	–
Intangible assets	16,883	814	422	648	616	16,319	–	–	–	–
Total non-current assets	2,480,643	2,179,844	2,267,702	2,060,067	1,927,685	2,377,278	2,099,126	2,204,113	2,000,264	1,871,258
Total assets	2,683,214	2,397,864	2,448,701	2,203,052	2,078,674	2,526,206	2,255,936	2,344,043	2,108,409	1,988,636
LIABILITIES										
Current liabilities										
Trade and other payables	134,195	131,242	93,399	83,841	105,975	83,333	85,287	65,579	59,585	86,923
Borrowings	–	–	–	–	–	18,137	16,095	10,650	17,289	19,549
Provisions	130,656	118,794	122,797	113,326	104,010	129,237	117,378	121,436	111,874	102,635
Current tax liabilities	4,947	4,439	4,053	4,015	4,120	4,947	4,439	4,053	3,930	4,120
Other liabilities	73,109	76,234	62,769	57,638	71,038	59,991	63,066	50,527	44,178	57,772
Total current liabilities	342,907	330,709	283,018	258,820	285,142	295,645	286,265	252,245	236,856	270,999
Non-current liabilities										
Borrowings	128,868	110,000	155,000	90,000	–	128,868	110,000	155,000	90,000	–
Provisions	328,916	329,638	456,972	350,611	349,428	328,104	328,928	456,243	349,907	348,700
Deferred tax liabilities	4	5	12	11	6	–	–	–	–	–
Other liabilities	303	397	490	–	–	–	–	–	–	–
Total non-current liabilities	458,091	440,040	612,474	440,622	349,433	456,972	438,928	611,243	439,907	348,700
Total liabilities	800,998	770,749	895,492	699,442	634,576	752,617	725,193	863,488	676,763	619,699
Net assets	1,882,216	1,627,115	1,553,209	1,503,610	1,444,098	1,773,589	1,530,743	1,480,555	1,431,646	1,368,937
Equity										
RMIT entity interest										
Reserves	814,984	635,497	628,628	628,246	623,663	778,485	606,838	606,722	607,419	599,983
Retained Earnings	1,066,954	991,404	924,047	874,666	819,803	995,104	923,905	873,833	824,227	768,954
Total RMIT entity interest	1,881,938	1,626,901	1,552,675	1,502,912	1,443,466	1,773,589	1,530,743	1,480,555	1,431,646	1,368,937
Outside equity interest in controlled entities										
	278	214	534	698	632	–	–	–	–	–
Total equity	1,882,216	1,627,115	1,553,209	1,503,610	1,444,098	1,773,589	1,530,743	1,480,555	1,431,646	1,368,937

Income Statement

for the years 2014 to 2010 inclusive

	Consolidated					RMIT				
	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000	2010 \$'000	2014 \$'000	2013 \$'000	2012 \$'000	2011 \$'000	2010 \$'000
Income from continuing operations										
Australian Government financial assistance										
Australian Government grants	308,965	295,194	276,248	246,216	242,397	308,965	295,194	276,248	246,216	242,397
HELP – Australian Government payments	221,445	189,657	145,925	126,740	111,598	221,445	189,657	145,925	126,740	111,598
State and Local Government financial assistance	31,686	34,393	56,892	64,728	86,615	31,686	34,393	56,892	64,728	86,615
HECS–HELP – Student Payments	22,063	22,241	21,182	16,991	16,629	22,063	22,241	21,182	16,991	16,629
Fees and charges	409,824	386,505	351,009	348,347	336,688	335,064	318,558	293,909	298,583	283,812
Investment income	7,683	6,735	7,209	7,889	7,230	5,271	4,840	5,101	5,002	6,158
Consultancy and contracts	35,663	33,820	36,670	41,275	37,971	31,873	30,704	32,417	34,980	31,837
Other revenue and income	40,986	43,882	30,662	30,605	30,301	32,168	29,341	28,988	24,016	27,599
	1,078,315	1,012,427	925,797	882,791	869,428	988,535	924,928	860,662	817,256	806,646
Deferred government superannuation contributions	1,858	130,639	104,798	1,298	45,536	1,858	130,639	104,798	1,298	45,536
Total revenue from continuing operations	1,080,173	1,143,066	1,030,595	884,089	914,964	990,393	1,055,567	965,460	818,554	852,182
Expenses from continuing operations										
Employee related expenses	607,932	557,254	549,929	515,786	490,513	554,754	511,667	506,925	472,868	450,694
Depreciation and amortisation	66,292	77,682	66,339	62,713	49,044	58,859	70,570	60,060	56,803	45,183
Repairs and maintenance	21,058	15,088	11,713	14,148	20,941	21,051	15,073	11,672	14,074	20,876
Finance costs	6,871	6,443	8,227	3,909	2	7,336	6,810	8,786	4,731	964
Impairment of assets	(4,077)	12,604	3,904	792	5,394	(4,277)	14,628	4,296	1,505	5,798
Investment losses	–	–	–	1,654	287	–	–	–	–	–
Other expenses	300,807	273,849	234,259	229,157	222,749	276,740	254,364	217,648	211,237	205,694
	998,883	942,920	874,371	828,159	788,930	914,463	873,112	809,387	761,218	729,209
Deferred employee benefits for superannuation	1,858	130,639	104,798	1,298	45,536	1,858	130,639	104,798	1,298	45,536
Total expenses from continuing operations	1,000,741	1,073,559	979,169	829,457	834,466	916,321	1,003,751	914,185	762,516	774,745
Operating result before income tax	79,432	69,507	51,426	54,632	80,498	74,072	51,816	51,275	56,038	77,437
Income tax expense	3,833	2,450	2,192	1,270	1,744	2,873	1,744	1,670	765	993
Operating result from continuing operations	75,599	67,057	49,234	53,362	78,754	71,199	50,072	49,605	55,273	76,444
Operating result attributable to minority interest	(124)	320	164	(96)	(170)	–	–	–	–	–
Operating result attributed to RMIT entity	75,475	67,377	49,398	53,266	78,584	71,199	50,072	49,605	55,273	76,444

