

GLOBAL URBAN CONNECTED

2012
ANNUAL
REPORT

14 March 2013

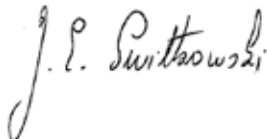
The Hon Peter Hall MLC
Minister for Higher Education and Skills
2 Treasury Place
EAST MELBOURNE VIC 3002

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 2012.

The Annual Report was approved by the Council of RMIT University on 6 March 2013.

Yours sincerely



Dr ZE Switkowski
Chancellor



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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.

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.

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.

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

Education is returning as a key issue on the national agenda.

Having world-class institutions at all levels is critical – from early childhood learning through K-12 schooling, vocational education and training, higher education and lifelong learning. It's vital for the success of our economy, the esteem of our citizens, and to underpin a progressive society.

With its pathways programs, VET and higher education, RMIT University understands this. Its students – in Australia, Vietnam, Germany, China, Malaysia, Singapore and India – qualify with degrees, diplomas and certificates recognised and valued globally. As employers around the world demand diverse and contemporary skills, our graduates are known to be job-ready.

Our academic standings are monitored and goals set to improve our rankings in disciplines we judge to be central to our mission. Our research programs grow and attract ever more attention and support.

The events which define our annual graduation ceremony every December serve to illustrate many of the distinctive characteristics of RMIT University.

More than 3,000 students and staff parade through the city centre, with many thousands of onlookers happily cheering them on. The students are addressed by the Lord Mayor and the connection to the City of Melbourne is reinforced. We are proud of our Melbourne roots and our urban character with its global connections.

Then follows Australia's biggest graduation event at Etihad Stadium, where more than 6,000 graduates from 24 academic schools celebrate their achievements in front of 27,000 family members and friends. This ceremony emphasises the international diversity of our student body, the range of our academic programs, the excellence of our graduates, and that RMIT thinks big and enthusiastically celebrates important milestones.

This past year has seen the successful completion of important facilities, the Design Hub and the Swanston Academic Building. The colonisation by our students of the northern boundary of the City of Melbourne continues and our plans anticipate further investment in this precinct.

The RMIT footprint is expected to grow offshore, providing our students with more opportunities for multinational experiences. Our long and effective presence in Vietnam encourages us to do more there and elsewhere across Asia.

The year ahead will see further innovation with online course delivery and administration, an improved IT environment, and a focus on higher productivity in back-office functions. We expect the staff and student experiences to continue to improve, consistent with RMIT's aspiration to be a great university.

The Council of RMIT University is also changing with the times. A number of long-serving members retired during the year and the State Government then legislated to exclude elected staff and students from automatic membership of the Council. From a peak of 22 members, the Council is now at 11 with some rebuilding expected ahead.

I am very grateful to all Council members for their many contributions, diligent efforts and collegial spirit in support of the University.

Finally, on behalf of the Council, I would like to thank the Vice-Chancellor, Professor Margaret Gardner AO, and her executive team. Under her leadership, the University sets and frequently beats ambitious academic and commercial goals, even during demanding years such as 2012. We're all looking forward to the period ahead.

Dr Ziggy Switkowski
Chancellor



VICE-CHANCELLOR'S STATEMENT

RMIT University focused on implementing its commitment in its Strategic Plan to 2015, *Transforming the Future*, to be a global university of technology and design.

In 2012, RMIT faced a number of challenges including continued strong competition in international education and funding pressures in the vocational education sector. RMIT responded well to these challenges and achieved strong academic and financial results.

The Excellence in Research Australia results confirmed RMIT as producing "well above world standard" research in architecture, clinical sciences and human movement, and sports science. Our research was rated at "above world standard" in aerospace engineering, applied mathematics, artificial intelligence and image processing, building, condensed matter physics, cultural studies, design practice and management, electrical and electronic engineering, information systems, materials engineering, mechanical engineering, medical physiology, pharmacology and pharmaceutical sciences, physical chemistry, urban and regional planning and visual arts and crafts.

These results show RMIT's research strengths, aligned with our aspirations in technology and design.

Our investments in improving outcomes in learning, teaching and research continued in 2012. The Learning and Teaching Investment Fund supported a range of initiatives across the University, including projects to enhance the student

experience, to support pathways between vocational and higher education, and to improve the effectiveness of our teaching spaces and use of technology.

RMIT has maintained its position as a world leader in international education. In 2012 we had 12,000 onshore and 11,500 offshore international students. RMIT Vietnam saw more than 1700 students graduate this year, bringing the total number of graduates in Vietnam to more than 5000. RMIT's partnership with the Singapore Institute of Management, now with more than 6500 current students and 24,000 graduates, celebrated its 25th anniversary.

The Design Hub – supported by the Commonwealth through a grant of \$28.6 million from the Education Investment Fund – was opened by Senator Chris Evans, Minister for Tertiary Education, Skills, Science and Research, in November and will further enhance our design research and postgraduate education capabilities.

Construction of the Swanston Academic Building also finished, adding substantially to the range and quality of our teaching and students spaces on the City campus. While it opened for teaching in 2012, it will be formally opened in early 2013. RMIT Vietnam completed another major building known as AB2, providing new, environmentally sustainable classrooms,

teaching and learning spaces, offices and student accommodation.

Our commitment to transforming the lives of our students was maintained in 2012 through our various equity and scholarship schemes. RMIT awarded more than 3200 scholarships to its students. A total of 1278 Schools Network Access Program students commenced across all three RMIT Colleges.

While achieving these outcomes, RMIT has maintained strong financial discipline. RMIT has again achieved a strong financial result with an overall surplus of \$49.6 million on revenue totalling \$965 million. With an EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) of 14.7 per cent, RMIT's performance enables it to continue investing in education and research.

With the capability of our staff and students, the increasing strength and focus in education and research and our financial performance, I am confident RMIT is well-positioned to continue to develop a strong position as a global university of technology and design.

Professor Margaret Gardner AO
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.

RMIT University is global in attitude, action and presence; urban in orientation and creativity; and connected through active partnerships with professions, industries and organisations.

RMIT enjoys an international reputation for excellence in professional and practical education, applied and innovative research, and engagement with the needs of industry and the cities in which the University is located.

One of Australia's original educational institutions founded in 1887, RMIT is now the largest and most internationalised tertiary institution in Australia with a total student population of 82,179.

RMIT offers doctoral, postgraduate, undergraduate, diploma and certificate programs, enabling students to have the option of work-relevant pathways between vocational and higher education qualifications.

RMIT is ranked in the top 10 among Australian universities in the 2012 QS World University Rankings, and in the top 100 universities in the world for engineering and technology.

The University has three campuses in Melbourne, Australia, two in Vietnam, and a centre in Barcelona, Spain. RMIT offers programs through partners in Singapore, Hong Kong, mainland China, Malaysia, India, Indonesia, Sri Lanka, Belgium, Spain and Germany, as well as enjoying research and industry partnerships on every continent.

International centres at RMIT include the European Union Centre, Chinese Medicine Confucius Institute, Australia APEC Study Centre and United Nations Global Compact Cities Programme.

All RMIT educational programs include work or clinical experience, industry projects, internships and opportunities for overseas study and placements, ensuring that graduates are equipped with the skills and insight that employers value in the ever-changing global economy.

RMIT's links with employers and universities across the world provide a global passport for students and staff by enabling them to benefit from exchange, work placements, study or research in other countries. A range of scholarships is available to support education and research.

As part of a continuing \$600 million capital investment program, RMIT has recently completed several major projects including the Design Hub and Swanston Academic Building, which transform learning, teaching and research spaces. These investments are in the context of design excellence and sustainable urban campus environments.

RMIT has made a major commitment to reduce greenhouse gas emissions over the next 12 years and is part of the Victorian Government's Greener Government Buildings Program. RMIT is also a Fair Trade University.

RMIT University is a self-accrediting university established under Victorian Government legislation. RMIT's objects under its Act include the fostering of 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 (VET) programs.

SENIOR OFFICERS



Vice-Chancellor and President

Professor Margaret Gardner AO
BEcon(Hons), PhD (Syd), DUniv (Griffith),
FAIM, GAICD

Professor Gardner is Vice-Chancellor and President of RMIT University and all of its controlled entities. She also chairs the Boards of RMIT Vietnam and RMIT Vietnam Holdings.

Professor Gardner has had a prominent academic career, having held leadership positions at Griffith University and the University of Queensland.

She currently chairs the Museums Board of Victoria and the Strategic Advisory Committee of the Office of Learning and Teaching, and is a director of Open Universities Australia and the Australian-American Fulbright Commission. She is also a member of the ANZAC Centenary Advisory Board and the Department of Foreign Affairs and Trade's Council on Australian Latin America Relations and is Chair of its Education Action Group.



Deputy Vice-Chancellor Academic and Vice-President

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

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's Faculty of Business and Economics.

She has published in organisational sociology and employment relations, been President of the Australian and New Zealand Academy of Management and the Association of Industrial Relations Academics of Australia and New Zealand, and is currently on the European Quality Improvement System committee and the International Advisory Committee of Singapore Institute of Management.



Chief Operating Officer and Vice-President Resources

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

The Chief Operating Officer is responsible for efficient and effective operational services, and for the strategic improvement of facilities, technology and people resources. He provides leadership of the corporate resources areas of the University and its controlled entities. His team ensure a strong financial and services foundation is provided for future development.

Steve Somogyi was appointed to this role in 2006, having previously had extensive experience in the financial services and health care industries. He is a director of ANZ Wealth entities, the Guild Group and RMIT Foundation, and is a member of the Safety, Rehabilitation and Compensation Commission.



Deputy Vice-Chancellor Research and Innovation and Vice-President

Professor Daine Alcorn
BSc(Hons), MSc, PhD (Melb), GAICD

Professor Alcorn leads the University's capability in research and innovation. Her teaching and research background is in health and life sciences, with a strong focus on quality teaching and learning. Her research in renal development, structure and function has been supported by national research funding for more than 20 years, resulting in over 100 publications.

Professor Alcorn has served on the NHMRC Research Committee and chaired its Research Fellowships Committee. She was the Inaugural Chair of the Victorian Cancer Agency Consultative Council and a Board Member of Museums Victoria, and is currently a Board Member of the Peter MacCallum Cancer Centre.



Pro Vice-Chancellor Business and Vice-President

Professor Ian Palmer
BA(Hons) (ANU), PhD (Monash), FASSA

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

A previous President of the Australian and New Zealand Academy of Management (ANZAM) and foundation Chair of the Business Academic Research Directors Network, Professor Palmer was elected in 2008 to the US Academy of Management's 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 Colin Fudge
BArch(Hons), MA (Town and Regional Planning) (Sheffield), DSc (Bristol), FRIBA, MRTPI, FRSA

Professor Fudge was appointed PVC DSC in 2008, having previously 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.

He has written eight books and edits a series for Palgrave Macmillan.



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 a 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 council member 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.



Deputy Vice-Chancellor International and Development and Vice-President

Mr Stephen Connelly

BA(Hons), MA, DipEd (Monash), PGDM (Melb), GAICD

Stephen Connelly was appointed DVC I&D in 2010. He previously spent five years at Swinburne University as Pro Vice-Chancellor (International) and later Deputy Vice-Chancellor (Development and Engagement), and seven years at La Trobe University as Marketing Director, and later Director, of the International Programs Office.

Mr Connelly was Chair of the Victorian International Directors' Committee in 2000-02, and foundation Chair of the Australian Universities International Directors' Forum. From 2008 to 2012 he was President of the International Education Association Australia.

He has lived and worked in Germany and Malaysia, and has more than 20 years' experience in international education.



Director TAFE and Vice-President

Mr John Barnes

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

John Barnes has extensive involvement in tertiary education, particularly in vocational education.

Prior to joining RMIT University in January 2012, he held senior management positions in TAFE Institutes for 16 years, most recently as General Manager, 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.

He is currently completing a Doctor of Education (Research) with the University of Melbourne.



University Secretary and Vice-President

Dr Julie Wells

BA, DipEd (University of WA), BA(Hons) (Murdoch University), PhD (Monash)

Dr Wells was appointed University Secretary in April 2009, heading the Office of Governance and Planning which provides integrated support for University governance and for strategic, academic and business planning. She was previously Executive Director, Policy and Planning, and has served as Principal Policy Adviser to the Vice-Chancellor.

Dr Wells has extensive experience in tertiary education administration and management, and in public policy. Her background includes teaching and administrative roles in schools, TAFEs and universities, providing advice and support to State and Commonwealth parliamentarians, and leading the policy and research unit in the National Tertiary Education Union's National Office. She was a founding Board Member of the Council for the Humanities, Arts and Social Sciences.



President RMIT Vietnam and Pro Vice-Chancellor RMIT University

Professor Joyce Kirk

BA (Syd) MA (UCan) MLitt (UNE) PhD (UTS) FALIA

Professor Kirk was appointed President RMIT Vietnam in October 2012. Between June 2011 and this appointment, she was engaged as a consultant by universities in three Australian States.

As Pro Vice-Chancellor Students at RMIT from 2004 to May 2011, Professor Kirk led several policy, service and ICT initiatives to improve the student experience. Her previous experience includes positions as Dean of the Faculty of Humanities and Social Sciences and Chair Academic Board at the University of Technology, Sydney. She was also an AUQA Auditor for ten years and is a reviewer for the Hong Kong Council for Accreditation of Academic and Vocational Qualifications.

ACADEMIC SCHOOLS AND RESEARCH INSTITUTES

As at 31 December 2012, RMIT University offered programs of study in 24 schools across three academic colleges.

College of Business

School	Head of School
Accounting	Professor Garry Carnegie
Business IT and Logistics	Professor Caroline Chan
Business TAFE	Ms Vicki Molloy
Economics, Finance and Marketing	Professor Tony Naughton
Graduate School of Business and Law	Professor Margaret Jackson
	<i>From October:</i> Professor Mark Farrell
Management	Professor George Cairns

College of Design and Social Context

School	Head of School
Architecture and Design	Professor Richard Blythe
Art	Professor Jeremy Diggle
Design TAFE	Mr Keith Cowlishaw
Education	Professor Annette Gough
Fashion and Textiles	Mr Keith Cowlishaw
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 Technology

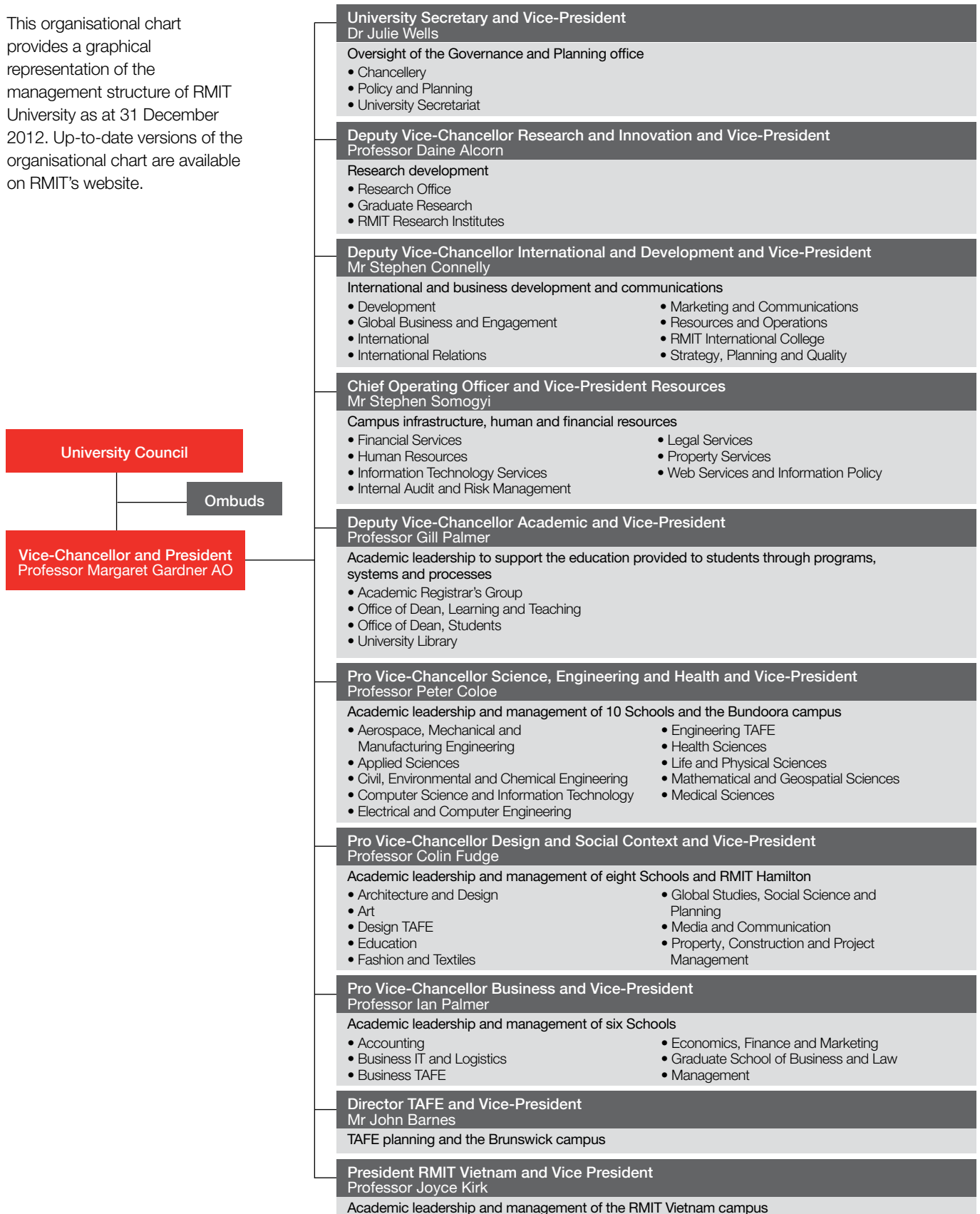
School	Head of School
Aerospace, Mechanical and Manufacturing Engineering	Professor Aleksandar Subic
Applied Sciences	Professor Andrew Smith
Civil, Environmental and Chemical Engineering	Professor Chun Qing Li
Computer Science and Information Technology	Professor Athman Bouguettaya
Electrical and Computer Engineering	Professor Ian Burnett
Engineering TAFE	Mr Peter Ryan
Health Sciences	Professor Charlie Xue
Life and Physical Sciences	Ms Cheryl Underwood
Mathematical and Geospatial Sciences	Professor John Hearne
Medical Sciences	Professor David Pow

Research Institutes

RMIT University has four Research Institutes which continue to 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 Paul James
Health Innovations Research Institute	Professor David Adams
Platform Technologies Research Institute	Professor Xinghuo Yu

This organisational chart provides a graphical representation of the management structure of RMIT University as at 31 December 2012. Up-to-date versions of the organisational chart are available on RMIT's website.



STATISTICAL SNAPSHOT

Sector/Level Enrolments (headcounts)	2008	2009	2010	2011	2012*
Higher Education (HE)	47,643	50,472	53,350	55,178	56,724
Postgraduate Research	1,618	1,616	1,672	1,690	1,761
Postgraduate Coursework	9,541	10,332	10,805	10,625	9,984
Undergraduate	34,874	36,292	37,813	39,008	40,409
Sub Degrees	1,610	2,232	3,060	3,855	4,570
Open Universities	4,219	4,395	5,821	7,277	6,914
Australia					
Postgraduate	319	442	487	564	628
Undergraduate	3,900	3,953	5,334	6,713	6,282
Vocational Education and Training (VET)	22,604	21,132	20,554	19,667	17,935
Diploma and Advanced Diploma (AQF 5-6)	10,087	9,708	9,123	8,854	8,302
Certificates III and IV (AQF 3-4)	8,353	8,770	8,775	8,527	7,327
Certificates I and II (AQF 1-2)	2,765	1,194	1,453	1,099	1,029
VCE/VCAL	531	543	511	526	562
Other ¹	868	917	692	661	715
Foundation Studies	632	691	808	723	606
Total	75,098	76,690	80,533	82,845	82,179

Student Fee-Type Enrolments (HE and VET load in %)					
Higher Education					
Government-funded	44	43	43	43	47
Australian fee-paying	8	7	6	6	5
International Onshore	20	21	22	22	20
International Offshore	19	19	18	17	16
Vietnam	8	10	11	12	12
Other	1	0	0	0	0
Vocational Education and Training					
Government-funded	72	71	71	72	73
Australian fee-paying	11	14	15	17	19
International Onshore	10	10	8	7	6
International Offshore	6	3	3	2	1
Other	1	2	3	2	2

Student Load					
Student Load EFTSL (HE)	34,593	36,431	38,985	40,423	41,475
Student Contact Hours VET	8,208,224	8,405,487	8,241,993	7,959,312	7,842,106

Award Completions					
Higher Education					
Postgraduate Research	267	249	207	231	233
Postgraduate Coursework	2,703	3,867	4,228	4,538	4,218
Undergraduate (incl Associate Degrees and Diplomas)	6,161	9,003	9,327	10,125	11,324
Vocational Education and Training	5,577	5,638	6,497	6,590	6,662
Total	14,708	18,757	20,259	21,484	22,437

Graduate Outcomes %	2008	2009	2010	2011	2012*
Higher Education					
Student satisfaction ²	66.9	66.0	79.4	80.4	79.2
Graduates in full-time employment	85.9	77.7	76.2	77.6	74.3
Graduates in further full-time study	12.4	12.3	13.7	13.7	13.5
Vocational Education and Training					
Student satisfaction	84.6	83.9	80.8	85.4	86.6
Graduates in full-time employment	80.4	82.8	79.7	78.5	74.4
Graduates in further full-time study	41.3	39.9	46.3	40.1	45.5

Global, Urban and Connected ³					
Research					
Research income from international sources—total	\$1.0m	\$1.9m	\$1.8m	\$3.3m	N/A
Research income from international sources—%	3.5%	6.0%	6.3%	8.3%	N/A

Staff					
HE International academic staff onshore	43.3%	45.4%	45.8%	44.0%	45.2%
HE Academic staff Level B and above holding PhDs	61.0%	60.0%	65.0%	68.0%	74.6%

Mobility					
HE and VET global student mobility uptake	2.5%	2.7%	2.9%	2.9%	N/A
HE UG completions with a mobility experience	9.6%	10.8%	14.2%	15.3%	15.0%
HE and VET International students EFTSL	39.7%	40.6%	41.7%	41.8%	39.0%
International student ranking in QS World University Rankings	4th	4th	4th	6th	8th

Selectivity					
HE UG and PG selectivity of coursework students (applications per place)	8.8	9.8	9.1	8.6	10.62
HE UG selectivity of coursework students (applications per place)	3.2	4.1	3.6	3.5	3.17
RMIT's global reputation with employers (HE) ranking in QS World University Ranking	60th	65th	76th	51st	75th

Industry					
Industry scholarships	\$1.0 m	\$1.3 m	\$2.1 m	\$3.0 m	\$6.6m
Industry scholarships (student load EFTSL)	401.4	500.9	843.2	1193.4	2642.3
Commercial revenue from industry	\$31.1m	\$32.2m	\$31.8m	\$35.0m	N/A
Industry scholarships	1.2%	1.4%	2.2%	3.0%	7.20%

*HE enrolments data provisional as at January 2013. Final data available April 2013.

N/A: Not yet available

UG: Undergraduate

PG: Postgraduate

1 Non-award program/programs not elsewhere classified

2 From 2010, HE results are not comparable to previous years as there was a labelling change to the survey instrument.

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

The consolidated 2012 net operating result for RMIT University and its subsidiaries was \$49.4 million, continuing the strong results of recent years. RMIT University's operating result was \$49.6 million or 5.8 per cent of revenue.

For the consolidated group, revenue increased to \$925.8 million from \$882.8 million, excluding the effect of income received from the Commonwealth for deferred superannuation benefits. Expenditure increased to \$874.4 million in 2012 from \$828.2 million resulting in an Operating Result of \$49.4 million after income tax. Cash balances for the group totalled \$109.1 million.

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

Revenue increased to \$860.7 from \$817.3 million after excluding deferred superannuation benefits. Australian Government Financial Assistance – including HECS-HELP and VET FEE-HELP – increased by \$49.0 million, from \$373.0 million to \$422.2 million. Commonwealth Supported Places were 391 EFTSL ahead of target. Commonwealth research grants were in line with the previous year at \$22.7 million.

TAFE-specific State Government grants totalled \$56.9 million, a decrease of \$7.8 million on 2011. This was due to the change in State Government funding arrangements. VET FEE-HELP revenue increased from \$6.9 million to \$7.9 million.

Course fees and charges decreased to \$275.8 million from \$283.6 million, or 2.7 per cent.

Australian undergraduate fee-paying revenue decreased to \$2.5 million, while domestic postgraduate revenue increased by 1.4 per cent from \$11.6 million to \$11.8 million.

