
Annual Report 2019





**Office of the Chancellor
Dr Ziggy Switkowski AO**

GPO Box 2476
Melbourne VIC 3001
Australia

Tel. +61 3 9925 2008
Fax +61 3 9925 3939

23 March 2020

The Hon Gayle Tierney MP

Minister for Training and Skills and Minister for Higher Education
Level 1, 2 Treasury Place
East Melbourne VIC 3000

Dear Minister

In accordance with the requirements of regulations under the Financial Management Act 1994, I am pleased to submit for your information and presentation to Parliament the Annual Report of RMIT University for the year ended 31 December 2019.

The Annual Report was approved by the Council of RMIT University at its meeting on 23 March 2020.

Yours sincerely

Dr Ziggy Switkowski AO
Chancellor

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

Tel: +61 3 9925 2000
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Cover Image: 'Tree' by Louisa Bloomer

The repeatable print design called "Tree" is based on my connection to my Aboriginal heritage and the bloodlines of many in our country. We come in many colours now, but the blood of our ancestors continues on. We come from many tribes/mobs across this land, but we will always be connected as one to our land. The gum.

The Indigenous design element used throughout was created by RMIT alumnus Taylah Cole, who was influenced by Mandy Nicholson, a Wurundjeri woman who created the Ngarara Willim Centre logo. Mandy used the Manna gum leaf – diverse and unique in its appearance and with cultural significance to the Indigenous community – and Taylah has carried on this idea in her work, also using emu feathers, which are used for ceremonial purposes. Taylah's design highlights the dynamic and contemporary approach that RMIT takes to its departments, syllabus and culture. It invites us to enjoy Indigenous art.



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Charter and Purpose

About RMIT

RMIT is a multi-sector university of technology, design and enterprise with more than 94,000 students and 12,000 staff globally. RMIT offers postgraduate, undergraduate, vocational education and online programs to provide students with a variety of work-relevant pathways.

The University's mission is to help shape the world through research, innovation, quality teaching and engagement, and to create transformative experiences for students, getting them ready for life and work. With strong industry connections forged over 132 years, collaboration with industry remains integral to RMIT's leadership in education, applied and innovative research, and to the development of highly skilled, globally-focused graduates.

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

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

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

In 2019, RMIT was named as an Employer of Choice for Gender Equality (EOCGE) from the Workplace Gender Equality