International fee-paying student revenue decreased by 3.7 per cent (or \$9.1 million) to \$238.3 million.

Other fees and charges increased by 20.7 per cent to \$18.1 million. Investment revenue increased slightly from \$5.0 million to \$5.1 million due to the funds being invested in the short-term deposits. RMIT's Council-approved investment policy ensures only high quality securities issued by prudentially safe institutions are utilised.

Income received from the Commonwealth for deferred superannuation benefits was higher than in 2011 as the estimated unfunded liability increased. This varies considerably from year to year but has no surplus impact as the revenue recognised is matched by corresponding expenditure.

Employee benefits and on-costs increased by 7.2 per cent to \$506.9 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 2012 was 3,599 – 25 higher, or 0.6%, than the previous year.

Repairs and maintenance decreased to \$11.7 million from \$14.1 million.

The operating result attributed to TAFE was a loss of \$5.2 million, compared to a loss of \$1.0 million in 2011. Revenue increased by 1.2 per cent to \$146.1 million. State Government funding decreased by 12 per cent or \$7.8 million, which was partially offset by an increase in VET HELP of \$1 million.

Total expenses increased by 3.8 per cent (\$5.6 million) to \$150.9 million, with employee costs increasing by 2.9 per cent (\$2.8 million) and depreciation increasing by \$1.5 million due to the newly constructed buildings being utilised by the TAFE division.

The current ratio increased from 0.5 to 0.6. Current assets increased to \$139.9 million from \$108.1 million, with cash and cash equivalents increasing by \$38.3 million.

Current liabilities increased by \$15.4 million mainly due to increases in student fees paid in advance, accounts payable and accrued expenditures.

Capital expenditure was \$160.7 million, compared to \$178.2 million in 2011. Property-related capital expenditure was a large proportion of the total capital expenditure 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 2012 was \$155.0 million, providing a major source of funds for the capital works.

From a subsidiaries perspective, RMIT Vietnam continued its strong and sustained growth. It continues to generate strong cash flows, with total revenue increasing by US\$9.2 million or 22.3 per cent.

RMIT Training improved on its operating result by \$0.4 million compared to 2011. Revenue was in line with 2011.

RMIT Foundation delivered an operating result of \$2.3 million.



REPORT OF OPERATIONS

In 2012, 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*, concentrates on our high impact areas, and on our efforts to transform the lives of our students through pathway clusters and by delivering an education that builds professional and vocational capabilities.

Also supporting the Strategic Plan is our Research Plan, *Impact Through Innovation*, which is focused on increasing the quality, scale and impact of our research activity and outcomes.

This Report highlights key achievements, activities and highlights for the University in 2012 against the three elements of our vision as encapsulated in the Strategic Plan.

The Report of Operations is prepared in accordance with the requirements of regulations under the Financial Management Act 1994 and the A-IFRS Financial Reporting Directions.



Deputy Opposition Leader Julie Bishop delivered the Annual APEC Lecture at RMIT's Australian APEC Study Centre.



Vice-Chancellor Professor Margaret Gardner AO with Richard Dalla-Riva, Victorian Minister for Manufacturing, Exports and Trade, RMIT's Professor Aleksandar Subic, and Professor Dr Jorg Wellnitz, University of Applied Sciences, Germany, at the International Conference on Sustainable Automotive Technologies at RMIT.

GLOBAL

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

RMIT's global standing was reflected in the 2012 QS World University Rankings:

- » Ranked 8th in the world for the international profile of student cohort
- » Ranked 18th in the world for the international profile of academic staff
- » Ranked 75th in the world for graduate employability by 5,000 graduate employers world-wide
- » Ranked among the world's Top 100 universities for studies in Communication and Media, Computer Science and Information Systems, Pharmacy and Pharmacology studies, Engineering (Civil and Structural), and Accounting and Finance.

In the QS Top 50 Under 50 index for 2012, RMIT was ranked 20th in the world among universities less than 50 years old. (RMIT was granted university status under the Royal Melbourne Institute of Technology Act 1992.)

RMIT is also ranked as a 5-Star university under the QS Stars evaluation system for universities world-wide. This highest ranking includes a 5-Star rating in the categories of employability, teaching, infrastructure, internationalisation, and engineering and technology. It places RMIT among the world's top universities, reflecting its outstanding reputation, cutting-edge facilities and internationally renowned education and research.

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 steadily grown to now exceed 7,000 at campuses in Ho Chi Minh City and Hanoi.
- » **Offshore partnership programs.** RMIT enrolls 11,000 students through 16 partners in Singapore, Hong Kong, mainland China, Malaysia, Sri Lanka, India, Laos, Belgium, Spain and Germany.
- » **Onshore international students.** RMIT has 11,000 international students – 19 per cent of our Australian campus student population.
- » **Student mobility.** RMIT places significant emphasis on increasing opportunities for student mobility. More than 1,400 Australian-based students took part in international mobility programs in 2012, and on average, 18 per cent of undergraduates undertake an international study experience as part of their degree program.

As well, RMIT enjoys research and industry partnerships on every continent, and recorded many highlights in 2012.

- » **Bangalore, India.** In 2012, Premier Ted Baillieu announced a new Australia-India Research Centre for Automation Software Engineering (AICAUSE) at RMIT. The announcement came as part of a large trade mission to India led by Mr Baillieu. With significant investment from the Victorian Government, RMIT initiated a multi-million dollar collaborative agreement with ABB Australia, the Switzerland-based ABB Corporate Research Centre, and Global Industries and Services in India, to develop AICAUSE.



Premier Ted Baillieu and RMIT Vice-Chancellor Professor Margaret Gardner AO, with other members of Victoria's Super Trade Mission to India, at the opening of the ABB/RMIT AICAUSE laboratory.

Research laboratories at RMIT's City campus and at ABB in Notting Hill and Bangalore are linked to form a virtual R&D laboratory supporting joint industry research projects and enabling the rotation of PhD candidates and researchers between industry and academia. The centre has the potential to put Victoria at the forefront of global software engineering for advanced automation technologies.

- » **Hyderabad, India.** Environmental and industrial research projects are the focus of a joint research centre established in 2011 by RMIT and the Indian Institute of Chemical Technology to enable knowledge transfer and collaborative research. In 2012, a further four Indian PhD students were enrolled at the Centre, bringing the current total to 11.
- » **United Arab Emirates.** A team of RMIT researchers worked in UAE early in 2012 assisting the Fujairah Tourism and Antiquities Authority. They undertook 3D laser scanning of important cultural, historic and natural tourism sites, with the aim of exploring how changing climatic conditions will affect the city.

» **Germany.** RMIT's Games and Experimental Entertainment Laboratory (GEElab) has a new centre in Karlsruhe following the signing of a partnership agreement in Germany. A dedicated research-only facility, the GEElab Europe Centre provides international opportunities for RMIT PhD candidates and staff to work on projects with the research partner consortium. Partner organisations include Karlsruhe Institute of Technology, Karlsruhe University of Arts and Design, Fraunhofer Institute for Systems and Innovation Research, CyberForum e.V., Karlsruhe University of Applied Sciences and the City of Karlsruhe.

» **Germany.** RMIT's research collaboration with the German Aerospace Centre entered a new phase with the launch of the TET-1 satellite from the world's largest space launch centre, the Cosmodrome, in Kazakhstan. TET-1 will test infrared image technology, which will be used by RMIT disaster management researchers in conjunction with firefighting agencies in fire landscape management.

» **Spain.** RMIT is establishing a Centre in Barcelona to further develop its educational, research and industry engagement throughout Europe. In 2012, RMIT's Landscape Architecture program won the International Schools Award at the European Biennial of Landscape Architecture in Barcelona, ahead of more than 90 universities exhibiting at the event.

» **China.** RMIT has cemented an agreement with Wuhan University to collaborate on initial research and testing of the COMPASS/Beidou global navigation satellite system. Wuhan University will provide RMIT's SPACE Research Centre with two geodetic GPS/COMPASS dual system receivers to be located at a permanent tracking station at Bundoora campus.

The technology will enable researchers to utilise similar next-generation systems being developed by the US (GPS), Russia (Glonass), Europe (Galileo) and Japan (QZSS), and will enhance understanding of climate, extreme weather and natural hazards in the Australian region.

» **Japan.** Similarly, RMIT's School of Mathematical and Geospatial Sciences has signed an agreement with the Japan Aerospace Exploration Agency to collaborate on global navigation satellite systems. The exercise will evaluate the potential use of Multi-GNSS, including QZSS, which could enhance the integrity of existing satellite systems for GNSS users in Australia.

» **Antarctica.** In a world-first project, RMIT's Centre for Design is collaborating with the University of Otago to reduce the environmental impact of an Antarctic base. The project, which is funded by Antarctica New Zealand, brings together life cycle assessment with design interventions. Following a visit to Scott Base in 2012, the researchers will evaluate the potential environmental

impacts related to the base's operation and develop a number of mitigation strategies.

RMIT's Australian APEC Study Centre hosted a major regional forum in 2012 that led to the development of the Asia-Pacific Financial Forum. Attendance included senior representatives from Australian Treasury, APRA, Bank for International Settlements (Switzerland), Bank of Japan, Asian Development Bank, ANZ and Goldman Sachs.

The Centre also organised seven capacity-building programs and two regional forums on supply chain connectivity, financial inclusion, investment promotion and service trade policy.

In December, the Shadow Minister for Foreign Affairs and Trade, Julie Bishop, delivered the Annual APEC Lecture, noting the key role the Asia-Pacific Economic Cooperation plays in promoting free trade and investment, and economic integration amongst regional economies. Other distinguished guests from business, government and academia included Mary Warlick, US Consul General, and Virginia Kalong, Philippines Consul General.

Delegates from 15 countries attended the 4th International Conference on Sustainable Automotive Technologies hosted by RMIT in March. The three-day conference represented a collaboration between RMIT, the University of Applied Sciences Ingolstadt, Germany, and Clemson University, South Carolina, USA. It brought together researchers, industry professionals and decision-makers from around the world to share knowledge, experiences and views about green car technologies.

Excellence in Research

In the 2012 Excellence in Research for Australia (ERA) assessment by the Australian Research Council, RMIT was ranked in the top five among Australian universities in key research disciplines with 85 per cent of our fields of research rated as world standard or above.

RMIT's research was rated as "well above world standard" in architecture, clinical sciences, and human movement and sports science.

Our research was rated as "above world standard" in pharmacology and pharmaceutical sciences, medical physiology, engineering (aerospace, mechanical, materials, and electrical and electronic), building, design practice and management, urban and regional planning, applied mathematics, condensed matter physics, physical chemistry, artificial intelligence and image processing, information systems, visual arts and cultural studies. A further 15 disciplines were judged to be "at world standard".

The impressive results demonstrate the University's strategy to develop its strengths as a research institution, particularly in areas aligned with our aspirations in technology and design. RMIT's four Research Institutes were well represented in the ERA outcomes, reflecting the important role they continue to play in focused, high-impact research.



RMIT researcher Simon Lockrey travelled to Antarctica to conduct on-site environmental analysis.

Three RMIT students were among the 20 recipients of the Australia Asia Awards, presented by the Prime Minister at the National Gallery in Canberra. The awards are presented to high-performing university students from Australia and Asia, giving them the opportunity to undertake international study and complete internships. The RMIT winners were Fiona McAlpine (Law), Oliver Theobald (International Studies) and Dashi Zhang (PhD candidate).

Researchers at RMIT's Exertion Games Lab won three international awards in 2012. The lab's robotic jogging companion, Joggobot (below), earned a 2012 Nokia Ubimedia MindTrek Award, which was presented at the MindTrek Digital Media and Business Festival in Finland. At the Fun and Games research conference in Toulouse, France, students Chad Toprak and Joshua Platt won the Student Games Design Competition and Chet De Mel, Amy Huggard and Jayden Garner won the Audience Award.

Six RMIT furniture students showcased their work at European design retailer Habitat during the London Design Festival. They attended the festival as part of a prize sponsored by the Victorian Government's Department of Business and Innovation.

RMIT's Professor Jinhu Lu took out a Guanghua Engineering Science and Technology Award, the highest award in the Chinese engineering technology sector. The awards were presented at the Chinese Academy of Engineering conference in Beijing, attended by Chinese President Hu Jintao. Professor Lu is conducting research into the modelling, analysis and control of complex networks and non-linear circuits and systems.

RMIT Vietnam

- » RMIT's position as a leader in international education was reinforced when RMIT Vietnam was awarded a prestigious Golden Dragon Award from the Vietnamese Government for the 10th consecutive year.
- » RMIT Vietnam recorded an important milestone, with the number of graduates emerging from the University reaching 5,000. More than 1,700 students graduated at end-of-year ceremonies in Ho Chi Minh City and Hanoi. The report on international education published in 2012 by the Observatory on Borderless Education identified RMIT Vietnam as the largest of all international branch campuses, indicating its success over the 10 years since it was established.
- » Students in Vietnam are enjoying the benefits of a striking new academic building completed at RMIT's Ho Chi Minh City campus. Academic Building 2 provides 14,400 square metres of additional space over six levels, enabling it to accommodate up to 1,100 students at a time. It was designed by Australian architects Pentago Spowers to Australian 5-Star Green Building standards.
- » RMIT's strong links with Vietnam were underlined by a visit from Vice-Foreign Minister, Dr Nguyen Thanh Son, together with the Vietnamese Ambassador to Australia, Hoang Vinh Thanh.
- » The Minister for Foreign Affairs, Senator Bob Carr, toured the Ho Chi Minh City campus in April, saying he was impressed with the University's facilities and the student-centred educational philosophy they embodied.
- » An agreement signed in 2012 will lead to RMIT becoming a major provider of PhD, Masters and shorter training programs to Vietnamese government departments and agencies. The agreement will operate under the Government's "Program 165", which provides scholarships for officials working to modernise and internationalise many of Vietnam's key institutions and processes.
- » In a further demonstration of the high regard in which the University is held in the country, RMIT Vietnam won a multi-million dollar, four-year contract to provide English language training to AusAID scholarship recipients. The program provides Vietnamese students with a pathway to an international education that would not otherwise have been available to them.
- » Students from RMIT Vietnam were finalists in the 2012 KPMG International Case Competition held in Hong Kong, outperforming teams from the US, Britain, Japan, France and China. The winners of this year's RMIT Vietnam President's award, Nguyen Hai Ly and Nguyen Quoc Hung, represented Vietnam at the Students in Free Enterprise World Cup in Washington DC after winning the national SIFE competition for 2012.



Jogging with the RMIT Exertion Games Lab's award-winning Joggobot.



Three RMIT students received Australia Asia Awards presented by the Prime Minister Julia Gillard and Senator Chris Evans, Minister for Tertiary Education, Skills, Science and Research.



Minister for Foreign Affairs, Senator Bob Carr, with the then RMIT Vietnam President, Professor Merilyn Liddell, chats with students at Ho Chi Minh City campus.

URBAN

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

RMIT's City campus has long been part of the fabric of Melbourne's central business district, presenting an edgy architectural mix of the old and the new that is surrounded by – and integrated with – all that the city has to offer.

In 2012, the City campus was significantly enhanced with the opening of two landmark buildings, the Swanston Academic Building and the Design Hub. These two buildings represent the culmination of a key component of the University's capital investment program to provide cutting-edge educational facilities and to consolidate the RMIT quarter of the city.

The Swanston Academic Building (SAB) was completed six months ahead of schedule, opening for classes in Semester 2.

Home to the College of Business, the building's innovative design and leading use of technology promotes new ways of learning and teaching for programs from all three Colleges.

SAB has more than 80 teaching spaces, including six large lecture theatres, a cinema classroom interactive spaces, and a number of venues – such as a treasury training facility – simulating real-world environments. State-of-the-art technologies are critical in providing an exceptional student experience. They include a high-speed wireless network throughout the building, facilities for film screening and video conferencing, advanced audio-visual technology and LCD screens that can be accessed by multiple users.

For students, there is “anywhere anytime” computing and a diverse range of informal student lounges in which to meet, study and relax. The building's open design encourages everyone – teachers, students, academic and professional staff – to better engage with each other.

The building features a distinctive design with a visually striking facade that insulates the building from the glare and heat of the sun, while also dominating the skyline of the northern end of Melbourne's CBD. Other environmental design features include grey water recycling, solar hot water, and a building management system to allow remote monitoring of water and energy consumption.



The Swanston Academic Building (SAB).



Informal student lounges in SAB.



RMIT's new Design Hub.

The highly anticipated Design Hub was launched in November by Senator Chris Evans, Federal Minister for Tertiary Education, Skills, Science and Research, together with RMIT Chancellor Dr Ziggy Switkowski, RMIT Vice-Chancellor and President, Professor Margaret Gardner AO, and building architect and RMIT alumnus, Sean Godsell.

The first research building of its kind, the \$80 million development was supported by a \$28.6 million grant from the Federal Government's Education Investment Fund and brings together top design academics, industry practitioners and postgraduate students and researchers in a cross-disciplinary collaborative hub.

The Design Hub is home to Australia's largest network of spaces for the exhibition of design. It will act as an urban research laboratory, its glass-capped cylinders designed to be adapted to emerging solar technologies and offering opportunities for applied research, while also harnessing solar power and providing shading for the building.

Located on the north-west corner of Victoria and Swanston Streets on the former Carlton United Brewery (CUB) site, the Design Hub embodies one of RMIT's intrinsic aims: to be renowned as an urban laboratory for excellence in design, creativity and sustainability. It has achieved a 5-Star Green Star Education Design Rating, its features including rain water harvesting, grey water treatment and reuse, an underfloor air distribution system and energy-efficient lighting.

In a further outcome of RMIT's capital investment program, the final stage of the City campus redevelopment won an award in 2012. The Australian Institute of Architects presented Peter Elliott Architecture and Urban Design with an urban design award for its work, which included the University Lawn. The development of the University Lawn connected Bowen Street and the Alumni Courtyard, bringing a new vitality to the heart of the City campus and providing a central meeting place for students and staff.

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

- » World-renowned experts and top Australian researchers shared their insights at the inaugural Homelessness Research Conference hosted by RMIT and the Australian Housing and Urban Research Institute. From homeless fathers to families in crisis and intergenerational experiences of homelessness, the conference examined how evidence-based policy and practice could make a difference to the lives of homeless people in Australia.
- » An innovative idea to improve the use of existing infrastructure and buildings to provide shelter for homeless people was named the winner of the RMIT Design Challenge: Homelessness. The annual Design Challenge, instigated by RMIT's Design Research Institute, brings together researchers and specialists across a broad range of sectors to design creative and practical responses to an urgent and topical issue.
- » Researchers are developing an integrated passenger travel and public transport service information system that will ease the pain of commuter gridlock. The system would give commuters access to real-time travel information for all forms of transport, allowing them to change their route if there is a delay. The three-year project is funded by Public Transport Victoria as well as an ARC Linkage grant.
- » Siemens employees and RMIT students joined cyclist Cadel Evans to light Christmas trees with pedal power in the FutuRide event in Federation Square. Records were approved by an official *Guinness World Records* adjudicator for the most electrical energy generated by pedalling on bicycles in one hour, and the most lights lit by pedal power.
- » RMIT researchers contributed to a new book, *Managing Urban Disaster Recovery*, co-edited by Professor Edward Blakely of the US Studies Centre. Professor Blakely's work brought him to Melbourne, assisted by RMIT and the Victorian Bushfire Recovery and Reconstruction Authority, to examine the recovery process following the 2009 Black Saturday bushfire tragedy.
- » The Centre for Sustainable Organisations and Work is examining how the services of the Country Fire Authority's Victorian Bushfire Information Line could best be delivered to meet the needs of households in different communities. Their work included a visit by a research fellow to Koroiit in western Victoria to increase awareness of the Information Line.



The award-winning RMIT University Lawn on the City campus.



Vice-Chancellor, Professor Margaret Gardner AO, with Ian Watts and Brendan Jones, winners of the RMIT Design Challenge: Homelessness.



Champion cyclist Cadel Evans and TV personality Charlie Pickering join Siemens employees and RMIT students at the FutuRide event.



Professor Daine Alcorn, RMIT Deputy Vice-Chancellor Research and Innovation, and Margret Mergen, Mayor of the City of Karlsruhe, Germany, sign a partnership agreement (see page 16).



Prime Minister Julia Gillard takes a close look at 3D printing during a visit to RMIT's Advanced Manufacturing Precinct.



RMIT College of Business's Industry Advisory Board. From bottom left: Dr Chris Behrenbruch, Jan Owen AM, Gerhard Vorster, Dr Terry Cutler, Professor Margaret Gardner AO, Laura Anderson, Professor Aaron Smith, Professor Ian Palmer, Graham Hodges, Patrick Eltridge. Picture: Andrew Curtis

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 126-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. As a result, RMIT graduates are valued by employers around the world for their leadership skills and work readiness.

An example of RMIT's responsiveness to industry needs is its Advanced Manufacturing Precinct. In response to extensive industry consultations, RMIT established the Precinct to deliver practical skills training for the design, development, production, marketing and management processes of the advanced manufacturing sectors. In February, Prime Minister Julia Gillard visited the Precinct and praised the Precinct's state-of-the-art technology and its capacity to bring together training, research and design in one location.

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.

In 2012, Energy and Resources was included as a specialist sector and an inaugural forum was held with a specific focus on transitional fuels. The sector will include RMIT's expertise in solar, biothermal and alternative energies.

Long-standing strategic partnerships with Boeing Australia and Siemens were deepened and broadened, and new partnerships were developed with organisations including KPMG, Audi and NetApp.

Throughout 2012, RMIT continued to build on its engagement strategy and recorded many achievements.

- » RMIT researchers, in collaboration with researchers at the Massachusetts Institute of Technology, have made a breakthrough in energy storage and power generation. They have used their combined expertise in chemistry and nanomaterials to explore the new phenomenon of fuel-coated nanotubes to provide bursts of power to the smallest system.
- » In a joint venture between RMIT and the giant Japanese Mizuno Corporation, runners' own emotions are now being used to develop the next-generation personalised running shoe. The research aims to quantify and relate performance attributes such as shock absorption, stiffness and durability to the particular feel experienced by the runner. The partners believe the research could change forever how sporting products are developed, marketed and sold.

- » All our education is informed by industry advisory groups which guide the development of new programs and ensure that existing programs are industry-relevant. These groups are a key factor in ensuring that RMIT education is grounded in real-world needs and provides work-ready graduates. In 2012, the College of Business – one of Australia's largest and most dynamic business schools – continued to set high standards with the announcement of a distinguished Industry Advisory Board, which will play a crucial role in guiding the strategic development of the College both nationally and internationally.
- » The School of Engineering TAFE has been awarded a 17-month contract to deliver instrumentation training to Xstrata Mount Isa Mines and the Stanwell power station. One-third of the funds is being provided by the State Government's Skills Queensland in response to a skills shortage for electrical instrumentation recognised in the Federal Government's National Skills Needs List. Specialist training equipment built by SAGE Didactic, some purpose-designed by RMIT, is providing students with a strong industry-relevant learning experience.
- » RMIT researchers are behind the award-winning AirLink technology that is helping bring to life the pages of two of Australia's largest daily papers, *The Age* and *The Sydney Morning Herald*. Airlink gives readers the chance to access the newspapers' multimedia content through their iPhone. Also in 2012, the *Herald Sun* partnered with RMIT to present *Pixels & Ink: A Panel Discussion on the Future of Journalism* at the State Library. The event attracted a wide audience of media, News

Limited advertisers, bloggers and RMIT students, academics and partners.

- » In October, Chancellor Dr Ziggy Switkowski – a nuclear physicist – officially opened the new RMIT Centre for Advanced Materials and Industrial Chemistry. The Centre's focus is to create a pool of global graduates, and to establish a multidisciplinary platform capable of meeting industrial challenges by connecting researchers from science, engineering and health. Biologists, chemists, physicists and software and electrical engineers will form a capability pool which can be tapped to provide complete solutions to industrial problems.
- » RMIT researchers are collaborating with automotive giant Audi on new concepts for in-car entertainment and the role of games in personal mobility. The designs were presented at the Audi Urban Future Summit, during the 64th International Motor Show in Frankfurt, Germany. Developments include a conceptual rear seat system to entertain and inform passengers using holographic 3D projection, gestural interaction and location-awareness.
- » A new Clinical Research Facility at Bundoora campus is set to become a northern suburbs hub for community-based clinical trials. The facility will host the largest primary prevention aspirin study ever undertaken in older Australians, and will also host two clinical trials, TARGET-Diabetes and DAIRY-FIT.

The RMIT International Industry Experience and Research Program continues to provide outstanding opportunities for students to undertake undergraduate work experience, graduate traineeship, bachelor theses and postgraduate research with major organisations in 17 countries.

Through its unique collaboration between academics, students and companies, the program has sent more than 1,800 RMIT students overseas for paid placements since its inception in 1991.

In 2012, Rolls-Royce extended its long-standing partnership with RMIT, welcoming two more interns to the group's facility in Bristol, England. The Aerospace Engineering students are working within the Rolls-Royce Defence business, and have each been assigned to engine programs with strong Australian links. Nathan Snoxall will work on Gnome helicopter engines, which power the Australian Navy's Sea King helicopters, while Branko Bejares will work on the Adour, which powers the RAAF's Hawk trainer aircraft.

In a new initiative, RMIT appointed two distinguished scholars from the Netherlands and England as Professors of Design. New appointments are to follow in the disciplines of aerospace, mechanical and manufacturing engineering; electrical and computer engineering; and architecture and design. The aim of the design professoriat is to cement RMIT's position as a global leader in technology and design, and to enhance Victoria's international reputation as a centre of design excellence.

Thirteen Vice Chancellor's Senior Research and Research Fellowships were awarded in 2012. The 25 Fellows appointed since the program was established in 2009 continue to make a strong contribution to RMIT's research performance.

The Early Career Researcher Network continued to provide vital support for academics in the early stages of their careers. In a new initiative, International Travel Awards were awarded to three researchers, enabling them to exchange knowledge with their peers through participation in professional development opportunities abroad.

The School of Graduate Research funded 155 HDR candidates to attend international conferences and 30 to participate in overseas mobility programs. The School also hosted five visiting professors, providing opportunities for staff and research candidates to learn about international research training initiatives and participate in the exchanges of ideas and best practice.



RMIT students work on a Rolls-Royce jet engine.



A panel of expert speakers discusses the future of journalism at the *Pixels & Ink* event, from left: Steve Rubel, Campbell Reid, Russel Howcroft, Renee Barnes, Phil Gardner.

STUDENTS AND STAFF

Student Experience

The Student Administration Management System was upgraded, with student consultation critical to the enhancement of one of the key applications, Enrolment Online. The University's new online direct applications system, Apply, was extended to incorporate domestic and equity applications.

A Student Services and Amenities Fee was reintroduced, to be used to resource services and amenities that will benefit students, and a Student Experience Advisory Committee established, allowing students to nominate areas for funding.

The broad range of career events and services to students and staff were reviewed and restructured. New initiatives include a Global Careers and Employment Service and a Career Health Check program, providing proactive assistance to graduates seeking employment.

Learning and Teaching

Major suites of policy in the areas of assessment, selection, credit, RPL and research higher degrees were reviewed, involving extensive consultation with the academic community and detailed scrutiny by the Academic Board and its sub-committees.

New professional development programs were introduced to assist teachers in effectively using the latest learning and teaching spaces. Work has commenced on a range of online modules for induction, learning and teaching for sessional staff, and using new technologies

Employment Statistics 2012

Staff type	Total FTE*		Female FTE*		% Female	
	2011	2012	2011	2012	2011	2012
Academic (HE)	1,175.9	1,173.5	461.2	454.4	39.2	38.7
Teaching (VET)	487.3	454.1	209.3	204.8	42.9	45.1
Professional	1,911.2	1,966.4	1,200.8	1,241.5	62.8	63.1
Executive	96.4	98.0	40.4	31.4	41.9	32.0
Total	3,670.8	3,692.0	1,911.7	1,932.1	52.1	52.3

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

New Staff Recruitments	Female	%	Male	%	Total
Academic (HE)	66	40	101	60	167
Teaching (VET)	22	71	9	29	31
Professional	218	65	115	35	333
Executive	0	0	12	100	12
Total	306	56	237	44	543

Data as at 31 December 2012

Equity

The University's Equity and Social Inclusion Plan was finalised, setting out goals and priorities to 2015.

Partnership with the Australian Indigenous Mentoring Experience was expanded. This partnership supports the development of homework clubs in four schools in Melbourne's northern suburbs with sizeable indigenous populations, as well as on-campus activities and engagement and the use of RMIT students as mentors.

The *I Belong* project was launched, comprising work with secondary schools within the Schools Network Access Program (SNAP) partnership to bring middle-years students from disadvantaged schools and communities onto campus for applied learning and tertiary-taster experiences. In 2012 the project partnered with the Melbourne Museum, The Smith Family, Australian Centre for the Moving Image and the National Trust to provide innovative experiences and to deliver discipline-specific workshops and industry context.

The University's approach to inclusive admissions was strengthened through the systemic review and simplification of access mechanisms for Year 12 students at SNAP schools across metropolitan Melbourne and in Gippsland. In 2012, 1,278 tertiary students commenced at RMIT through the SNAP partnership.

Staff Diversity

The University's ongoing focus on enhancing the leadership capabilities of women was further realised with stronger representation of women in senior positions – a testament to the University's commitment to diversity. RMIT has now been recognised by the Equal Opportunity for Women in the Workplace Agency with its sixth successive Employer of Choice for Women annual award. Female representation on Council, the University's governing body, is now 50 per cent, with 45 per cent representation in the senior executive group.

Activities aimed at creating a culture that is inclusive and supportive of indigenous staff continued in 2012. An Aboriginal and Torres Strait Islander Employment Strategy was completed, with the aim of increasing indigenous cultural awareness and improving the recruitment and retention of Aboriginal and Torres Strait Islanders.

Health, Safety and Wellbeing

RMIT's health and safety team continued to align with the University's strategic direction, focusing on improved hazard and injury management and on coordinating and delivering effective programs and activities. A range of targeted preventative health initiatives were developed, including an early intervention program and return to work activities.

Other health and safety initiatives and events included the global corporate challenge, ergonomic assessments, flu vaccinations and the free and confidential WorkHealth Checks program, which was successfully delivered across Victorian campuses.

Performance Culture

RMIT's workplan system and framework, *MyPerformance MyCareer*, was implemented, enabling all staff to access and complete redesigned workplans online. This initiative was supported by a range of staff training options, with high attendance rates throughout the University.

Student Diversity

All Students %	2008	2009	2010	2011	2012*
Higher Education					
Female	50	50	50	50	49
International	49	49	52	51	49
Vocational Education and Training					
Female	47	49	48	46	45
International	11	9	8	6	5

Age Group %	2008	2009	2010	2011	2012*
Higher Education					
Young people 15-19	11	10	10	10	12
Aged 20-24	51	53	55	57	57
Mature age 25-44	34	33	32	30	28
Mature age 45+	4	3	3	3	3
Vocational Education and Training					
Young people 15-19	28	28	26	30	31
Aged 20-24	32	32	32	32	32
Mature age 25-44	32	31	33	30	29
Mature age 45+	8	9	9	9	9

Equity (Domestic) %	2008	2009	2010	2011	2012*
Higher Education (Undergraduate only)					
School leavers	48	49	48	44	44
VET student admissions to HE	20	21	21	20	18
Overseas born	21	19	20	20	20
Non-English speaking background	5	5	5	5	5
Rural/remote	11	12	11	11	11
Low socio-economic status (postcode)	16	14	15	15	16
Aboriginal and Torres Strait Islanders	0.3	0.4	0.4	0.4	0.5
Vocational Education and Training					
School leavers	15	16	15	17	15
Overseas born	27	26	25	25	25
Non-English speaking background	11	10	9	9	10
Rural/remote	16	12	13	12	13
Low socio-economic status (postcode)	18	16	17	16	18
Aboriginal and Torres Strait Islanders	1.6	1.6	1.1	1.2	1.2

HE and VET Broad Field of Education (Load in EFTSL/EFTS)	2008	2009	2010	2011	2012*
Natural and Physical Sciences	1,974	2,082	2,201	3,363	3,593
Information Technology	3,115	3,261	3,440	4,141	3,911
Engineering and related technologies	7,399	7,390	7,541	6,656	7,035
Architecture and Building	3,188	3,297	3,536	3,245	3,307
Agriculture, Environment and related studies	340	358	365	333	355
Health	3,251	3,386	3,507	3,182	3,322
Education	1,260	1,340	1,482	1,282	1,285
Management and Commerce	16,944	17,360	17,800	13,948	13,621
Society and Culture	3,010	3,303	3,587	7,945	8,264
Creative Arts	4,523	5,301	5,968	6,572	6,815
Mixed field programs	981	1,013	1,006	811	859
Total	45,985	48,091	50,432	51,478	52,367

HE and VET Attendance Type/Mode	2008	2009	2010	2011	2012*
Full Time					
Internal	39,954	42,833	45,646	47,210	48,674
Internal	36,634	39,803	42,427	43,410	44,197
Multi-modal ¹	3,320	3,030	3,219	3,800	4,477
Part Time					
Internal	27,698	26,656	25,596	25,022	23,757
Internal	27,194	26,126	25,077	24,441	23,087
Multi-modal ¹	504	530	519	581	670
Distance/fully online	2,593	2,115	2,662	2,613	2,228
Total	70,245	71,604	73,904	74,845	74,659

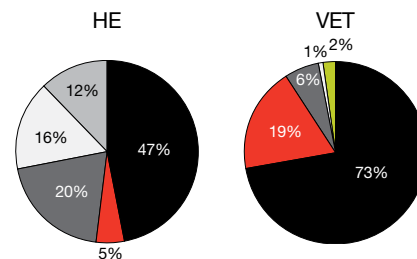
*HE enrolments data provisional as at February 2013. Final data available April 2013.

Figures are based on student enrolments.

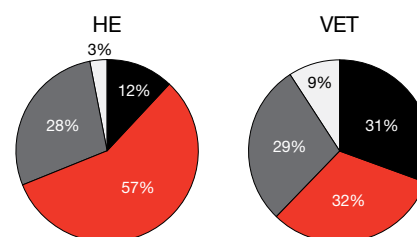
¹ Multi-modal refers to both internal and external mode of attendance

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

Student fee type	HE	VET
Government-funded	47	73
Australian fee-paying	5	19
International Onshore	20	6
International Offshore	16	1
Vietnam	12	0
Other	0	2



Age group	HE % headcount	VET % headcount
Young people 15-19	12	31
Aged 20-24	57	32
Mature age 25-44	28	29
Mature age 45+	3	9



SUSTAINABILITY AND RESOURCE USAGE

Resource Usage	2007	2008	2009	2010	2011	2012
Energy consumption per EFTSL (GJ)	10.1	9.2	8.5	8.3	8.6	8.7
Water consumption per EFTSL (kL)	5.7	5.5	5.1	4.9	4.7	4.9
Greenhouse gas emissions (t CO ₂ -e)	79,124	70,548	61,414	63,890	64,608	65,053
Green Power consumption (MWh)	1,072	8,648	11,329	11,953	11,852	11,925

RMIT achieved an 18 per cent reduction in greenhouse gas emissions compared to its baseline year of 2007.

The increase of 4.6 per cent in greenhouse gas emissions from 2009 to 2012 is due to an increase of more than 10 per cent in the gross floor area of the University and an almost 20 per cent increase in student numbers.

The implementation of the RMIT Greener Government Buildings project and strategic maintenance upgrades over 2013 to 2015 are aimed at reversing this trend and significantly reducing greenhouse emissions.

The University has 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.

Water consumption has decreased by 14 per cent since 2007, and again there is a slight increase of 3.5 per cent from 2011. This is also due to the increase in gross floor area and student numbers.

The combination of design and technology embodied in the facade of the Design Hub is a leading statement of urban sustainability because, while it provides elegant light-filled spaces with long sight lines internally and externally, it also delivers a 35 per cent reduction in air-conditioning load and a 30 per cent reduction in greenhouse gas emissions when compared to the Green Star benchmark.

The Design Hub's distinctive facade of 16,000 semi-translucent, sandblasted glass discs offers shading that is critical to the delivery of energy efficiency and indoor environment quality for the building. The discs can reduce solar radiation penetrating the internal space by 85 per cent, and yet allow most of the space to be well lit when they are open and require little or no additional lighting during daytime.

The Swanston Academic Building is the largest construction project RMIT has ever undertaken. The 11-storey, 35,000 square metre building achieved a 5-Star Green Star Education Design rating, signifying excellence in environmentally sustainable design.

The building's facade comprises external panels and triangular elements which provide different degrees of shading based on the orientation of the building. The combination of shading elements and glazing performance allows for high levels of natural daylight to penetrate the internal spaces of the building, without any significant glare.

The intuitive heating and cooling system has been designed to maximise energy efficiency. Active chilled beam technology has been used to condition office accommodation, and an underfloor air distribution system has been used to ventilate the large lecture theatre spaces.

UNIVERSITY GOVERNANCE

GOVERNANCE

RMIT University is governed by a Council that in 2012 consisted of:

- » the Chancellor
- » the Vice-Chancellor
- » the Chair of the Academic Board
- » three persons elected by and from the staff of the University as prescribed by the Statutes
- » two persons elected by and from the enrolled students of the University as prescribed by the Statutes
- » five persons appointed by the Governor in Council
- » one person appointed by the Minister
- » six persons appointed by Council



Front row: Professor Margaret Gardner AO, Hovig Melkonian, Derek Young, David Swan, Trevor Tappenden, Dr Ziggy Switkowski, Dr Daryl D'Souza
Second row: Professor Julianne Reid, Rosemary Lever, Peter Murphy, Anne Dalton, Moira Schulze
Third row: Jeanette Pierce, Dr Jane Gilmour OAM, Janet Latchford, Helmut Pekarek
Back row: Amanda Way (Deputy University Secretary), Fran Thorn, Dr Julie Wells (University Secretary), Dr Rodney Wulff, Professor John Nieuwenhuysen AM, Rhonda O'Donnell.

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 of 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. Independent and student-elected Council members 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 amended in 2010 to take account of the introduction of the RMIT Act 2010 in September. It was subject to review in 2012.

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 annually. In 2012, this was an internal review using a questionnaire and individual interviews between Council members and the Chancellor. Feedback was positive overall and Council will take account of comments in determining its focus and developing its 2013 work plan. As well as its regular meetings Council had two strategic discussions, the first focusing on approaches to global university governance and the second reviewing progress against the Strategic Plan 2010-15.

The Nominations and Governance 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 and elected students.

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 has adopted and is compliant with the Voluntary Code of Best Practice for the Governance of Australian Universities.

COUNCIL MEMBERS IN 2012

Ms Anne Dalton

Appointed by Governor in Council, member since 15 April 2003.
Most recent appointment: 24 February 2009.
BA, LLB, GradDip CommLaw (Monash), GradCert Public Sector Mgt (Griffith), GAICD.
Other directorships: Metropolitan Waste Management Group, Environment Protection Authority.

Dr Daryl D'Souza

Elected by academic staff, member since 1 July 2011.
Most recent appointment: 1 July 2011.
BSc(Hons) (Imperial College), MSc (Monash), PhD (RMIT).

Professor Margaret Gardner AO

Vice-Chancellor and President (ex-officio), member since 4 April 2005.
Most recent appointment: 4 April 2005.
BEcon(Hons), PhD (Syd), DUniv (Griffith), FAIM, GAICD.
Other directorships: Museums Board of Victoria (Chair), Open Universities Australia Board.

Dr Jane Gilmour OAM

Appointed by RMIT Council, member since 1 January 2005.
Most recent appointment: 1 July 2011.
BA(Hons) (ANU), DUP (Sorbonne), FAICD.
Other directorships: WaterEd Australia Pty Ltd (Deputy Chair), Orchestra Victoria, William Buckland Foundation (trustee).

Ms Janet Latchford

Appointed by Governor in Council, member since 1 January 2010.
Most recent appointment: 18 May 2010.
BCom (Melb), FCPA, GAICD.
Other directorships: Epworth Healthcare (President).

Ms Rosemary Lever

Appointed by Governor in Council, member since 1 March 2005,
Most recent appointment: 1 January 2012.
Deputy Chancellor since 29 August 2011.
DipSocStudies, BSocWork(Hons) (Melb).
Other directorships: Great Connections Ltd (Chair).

Mr Hovig Melkonian

Elected by students of the University, member since 1 January 2011.
Most recent appointment: 1 January 2011.
BEng (Advanced Manufacturing and Mechatronics) (RMIT) – current studies.
Other directorships: Armenian National Committee of Australia

Mr Peter Murphy

Elected by TAFE staff, member since 1 January 2010.
Most recent appointment: 1 July 2012.
CertIV in Training & Assessment, BA(Hons) (Adel), GradDip Ed (Melb), MEd (RMIT).
Teacher, School of Education, RMIT.

Professor John Nieuwenhuysen AM

Appointed by RMIT Council, member since 4 March 2002.
Most recent appointment: 1 January 2010.
MA (Natal), PhD (London), FASSA.
Other directorships: Australian Multicultural Foundation.

Ms Rhonda O'Donnell

Appointed by Governor in Council, member since 23 September 2008.
Most recent appointment: 18 May 2010.
GradDip (InnovServMgt), MAppSc (InnovServMgt) (RMIT), FAIM, MAICD, MAHRI.
Other directorships: Australian Centre for the Moving Image, DB Results, Insync Surveys (Chair).

Mr Helmut Pekarek

Appointed by RMIT Council, member since 1 January 2005.
Most recent appointment: 1 July 2011.
MEng (AppPhys) (Tech Uni of Vienna).

Ms Jeanette Pierce

Elected by PACCT staff, member since 1 January 2010.
Most recent appointment: 1 July 2012.
CertIV in Training & Assessment, MEd (RMIT).
RMIT Office of the Dean of Students.

Professor Julianne Reid

Chair of the Academic Board (ex-officio), member since 7 February 2011.
Most recent appointment: 7 February 2011.
BPharm(Hons), PhD (Qld).

Ms Moira Schulze

Appointed by Governor in Council, member since 1 January 2005.
Most recent appointment: 1 January 2012.
BA, DipEd (Admin), MEd (Melb), MAICD, FIPAA.
Other directorships: Victorian TAFE Development Centre, Victorian Adult, Community and Further Education Board.

Mr David Swan

Elected by students of the University, member since 1 January 2011.
Most recent appointment: 1 January 2011.
BComm (Journalism) (RMIT) – current studies.
RMIT Link Board member.

Dr Ziggy Switkowski

Chancellor (ex-officio), member since 1 January 2011.
Most recent appointment: 1 January 2011.
BSc(Hons), PhD (Melb), FAICD, FTSE.
Other directorships: Suncorp Ltd (Chair), Tabcorp Holdings Ltd, Oil Search Ltd, Lynas Corporation Ltd, Opera Australia (Chair).

Mr Trevor Tappenden

Appointed by RMIT Council, member since 8 August 2003.
Most recent appointment: 1 January 2010.
Deputy Chancellor since 29 August 2011.
CA, FAICD.
Other directorships: Advanced Manufacturing CRC, Bionomics Ltd, Metal Storm Ltd, Buckfast Pty Ltd, John Heine Memorial Foundation (trustee), Ernest Heine Family Foundation (trustee), Intellicomms Pty Ltd.

Ms Fran Thorn

Appointed by the Minister, member since 18 February 2008.
Most recent appointment: 1 July 2011.
BA(Hons) (Monash), MA, MBA (Melb), GradDip Lib (RMIT).
Other directorships: Australian Health Practitioner Regulation Authority, Melbourne Convention and Visitors Bureau, Institute of Public Administrators Australia (President).

Dr Rodney Wulff

Appointed by RMIT Council, member since 1 January 2007.
Most recent appointment: 1 January 2009.
BLA (Oregon), MLA (Harv), PhD (Cornell).
Other directorships: Tract Consultants Pty Ltd.

Mr Derek Young

Appointed by RMIT Council, member since 10 November 2003.
Most recent appointment: 1 January 2009.
FACCA, CPA, MAICD.
Other directorships: Melbourne Theatre Company (Chair), Australian Major Performing Arts Group (Chair), Accenture Australia Foundation (Chair), SMS Management and Technology Ltd.

Council has established committees to assist it in discharging its responsibilities. Each committee had a work plan of activity to exercise its responsibilities in 2012, 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.

Campus Development Committee

The Campus Development Committee acts on behalf of Council to:

- » consider and recommend to Council the physical infrastructure master plan for the University in accordance with the University's strategic plan
- » consider and review significant proposed developments on campus to ensure they are consistent with the physical infrastructure master plan
- » consider and approve the design principles that inform the development of the University's physical infrastructure and the procedures for selection of design consultants.

Nominations and Governance Committee

The Nominations and Governance Committee acts on behalf of Council to ensure Council and the Boards of RMIT-controlled entities have an effective balance of skills and experience. The Committee meets to:

- » recommend candidates for Council vacancies to Council or to the Minister for Higher Education 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
- » ensure appropriate oversight of governance principles and conduct in the subsidiaries
- » develop high standards of corporate governance in RMIT Council including the form of performance evaluation, induction and professional development for Councillors

- » recommend to Council changes required to Statutes and Regulations
- » recommend candidates to Council for honorary awards.

Planning and Finance Committee

The Planning and Finance Committee acts on behalf of Council to:

- » review the annual budget and business plan and recommend their approval to Council
- » review an annual report on progress against the business plan and the strategic plan
- » monitor the University's financial performance and other performance indicators against the business plan
- » review policies with regard to investment funds and to monitor their effectiveness
- » review the capital program budget and recommend its adoption to Council
- » consider major initiatives and projects that involve significant commitment and/or risk to the University, to advise Council and monitor progress where appropriate
- » monitor the development and implementation of planning, quality and performance processes across the University

- » advise Council on the setting up and closing down of controlled entities, and on the University entering into material joint ventures and partnerships
- » monitor performance of controlled entities through quarterly reports against business plans and strategic plans.

Remuneration Committee

The Remuneration Committee acts on behalf of Council to:

- » 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 remuneration 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
- » provide advice to the Vice-Chancellor on executive performance appraisal mechanisms.

Attendance at Council and Committee Meetings 2012

Name	Council	Audit and Risk Management	Campus Development	Nominations and Governance	Planning and Finance	Remuneration
Anne Dalton	3/3					
Daryl D'Souza	6/7				5/6	
Margaret Gardner	7/7		4/4	6/6	6/6	
Jane Gilmour	5/7		4/4		4/6	
Janet Latchford	7/7	7/7		6/6		
Rosemary Lever	6/7			6/6		3/3
Hovig Melkonian	5/7		4/4			
Peter Murphy	7/7	7/7				
John Nieuwenhuysen	1/3			0/3		1/1
Rhonda O'Donnell	4/7					
Helmut Pekarek	5/7				4/6	
Jeanette Pierce	6/7			4/6		
Julianne Reid	5/7					
Moira Schulze	7/7	7/7				3/3
David Swan	6/7				5/6	
Ziggy Switkowski	7/7		2/4	6/6	4/6	3/3
Trevor Tappenden	6/7	4/7			4/6	3/3
Fran Thorn	4/7	5/7				
Rodney Wulff	3/3		1/2	3/3		
Derek Young	6/7	4/7			6/6	

Notes

- » Anne Dalton retired 30 June
- » Rodney Wulff retired 30 June
- » John Nieuwenhuysen resigned 30 June
- » Jeanette Pierce resigned 7 December
- » Peter Murphy resigned 7 December
- » Daryl D'Souza retired 31 December
- » Hovig Melkonian retired 31 December
- » David Swan retired 31 December
- » Derek Young retired 31 December
- » Trevor Tappenden retired 31 December

STATUTORY REPORTING

Freedom of Information

During the reporting period, the University received 19 applications under the Freedom of Information Act 1982 (Vic):

Access granted in full:	3
Access granted in part:	12
Pending:	2
Lapsed:	0
Withdrawn:	0
Refused:	0
No existing documents:	2
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 2012 was employed in the University Secretariat.

Complaints to Ombudsman's Office

In 2012 there was one complaint reviewed by Ombudsman Victoria where a formal response was requested from the University.

Whistleblowers Act 2001

The University supports the aims and objectives of the Whistleblowers Protection Act 2001 (the Act) to encourage and facilitate disclosures of improper conduct by public officers and public bodies and to protect whistleblowers from detrimental action.

The roles of protected disclosure coordinator and protected disclosure officer are carried out by the Deputy University Secretary and disclosures may be made to that officer. Alternatively, disclosures may be made directly to Ombudsman Victoria.

RMIT maintains procedures relating to the Act which outline how the University will respond to the requirements of the Act. The procedures are available online at:

www.rmit.edu.au/legal/whistleblowers

Disclosures

1. Number and types of disclosures made to RMIT during the year: Four protected disclosures.
2. Number of disclosures referred during the year by the public body to the Ombudsman for determination as to whether they are public interest disclosures: Nil
3. Number and types of disclosed matters referred during the year to the public body by the Ombudsman: One protected disclosure.
4. Number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate: Nil
5. Number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year: Nil
6. Number of requests made during the year to the Ombudsman to investigate disclosed matters under Section 74 of the Act: Nil
7. Number and types of disclosed matters that the public body has declined to investigate during the year: Nil

8. Number and types of disclosed matters that were substantiated on investigation and action taken on completion of the investigation: Nil
9. Recommendations of the Ombudsman under the Act that relate to the public body: Nil

Grievance and Complaints Procedures

RMIT has a strong commitment to ensuring that student complaints are resolved in a fair and timely manner. The University recognises the rights of students to make complaints without recrimination or effect on their grades. When they are involved in the complaints process, students have the support of a number of services provided by the University through Student Services as well as the Student Union.

RMIT is also committed to ensuring fair and consistent treatment and prompt consideration of staff complaints. The University maintains comprehensive policies and procedures to ensure staff are given opportunities to resolve any complaints concerning matters about which they are aggrieved, in their capacity as employees of the University. The procedures are flexible and intended to encourage a constructive approach to resolving complaints in the best interest of all parties in a sensitive, impartial, timely and confidential manner.

In all cases, the University encourages the resolution of problems at the local level, although procedures allow for escalation and review. The University Ombuds reports directly to the RMIT Council and can assist in resolving staff and student complaints that are not able to be resolved through the normal processes and procedures. In addition, complaints about administrative actions and decisions of the University may be made to the Victorian Ombudsman.

Policies, procedures and guidelines on the handling of staff and student complaints are available online at:
www.rmit.edu.au/policies/fairness

Education Services for Overseas Students Act 2000

In 2012 the University complied with the ESOS Act 2000 and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (National Code 2007). The University is a CRICOS-registered provider of education services to international students.

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, this also enables 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 2012, there were two significant changes to the level of fees charged to students by the University.

1. Student Services and Amenities Fee: Following a change in Federal Government legislation, a Student Services and Amenities Fee was introduced at the prescribed government rate of \$263. Due to the timing of the legislative change, the levying of this fee was limited in 2012 to domestic Higher Education students, but will be extended to the majority of students in 2013. Funds collected from the Student Services and Amenities Fee were invested into services and infrastructure to directly benefit and enhance the student campus experience.
2. TAFE fees for Victorian Training Guarantee eligible students: The Victorian State Government announced in its 2012 budget a number of funding changes affecting students in second semester and beyond. As a response to these funding changes, RMIT increased tuition fees for all government-subsidised TAFE places from 1 July 2012.

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. A copy of the schedules for 2004-13 is available on the RMIT website at: www.rmit.edu.au/fs/studentfees

Tuition Fees

In 2012, domestic non-government funded fees increased by an average of 5.9 per cent. International onshore student fees were increased by an average of 6.0 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:
University Secretary and Vice-President
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).

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

RMIT Vietnam Holdings has been engaged in six separate philanthropic 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, Cantho and Thai Nguyen. Other appointments managed the translation of the Dewey Decimal System into Vietnamese, the National Task Force program to train staff in Vietnamese libraries, and the development of library resources in Vietnam.

RMIT Training Pty Ltd

RMIT Training Pty Ltd comprises two business units. The first of these, RMIT English Worldwide, provides English language programs for industry (such as Aviation English which is delivered globally through partnerships across Asia, Europe, Russia and the Middle East), and English for Academic Preparation programs, which are available in a range of domestic and international settings, including RMIT Vietnam.

A second unit is RMIT Publishing, encompassing the Informit Collections which support university libraries across Australia and New Zealand by providing access to Australian research material for academics. RMIT Publishing also manages RMIT University Press.

Supporting the activities of these units is a Human Resources and Finance team and an IT team which provide specialised services for the online products the businesses have developed. Two further teams, Production and Client Services, 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. The company's strategic and business plans align with the University's strategic plans, and the company continues to be profitable.

RMIT Link

RMIT Link provides a range of cultural and sporting programs which engage students in activities outside the classroom and enhance their university experience. RMIT Link comprises two program areas – Sport & Recreation and Arts & Culture – and also manages the City Fitness gym.

Through its sporting and recreational programs, RMIT Link allows students the opportunity to compete in inter-university competitions, to join a wide variety of clubs, to participate in community events and to make friends and explore Australia through trips and tours.

Arts & Culture operates a student gallery space, First Site, and organises events and activities that span dance, performing arts, design, film and visual arts, giving students the opportunity to explore their creative side.

Students are involved at all levels of RMIT Link's operation, from governance through its Board of Management to leadership roles in its operations. Its Arts and Sports Councils provide a representative voice for RMIT Link's art collectives and sporting clubs respectively.

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 high quality 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 Fellowship, encourages the development of applied research and strong links between RMIT and its industry partners.

The largest part of the Foundation's funds, and therefore the majority of its programs, is tied to specific scholarships, prizes, bursaries and grants. These funds 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 Innovations Pty Ltd sells geospatial technology and 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 2012, Spatial Vision moved to a new, larger office in Bourke Street and launched three new initiatives:

- » CheckSite, an online service offering authoritative property-specific information about environmental risk
- » Mapscape, comprising an iPad app and a range of data products and web services based around authoritative mapping for Victoria
- » Peri-Urban Futures, offering an evidence-based approach to peri-urban planning

Mapscape has been adopted by the majority of Victoria's emergency services and in 2012 won the Gold Award for best digital mapping product by the International Map Trade Association (Asia-Pacific Region).

CheckSite has been well received in the market and at the 2012 Victorian Spatial Excellence Awards it won the Spatial Enablement Award and the flagship accolade, the Victorian Government Award for Spatial Excellence. It also won the Industrial Application and e-Government awards in the 2012 Victorian iAwards.

RMIT Drug Discovery Technologies Pty Ltd

RMIT Drug Discovery Technologies Pty Ltd (RDDT Laboratories) was incorporated in 2007 as a proprietary company limited by shares. Prior to its incorporation, its activities were conducted within the School of Medical Sciences at RMIT University.

RDDT Laboratories has gained a strong reputation over its six years of trading as a premier provider of pre-clinical safety and bio-analytical testing services in Australia. With a view to expanding its range of capabilities and international focus, RMIT University initiated a strategic review of the company and its future potential. As a result, a majority share in the ownership of RDDT Laboratories was sold to an established Australian-based but internationally focused company, vivoPharm Pty Ltd.

VivoPharm is an oncology-focused provider of integrated pre-clinical pharmacology services. Founded in Adelaide in 2003, it recently established operations in Hershey, US, and has a sales and marketing office in Munich, Germany to service European customers. RMIT continues to hold a 20 per cent shareholder stake in vivoPharm.

Meltech Services Ltd

Meltech Services Ltd was established for RMIT Union in 1975 as a company limited by guarantee. It was deregistered in 2012.

RMIT ASSOCIATED ENTITIES

RMIT University and its subsidiaries engage with industry, professional, regional and community organisations to support the quality, reach and impact of our education and research. This engagement results in the University holding an interest in a small number of entities. This interest may be a share of ownership, or shared reputation or financial risk. RMIT University appointments to the boards of its associated entities are covered by its Directors and Officers Liability policy.

The following table outlines RMIT's associated entities and provides information on their objectives and our assessment of the reputational and financial risks to RMIT.

Associate/Commercial Venture	Principal Objects	Level of Financial Risk	Level of Reputational Risk
vivoPharm	To deliver contract research that offers integrated pre-clinical services in disease areas (with a focus on cancer) to the biotechnology and pharmaceutical industries.	Low	Low
Melbourne Co-Operative Bookshop Group Ltd (RMIT Bookshop)	Provides textbooks, reference books and stationery for students at competitive prices.	Low	Low
Triple R Broadcasters Ltd (3RRR FM)	An independent radio station serving the Melbourne metropolitan area.	Low	Low

CONSULTANCIES 2012

Vendor Name	Order Amount (\$)	Invoiced Amount (\$)	Further Commitments (\$)	Description
Entity Solutions	5,127,278	4,776,177	351,101	Various ITS projects
Clicks Recruitment (Australia)	3,633,127	2,699,893	933,234	Various ITS projects
Talent International (Vic)	3,460,481	2,196,966	1,263,515	Various ITS projects
Lazu Consulting Pty Ltd	1,399,055	1,335,155	63,900	Various ITS projects
IMA Management & Technology	1,197,137	1,037,237	159,900	Various ITS projects
Charter Mason Pty Ltd	989,686	741,211	248,475	Various ITS projects
LSI Consulting Pty Ltd	943,198	891,162	52,036	Review of Property Services
Resource 23 Pty Ltd	764,736	650,736	114,000	
Citrix Systems Asia Pacific	648,000	648,000		Virtual Desktop
Insight Systems Pty Ltd	607,744	607,744		Onsite support for AV systems
Madison Cross Australia	535,814	526,544	9,270	Various ITS projects
Hays Personnel Services	465,619	360,459	105,160	Various ITS projects
Pricewaterhouse Coopers	430,685	430,685		Governance project
Paxus Australia Pty Ltd	413,656	240,682	172,974	Various ITS projects
Presence of IT (Vic)	383,275	332,875	50,400	Support and development, SAP HR module
Command Recruitment Group	366,943	249,107	117,836	Various ITS projects
Victorian Partnership for Advanced Computing Ltd	346,770	263,970	82,800	Various ITS projects
Sage Didactic Pty Ltd	344,860	344,860		Mt Isa training
Dimension Data Australia	333,051	333,051		Google Apps and Windows 7
Southern Cross Computer Systems	321,591	321,591		Various ITS projects
The Search Party Pty Ltd	319,736	298,836	20,900	Windows 7 project
Future Knowledge Pty Ltd	311,477	311,477		Various ITS projects
Raynd Pty Ltd	304,200	304,200		Campus Solution upgrade
APP Corporation Pty Ltd	297,700	297,700		
BTAS Pty Ltd	289,180	289,180		New SAB Building project
Counselling Appraisal Consultancy	280,684	280,684		Employee assistance Program
Object Consulting Pty Ltd	274,537	236,537	38,000	Apply Direct International Admission system
EIC-Growth Pty Ltd	253,279	253,279		Entrepreneur in Residence
Bruce Arthur Project Management	248,640	248,640		ITC Property Services Project
Vaxacom Pty Ltd	240,000	240,000		Atlas Apprentice and Trainees Project
KPMG	234,988	234,988		Tax and financial consultancies
Zenex Consulting Pty Ltd	227,800	176,200	51,600	Various ITS Projects
Oxygen Business Solutions	226,400	226,400		Technical assistance with SAP
Global Five Pty Ltd	224,900	190,500	34,400	SAMS project
Oxley International Pty Ltd	222,958	222,958		APEC & PSLP Supply chain
JDS Australia Pty Ltd	219,046	219,046		Various ITS projects
Executive Central Group	208,792	208,792		Executive Mentoring- Business College
Dell Australia Pty Ltd	208,344	208,344		Windows 7 project, Dell due diligence workshop
Paragon Recruitment Services	203,200	157,600	45,600	Various ITS projects
DA Associates Pty Ltd	201,000	201,000		ITS project management services
Microsoft Pty Ltd	184,018	184,018		Windows 7 Project
Naviro Pty Ltd	177,555	177,555		SAMS project
Mexikon Pty Ltd	177,150	177,150		SAMS project
The Nous Group Pty Ltd	174,382	174,382		Facilitation of VCE projects
Mercer (Australia) Pty Ltd	164,064	164,064		Various HR consultancies
MVP Solutions Pty Ltd	154,553	154,553		Support and Development SAP Finance Modules
Geoglyph Pty Ltd	137,500	137,500		Senior manager for infrastructure
CiT Professionals Pty Ltd	136,985	136,985		Testing activities in SAB and VDI projects
Tribal Education Limited	132,778	132,778		International admissions software
Austcorp Consulting Pty Ltd	130,913	130,913		Testing activities on the VDI project
O2 Networks	129,260	129,260		Various ITS projects
Learning Edges Australia Pty Ltd	123,920	123,920		Professional development and strategy projects
GCO Consulting Pty Ltd	113,000	113,000		SAB project- test management
Aurec Pty Ltd	104,280	104,280		Virtual desktop environment
Donald Cant Watts Corke	102,860	102,860		Project management property services
The Lester Partnership Pty Ltd	100,500	100,500		SAMS project
Centre for Effective Leadership	100,178	100,178		Various development and training
	30,053,463	26,138,362	3,915,101	
1372 Consultancies of less than \$100,000		11,082,674		

The Annual Report of RMIT University is prepared in accordance with:

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
DEEWR	Commonwealth Department of Education, Employment and Workplace Relations
ESOS	Education Services for Overseas Students Act 2000
ETRA	Education and Training Reform Act 2006
FMA	Financial Management Act 1994
FRD	A-IFRS Financial Reporting Directions
PAEC	Decision of Public Accounts and Estimates Committee of Parliament
RUG	Victorian Government response to the Review of University Governance
SD	Standing Directions of the Minister for Finance issued under the Financial Management Act 1994

No.	Clause	Disclosure	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.	4–32
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	4–32
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; » Financial Reporting Directions; and » Business Rules. 	36–96, 45
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> » Balance Sheet (Statement of Financial Position); » Statement of Recognised Income and Expense (Income Statement); » Statement of Comprehensive Income » Statement of Changes in Equity » Cash Flow Statement (Statement of Cash Flows); and » Notes to the financial statements. 	41 40 40 42 43 44–94
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. 	37 37 37, 45
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. 	36-96
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or responsible body prior to finalisation and submission.	Inside front cover, 37-39
9	SD 4.5.5	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	36

A-IFRS FINANCIAL REPORTING DIRECTIONS			
10	FRD 10	Disclosure index.	33–34
11	FRD 11	Disclosure of ex-gratia payments.	No ex-gratia payments
12	FRD 07A	Early adoption of authoritative accounting pronouncements.	55
13	FRD 17A	Long service leave, wage inflation and discount rates.	53
14	FRD 19	Private provision of public infrastructure.	N/A
15	FRD 21A	Responsible person and executive officer disclosure in the financial report.	87–90
16	FRD 22B	Standard disclosures in the report of operations.	4–32
17	FRD 25	Victorian Industry Participation Policy in the report of operations.	N/A
18	FRD 26A	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004.	N/A
19	FRD 102	Inventories.	49, 67
20	FRD 104	Foreign currency.	46–47
21	FRD 106	Impairment of assets.	48
22	FRD 107	Investment properties.	N/A
23	FRD 109	Intangible assets.	52, 70
24	FRD 110	Cash flow statements.	43, 58
25	FRD 112A	Defined benefit superannuation obligations.	52, 53, 79–80, 94
26	FRD 113	Investments in subsidiaries, jointly controlled associates and entities.	30, 46
27	FRD 114	Financial investments.	49–50, 67
DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS			
28	FRD 22B DEEWR	Analysis of the achievement of the entity's operational and budget objectives for the financial year; should include comparative analysis of indicators such as enrolments, graduations, student performance and satisfaction, staff profile, research performance and performance position.	5, 12, 13, 15–21, 22–23, 24
29	DEEWR	Information with respect to the governance and administrative structure of the University, specifically council members and occupants of senior officers.	8–11, 25–27
30	DEEWR	Outline of student and staff grievance procedures and number of complaints made to and investigated by the Ombudsman.	28
31	DEEWR	Details of information available on institution's website, including locations of current and previous Annual Reports.	2
32	DEEWR	Compliance of financial statements with the Financial Statement Guidelines for Australian Higher Education Providers for 2008 Reporting Period issued by DEEWR.	45
FINANCIAL MANAGEMENT ACT 1994			
33	FMA 49 (a)	Financial Statements:	
34	FMA 49 (b)	» contain such information as required by the Minister;	36–96
35	FMA 49 (c)	» are prepared in a manner and form approved by the Minister;	36–96
36	FMA 49 (d)	» present fairly the financial transactions of the department or public body during the relevant financial year to which they relate;	36–96
37	FMA 49 (e)	» present fairly the financial position of the department or public body as at the end of that year; and » are certified by the accountable officer in the manner approved by the Minister.	36–96 37
VICTORIAN GOVERNMENT RESPONSE TO THE REVIEW OF UNIVERSITY GOVERNANCE			
38	RUG	Statement outlining that public funds allocated to the University have been allocated to the purposes specified by the Government or other public funding body. Statement is audited by the Auditor-General.	28
39	RUG	University Council's risk management strategy.	29
40	RUG	Summary of financial performance of Associates and Commercial Ventures.	31
EDUCATIONAL SERVICES FOR OVERSEAS STUDENTS ACT 2000 (National Code 2007, Sections C & D)			
41	ESOS	Statement indicating compliance with ESOS Act 2000 and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students (National Code 2007).	28
EDUCATION AND TRAINING REFORM ACT 2006 (ETRA)			
42	ETRA, s.3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in the preceding financial year.	28
DECISION OF PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE OF PARLIAMENT (December 1997)			
43	PAEC	Financial and other information relating to institution's international operations.	15–17, 85

FINANCIAL STATEMENTS



Royal Melbourne Institute of Technology

TAFE Key Performance Indicators 2011 and 2012

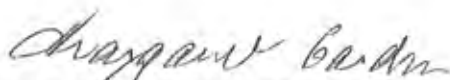
Indicator	2011	2012
Participation of 15–24 year-olds	10,001	9,410
Participation of 25–64 year-olds	6,849	6,163
Module load completion rate*	81.3%	81.1%
Student overall satisfaction	85.4%	86.6%
Student contact hours (SCH)	9,492,912	9,574,251
Total cost per SCH	\$15.21	\$15.79
Working capital ratio**	0.87 : 1.0	0.80 : 1.0
Net operating margin	5.9%	4.5%
Fee for service revenue (as % of total TAFE revenue)	43.1%	48.7%
Revenue per EFT staff (TAFE teaching & non-teaching staff)	\$130,560	\$138,555

* Calculated for total SCHs of all modules reported to Skills Victoria

**After adjusting Current LSL Provision in accordance with International Accounting Standards restatement requirements.

Energy Consumption	2011	2012	% Change On 2011	Target 2013
Gas (MJ)	23,033,880	23,411,340	+1.6%	23,663,340
Electricity (kWh)	13,607,038	13,268,961	-2.5%	13,797,080
Green Power (kWh)	2,721,408	2,653,792	-2.5%	2,759,416
Energy (MJ)	72,019,215	71,179,600	-1.2%	73,332,828

In my opinion the above tables present fairly the data for Royal Melbourne Institute of Technology for the years ended 31 December 2011 and 31 December 2012.



Professor Margaret Gardner AO
Vice-Chancellor and President




Stuart Donaldson
Executive Director, Financial Services

Dated at Melbourne this 6 day of March 2013.

Attestation on compliance with the International Standard for Risk Management

I, Professor Margaret Gardner, 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 Margaret Gardner AO
Vice-Chancellor and President
RMIT University

Date: 23 January 2013

Royal Melbourne Institute of Technology and Subsidiaries

COUNCILLORS' DECLARATION YEAR ENDED 31 DECEMBER 2012

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 2012 and their financial performance represented by the results of their operations for the year ended on that date.

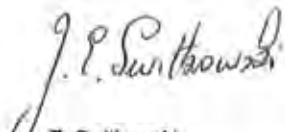
In the Councillors' opinion, as at the date of this declaration, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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 and other mandatory professional reporting requirements.

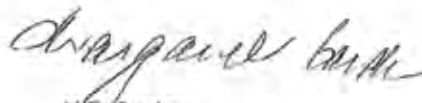
All public funds allocated to RMIT have been expended for the purposes specified by the Government or other public funding bodies, and RMIT has complied with applicable legislation, contracts, agreements and program expenditure.

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. Swilkowski
Chancellor



M.E. Gardner
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 2012 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 2012 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 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 2013

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 2012 of the Royal Melbourne Institute of Technology which comprises the income statement, comprehensive operating statement, statement of financial position, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the councillor's declaration and statement by principal accounting officer has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising the Royal Melbourne Institute of Technology and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 40 to the 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* 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 Royal Melbourne Institute of Technology and the consolidated 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.

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 Royal Melbourne Institute of Technology and the economic entity as at 31 December 2012 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*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Royal Melbourne Institute of Technology for the year ended 31 December 2012 included both in the Royal Melbourne Institute of Technology's annual report and on the website. The Council Members of the Royal Melbourne Institute of Technology are responsible for the integrity of the Royal Melbourne Institute of Technology's website. I have not been engaged to report on the integrity of the Royal Melbourne Institute of Technology's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

INDEPENDENT AUDITOR'S REPORT

To the Council Members, Royal Melbourne Institute of Technology

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2012 of the Royal Melbourne Institute of Technology which comprises the statement, the related notes and the declaration has been audited.

The Council Members' Responsibility for the Statement of Performance

The Council Members of the Royal Melbourne Institute of Technology are responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1994* and for such internal control as the Council Members determine is necessary to enable the preparation and fair presentation of the statement of performance 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 statement of performance 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 statement of performance is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of performance. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the statement of performance, 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 statement of performance 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 overall presentation of the statement of performance.

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

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.

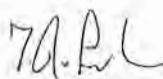
Opinion

In my opinion, the statement of performance of the Royal Melbourne Institute of Technology in respect of the 31 December 2012 financial year presents fairly, in all material respects, in accordance with the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Statement of Performance

This auditor's report relates to the statement of performance of the Royal Melbourne Institute of Technology for the year ended 31 December 2012 included both in the Royal Melbourne Institute of Technology's annual report and on the website. The Council Members of the Royal Melbourne Institute of Technology are responsible for the integrity of the Royal Melbourne Institute of Technology's website. I have not been engaged to report on the integrity of the Royal Melbourne Institute of Technology's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the statement of performance are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited statement of performance to confirm the information contained in the website version of the statement of performance.

MELBOURNE
7 March 2013


for Ms E Holland
Acting Auditor-General

Income Statement

for the year ended 31 December 2012

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	276,248	246,216	276,248	246,216
HELP – Australian Government payments	3	145,925	126,740	145,925	126,740
State and Local Government financial assistance	4	56,892	64,728	56,892	64,728
HECS–HELP – Student payments		21,182	16,991	21,182	16,991
Fees and charges	5	351,009	348,347	293,909	298,583
Investment revenue and income	6	7,209	7,889	5,101	5,002
Consultancy and contracts	7	36,670	41,275	32,417	34,980
Other revenue and income	8	30,662	30,605	28,988	24,016
Total income from continuing operations excluding deferred government superannuation contributions		925,797	882,791	860,662	817,256
Deferred government superannuation contributions	38	104,798	1,298	104,798	1,298
Total income from continuing operations		1,030,595	884,089	965,460	818,554
Expenses from continuing operations					
Employee related expenses	9	549,929	515,786	506,925	472,868
Depreciation and amortisation	10	66,339	62,713	60,060	56,803
Repairs and maintenance	11	11,713	14,148	11,672	14,074
Borrowing costs	12	8,227	3,909	8,786	4,731
Impairment of assets	13	3,904	792	4,296	1,505
Investment losses	6	–	1,654	–	–
Other expenses	14	234,259	229,157	217,648	211,237
Total expenses from continuing operations excluding deferred government superannuation contributions		874,371	828,159	809,387	761,218
Deferred employee benefits for superannuation	38	104,798	1,298	104,798	1,298
Total expenses from continuing operations		979,169	829,457	914,185	762,516
Operating result before income tax		51,426	54,632	51,275	56,038
Income tax expense	17	2,192	1,270	1,670	765
Operating result after income tax for the period		49,234	53,362	49,605	55,273
Operating result attributable to minority interest	32	164	(96)	–	–
Operating result attributed to RMIT entity		49,398	53,266	49,605	55,273

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

Statement of Comprehensive Income

for the year ended 31 December 2012

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Operating result after income tax for the period		49,234	53,362	49,605	55,273
Gain/(loss) on revaluation of land and buildings, net of tax	30	–	7,436	–	7,436
Gain/(loss) on value of available for sale financial assets, net of tax	30	2,061	(1,117)	–	–
Cash flow hedges, net of tax	30	(718)	–	(718)	–
Exchange differences on translation of foreign operations	30	(961)	(128)	–	–
Dividends paid	32	–	(30)	–	–
Increase in reserve due to deregistration of subsidiaries	30	–	–	22	–
Other adjustments	31	(17)	(11)	–	–
Total comprehensive income		49,599	59,512	48,909	62,709
Total comprehensive income attributable to minority interest	32	164	(66)	–	–
Total comprehensive income attributable to RMIT entity		49,763	59,446	48,909	62,709

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

Statement of Financial Position

for the year ended 31 December 2012

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	18	109,117	69,262	80,021	41,677
Receivables	19	50,003	57,029	49,500	59,320
Inventories	20	586	720	–	–
Other financial assets	22	8,800	7,200	–	–
Other non-financial assets	25	12,493	8,774	10,409	7,148
Total current assets		180,999	142,985	139,930	108,145
Non-current assets					
Receivables	19	443,839	339,833	443,787	339,781
Available for sale financial assets	21	20,340	17,665	–	–
Property, plant and equipment	23	1,802,180	1,699,222	1,757,790	1,657,989
Deferred tax asset	17	749	231	–	–
Intangible assets	24	422	648	–	–
Other financial assets	22	172	2,468	2,536	2,494
Total non-current assets		2,267,702	2,060,067	2,204,113	2,000,264
Total assets		2,448,701	2,203,052	2,344,043	2,108,409
LIABILITIES					
Current liabilities					
Trade and other payables	26	93,399	83,841	65,579	59,585
Borrowings	27	–	–	10,650	17,289
Provisions	28	122,797	113,326	121,436	111,874
Current tax liabilities	17	4,053	4,015	4,053	3,930
Other liabilities	29	62,769	57,638	50,527	44,178
Total current liabilities		283,018	258,820	252,245	236,856
Non-current liabilities					
Borrowings	27	155,000	90,000	155,000	90,000
Provisions	28	456,972	350,611	456,243	349,907
Deferred tax liabilities	17	12	11	–	–
Other liabilities	29	490	–	–	–
Total non-current liabilities		612,474	440,622	611,243	439,907
Total liabilities		895,492	699,442	863,488	676,763
Net assets		1,553,209	1,503,610	1,480,555	1,431,646
EQUITY					
RMIT entity interest					
Reserves	30	628,628	628,246	606,722	607,419
Retained earnings	31	924,047	874,666	873,833	824,227
Total RMIT entity interest		1,552,675	1,502,912	1,480,555	1,431,646
Minority interest	32	534	698	–	–
Total equity		1,553,209	1,503,610	1,480,555	1,431,646

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

Statement of Changes in Equity

for the year ended 31 December 2012

	Reserves	Retained Earnings	Minority Interest	Total
	\$'000	\$'000	\$'000	\$'000
RMIT CONSOLIDATED ENTITY				
Balance at 1 January 2011	623,663	819,803	632	1,444,098
Profit or loss	–	53,266	96	53,362
Gain/(loss) on revaluation of land and buildings, net of tax	7,436	–	–	7,436
Gain/(loss) on value of available for sale financial assets, net of tax	(1,117)	–	–	(1,117)
Exchange differences on translation of foreign operations	(128)	–	–	(128)
Transfer from reserves to retained earnings	(1,608)	1,608	–	–
Dividends paid	–	–	(30)	(30)
Other adjustments	–	(11)	–	(11)
Balance at 31 December 2011	628,246	874,666	698	1,503,610
Balance at 1 January 2012	628,246	874,666	698	1,503,610
Profit or loss	–	49,398	(164)	49,234
Gain/(loss) on value of available for sale financial assets, net of tax	2,061	–	–	2,061
Exchange differences on translation of foreign operations	(961)	–	–	(961)
Revaluations of hedges	(718)	–	–	(718)
Other adjustments	–	(17)	–	(17)
Balance at 31 December 2012	628,628	924,047	534	1,553,209
PARENT ENTITY				
Balance at 1 January 2011	599,983	768,954	–	1,368,937
Profit or loss	–	55,273	–	55,273
Gain/(loss) on revaluation of land and buildings, net of tax	7,436	–	–	7,436
Balance at 31 December 2011	607,419	824,227	–	1,431,646
Balance at 1 January 2012	607,419	824,227	–	1,431,646
Profit or loss	–	49,605	–	49,605
Revaluations of hedges	(718)	–	–	(718)
Increase in reserves due to deregistration of subsidiary	21	–	–	21
Other adjustments	–	1	–	1
Balance at 31 December 2012	606,722	873,833	–	1,480,555

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

Statement of Cash Flows

for the year ended 31 December 2012

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash flows from operating activities					
Australian Government Grants received	3	407,116	362,543	407,116	362,543
OS-HELP (net)		38	60	38	60
Superannuation Supplementation		23,915	21,608	23,915	21,608
State Government Grants received		56,930	64,788	56,930	64,788
HECS-HELP – Student payments		21,182	16,991	21,182	16,991
Receipts from student fees and other customers		429,130	416,569	359,843	347,525
Dividends received		1,863	2,023	1,331	1,812
Interest received		3,882	4,588	2,948	3,588
Payments to suppliers and employees (inclusive of GST)		(814,379)	(798,748)	(756,541)	(740,504)
Interest and other costs of finance		(8,786)	(4,731)	(8,786)	(4,731)
GST recovered/(paid)		27,949	27,943	28,660	28,660
Income tax paid		(2,057)	(1,522)	(1,547)	(955)
Net cash provided by (used in) operating activities	<i>35(b)</i>	146,783	112,112	135,090	101,385
Cash flows from investing activities					
Proceeds from sale of financial assets		700	6,657	–	–
Proceeds from sale of property, plant and equipment		399	662	399	662
Payments for financial assets		(4)	(14,500)	–	–
Payments for intangible assets		(214)	(344)	–	–
Payments for property, plant and equipment		(172,011)	(207,640)	(162,145)	(197,703)
Net cash provided by (used in) investing activities		(171,130)	(215,165)	(161,746)	(197,041)
Cash flows from financing activities					
Proceeds from borrowings		142,000	127,000	142,000	127,000
Repayment of borrowings		(77,000)	(37,000)	(77,000)	(37,000)
Net cash provided by (used in) financing activities		65,000	90,000	65,000	90,000
Net increase (decrease) in cash and cash equivalents		40,653	(13,053)	38,344	(5,656)
Cash and cash equivalents at the beginning of the financial year		69,262	82,276	41,677	47,333
Effects of exchange rate changes on cash and cash equivalents		(799)	39	–	–
Cash and cash equivalents at end of year	<i>35(a)</i>	109,117	69,262	80,021	41,677

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

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1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years reported, unless otherwise stated. The financial statements include 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.

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

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- 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 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 6 March 2013.

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 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 judgement 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 judgement, 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 Industry, Innovation, Science, Research and Tertiary Education* (DIISRTE), 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 assesses 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 Judgements – Provision for impaired receivables

Included in Consolidated Accounts Receivable at 31 December 2012 are amounts receivable from customers and students amounting to \$22.379m (2011 – \$21.502m). The full amount of the debt is not recoverable and as such a doubtful debts provision amounting to \$5.909m (2011 – \$1.459m) 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.

Correction of Errors in Prior Year's Reports

In Statement of Financial Position, changes in comparative figures for 2011 for the Group are:

	Corrected figures	Previous reported figures
	\$'000	\$'000
Cash and cash equivalents	69,262	72,162
Other financial assets	7,200	4,300

\$2.9m term deposit with term longer than 3 months is reclassified from Cash and cash equivalents to other financial assets. Relevant notes including Note 2, Note 18, Note 22 and Note 39 have been updated consistently to reflect the changes.

1 Summary of significant accounting policies (continued)**1.01 Basis of preparation (continued)****Correction of Errors in Prior Year's Reports (continued)**

In Statement of Cash Flows, changes in comparative figures for 2011 for RMIT are:

	Corrected figures \$'000	Previous reported figures \$'000
Dividends received	1,812	–
Interest received	3,588	5,400

In Statement of Cash Flows, changes in comparative figures for 2011 for the Group are:

	Corrected figures \$'000	Previous reported figures \$'000
Dividends received	2,023	211
Interest received	4,588	6,400
Payments for financial assets	(14,500)	(11,600)

Relevant notes including Note 2 and Note 35 have been updated consistently to reflect the changes.

In Note 34 Commitments (b) Operating leases – as lessee, changes in comparative figures for 2011 for RMIT are:

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

	Corrected figures \$'000	Previous reported figures \$'000
Future minimum rental payments for leases premises		
Due within one year	7,330	9,474
Due after one year but within five years	11,578	13,160
Due after five years	5,241	7,887
	24,149	30,521
GST reclaimable on the above	2,195	2,775
Net Commitment	21,954	27,746

These changes impacted

	Corrected figures \$'000	Previous reported figures \$'000
Leases contracted for at the reporting date but not recognised as assets		
Due within one year	1,894	2,134
Due after one year but within five years	1,627	1,627
Due after five years	204	204
	3,725	3,965
GST reclaimable on the above	339	360
Net Commitment	3,386	3,605

Future minimum rental payments for leased premises Due within one year changed

1.02 Principles of consolidation

The Consolidated financial statements incorporate the assets and liabilities of all subsidiaries of RMIT as at 31 December 2012 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 the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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.

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.

Minority interests in the results and equity of subsidiaries are shown separately in the Consolidated income statement and statement of financial position respectively.

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.

1 Summary of significant accounting policies (continued)**1.03 Foreign currency translation (continued)****(ii) Transactions and balances**

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

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value, are recognised through the profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(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. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. 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

The Group treats operating grants received from Australian Government entities as income in the year of receipt. 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 income 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) Fee for Service/Consulting

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.

(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 Summary of significant accounting policies (continued)**1.05 Income tax**

The income tax expense or revenue for the period is the tax payable 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 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 directly in equity are also recognised directly in equity.

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.

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

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

Goodwill and 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 is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill 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.

1.10 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.

1 Summary of significant accounting policies (continued)**1.10 Receivables (continued)**

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.

The percentage provided for by aged trade receivable category is as follows:	2012	2011
181 to 270 days	40%	40%
271 to 365 days	50%	50%
over 366 days	100%	100%

Student related 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.

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

1.11 Inventories**Stock**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. 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 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously taken up by the date of the sale of the non current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

1.13 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.

1 Summary of significant accounting policies (continued)**1.13 Investments and other financial assets (continued)****(ii) Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. RMIT designates certain derivatives as either;

(1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or

(2) hedges of highly probable forecast transactions (cash flow hedges).

(a) Fair value hedge

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

(b) Cash flow hedge

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

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

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

(c) Derivatives that do not qualify for hedge accounting

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

(iii) Loans and receivables

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

(iv) Held-to-maturity investments

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

(v) Available-for-sale financial assets

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

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

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity 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 current bid prices. 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 fair values of recent arm's length transactions, 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 Summary of significant accounting policies (continued)

1.14 Fair value estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

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. 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 are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying values less impairment provisions 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.

1.15 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 2011. The total revaluation adjustment was \$7.4m consisting of a revaluation of land of \$30.4m and a devaluation of buildings of \$23.0m (2010: \$55.3m land related only). The next full revaluation is due at the end of 2014. An assessment of land and buildings is performed every year apart from the full revaluation years and any variances greater than 10% is 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 such 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 and 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; 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:

	2012 Years	2011 Years
Buildings	25 – 100	25 – 100
Plant, equipment, furniture and fitting and motor vehicles	3 – 20	3 – 20
Leasehold improvements	2 – 51	2 – 51
Computer equipment	4	4
Library collections	10	10

The capitalisation threshold for plant, equipment, computers, motor vehicles and furniture and fittings to be recognised as an asset is \$2,000 (2011 – \$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.

1.16 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 Summary of significant accounting policies (continued)**1.17 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 (2011: 4 to 20 years).

(ii) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purposes of impairment testing. Each of those cash-generating units represents the Group's investment in each country of operation by each primary reporting segment.

(iii) Intellectual property, trademarks and licences

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

(iv) 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 asset must be \$500K or higher in order to be considered for capitalisation. An item is recognised as an intangible if it meets the definition that it is probable that future economic benefits will flow to the University and the cost of the asset can be reliably measured.

(v) 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, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(vi) Amortisation

Except for goodwill, 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:

	2012 Years	2011 Years
Intellectual property, trademarks and licences	4 – 20	4 – 20
Capitalised development costs	2 – 5	2 – 5

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

1.18 Unfunded superannuation

In accordance with the 1998 instructions issued by the Department of Education, Employment and Workplace Relations (DEEWR) now known as the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE), the effects of the unfunded superannuation liabilities of RMIT and its subsidiaries 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.

UniSuper Defined Benefit Ltd.

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but, as a result of Clause 34 of the UniSuper Trust Deed, a defined contribution plan under Accounting Standard AASB 119.

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 2012. The methodology of measurement of the net liabilities is based on the following actuarial assumptions:

Economic	2012	2011
Discount Rate	3.0% pa	5.2% pa
Salary increase rate	4.0% pa	4.0% pa
Pension Indexation	2.5% pa	2.5% pa
Investment Return on Fund Assets Supporting Pension Liabilities (net of fees and gross of investment income tax)	8.0% pa	8.0% pa

The actuary currently believes, in respect of the long-term financial condition of the Fund, that assets as at 30 June 2012, 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.

1 Summary of significant accounting policies (continued)**1.19 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.

1.20 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.

1.21 Borrowing costs

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

1.22 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.

1.23 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) Wages and salaries

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and 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) Annual leave and sick leave

The liability for long-term employee benefits such as annual leave and accumulating sick leave is recognised in current provisions for employee benefits as it is not due to be settled within 12 months after the end of the reporting period. It is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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.

(iv) 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.

Actuarial gains and losses arising from experience and adjustments and changes in actuarial assumptions are recognised in the period in which they occur, outside the income statement directly in the statement of changes in equity.

Past service costs are recognised immediately in income, 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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Further details are provided in note 38.

1 Summary of significant accounting policies (continued)

1.23 Employee benefits (continued)

(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 falling due more than 12 months after balance date 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.

1.24 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 balance sheet 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.

1.25 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 Insurance

The RMIT Consolidated Group specifically carries the following types of insurance:

- property;
- fidelity (crime);
- professional indemnity;
- general liability;
- travel/personal accident;
- directors and officers;
- workers' compensation; and
- other insurance from time to time.

For those risks where RMIT Consolidated Group has no insurance, any losses are charged to the income statement in the year in which the loss is reported.

1.28 Rounding of amounts

The Group is of a kind referred to in 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 report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

1 Summary of significant accounting policies (continued)

1.29 New Accounting Standards and Interpretations

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were issued but not yet effective.

Initial application of the following Standards and Interpretations is not expected to have any material impact on the financial report of the Group and the Company:

Standard/Interpretation	Application date	Impact on financial reports
AASB 9 and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	1 January 2013	The assessment will be performed in 2013 provided that AASB 9 is also adopted for the same period.
AASB 1053 Application of Tiers of Australian Accounting Standards	1 July 2013	The assessment will be performed in 2013.
AASB 2010-2 Amendments to Australian Accounting Standards arising from reduced disclosure requirements	1 July 2013	The assessment will be performed in 2013 provided that AASB 1053 is also adopted for the same period.
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	1 January 2013	The Group has not yet determined any potential impact on the financial statements.
AASB 2011-4 Amendments to Australian Accounting Standards to remove individual key management personnel disclosure requirements	1 July 2013	The Group has not yet determined any potential impact on the financial statements.
AASB 2011-7 Amendments to Australian Accounting Standards arising from the consolidation and joint arrangement standards [AASB 10, 11, 12, 127 & 128]	1 January 2013	The Group has not yet determined any potential impact on the financial statements.
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13	1 January 2013	The Group has not yet determined any potential impact on the financial statements.
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from reduced disclosure requirements	1 January 2013	The Group has not yet determined any potential impact on the financial statements.
AASB 2012-3 Amendments to Australian Accounting Standards - offsetting financial assets and financial liabilities (June 2012) (amendments to AASB 132)	1 January 2014	The assessment will be performed in 2014.
AASB 2012-6 Amendments to Australian Accounting Standards - mandatory effective date of AASB 9 and transition disclosures	1 January 2013	The Group would not early adopt the standard. The assessment will be performed in 2013.
AASB 2012-7 Amendments to Australian Accounting Standards arising from reduced disclosure requirements [AASB 7, 12, 101, 127]	1 July 2013	The Group has not yet determined any potential impact on the financial statements.

2 Disaggregation information

(a) Industries

Operating revenue and expenses for the Higher Education and TAFE divisions of the university are shown in the following tables. The figures refer only to RMIT University – Consolidated totals are not included.

	Higher Education	TAFE	Total RMIT	Higher Education	TAFE	Total RMIT
	2012	2012	2012	2011	2011	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(i) Income Statement						
Income from continuing operations						
Australian Government financial assistance						
Australian Government grants	254,397	21,851	276,248	234,926	11,290	246,216
HELP – Australian Government payments	138,022	7,903	145,925	119,797	6,943	126,740
State and Local Government financial assistance	–	56,892	56,892	66	64,662	64,728
HECS–HELP – Student Payments	21,182	–	21,182	16,991	–	16,991
Fees and charges	242,769	51,140	293,909	245,792	52,791	298,583
Investment revenue and income	4,423	678	5,101	4,386	616	5,002
Consultancy and contracts	27,632	4,785	32,417	29,923	5,057	34,980
Other revenue and income	26,171	2,817	28,988	21,048	2,968	24,016
Total income from continuing operations excluding deferred government superannuation contributions	714,596	146,066	860,662	672,929	144,327	817,256
Deferred government superannuation contributions	104,798	–	104,798	1,298	–	1,298
Total income from continuing operations	819,394	146,066	965,460	674,227	144,327	818,554
Expenses from continuing operations						
Employee related expenses	407,633	99,292	506,925	376,376	96,492	472,868
Depreciation and amortisation	48,561	11,499	60,060	46,839	9,964	56,803
Repairs and maintenance	9,353	2,319	11,672	11,470	2,604	14,074
Borrowing costs	7,962	824	8,786	4,340	391	4,731
Impairment of assets	3,526	770	4,296	1,324	181	1,505
Other expenses	181,469	36,179	217,648	175,563	35,674	211,237
Total expenses from continuing operations excluding deferred government superannuation contributions	658,504	150,883	809,387	615,912	145,306	761,218
Deferred employee benefits for superannuation	104,798	–	104,798	1,298	–	1,298
Total expenses from continuing operations	763,302	150,883	914,185	617,210	145,306	762,516
Operating result before income tax	56,092	(4,817)	51,275	57,017	(979)	56,038
Income tax expense	1,336	334	1,670	742	23	765
Operating result after income tax for the period	54,756	(5,151)	49,605	56,275	(1,002)	55,273
(ii) Statement of Comprehensive Income						
Operating result after income tax for the period	54,756	(5,151)	49,605	56,275	(1,002)	55,273
Gain/(loss) on revaluation of land and buildings, net of tax	–	–	–	(3,108)	10,544	7,436
Cash flow hedges	(646)	(72)	(718)	–	–	–
Increase in reserves due to deregistration of subsidiary	22	–	22	–	–	–
Total comprehensive income	54,132	(5,223)	48,909	53,167	9,542	62,709

2 Disaggregation information (continued)

	Higher Education	TAFE	Total RMIT	Higher Education	TAFE	Total RMIT
	2012	2012	2012	2011	2011	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(iii) Balance sheet						
ASSETS						
Current assets						
Cash and cash equivalents	63,282	16,739	80,021	32,847	8,830	41,677
Receivables	44,226	5,274	49,500	51,089	8,231	59,320
Other non-financial assets	9,219	1,190	10,409	5,963	1,185	7,148
Total current assets	116,727	23,203	139,930	89,899	18,246	108,145
Non-current assets						
Receivables	443,787	–	443,787	339,781	–	339,781
Property, plant and equipment	1,428,208	329,582	1,757,790	1,332,954	325,035	1,657,989
Other financial assets	2,536	–	2,536	2,494	–	2,494
Total non-current assets	1,874,531	329,582	2,204,113	1,675,229	325,035	2,000,264
Total assets	1,991,258	352,785	2,344,043	1,765,128	343,281	2,108,409
LIABILITIES						
Current liabilities						
Trade and other payables	52,250	13,329	65,579	47,402	12,183	59,585
Borrowings	10,650	–	10,650	17,289	–	17,289
Provisions	104,498	16,938	121,436	96,376	15,498	111,874
Current tax liabilities	3,917	136	4,053	3,789	141	3,930
Other liabilities	41,300	9,227	50,527	39,884	4,294	44,178
Total current liabilities	212,615	39,630	252,245	204,740	32,116	236,856
Non-current liabilities						
Borrowings	139,500	15,500	155,000	81,000	9,000	90,000
Provisions	453,503	2,740	456,243	347,878	2,029	349,907
Total non-current liabilities	593,003	18,240	611,243	428,878	11,029	439,907
Total liabilities	805,618	57,870	863,488	633,618	43,145	676,763
Net assets	1,185,640	294,915	1,480,555	1,131,510	300,136	1,431,646
EQUITY						
RMIT entity interest						
Reserves	427,518	179,204	606,722	428,143	179,276	607,419
Retained earnings	758,123	115,710	873,833	703,367	120,860	824,227
Total equity	1,185,641	294,914	1,480,555	1,131,510	300,136	1,431,646

The allocation of assets and liabilities to the Higher Education or TAFE Divisions 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 either Higher Education or TAFE Division have been applied and all other trade debtors have been allocated on a proportional basis.

Other financial assets

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

Other assets

These are allocated to either the Higher Education or TAFE Division 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 TAFE division. All other assets are allocated to TAFE division only if directly acquired to be used by TAFE only.

Trade and other payables

Trade payable directly attributable to either Higher Education or TAFE Division have been applied. Other payable 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 the Higher Education and TAFE Division based on the usability of assets.

Provisions

Provisions have been attributed to either the Higher Education or TAFE Division 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 TAFE Division has been so applied, while all other revenue in advance has been allocated on a proportional basis.

2 Disaggregation information (continued)

	Higher Education			TAFE			RMIT
	Reserves	Retained earnings	Total	Reserves	Retained earnings	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(iv) Statement of Changes in Equity							
Balance at 1 January 2011	431,251	647,092	1,078,343	168,732	121,862	290,594	1,368,937
Profit or loss	–	56,275	56,275	–	(1,002)	(1,002)	55,273
Gain/(loss) on revaluation of land and buildings, net of tax	(3,108)	–	(3,108)	10,544	–	10,544	7,436
Balance at 31 December 2011	428,143	703,367	1,131,510	179,276	120,860	300,136	1,431,646
Balance at 1 January 2012	428,143	703,367	1,131,510	179,276	120,860	300,136	1,431,646
Profit or loss	–	54,756	54,756	–	(5,151)	(5,151)	49,605
Cash flow hedges	(646)	–	(646)	(72)	–	(72)	(718)
Increase in reserves due to deregistration of subsidiary	22	–	22	–	–	–	22
Balance at 31 December 2012	427,519	758,123	1,185,642	179,204	115,709	294,913	1,480,555
	Higher Education	TAFE	Total RMIT	Higher Education	TAFE	Total RMIT	
	2012	2012	2012	2011	2011	2011	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
(v) Statement of Cash Flows							
Cash flows from operating activities							
Australian Government Grants received	385,265	21,851	407,116	351,253	11,290	362,543	
OS-HELP (net)	38	–	38	60	–	60	
Superannuation Supplementation	23,915	–	23,915	21,608	–	21,608	
State Government Grants received	–	56,930	56,930	66	64,722	64,788	
HECS-HELP – Student payments	21,182	–	21,182	16,991	–	16,991	
Receipts from student fees and other customers	300,856	58,987	359,843	286,828	60,697	347,525	
Dividends received	1,331	–	1,331	1,786	26	1,812	
Interest received	2,331	617	2,948	3,068	520	3,588	
Payments to suppliers and employees (inclusive of GST)	(621,492)	(135,049)	(756,541)	(605,582)	(134,922)	(740,504)	
Interest and other costs of finance	(7,962)	(824)	(8,786)	(4,340)	(391)	(4,731)	
GST recovered/(paid)	23,753	4,907	28,660	23,658	5,002	28,660	
Income tax paid	(1,077)	(470)	(1,547)	(791)	(164)	(955)	
Net cash provided by (used in) operating activities	128,141	6,949	135,090	94,605	6,780	101,385	
Cash flows from investing activities							
Proceeds from sale of property, plant and equipment	329	70	399	538	124	662	
Payments for property, plant and equipment	(156,535)	(5,610)	(162,145)	(178,370)	(19,333)	(197,703)	
Net cash provided by (used in) investing activities	(156,206)	(5,540)	(161,746)	(177,832)	(19,209)	(197,041)	
Cash flows from financing activities							
Proceeds from borrowings	127,800	14,200	142,000	114,300	12,700	127,000	
Repayment of borrowings	(69,300)	(7,700)	(77,000)	(33,300)	(3,700)	(37,000)	
Net cash provided by (used in) financing activities	58,500	6,500	65,000	81,000	9,000	90,000	
Net increase (decrease) in cash and cash equivalents	30,435	7,909	38,344	(2,227)	(3,429)	(5,656)	
Cash and cash equivalents at the beginning of the financial year	32,847	8,830	41,677	35,074	12,259	47,333	
Cash and cash equivalents at end of year	63,282	16,739	80,021	32,847	8,830	41,677	

2 Disaggregation information (continued)

(b) RMIT Consolidated Entity

Geographical	Total Revenue		Net Operating Results		Total Assets	
	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	980,773	842,063	43,229	50,826	2,385,335	2,145,411
South East Asia	49,822	42,026	6,169	2,440	63,366	57,641
	1,030,595	884,089	49,398	53,266	2,448,701	2,203,052

3 Australian Government financial assistance including HECS-HELP and FEE-HELP

Note	Consolidated		RMIT	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Commonwealth Grants Scheme and Other Grants 44.1				
Commonwealth Grants Scheme	204,696	168,831	204,696	168,831
Indigenous Support Program	341	341	341	341
Partnership & Participation Program	4,220	3,218	4,220	3,218
Disability Support Program	126	113	126	113
Transitional Cost Program	11	94	11	94
Promotion of Excellence in Learning and Teach	27	–	27	–
Reward Funding	496	–	496	–
Total Commonwealth Grants Scheme and Other Grants	209,917	172,597	209,917	172,597
(b) Higher Education Loan Programs 44.2				
HECS-HELP	109,007	94,091	109,007	94,091
FEE-HELP	26,748	25,706	26,748	25,706
VET FEE-HELP	7,903	6,943	7,903	6,943
SA-HELP 44.8	2,267	–	2,267	–
Total Higher Education Loan Programs	145,925	126,740	145,925	126,740
(c) Scholarships 44.3				
Australian Postgraduate Awards	4,391	4,229	4,391	4,229
International Postgraduate Research Scholarships	403	441	403	441
Commonwealth Education Cost Scholarships	501	252	501	252
Commonwealth Accommodation Scholarships	129	446	129	446
Indigenous Access Scholarships	63	52	63	52
Total Scholarships	5,487	5,420	5,487	5,420
(d) DIISRTE – Research 44.4				
Joint Research Engagement	5,977	5,554	5,977	5,554
Research Training Scheme	13,553	13,744	13,553	13,744
Research Infrastructure Block Grants	1,849	1,802	1,849	1,802
Commercialisation Training Scheme	–	117	–	117
Sustainable Research Excellence in Universities	1,344	1,187	1,344	1,187
Total DIISRTE – Research Grants	22,723	22,404	22,723	22,404
(e) Australian Research Council 44.5				
(i) Discovery 44.5(a)				
Project	4,272	3,679	4,272	3,679
Fellowships	1,477	1,062	1,477	1,062
Total Discovery	5,749	4,741	5,749	4,741
(ii) Linkages 44.5(b)				
Infrastructure	840	–	840	–
Projects	2,729	3,206	2,729	3,206
Total Linkages	3,569	3,206	3,569	3,206

3 Australian Government financial assistance (continued)

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(f) Other Australian Government financial assistance					
Non-Capital					
Superannuation Supplementation		23,915	23,311	23,915	23,311
Other		4,888	14,537	4,888	14,537
Total Non-Capital		28,803	37,848	28,803	37,848
Total Australian Government financial assistance		422,173	372,956	422,173	372,956
Reconciliation					
Australian Government grants [a + c + d + e + f]		276,248	246,216	276,248	246,216
HECS-HELP – Australian Government payments		109,007	94,091	109,007	94,091
FEE-HELP payments		26,748	25,706	26,748	25,706
VET FEE-HELP payments		7,903	6,943	7,903	6,943
SA-HELP payments		2,267	-	2,267	-
Total Australian Government financial assistance		422,173	372,956	422,173	372,956
(g) Australian Government Grants received – cash basis					
CGS and Other DIISRTE Grants		209,957	172,597	209,957	172,597
Higher Education Loan Programs		143,845	132,712	143,845	132,712
Scholarships		5,705	5,950	5,705	5,950
DIISRTE research		22,723	22,404	22,723	22,404
ARC grants – Discovery		5,678	4,732	5,678	4,732
ARC grants – Linkages		3,554	3,206	3,554	3,206
Other Australian Government Grants		15,654	20,942	15,654	20,942
Total Australian Government Grants received – cash basis		407,116	362,543	407,116	362,543
OS-Help (Net)	44.6	38	60	38	60
Superannuation Supplementation	44.7	23,915	21,608	23,915	21,608
Total Australian Government funding received – cash basis		431,069	384,211	431,069	384,211
4 State and Local Government financial assistance					
Non-Capital					
Recurrent grants		53,957	60,629	53,957	60,629
Other grants		899	1,491	899	1,491
		54,856	62,120	54,856	62,120
Capital					
Capital grants		2,036	2,608	2,036	2,608
		2,036	2,608	2,036	2,608
Total State and Local Government financial assistance		56,892	64,728	56,892	64,728
5 Fees and charges					
Course fees and charges					
Fee paying overseas students		294,169	296,023	238,289	247,411
Continuing education		17,501	16,062	17,513	16,074
Fee paying domestic postgraduate students		11,778	11,610	11,778	11,610
Fee paying domestic undergraduate students		2,501	2,974	2,501	2,974
Fee paying domestic non-award students		2,355	2,376	2,355	2,376
Other domestic course fees and charges		3,974	3,914	3,396	3,159
Total course fees and charges		332,278	332,959	275,832	283,604
Other non-course fees and charges					
Amenities and service fees		15,564	12,315	14,504	11,452
Late fees		174	106	174	106
Library fines		5	4	5	4
Registration fees		1	93	1	93
Other fees and charges		2,987	2,870	3,393	3,324
Total other fees and charges		18,731	15,388	18,077	14,979
Total fees and charges		351,009	348,347	293,909	298,583

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
6					
Investment revenue and income					
Interest		5,586	5,415	3,770	3,190
Dividends		1,623	2,474	1,331	1,812
Total investment revenue		7,209	7,889	5,101	5,002
Unrealised loss on available-for-sale financial assets		–	1,654	–	–
Total other investment losses		–	1,654	–	–
Net investment income		7,209	6,235	5,101	5,002
7					
Consultancy and contracts					
Consultancy		10,802	13,860	7,037	9,324
Contract research					
Commonwealth Government		11,667	9,199	11,667	9,199
Victorian State Government		2,440	3,668	2,440	3,668
Local Government		83	68	83	68
Industry and other		10,066	12,612	9,923	11,262
Total contract research		24,256	25,547	24,113	24,197
Other contract revenue					
Seminar and conference fees		1,126	1,346	1,126	1,347
Service fees		486	522	141	112
Total other contract revenue		1,612	1,868	1,267	1,459
Total consultancy and contracts		36,670	41,275	32,417	34,980
8					
Other revenue and income					
Donations and bequests		1,119	3,271	6,421	6,155
Scholarships and prizes		3,840	2,983	6,606	2,983
Product sales		15,429	14,503	3,583	4,389
Property rental		6,071	5,699	7,051	6,724
Foreign exchange gains		223	145	160	138
Net gain on disposal of property, plant and equipment	16	–	47	–	49
Supplier rebate		706	1,163	706	1,158
Other		3,274	2,794	4,461	2,420
Total other revenue and income		30,662	30,605	28,988	24,016
9					
Employee related expenses					
Academic					
Salaries		223,991	213,002	196,628	185,323
Contributions to superannuation and pension schemes:					
Emerging cost	38 (a)	16,753	16,330	16,753	16,330
Funded		28,751	27,020	28,684	26,867
Payroll tax		12,133	11,481	11,976	11,299
Worker's compensation		1,005	1,461	963	1,413
Long service leave expense		5,221	5,974	5,221	5,960
Annual leave expense		19,991	21,125	19,969	21,103
Total academic		307,845	296,393	280,194	268,295

9	Employee related expenses (continued)	Consolidated		RMIT		
		Note	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
	Non-academic					
	Salaries		173,356	152,273	160,333	140,000
	Contributions to superannuation and pension schemes:					
	Emerging cost	38 (a)	7,162	6,981	7,162	6,981
	Funded		27,109	24,975	25,753	23,586
	Payroll tax		10,683	10,749	9,990	10,064
	Worker's compensation		1,993	1,068	1,925	984
	Long service leave expense		3,607	4,053	3,487	3,811
	Annual leave expense		18,174	19,294	18,081	19,147
	Total non-academic		242,084	219,393	226,731	204,573
	Total employee related expenses		549,929	515,786	506,925	472,868
10	Depreciation and amortisation					
	Depreciation					
	Buildings		22,312	20,427	21,114	19,426
	Building plant and improvements		5,717	5,537	5,059	4,952
	Equipment, motor vehicles and furniture and fittings		31,569	30,360	28,385	27,197
	Library collection		6,442	5,974	5,502	5,228
	Total depreciation	23	66,040	62,298	60,060	56,803
	Amortisation					
	Intangible assets		299	415	-	-
	Total amortisation	24	299	415	-	-
	Total depreciation and amortisation		66,339	62,713	60,060	56,803
11	Repairs and maintenance					
	Buildings		9,856	12,554	9,849	12,547
	Equipment		1,857	1,594	1,823	1,527
	Total repairs and maintenance		11,713	14,148	11,672	14,074
12	Borrowing costs					
	Interest to related corporations		-	-	559	822
	Interest to other corporations		8,227	3,909	8,227	3,909
	Total borrowing costs		8,227	3,909	8,786	4,731
13	Impairment of assets					
	Amounts set aside for impaired receivables					
	Trade debtors		163	(267)	150	(267)
	Student debtors		4,286	(5,461)	4,286	(5,461)
	Subsidiaries		-	-	(1,294)	729
	Other debtors		(31)	(152)	(31)	(152)
	Investment in non-related companies		788	-	788	-
			5,206	(5,880)	3,899	(5,151)
	Bad debts written off/(recovered) in the Income Statement					
	Trade debtors		(89)	107	(149)	91
	Student debtors		(1,213)	6,565	(1,213)	6,565
			(1,302)	6,672	(1,362)	6,656
	Amounts written off in relation to investment					
	Subsidiaries		-	-	1,760	-
			-	-	1,760	-
	Total impairment of assets		3,904	792	4,296	1,505

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
14	Other expenses				
	Scholarships, grants and prizes	35,981	32,321	37,658	32,651
	Non-capitalised equipment	9,433	9,168	9,351	9,088
	Advertising, marketing and promotional expenses	16,083	15,600	12,055	11,744
	General consumables	8,967	10,132	8,626	9,653
	Printing and stationery	6,327	5,217	6,183	5,067
	Minimum lease payments on operating leases	29,730	28,958	26,363	25,745
	Telecommunications	5,287	6,239	4,502	5,651
	Travel, staff development and entertainment	19,239	19,671	17,093	18,093
	Net loss on disposal of property, plant and equipment	16	421	–	382
	Net loss on sale of available-for-sale financial assets	–	591	–	–
	Foreign exchange losses	503	703	395	326
	Occupancy expenses	28,068	24,529	25,628	22,761
	Audit fees, bank charges, legal costs, insurance and taxes	6,214	6,895	5,837	6,332
	Contractors and consultancy fees	38,621	38,071	37,502	36,225
	Patents, copyright and licences	11,559	11,120	10,294	10,082
	Memberships and subscription fees	2,643	2,858	2,584	2,800
	Computer software support and maintenance	10,123	11,769	9,718	11,407
	Other expenses	5,060	5,315	3,477	3,612
	Total other expenses	234,259	229,157	217,648	211,237
15	Significant items of revenue and expenditure				
	Revenue				
	Donation from related party	–	–	5,000	5,000
	Expenditure				
	Staff separation payments	8,726	4,146	8,543	3,767
	Impairment of receivables	5,206	(5,880)	3,899	(5,151)
	Bad debt written off/(recovered)	(1,302)	6,672	(1,362)	6,656
	Impairment in respect of financial assets	–	1,654	–	–
	Donation to related entity	–	–	6,848	2,039
16	Sales of assets				
	Proceeds from disposal of assets				
	Property, plant & equipment	399	624	399	623
	Total proceeds from sale of assets	399	624	399	623
	Carrying amount of assets disposed				
	Property, plant & equipment	820	577	781	574
	Total carrying amount of assets sold	820	577	781	574
	Net gain/(loss) on sale of assets	(421)	47	(382)	49
17	Income tax				
	(a) Income tax expense				
	Current tax	2,814	2,048	1,850	1,500
	Deferred tax	(280)	(43)	–	–
	Adjustment for current tax of prior periods	(342)	(735)	(180)	(735)
		2,192	1,270	1,670	765
	Income tax expense is attributable to:				
	Operating result from continuing operations	2,192	1,270	1,670	765
	Aggregate income tax expense	2,192	1,270	1,670	765

17 Income tax (continued)

	Consolidated		RMIT	
	2012	2011	2012	2011
Note	\$'000	\$'000	\$'000	\$'000
(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: Hong Kong, Malaysia and Singapore.				
Operating result from continuing operations before income tax expense	16,705	11,452	10,317	8,333
Tax at the Australian tax rate of 30% (2011 – 30%)	5,012	3,436	3,095	2,500
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Entertainment	1	1	–	–
Non-deductible expenses	75	48	–	–
Penalty of Tax Audit	–	20	–	–
Tax (deduction)/(exemption)	–	(138)	–	–
Additional income tax charge per tax audit	(308)	48	–	–
Additional business income tax provision	552	–	–	–
Difference in overseas tax rates	(2,530)	(1,410)	(1,245)	(1,000)
Adjustment for current tax of prior periods	(342)	(735)	(180)	(735)
Utilisation of tax loss carry forward	–	–	–	–
Business income tax charge – Current	2,460	1,270	1,670	765
Deferred income tax benefit reversal/(arising) from taxable temporary differences	–	–	–	–
Deferred income tax benefit reversal/(arising) from deductible temporary differences	(268)	–	–	–
Previously unrecognised tax losses now recouped to reduce current tax expense	2,192	1,270	1,670	765
(c) Deferred tax				
Deferred tax assets				
Non-current	749	231	–	–
	749	231	–	–
Deferred tax liabilities				
Non-current	12	11	–	–
	12	11	–	–
Net deferred tax liabilities	737	220	–	–
(d) Current tax liabilities				
Current tax liability	4,053	4,015	4,053	3,930
The following subsidiaries are subject to income tax in Australia:				
Spatial Vision Innovations Pty Ltd				
18 Cash and cash equivalents				
Cash at bank and on hand	9,459	10,629	8,240	8,101
Deposits at call	82,024	36,369	71,781	33,576
Foreign currency bank accounts	17,634	22,264	–	–
Total cash and cash equivalents	109,117	69,262	80,021	41,677

(a) Cash at bank

The cash at bank is bearing floating interest rates between 0.00% and 1.00% (2011 – 0.00% and 3.00%).

(b) Deposits at call

The deposits are bearing floating interest rates between 3.00% and 5.73% (2011 – 4.15% and 5.78%). These deposits have an average maturity of 45 days.

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
19 Receivables					
Current					
Trade receivables		10,877	11,148	8,519	8,332
Less provision for impaired receivables		(323)	(159)	(309)	(159)
		10,554	10,989	8,210	8,173
Student loans & student receivables		11,502	10,354	11,502	10,354
Less provision for impaired receivables		(5,586)	(1,300)	(5,586)	(1,300)
		5,916	9,054	5,916	9,054
Government grants receivable		2,218	1,658	2,218	1,658
Deferred government contributions for superannuation *		24,456	23,622	24,456	23,622
Interest receivable		604	463	297	300
Other debtors and accrued income		6,255	11,243	6,311	11,577
Related parties receivable:					
Amounts receivable from subsidiaries		–	–	2,092	6,230
Less Provision for impairment		–	–	–	(1,294)
		33,533	36,986	35,374	42,093
Total current receivables		50,003	57,029	49,500	59,320
Non-current					
Other debtors		1,157	1,146	1,157	1,146
Less Provision for impairment		–	(31)	–	(31)
Deferred government contributions for superannuation *		442,630	338,666	442,630	338,666
Related parties receivable:					
Other related parties		52	52	–	–
Total non-current receivables		443,839	339,833	443,787	339,781
Total receivables		493,842	396,862	493,287	399,101

* 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 2012 amounted to \$467.09m (2011 – \$362.29m). Refer note 28.

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Impaired receivables					
Nominal value of impaired receivables					
Trade receivables		323	159	309	159
Student loans and student receivables		5,586	1,300	5,585	1,300
Amounts receivable from subsidiaries		–	–	–	1,294
Other debtors		–	31	–	31
		5,909	1,490	5,894	2,784
Amount of provision for impaired receivable set aside					
Trade receivables		323	159	309	159
Student loans and student receivables		5,586	1,300	5,585	1,300
Amounts receivable from subsidiaries		–	–	–	1,294
Other debtors		–	31	–	31
		5,909	1,490	5,894	2,784
The ageing of these receivables is as follows:					
3 to 6 months		–	–	1,220	1,289
Over 6 months		5,909	1,490	4,675	1,495
		5,909	1,490	5,895	2,784

19 Receivables (continued)

	Consolidated		RMIT	
	2012	2011	2012	2011
Note	\$'000	\$'000	\$'000	\$'000
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	1,217	608	1,147	446
Over 6 months	41	225	–	–
	1,258	833	1,147	446
Movements in the provision for impaired receivables are as follows:				
At 1 January	1,490	7,370	2,784	7,935
Provision for impairment recognised during the year	5,134	3,713	5,134	3,729
Write back of provision for impairment	(715)	(9,593)	(2,023)	(8,613)
At 31 December	5,909	1,490	5,895	2,784
The creation and release of the provision for impaired receivables has been included in Bad and doubtful debts in the income statement. Amounts charged to the provision are generally written off when there is no expectation of recovering further cash flows.				
The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.				
(b) Foreign exchange and interest rate risk				
The carrying amounts of current and non-current receivables are denominated in the following currencies:				
Australian dollar	492,188	395,125	492,909	398,239
American dollar	323	883	229	792
Canadian dollar	2	–	2	–
Euro	215	109	147	67
New Zealand dollar	–	1	–	1
Norwegian krone	–	2	–	2
Singapore dollar	1	–	1	–
Vietnam dong	1,114	742	–	–
Total receivables	493,842	396,862	493,287	399,101
Current receivables	50,003	57,029	49,500	59,320
Non-current receivables	443,839	339,833	443,787	339,781
Total receivables	493,842	396,862	493,287	399,101

A summarised analysis of the sensitivity of receivables to foreign exchange and interest rate risk can be found in note 39.

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
20	Inventories				
	Current				
	Trading stock	474	458	–	–
	Work in progress	112	262	–	–
	Total inventories	586	720	–	–
21	Available for sale financial assets				
	Non-current				
	Investments in managed trust funds – at fair value	20,340	17,665	–	–
	Total available for sale financial assets	20,340	17,665	–	–
	Balance 1 January	17,665	20,896	–	–
	Additions	614	6,790	–	–
	Disposals (sale and redemption)	–	(7,251)	–	–
	Revaluation	2,061	(2,770)	–	–
	Balance 31 December	20,340	17,665	–	–
	Represented by:				
	Financial assets under funds management – pooled equity holdings	20,340	17,665	–	–
		20,340	17,665	–	–
	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.				
22	Other financial assets				
	Current				
	Held-to-maturity				
	Term deposits	8,800	7,200	–	–
		8,800	7,200	–	–
	Non-current				
	Held-to-maturity				
	Term deposits	–	2,300	–	–
	Unlisted shares in subsidiaries	–	–	2,378	7,644
	Less Provision for diminution in value of investment	–	–	–	(5,271)
	Unlisted shares in non-related companies	7,480	6,688	7,466	6,641
	Less Provision for diminution in value of investment	(7,308)	(6,520)	(7,308)	(6,520)
		172	2,468	2,536	2,494
	Total other financial assets	8,972	9,668	2,536	2,494

	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
23 Property, plant and equipment									
RMIT Consolidated Entity									
1 January 2011									
Cost		–	20,936	119,494	–	–	1,862	–	142,292
Valuation		342,147	969,551	–	30,802	192,764	66,941	1,287	1,603,492
Accumulated depreciation		–	(32,628)	–	(10,582)	(99,227)	(36,656)	–	(179,093)
Net book amount		342,147	957,859	119,494	20,220	93,537	32,147	1,287	1,566,691
Year ended 31 December 2011									
Opening net book amount		342,147	957,859	119,494	20,220	93,537	32,147	1,287	1,566,691
Revaluation		30,420	(22,984)	–	–	–	–	–	7,436
Additions		–	–	166,009	–	15,910	6,227	–	188,146
Transfer out of capital works in progress		5,945	40,581	(60,716)	177	13,537	–	415	(61)
Disposals		–	–	–	–	(581)	–	–	(581)
Depreciation		–	(20,427)	–	(5,537)	(30,360)	(5,974)	–	(62,298)
Reclassification		(56)	52	–	(2)	9	(2)	–	1
Foreign currency translation gain/(loss)		–	(59)	(19)	–	(30)	(4)	–	(112)
Closing net book amount		378,456	955,022	224,768	14,858	92,022	32,394	1,702	1,699,222
31 December 2011									
Cost		–	21,304	224,768	31,044	19,996	2,648	–	299,760
Valuation		378,456	936,471	–	–	197,888	72,374	1,702	1,586,891
Accumulated depreciation		–	(2,753)	–	(16,186)	(125,862)	(42,628)	–	(187,429)
Net book amount		378,456	955,022	224,768	14,858	92,022	32,394	1,702	1,699,222
Year ended 31 December 2012									
Opening net book amount		378,456	955,022	224,768	14,858	92,022	32,394	1,702	1,699,222
Revaluation		–	–	–	–	–	–	–	–
Additions		–	–	143,583	608	19,932	6,910	90	171,123
Transfer out of capital works in progress		806	309,693	(333,236)	657	21,937	–	16	(127)
Disposals		–	–	–	(160)	(1,044)	–	–	(1,204)
Depreciation		–	(22,312)	–	(5,717)	(31,569)	(6,442)	–	(66,040)
Reclassification		–	–	–	–	–	–	–	–
Foreign currency translation gain/(loss)		–	(431)	(119)	(1)	(211)	(32)	–	(794)
Closing net book amount		379,262	1,241,972	34,996	10,245	101,067	32,830	1,808	1,802,180
31 December 2012									
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
Parent entity									
1 January 2011									
Cost		–	–	116,633	–	–	66,939	–	183,572
Valuation		342,090	969,609	–	26,860	174,552	–	1,287	1,514,398
Accumulated depreciation		–	(30,876)	–	(8,687)	(92,539)	(36,186)	–	(168,288)
Net book amount		342,090	938,733	116,633	18,173	82,013	30,753	1,287	1,529,682

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 2011								
Opening net book amount	342,090	938,733	116,633	18,173	82,013	30,753	1,287	1,529,682
Revaluation	30,420	(22,984)	-	-	-	-	-	7,436
Additions	-	-	158,246	-	14,570	5,433	-	178,249
Transfer out of capital works in progress	5,945	40,148	(59,695)	177	13,010	-	415	-
Disposals	-	-	-	-	(575)	-	-	(575)
Depreciation	-	(19,426)	-	(4,952)	(27,197)	(5,228)	-	(56,803)
Closing net book amount	378,455	936,471	215,184	13,398	81,821	30,958	1,702	1,657,989
31 December 2011								
Cost	-	-	215,184	-	-	-	-	215,184
Valuation	378,455	936,471	-	27,038	197,888	72,372	1,702	1,613,926
Accumulated depreciation	-	-	-	(13,640)	(116,067)	(41,414)	-	(171,121)
Net book amount	378,455	936,471	215,184	13,398	81,821	30,958	1,702	1,657,989
Year ended 31 December 2012								
Opening net book amount	378,455	936,471	215,184	13,398	81,821	30,958	1,702	1,657,989
Revaluation	-	-	-	-	-	-	-	-
Additions	-	-	136,853	-	17,824	5,892	90	160,659
Transfer out of capital works in progress	806	298,917	(318,162)	657	17,767	-	16	1
Disposals	-	-	-	(159)	(642)	-	-	(801)
Depreciation	-	(21,112)	-	(5,059)	(28,385)	(5,502)	-	(60,058)
Closing net book amount	379,261	1,214,276	33,875	8,837	88,385	31,348	1,808	1,757,790
31 December 2012								
Cost	-	-	33,875	-	-	-	-	33,875
Valuation	379,261	1,235,388	-	26,235	229,587	78,264	1,808	1,950,542
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	1,757,790

(a) Valuation of land and buildings

An independent valuation of land and buildings was carried out as at 31 Dec 2011 by Cunningham Property Consultants Pty Ltd. The valuation has been determined on the following basis: Land at market value and Buildings at market value or depreciated replacement cost.

(b) Assets held in the name of the Minister

Land and buildings valued at \$332.81m (2011 – \$334.58m) 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.

	Note	Consolidated		RMIT	
		Intellectual property	Total	Intellectual property	Total
		\$'000	\$'000	\$'000	\$'000
24	Intangible assets				
	1 January 2011				
	Cost	1,840	1,840	–	–
	Accumulated amortisation and impairment	(1,224)	(1,224)	–	–
	Net book amount	616	616	–	–
	Year Ended 31 December 2011				
	Opening net book amount	616	616	–	–
	Additions	386	386	–	–
	Transfer from equipment under construction	61	61	–	–
	Disposals	–	–	–	–
	Amortisation charge	10	(415)	–	–
	Closing net book amount	648	648	–	–
	31 December 2011				
	Cost	2,286	2,286	–	–
	Accumulated amortisation	(1,638)	(1,638)	–	–
	Net book amount	648	648	–	–
	Year Ended 31 December 2012				
	Opening net book amount	648	648	–	–
	Additions	210	210	–	–
	Transfer from equipment under construction	–	–	–	–
	Disposals	(135)	(135)	–	–
	Amortisation charge	10	(301)	–	–
	Net book amount	422	422	–	–
	31 December 2012				
	Cost	2,430	2,430	–	–
	Accumulated amortisation	(2,008)	(2,008)	–	–
	Net book amount	422	422	–	–

	Note	Consolidated		RMIT			
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000		
25							
		Other non-financial assets					
		Current					
		Library subscriptions prepaid	1,855	2,106	1,855	2,106	
		Other prepayments	10,638	6,668	8,554	5,042	
		Total other non-financial assets	12,493	8,774	10,409	7,148	
26							
		Trade and other payables					
		Current					
		Trade creditors	34,075	37,985	31,164	35,104	
		Sundry creditor and operating accruals	58,246	45,533	33,337	24,158	
		OS-HELP Liability to Australian Government	361	323	361	323	
		Derivatives used for hedging	717	–	717	–	
		Total current trade and other payables	93,399	83,841	65,579	59,585	
		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	75,590	69,504	62,865	57,691	
		American dollar	1,769	1,118	1,769	1,118	
		British pound	233	265	233	265	
		Canadian dollar	6	–	6	–	
		Chinese renminbi	–	10	–	10	
		Danish krone	1	–	1	–	
		Euro	582	452	582	452	
		Indian rupee	6	12	6	12	
		Japanese yen	–	2	–	2	
		Malaysian ringgit	4	14	4	14	
		New Zealand dollar	–	1	–	1	
		Singapore dollar	43	20	43	20	
		Thailand bhat	71	–	71	–	
		Vietnam dong	15,095	12,443	–	–	
		Total current trade and other payables	93,399	83,841	65,579	59,585	
		For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 39.					
27							
		Borrowings					
		Current – unsecured					
		Amounts payable to subsidiaries	–	–	10,650	17,289	
		Total current borrowings	–	–	10,650	17,289	
		Non-current – unsecured					
		Bank loan	27(b)	155,000	90,000	155,000	90,000
		Total non-current borrowings	155,000	90,000	155,000	90,000	
		Total borrowings	155,000	90,000	165,650	107,289	
		(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	–	(87)	–	–	
		Unused credit facility	40,250	40,163	40,000	40,000	

27 Borrowings (continued)

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Bank loan facilities					
Facilities available		225,000	225,000	225,000	225,000
Amount utilised		(155,000)	(90,000)	(155,000)	(90,000)
Unused credit facility		70,000	135,000	70,000	135,000
Technology finance operating lease facility					
Lease facility available		20,000	25,000	20,000	25,000
Amount utilised		(8,669)	(12,391)	(8,669)	(12,391)
Unused credit facility		11,331	12,609	11,331	12,609
Business credit card facility					
Business credit facility available		7,500	7,500	7,500	7,500
Amount utilised		(877)	(1,044)	(877)	(1,044)
Unused credit facility		6,623	6,456	6,623	6,456

(b) Details of borrowings

Credit standby arrangements

The fixed term debt facility of \$30m and working capital redraw facility of \$10m expires on 23 November 2013. The working capital redraw facility is subject to biennial review.

Bank loan facility

On 24 December 2010 RMIT University signed an agreement with the Commonwealth Bank for the provision of a \$225m loan facility for a period of 14 years.

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.

(c) Fair value

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

	2012		2011	
	Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
On-balance sheet				
Bank loan	155,000	155,000	90,000	90,000
Business credit card borrowings	877	877	1,044	1,044
	155,877	155,877	91,044	91,044

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

	Note	Consolidated		RMIT		
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	
28						
		Provisions				
		Current provisions expected to be settled within 12 months				
		Provision for restructuring costs	5,584	1,437	5,584	1,437
		Employee benefits and oncosts				
		Annual leave – at nominal value	23,560	22,153	23,402	21,936
		Long service leave – at nominal value	10,341	9,429	10,306	9,420
		Deferred benefits for superannuation #	24,456	23,622	24,456	23,622
			58,357	55,204	58,164	54,978
		Current provisions expected to be settled later than 12 months				
		Employee benefits and oncosts				
		Annual leave – at net present value	6,978	7,334	6,329	6,688
		Long service leave – at net present value	51,878	49,351	51,359	48,771
			58,856	56,685	57,688	55,459
		Total current provisions	122,797	113,326	121,436	111,874
		Non-current				
		Employee benefits and oncosts				
		Long service leave – at net present value	14,342	11,945	13,613	11,241
		Deferred benefits for superannuation #	442,630	338,666	442,630	338,666
		Total non-current provisions	456,972	350,611	456,243	349,907
		Total provisions	579,769	463,937	577,679	461,781
		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	1,437	2,103	1,437	2,103
		Additional provisions recognised	4,147	(666)	4,147	(666)
		Carrying amount at end of year	5,584	1,437	5,584	1,437
		Employee benefits				
		Provision for employee benefits and oncosts – current	117,213	111,889	115,852	110,437
		Provision for employee benefits and oncosts – non-current	456,972	350,611	456,243	349,907
		Aggregate employee benefits	574,185	462,500	572,095	460,344

28 Provisions (continued)

	Restructuring costs	Annual leave	Long service leave	Deferred benefits for superannuation	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
RMIT Consolidated Entity					
2011					
Carrying amount at start of year	2,103	26,377	63,967	360,990	453,437
Net additional provisions recognised/(used)	(666)	3,110	6,758	1,298	10,500
Carrying amount at end of year	1,437	29,487	70,725	362,288	463,937
2012					
Carrying amount at start of year	1,437	29,487	70,725	362,288	463,937
Net additional provisions recognised/(used)	4,147	1,051	5,836	104,798	115,832
Carrying amount at end of year	5,584	30,538	76,561	467,086	579,769
Parent entity					
2011					
Carrying amount at start of year	2,103	25,545	62,697	360,990	451,335
Net additional provisions recognised/(used)	(666)	3,079	6,735	1,298	10,446
Carrying amount at end of year	1,437	28,624	69,432	362,288	461,781
2012					
Carrying amount at start of year	1,437	28,624	69,432	362,288	461,781
Net additional provisions recognised/(used)	4,147	1,107	5,846	104,798	115,898
Carrying amount at end of year	5,584	29,731	75,278	467,086	577,679

A total Consolidated unfunded liability for retirement benefits of \$467.09m (2011 – \$362.29m) accruing to beneficiaries of the State Superannuation Scheme has been recorded in the Balance Sheet as a liability. Refer Notes 1.18 and 38.

	Note	Consolidated		RMIT	
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
29 Other liabilities					
Current					
Australian Government unspent financial assistance		8,376	2,326	8,376	2,326
Monies held in trust		1,053	1,076	–	–
Research grants		11,872	10,069	11,872	10,069
Student fees		39,627	41,844	28,566	29,727
Project fees		128	267	–	–
Other		1,713	2,056	1,713	2,056
Total current other liabilities		62,769	57,638	50,527	44,178
Non-current					
Deferred lease liabilities		490	–	–	–
Total non-current other liabilities		490	–	–	–
Total other liabilities		63,259	57,638	50,527	44,178

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
30					
Reserves					
Consolidated reserves					
		628,246	623,663	607,419	599,983
		–	(1,608)	–	–
		–	–	21	–
		(718)	–	(718)	–
		–	7,436	–	7,436
		(961)	(128)	–	–
		2,061	(1,117)	–	–
		628,628	628,246	606,722	607,419
Represented by:					
		644,212	644,212	607,440	607,419
		(718)	–	(718)	–
		(16,951)	(15,990)	–	–
		24	24	–	–
		2,061	–	–	–
		628,628	628,246	606,722	607,419
Movements in reserves during the year were:					
Asset revaluation surplus					
		644,212	636,776	607,419	599,983
		–	–	21	–
		–	7,436	–	7,436
		644,212	644,212	607,440	607,419
Fixed asset replacement reserve					
		–	119	–	–
		–	(119)	–	–
		–	–	–	–
Hedge reserve					
		–	–	–	–
		(718)	–	(718)	–
		(718)	–	(718)	–
Capital projects reserve					
		–	1,489	–	–
		–	(1,489)	–	–
		–	–	–	–
Foreign currency translation reserve					
		(15,990)	(15,862)	–	–
		(961)	(128)	–	–
		(16,951)	(15,990)	–	–
Share premium reserve					
		24	24	–	–
		24	24	–	–
Available for sale revaluation surplus					
		–	1,117	–	–
		2,061	(1,117)	–	–
		2,061	–	–	–

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.

Fixed asset replacement reserve

The fixed asset replacement reserve sets aside retained earnings to be used for replacing assets that exist on the asset register.

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.

Capital projects reserve

The capital projects reserve sets aside retained earnings to be used for major projects over \$10,000.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to 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 surplus

Changes in fair value are taken to available for sale revaluation surplus, as described in note 1.13.

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
31	Retained surplus				
	Retained surplus at beginning of year	874,666	819,803	824,227	768,954
	Operating result attributable to RMIT entity	49,398	53,266	49,605	55,273
	Transfers from/(to) reserves	–	1,608	–	–
	Other adjustments	(17)	(11)	–	–
	Retained surplus at end of year	924,047	874,666	873,833	824,227
32	Minority interest				
	Outside equity interest in subsidiaries comprises:				
	Interest in accumulated funds at the beginning of the year	550	484	–	–
	Interest in net operating result	(164)	96	–	–
	Dividends received	–	(30)	–	–
	Interest in accumulated funds at the end of the year	386	550	–	–
	Interest in share capital	120	120	–	–
	Interest in reserves	28	28	–	–
	Total outside equity interests in controlled entities	534	698	–	–
33	Contingencies				
	Contingent liabilities				
	The RMIT Consolidated Entity and RMIT have contingent liabilities at 31 December in respect of:				
	Guarantees				
	Contract performance guarantee	28	29	28	28
	Security deposit guarantee	20	20	20	20
	Non-trade letter of credit/accommodation	18	–	18	–
	Lease guarantee	747	40	–	–
	Total Guarantees	813	89	66	48

	Note	Consolidated		RMIT		
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'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	3,929	2,175	3,929	2,175
		GST reclaimable on the above	197	198	197	192
		Net Commitment	3,732	1,977	3,732	1,983
		Building works				
		Due within one year	12,478	75,380	9,344	75,380
		GST reclaimable on the above	849	6,852	849	6,852
		Net Commitment	11,629	68,528	8,495	68,528
		(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	8,166	7,399	5,462	7,330
		Due after one year but within five years	12,419	11,578	9,017	11,578
		Due after five years	3,816	5,241	3,708	5,241
			24,399	24,218	18,185	24,149
		GST payable on the above	1,844	2,202	1,653	2,195
		Net Commitment	22,556	22,016	16,532	21,954
		Future minimum rental payments for leased equipment				
		Due within one year	5,768	6,610	5,768	6,610
		Due after one year but within five years	3,768	5,781	3,768	5,781
			9,536	12,391	9,536	12,391
		GST reclaimable on the above	867	1,126	867	1,126
		Net Commitment	8,669	11,265	8,669	11,265
		Operating leases – as lessor				
		Leases contracted for at the reporting date but not recognised as assets				
		Future minimum rental receivable				
		Due within one year	2,546	1,899	2,543	1,894
		Due after one year but within five years	6,141	1,627	6,141	1,627
		Due after five years	–	204	–	204
			8,686	3,730	8,683	3,725
		GST reclaimable on the above	790	340	789	339
		Net Commitment	7,896	3,390	7,894	3,386
		(c) Other expenditure commitments				
		Commitments relate to CRC research and other non capital expenditure				
		Due within one year	13,521	14,148	13,440	14,067
		Due after one year but within five years	1,106	660	1,106	660
			14,627	14,808	14,546	14,727
		GST reclaimable on the above	1,303	1,129	1,296	1,121
		Net Commitment	13,324	13,679	13,250	13,606

34 Commitments (continued)

Note	Consolidated		RMIT	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'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.	7,700	5,082	7,700	5,082
(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	57,733	60,102	57,733	60,102
Due after one year but within five years	51,643	53,827	51,643	53,827
Due after five years	217	–	217	–
	109,593	113,929	109,593	113,929

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 at hand	10,629	18,295	8,101	5,660
Short-term money market deposits	36,369	46,319	33,576	41,673
Foreign currency bank accounts	22,264	17,662	–	–
	69,262	82,276	41,677	47,333

Cash at the end of year

Cash at bank and at hand	9,459	10,629	8,240	8,101
Short-term money market deposits	82,024	36,369	71,781	33,576
Foreign currency bank accounts	17,635	22,264	–	–
	109,117	69,262	80,021	41,677

Cash movement for the year

	39,855	(13,014)	38,344	(5,656)
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(b) Reconciliation of operating result after income tax to net cash inflow from operating activities

Operating result for the period after income tax	49,234	53,362	49,605	55,273
Loss/(gain) on sale of property, plant and equipment	8 & 16	903	(47)	382
Loss/(gain) on sale of available-for-sale financial assets	14	–	591	–
Loss/(gain) on revaluation of available for sale financial assets at fair value through profit or loss	15	–	1,654	–
Loss/(gain) on sale of other financial assets		(825)	–	(825)
Distribution income re-invested		(614)	(1,791)	–
Depreciation of property plant and equipment	10	66,034	62,299	60,060
Amortisation of intangible assets	10	298	414	–
Net diminution/(increase) in value of investments	13	1,760	–	1,760
Bad debt written off	13	788	6,672	788
Provision for doubtful debts		1,294	(5,880)	–
Foreign exchange (gain)/loss		940	(56)	235

35 Notes to statement of cash flows (*continued*)

	Note	Consolidated		RMIT	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Change in assets and liabilities					
Net (increase) / decrease in receivables		(93,501)	3,329	(95,946)	1,685
Net (increase) / decrease in inventories		134	(61)	–	–
Net (increase) / decrease in other non-financial assets		(830)	(237)	(3,261)	(165)
Net (increase) / decrease in deferred tax assets		(298)	–	–	–
Net (increase) / decrease in other financial assets		(3,652)	–	(830)	–
Net increase / (decrease) in payables		4,304	(6,549)	7,397	(8,069)
Net Increase/(decrease) in borrowings		–	–	(6,644)	(2,260)
Net increase / (decrease) in other liabilities		109,952	(12,097)	111,147	(12,296)
Net increase / (decrease) in current tax liability		(153)	551	123	(190)
Net increase / (decrease) in employee entitlements (excluding deferred superannuation)		11,017	9,958	11,099	9,148
Net cash flows from operating activities		146,783	112,112	135,090	101,385
36 Economic dependency					
The RMIT Consolidated Entity is reliant on a significant volume of its revenue being derived from:					
Commonwealth Government financial assistance		538,638	383,453	538,638	383,453
Victorian State Government financial assistance		59,332	68,396	59,332	68,396
		597,970	451,849	597,970	451,849
The percentage of the RMIT Consolidated entity revenue was sourced from:					
Commonwealth Government financial assistance		52.26%	43.45%	55.79%	46.85%
Victorian State Government financial assistance		5.76%	7.75%	6.15%	8.36%
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	23,915	23,311	23,915	23,311
(b) Defined contribution schemes					
Victorian Superannuation Fund		2,444	2,491	2,380	2,355
UniSuper		36,696	34,123	36,639	33,991
Other Superannuation Funds		16,720	15,381	15,418	14,107
		79,775	75,306	78,352	73,764

38 Superannuation (continued)**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 2012, 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 2012, amounted to \$467.09m (2011 - \$362.29m). Unfunded liabilities are met by the Australian Government. The net movement for the financial year presented in the Income Statement is \$104.80m (2011 - \$1.30m).

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 TAFE employees in respect of:

- Revised Scheme 17.60%
- New Scheme 7.30%, 8.60%, 9.40% 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%.

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.

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% 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% 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 2012 was \$1.99m (2011 – \$1.70m).

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.

39 Financial risk management (continued)

(ii) Foreign currency risk

The RMIT Consolidated Entity 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 5% increase or decrease in the Australian Dollar (AUD) against the relevant foreign currencies. 5% 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 5% change in foreign currency rates.

31 December 2012		Currency rate risk			
		-5.0%		5.0%	
Consolidated	Carrying Amount	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and cash equivalents	17,634	(882)	(882)	882	882
Receivables	1,654	(83)	(83)	83	83
Financial Liabilities					
Payables	17,809	(890)	(890)	890	890
31 December 2011		Currency rate risk			
		-15.0%		15.0%	
Consolidated	Carrying Amount	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and cash equivalents	22,263	(3,339)	(3,339)	3,339	3,339
Receivables	1,738	(261)	(261)	261	261
Financial Liabilities					
Payables	14,336	(2,150)	(2,150)	2,150	2,150

(iii) Interest rate risk

Interest rate exposures arise predominantly from assets bearing variable 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 between 20 and 60 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 have 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 125 basis point increase or 125 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 2012		Interest rate risk			
		-1.25%		1.25%	
Consolidated	Carrying Amount	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and cash equivalents	109,117	(1,364)	(1,364)	1,364	1,364
Financial Liabilities					
Borrowings	155,000	(1,938)	(1,938)	1,938	1,938
Interest rate swap	717	-	1,938	-	(1,938)
31 December 2011		Interest rate risk			
		-1.00%		1.00%	
Consolidated	Carrying Amount	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and cash equivalents	72,162	(722)	(722)	722	722
Financial Liabilities					
Borrowings	90,000	(900)	(900)	900	900

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 have 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 2012		Price risk			
		-10.00%		10.00%	
Consolidated	Carrying Amount \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial Assets					
Available for sale financial assets – equity	20,340	–	(2,034)	–	2,034
31 December 2011		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	17,665	(1,767)	(1,767)	1,654	1,767

(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 2012								
Assets								
		18	9,459	–	–	–	–	9,459
		18	–	82,024	–	–	–	82,024
		18	1,875	15,759	–	–	–	17,634
		19	–	–	–	–	26,756	26,756
		21	–	–	–	–	20,340	20,340
		17	–	–	–	–	749	749
		22	–	8,800	–	–	–	8,800
		22	–	–	–	–	172	172
			11,334	106,583	–	–	48,017	165,934
			0.07%	4.16%				
Liabilities								
		26	–	–	–	–	92,682	92,682
		26	717	–	–	–	–	717
		27	155,000	–	–	–	–	155,000
		17	–	–	–	–	4,053	4,053
		17	–	–	–	–	12	12
			155,717	–	–	–	96,747	252,464
			(144,383)	106,583	–	–	(48,730)	(86,530)

39 Financial risk management (continued)

Consolidated		Floating interest rate \$'000	Fixed Interest Maturing			Non Interest Bearing \$'000	Total \$'000
	Note		1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000		
31 December 2011							
Assets							
Cash at bank and on hand	18	10,629	–	–	–	10,629	
Deposits at call	18	–	36,369	–	–	36,369	
Foreign currency bank accounts	18	22,264	–	–	–	22,264	
Receivables, exclude deferred government contributions for superannuation	19	–	–	–	34,574	34,574	
Available for sale financial assets	21	–	–	–	17,665	17,665	
Deferred tax assets	17	–	–	–	231	231	
Term deposits	22	–	7,200	2,300	–	9,500	
Shares in non-related companies	22	–	–	–	168	168	
		32,893	43,569	2,300	–	52,638	
						131,400	
Weighted average interest rate		2.23%	5.35%				
Liabilities							
Trade and other payables	26	–	–	–	83,841	83,841	
Borrowings	27	90,000	–	–	–	90,000	
Current tax liabilities	17	–	–	–	4,015	4,015	
Deferred tax liabilities	17	–	–	–	11	11	
		90,000	–	–	–	87,867	
						177,867	
Net financial assets (liabilities)		(57,107)	43,569	2,300	–	(35,229)	
						(46,467)	

(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 carrying amount of financial assets (as contained in the table in subnote (vii) below) represents the groups maximum exposure to credit risk.

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

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

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

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

39 Financial risk management (continued)

(vii) Fair value estimation

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

	Note	2012		2011	
		Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Financial assets					
Cash at bank and on hand	18	9,459	9,459	10,629	10,629
Deposits at call	18	82,024	82,024	36,369	39,269
Foreign currency bank accounts	18	17,634	17,634	22,264	22,264
Receivables, exclude deferred government contributions for superannuation	19	26,756	26,756	34,574	34,574
Available for sale financial assets	21	20,340	20,340	17,665	17,665
Term deposits	22	8,800	8,800	9,500	6,600
Unlisted shares in non-related companies	22	172	172	168	168
Deferred tax assets	17	749	749	231	231
		165,934	165,934	131,401	131,401
Financial liabilities					
Trade and other payables	26	93,399	93,399	83,841	83,841
Borrowings	27	155,000	155,000	90,000	90,000
Current tax liabilities	17	4,053	4,053	4,015	4,015
Deferred tax liabilities	17	12	12	11	11
		252,464	252,464	177,867	177,867

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

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

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

The following tables provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2012 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2011 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets								
Cash at bank and on hand	9,459	9,459	–	–	10,629	10,629	–	–
Deposits at call	82,024	82,024	–	–	39,269	39,269	–	–
Foreign currency bank accounts	17,634	17,634	–	–	22,264	22,264	–	–
Receivables, exclude deferred government contributions for superannuation	26,756	26,756	–	–	34,574	34,574	–	–
Available for sale financial assets	20,340	20,340	–	–	17,665	17,665	–	–
Term deposits	8,800	8,800	–	–	6,600	6,600	–	–
Unlisted shares in non-related companies	172	–	14	158	168	–	10	158
Deferred tax assets	749	749	–	–	231	231	–	–
	165,934	165,762	14	158	131,400	131,232	10	158
Financial liabilities								
Trade and other payables	93,399	93,399	–	–	83,841	83,841	–	–
Borrowings	155,000	155,000	–	–	90,000	90,000	–	–
Current tax liabilities	4,053	4,053	–	–	4,015	4,015	–	–
Deferred tax liabilities	12	12	–	–	11	11	–	–
	252,464	252,464	–	–	177,867	177,867	–	–

39 Financial risk management (*continued*)Reconciliation of Financial Assets
categorised as level 3:

Note	2012		2011	
	Other Financial Assets	Total	Other Financial Assets	Total
	\$'000	\$'000	\$'000	\$'000
Opening Balance	158	158	158	158
Closing Balance	158	158	158	158

40 Subsidiaries

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:

Notes	Class of Shares	Place of Incorporation	Ownership		Shares held		Net equity		
			2012	2011	2012	2011	2012	2011	
			%	%	No.	No.	\$'000	\$'000	
Controlled entities – corporate									
RMIT Training Pty Ltd	(a)	Ordinary	Australia	100	100	502,000	502,000	3,370	6,874
Spatial Vision Innovations Pty Ltd	(b)	Ordinary	Australia	45.90	45.90	102,000	102,000	877	1,179
RMIT Vietnam Holdings Pty Ltd	(c)	Ordinary	Australia	100	100	1,225,373	1,225,373	26,188	26,172
RMIT International University Vietnam	(d)	Licence	Vietnam	100	100	–	–	48,271	43,063
Meltech Services Ltd	(e)	Limited by guarantee	Australia	–	100	–	–	–	–
RMIT Drug Discovery Technologies Pty Ltd	(f)	Ordinary	Australia	–	100	–	5,270,563	–	–
Controlled entities – other									
RMIT Link	(g)	Unincorporated body						–	1,860
RMIT Foundation	(h)	Unincorporated body						30,276	25,934
								108,982	105,082

(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 (2011 - 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. As at 6 March 2013, the date when the financial statements were approved by the Council, RMIT is in the process of negotiating with Spatial Vision Innovations Pty Ltd an interest bearing inter-company loan for \$250,000.

(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) Meltech Services Ltd is a company incorporated under the *Corporations Act 2001*, limited by guarantee and without share capital. The liability of members at balance date was limited to \$120, being six members with a liability limited to \$20 each. The sole director is a nominee of RMIT. Accordingly, Meltech Services Ltd is a controlled entity of RMIT. Meltech Services Ltd was deregistered in 2012.

(f) RMIT Drug Discovery Technologies Pty Ltd was incorporated on 9 January 2007 and was wholly owned by RMIT. The company's principal activity is to develop and provide OECD Principles of Good Laboratory Practice preclinical toxicology and bio-analytical testing services for national and global biotechnology, pharmaceutical and chemical industry clients progressing products for human health care through development. RMIT University sold RDDT to vivoPharm Pty Ltd. on 11 April 2012 for a 20% share in vivoPharm.

(g) RMIT Link is an unincorporated body. Its principal purpose is to provide support services to RMIT students. RMIT Link was de-registered on 31 December 2012. RMIT Council approved for the operations of RMIT Link to be transferred to a division of RMIT University effective from 31 December 2012.

(h) 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.

(i) As at 6 March 2013, the date when the financial statements were approved by the Council, RMIT is in the process of establishing a new subsidiary in Barcelona, Spain. RMIT has provided minimum requirement on capital for the establishment whilst the legal requirements required by the local authorities are yet to be finalised.

41 Related parties

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

(a) Responsible persons and specified executives

The names, remuneration and retirement benefits of persons who were Councillors of RMIT and specified executives at any time during the financial year are set out in note 43.

(b) Controlled entities

Interests in subsidiaries is set out in note 40.

(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	
	2012	2011	2012	2011
Note	\$'000	\$'000	\$'000	\$'000
Sale of services				
Fees and charges	–	–	4,883	5,750
Donations and bequests	–	–	6,088	6,782
Rental income	–	–	1,152	1,247
Purchase of services				
Expenditure in relation to delivery of programs	–	–	380	309
Grants, scholarships and prizes	–	–	6,848	2,039
Debt forgiveness				
Total amount of debt RMIT University, released from RDDT as at 11 April 2012 a result of the sale to vivoPharm Pty Ltd.	–	–	1,736	–
RMIT Council approved for the operations of RMIT Link to be transferred to a division of RMIT University effective from 31 December 2012. RMIT Link forgave RMIT's debt as at 31 Dec 2012.	–	–	1,412	–
Expenditure incurred on behalf of related parties				
Audit fees	–	–	9	9
Investment of capital				
Investment in RMIT Spain	–	–	4	–
Sale of RDDT shares to vivoPharm Pty Ltd.	–	–	5,271	–
Loans advanced to/(repaid by) subsidiaries	–	–	(4,138)	(1,297)
Interest expense	–	–	559	822
(d) Outstanding balances				
The following balances are outstanding at the reporting date in relation to transactions with related parties:				
Current Receivables	–	–	2,092	6,230
Provision for impairment	–	–	–	(1,294)
Interest bearing liabilities	–	–	10,650	17,289

(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 3.81% (2011 – 4.68%).

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		
	2012	2011	2011	2011	
Note	\$'000	\$'000	\$'000	\$'000	
42	Remuneration of auditors				
	During the year, the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:				
	Audit and review of the Financial Statements				
	Fees paid to Auditor-General of Victoria	368	357	258	251
	Total auditing services	368	357	258	251

43 **Key management personnel disclosures****(a) Responsible persons related disclosures**

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

(i) Minister

The responsible Minister was the Hon. Peter Hall, MLC, Minister for Higher Education 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:

Council Members

Dalton, A. (term concluded on 30 June 2012)	Pekarek, H.
D'Souza, D. (term concluded on 31 Dec 2012)	Pierce, J. (term concluded on 7 Dec 2012)
Gardner, M.	Reid, J.
Gilmour, J.	Schulze, M.
Latchford, J.	Swan, D. (term concluded on 31 Dec 2012)
Lever, R.	Switkowski, Z.
Melkonian, H. (term concluded on 31 Dec 2012)	Tappenden, T. (term concluded on 31 Dec 2012)
Murphy, P. (term concluded on 7 Dec 2012)	Thorn, F.
Nieuwenhuysen, J. (term concluded on 30 June 2012)	Wulff, R.
O'Donnell, R.	Young, D. (term concluded on 31 Dec 2012)

Executive Director, Financial Services

Donaldson, S.

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

43 Key management personnel disclosures (continued)

Executive Officers

Alcorn, D.	Liddell, M. (term concluded on 30 Sep 2012)
Barnes, J. (term commenced on 9 Jan 2012)	Palmer, G.
Coloe, P.	Palmer, I.
Connelly, S.	Somogyi, S.
Harpe, B. (term commenced on 16 Jul 2012)	Wells, J.
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.

(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	
2012	2011	2012	2011
\$'000	\$'000	\$'000	\$'000
4,328	3,919	2,036	2,041

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

	2012	2011	2012	2011
	No.	No.	No.	No.
\$ 0	6	4	2	2
Less than \$10,000	5	3	3	-
\$ 10,000 - \$ 19,999	11	12	9	12
\$ 60,000 - \$ 69,999	-	1	-	1
\$ 70,000 - \$ 79,999	1	1	1	1
\$ 80,000 - \$ 89,999	1	-	1	-
\$ 90,000 - \$ 99,999	-	1	-	1
\$100,000 - \$109,999	1	-	-	-
\$110,000 - \$119,999	1	1	1	1
\$120,000 - \$129,999	-	2	-	1
\$130,000 - \$139,999	1	-	1	-
\$180,000 - \$189,999	-	1	-	-
\$210,000 - \$219,999	1	1	-	-
\$230,000 - \$239,999	-	1	-	1
\$270,000 - \$279,999	1	-	1	-
\$280,000 - \$289,999	1	-	1	-
\$290,000 - \$299,999	-	1	-	1
\$420,000 - \$429,999	-	1	-	-
\$430,000 - \$439,999	-	1	-	-
\$440,000 - \$449,999	1	-	-	-
\$450,000 - \$459,999	1	-	-	-
\$460,000 - \$469,999	-	1	-	-
\$510,000 - \$519,999	2	-	-	-
\$840,000 - \$849,999	-	1	-	1
\$910,000 - 919,999	1	-	1	-
	35	33	21	22

43 Key management personnel disclosures (continued)

(c) Remuneration of executive officers

Income received or due and receivable from entities in the Consolidated entity and related parties by Australian-based executive officers occupying a senior management role except for responsible persons whose remuneration was at least \$100,000.

In addition to the senior executive officers reported under Note 43 (a)(ii) for RMIT, the Consolidated disclosures below include executives of controlled entities.

Note	Consolidated		RMIT	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Total remuneration of executive officers#	4,704	4,854	4,499	4,368

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

	2012 No.	2011 No.	2012 No.	2011 No.
\$110,000 - \$119,999	1	-	1	-
\$170,000 - \$179,999	-	1	-	1
\$200,000 - \$209,999	1	-	-	-
\$220,000 - \$229,999	-	1	-	-
\$240,000 - \$249,999	-	1	-	1
\$260,000 - \$269,999	1	1	1	-
\$270,000 - \$279,999	-	1	-	1
\$290,000 - \$299,999	1	-	1	-
\$390,000 - \$399,999	-	1	-	1
\$400,000 - \$409,999	-	1	-	1
\$410,000 - \$419,999	-	1	-	1
\$420,000 - \$429,999	-	1	-	1
\$430,000 - \$439,999	2	1	2	1
\$440,000 - \$449,999	2	-	2	-
\$450,000 - \$459,999	1	-	1	-
\$460,000 - \$469,999	-	1	-	1
\$470,000 - \$479,999	-	1	-	1
\$500,000 - \$509,999	1	-	1	-
\$510,000 - \$519,999	1	-	1	-
\$580,000 - \$589,999	1	-	1	-
\$640,000 - \$649,999	-	1	-	1
	12	13	11	11

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.

43 Key management personnel disclosures (continued)

(d) Related party transactions

The following transactions were entered into by RMIT University with related entities of members of Council and Executive Officers:

Council member/ Executive officer	External position held	Nature of transaction	2012 Received/ (Paid) by RMIT \$'000	2011 Received/ (Paid) by RMIT \$'000
Janet Latchford	President and Board member, Epworth Healthcare	Provision of clinical health placements to RMIT students.	–	(16)
		Establishing and maintaining the Chair to be occupied by the key Personnel for the joint benefit.	55	55
Daine Alcorn	Director, Victorian Partnership for Advanced Computing	Provision of consultancy service in R&I projects and co-investment in HPC System	(1,089)	(225)
		Rental income and related bills charge back	252	362
	Director, Museum Board of Victoria	Involvement at RMIT exhibitions and career expos.	(28)	(21)
		Rental income from venue hire	–	2
		Provision of clinical health placements and lectures to RMIT students.	(72)	(46)
Stephen Connelly	President, International Education Association of Australia (IEAA)	Provision of research programs by RMIT.	87	67
		Charge back by RMIT for annual insurance premium.	–	8
		Provision of consultancy services by Spatial	(81)	(41)
Margaret Gardner	Director, Open Universities Australia	Charge back by RMIT for reimbursement of expenses	261	266
		Charges for attendance at conferences	–	(1)
Gill Palmer	Director, Australian Learning and Teaching Council	Provision of student tuition and charges for RMIT Board nominee	11,159	9,865
		Reimbursement of funding charged to RMIT	–	(3)
	Chair, Museum Board of Victoria	Involvement at RMIT exhibitions and career expos	(28)	(21)
		Rental income from venue hire	–	2
		Charge back by RMIT for reimbursement of expenses	–	14
Joyce Kirk	Board Member, The Cranlana Programme	Charges for attendance at conferences	–	(5)
David Swan	RMIT University Student Union	Provision of placements to RMIT students.	–	(7)
		Provision of training programs to Eltham	–	7
Fran Thorn	Department of Health	Provision of grants	–	(1,733)
		Charge back by RMIT for reimbursement of expenses	–	47
Steve Somogyi	Director, Vernet Pty Ltd	Receipt of grants for research projects	–	8
		Annual operating subscription	(632)	(557)

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

44 Acquittal of Australian Government financial assistance

44.1 DIISRTE – CGS and Other DIISRTE Grants

	Note	Parent entity (RMIT) ONLY							
		Commonwealth Grants Scheme #1		Indigenous Support Program		Partnership & Participation Program #2		Disability Support Program	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		204,696	168,831	341	341	4,220	3,218	126	113
Net accrual adjustments		–	–	–	–	–	–	–	–
Revenue for the period	3(a)	204,696	168,831	341	341	4,220	3,218	126	113
Surplus / (deficit) from the previous year		–	–	–	(11)	234	691	(105)	(54)
Total revenue including accrued revenue		204,696	168,831	341	330	4,454	3,909	21	59
Less expenses including accrued expenses		204,696	168,831	341	330	4,424	3,675	190	164
Surplus / (deficit) for reporting period		–	–	–	–	30	234	(169)	(105)

#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

44 Acquittal of Australian Government financial assistance (continued)

44.1 DIISRTE – CGS and Other DIISRTE Grants (continued)

	Note	Parent entity (RMIT) ONLY							
		Workplace Productivity Program		Diversity and Structural Adjustment Fund #3		Improving Practical Comp of Teach Ed		Transitional Cost Program	
		2012	2011	2012	2011	2012	2011	2012	2011
		\$'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)		-	-	-	-	-	-	11	94
Revenue for the period	3(a)	-	-	-	-	-	-	11	94
Surplus / (deficit) from the previous year		-	245	129	355	-	10	94	-
Total revenue including accrued revenue		-	245	129	355	-	10	105	94
Less expenses including accrued expenses		-	245	140	226	-	-	11	94
Surplus / (deficit) for reporting period		-	-	(11)	129	-	10	94	-

#3 includes Collaboration and Structural Adjustment Program

	Note	Parent entity (RMIT) ONLY					
		Promo of Exc in Learn and Teaching		Reward Funding		Total	
		2012	2011	2012	2011	2012	2011
		\$'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)		67	-	496	-	209,957	172,597
Net accrual adjustments		(40)	-	-	-	(40)	-
Revenue for the period	3(a)	27	-	496	-	209,917	172,597
Surplus / (deficit) from the previous year		-	-	-	-	352	1,236
Total revenue including accrued revenue		27	-	496	-	210,269	173,833
Less expenses including accrued expenses		-	-	-	-	209,802	173,565
Surplus / (deficit) for reporting period		27	-	496	-	467	268

44.2 Higher Education Loan Programs (excl OS-HELP)

	Note	Parent entity (RMIT) ONLY							
		HECS-HELP (Australian Government payments only)		FEE-HELP #4		VET FEE-HELP		Total	
		2012	2011	2012	2011	2012	2011	2012	2011
		\$'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)		109,007	94,091	26,209	28,005	8,629	10,616	143,845	132,712
Net accrual adjustments		-	-	539	(2,299)	(726)	(3,673)	(187)	(5,972)
Revenue for the period	3(b)	109,007	94,091	26,748	25,706	7,903	6,943	143,658	126,740
Surplus / (deficit) from the previous year		-	-	322	(337)	6	51	328	(286)
Total revenue including accrued revenue		109,007	94,091	27,070	25,369	7,909	6,994	143,986	126,454
Less expenses including accrued expenses		109,007	94,091	26,747	25,047	7,903	6,987	143,657	126,125
Surplus / (deficit) for reporting period		-	-	323	322	6	7	329	329

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

44 Acquittal of Australian Government financial assistance (*continued*)

44.3 Scholarships

	Note	Parent entity (RMIT) ONLY							
		Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships #5		Commonwealth Accommodation Scholarships #5	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		4,391	4,229	403	441	414	692	369	536
Net accrual adjustments		-	-	-	-	87	(440)	(240)	(90)
Revenue for the period	3(c)	4,391	4,229	403	441	501	252	129	446
Surplus / (deficit) from the previous year		471	-	(161)	(174)	47	40	43	34
Total revenue including accrued revenue		4,862	4,229	242	267	548	292	172	480
Less expenses including accrued expenses		3,999	3,757	417	428	228	245	223	437
Surplus / (deficit) for reporting period		863	472	(175)	(161)	320	47	(51)	43

	Note	Parent entity (RMIT) ONLY			
		Indigenous Access Scholarships		Total	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		128	52	5,705	5,950
Net accrual adjustments		(65)	-	(218)	(530)
Revenue for the period	3(c)	63	52	5,487	5,420
Surplus / (deficit) from the previous year		-	-	400	(100)
Total revenue including accrued revenue		63	52	5,887	5,320
Less expenses including accrued expenses		63	52	4,930	4,919
Surplus / (deficit) for reporting period		-	-	957	401

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

44.4 DIISR Research

	Note	Parent entity (RMIT) ONLY							
		Joint research Engagement		Research Training Scheme		Research Infrastructure Block Grants		Implementation Assistance Program	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programs)		5,977	5,554	13,553	13,744	1,849	1,802	-	-
Revenue for the period	3(d)	5,977	5,554	13,553	13,744	1,849	1,802	-	-
Surplus / (deficit) from the previous year		-	-	-	-	-	-	(2)	(2)
Total revenue including accrued revenue		5,977	5,554	13,553	13,744	1,849	1,802	(2)	(2)
Less expenses including accrued expenses		5,977	5,554	13,553	13,744	1,835	1,802	-	-
Surplus / (deficit) for reporting period		-	-	-	-	14	-	(2)	(2)

44 Acquittal of Australian Government financial assistance (*continued*)44.4 DIISR Research (*continued*)

	Note	Parent entity (RMIT) ONLY							
		Australian Scheme for Higher Education Repositories		Commercialisation Training scheme		Sustainable Research Excellence in Universities		Total	
		2012	2011	2012	2011	2012	2011	2012	2011
		\$'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)		-	-	-	117	1,344	1,187	22,723	22,404
Revenue for the period	3(d)	-	-	-	117	1,344	1,187	22,723	22,404
Surplus / (deficit) from the previous year		36	36	(273)	(37)	(1)	104	(240)	101
Total revenue including accrued revenue		36	36	(273)	80	1,343	1,291	22,483	22,505
Less expenses including accrued expenses		36	-	-	353	907	1,292	22,308	22,745
Surplus / (deficit) for reporting period		-	36	(273)	(273)	436	(1)	175	(240)

44.5 Australian Research Council Grants

(a) Discovery

	Note	Parent entity (RMIT) ONLY					
		Projects		Fellowships		Total	
		2012	2011	2012	2011	2012	2011
		\$'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)		4,201	3,670	1,477	1,062	5,678	4,732
Net Accrual adjustments		71	9	-	-	71	9
Revenue for the period	3(e)(i)	4,272	3,679	1,477	1,062	5,749	4,741
Surplus / (deficit) from the previous year		1,918	1,572	863	743	2,781	2,315
Total revenue including accrued revenue		6,190	5,251	2,340	1,805	8,530	7,056
Less expenses including accrued expenses		3,848	3,333	991	942	4,839	4,275
Surplus / (deficit) for reporting period		2,342	1,918	1,349	863	3,691	2,781

(b) Linkages

	Note	Parent entity (RMIT) ONLY							
		Infrastructure		International		Projects		Total	
		2012	2011	2012	2011	2012	2011	2012	2011
		\$'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)		840	-	-	-	2,714	3,206	3,554	3,206
Net Accrual adjustments		-	-	-	-	15	-	15	-
Revenue for the period	3(e)(ii)	840	-	-	-	2,729	3,206	3,569	3,206
Surplus / (deficit) from the previous year		(253)	(253)	(2)	(2)	1,851	1,941	1,596	1,686
Total revenue including accrued revenue		587	(253)	(2)	(2)	4,580	5,147	5,165	4,892
Less expenses including accrued expenses		-	-	-	-	2,864	3,296	2,864	3,296
Surplus / (deficit) for reporting period		587	(253)	(2)	(2)	1,716	1,851	2,301	1,596

44 Acquittal of Australian Government financial assistance (*continued*)

44.6 OS-HELP

	Note	Parent entity (RMIT) ONLY	
		2012	2011
		\$'000	\$'000
Cash Received during the reporting period		868	788
Cash Spent during the reporting period		830	728
Cash available	3(g)	38	60
Cash Surplus/(deficit) from the previous period		323	263
Cash Surplus/(deficit) for reporting period		361	323

44.7 Superannuation Supplementation

	Note	Parent entity (RMIT) ONLY	
		2012	2011
		\$'000	\$'000
Cash Received during the reporting period	3(g)	23,915	21,608
University contribution in respect of current employees		(24,267)	(22,846)
Cash available		(352)	(1,238)
Cash Surplus / (deficit) from previous period		(202)	1,036
Cash available for current period		23,713	22,644
Contribution to specified defined benefit funds		24,267	22,846
Cash surplus / (deficit) this period		(554)	(202)

44.8 Student Services and Amenities Fee

	Note	Parent entity (RMIT) ONLY	
		2012	2011
		\$'000	\$'000
Unspent/(overspent) revenue from previous period		-	-
SA-HELP Revenue Earned		2,267	-
Student Services Fees direct from Students		5,054	-
Total revenue expendable in period		7,321	-
Student Services expenses during period		(7,321)	-
Unspent/(overspent) Student Services Revenue		-	-

Balance Sheet for the years 2012 to 2008 inclusive

	Consolidated					RMIT				
	AIFRS					AIFRS				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current assets										
Cash and cash equivalents	109,117	69,262	82,276	127,570	162,952	80,021	41,677	47,333	85,216	102,685
Receivables	50,003	57,029	59,402	62,914	59,329	49,500	59,320	63,062	65,658	62,685
Inventories	586	720	658	788	812	-	-	-	-	-
Other financial assets	8,800	7,200	-	-	-	-	-	-	-	-
Other non-financial assets	12,493	8,774	8,653	7,486	7,739	10,409	7,148	6,983	5,990	6,707
Total current assets	180,999	142,985	150,989	198,758	230,832	139,930	108,145	117,378	156,864	172,077
Non-current assets										
Receivables	443,839	339,833	339,134	298,052	257,447	443,787	339,781	339,082	298,000	257,395
Available for sale financial assets through equity	20,340	17,665	20,896	8,604	5,690	-	-	-	-	-
Other financial assets	172	2,468	164	172	182	2,536	2,494	2,494	2,494	2,694
Property, plant and equipment	1,802,180	1,699,222	1,566,691	1,360,156	1,250,306	1,757,790	1,657,989	1,529,682	1,330,063	1,228,628
Deferred tax asset	749	231	183	416	159	-	-	-	-	-
Intangible assets	422	648	616	1,002	1,225	-	-	-	-	-
Total non-current assets	2,267,702	2,060,067	1,927,685	1,668,402	1,515,009	2,204,113	2,000,264	1,871,258	1,630,557	1,488,717
Total assets	2,448,701	2,203,052	2,078,674	1,867,160	1,745,841	2,344,043	2,108,409	1,988,636	1,787,421	1,660,794
LIABILITIES										
Current liabilities										
Trade and other payables	93,399	83,841	105,975	76,570	91,168	59,585	59,585	86,923	62,838	78,911
Borrowings	-	-	-	-	657	17,289	17,289	19,549	28,699	27,208
Provisions	122,797	113,326	104,010	97,648	93,239	111,874	111,874	102,635	96,225	91,609
Current tax liabilities	4,053	4,015	4,120	3,608	3,738	3,930	3,930	4,120	3,608	3,738
Other liabilities	62,769	57,638	71,038	66,391	47,209	44,178	44,178	57,772	52,520	30,748
Total current liabilities	283,018	258,820	285,142	244,217	236,011	236,856	236,856	270,999	243,890	232,214
Non-current liabilities										
Borrowings	155,000	90,000	-	-	4,395	155,000	90,000	-	-	-
Provisions	456,972	350,611	349,428	306,645	268,002	456,243	349,907	348,700	305,923	267,784
Deferred tax liabilities	12	11	6	6	33	-	-	-	-	-
Other liabilities	490	-	-	25	-	-	-	-	-	-
Total non-current liabilities	612,474	440,622	349,433	306,676	272,430	611,243	439,907	348,700	305,923	267,784
Total liabilities	895,492	699,442	634,576	550,893	508,441	848,099	676,763	619,699	549,813	499,998
Net assets	1,553,209	1,503,610	1,444,098	1,316,267	1,237,400	1,495,944	1,431,646	1,368,937	1,237,608	1,160,796
Equity										
RMIT entity interest										
Reserves	628,628	628,246	623,663	589,606	595,572	606,722	607,419	599,983	548,554	548,554
Retained Earnings	924,047	874,666	819,803	726,199	641,320	873,833	824,227	768,954	689,054	612,242
Total RMIT entity interest	1,552,675	1,502,912	1,443,466	1,315,805	1,236,892	1,480,555	1,431,646	1,368,937	1,237,608	1,160,796
Outside equity interest in controlled entities	534	698	632	462	508	-	-	-	-	-
Total equity	1,553,209	1,503,610	1,444,098	1,316,267	1,237,400	1,480,555	1,431,646	1,368,937	1,237,608	1,160,796

Income Statement for the years 2012 to 2008 inclusive

	Consolidated					RMIT				
	AIFRS					AIFRS				
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from continuing operations										
Australian Government financial assistance										
Australian Government grants	276,248	246,216	242,397	238,417	209,833	276,248	246,216	242,397	238,417	209,833
HELP – Australian Government payments	145,925	126,740	111,598	102,057	94,754	145,925	126,740	111,598	102,057	94,754
State and Local Government financial assistance	56,892	64,728	86,615	72,301	68,436	56,892	64,728	86,615	72,301	68,348
HECS–HELP – Student Payments	21,182	16,991	16,629	14,914	14,432	21,182	16,991	16,629	14,914	14,432
Fees and charges	351,009	348,347	336,688	310,226	274,670	293,909	298,583	283,812	254,764	225,474
Investment income	7,209	7,889	7,230	8,147	12,963	5,101	5,002	6,158	6,496	8,741
Consultancy and contracts	36,670	41,275	37,971	36,961	35,926	32,417	34,980	31,837	32,152	31,078
Other revenue and income	30,662	30,605	30,301	30,095	24,556	28,988	24,016	27,599	25,813	13,878
	925,797	882,791	869,428	813,118	735,570	860,662	817,256	806,646	746,914	666,538
Deferred government superannuation contributions	104,798	1,298	45,536	38,642	11,971	104,798	1,298	45,536	38,642	11,971
Total revenue from continuing operations	1,030,595	884,089	914,964	851,760	747,541	965,460	818,554	852,182	785,556	678,509
Expenses from continuing operations										
Employee related expenses	549,929	515,786	490,513	461,756	419,183	506,925	472,868	450,694	421,880	388,054
Depreciation and amortisation	66,339	62,713	49,044	40,192	33,342	60,060	56,803	45,183	37,484	30,957
Repairs and maintenance	11,713	14,148	20,941	10,580	21,244	11,672	14,074	20,876	10,523	20,966
Finance costs	8,227	3,909	2	88	390	8,786	4,731	964	821	1,323
Impairment of assets	3,904	792	5,681	5,724	3,380	4,296	1,505	5,798	5,998	3,315
Investment losses	–	1,654	1,654	–	–	–	–	–	–	–
Other expenses	234,259	229,157	222,749	209,202	184,796	217,648	211,237	205,694	192,725	165,261
	874,371	828,159	788,930	727,543	662,335	809,387	761,218	729,209	669,431	609,876
Deferred employee benefits for superannuation	104,798	1,298	45,536	38,642	11,971	104,798	1,298	45,536	38,642	11,971
Total expenses from continuing operations	979,169	829,457	834,466	766,185	674,306	914,185	762,516	774,745	708,073	621,847
Operating result before income tax	51,426	54,632	80,498	85,575	73,235	51,275	56,038	77,437	77,483	56,662
Income tax expense	2,192	1,270	1,744	597	2,201	1,670	765	993	671	2,124
Operating result from continuing operations	49,234	53,362	78,754	84,978	71,034	49,605	55,273	76,444	76,812	54,538
Operating result attributable to minority interest	164	(96)	(170)	47	(107)	–	–	–	–	–
Operating result attributed to RMIT entity	49,398	53,266	78,584	85,025	70,927	49,605	55,273	76,444	76,812	54,538

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.

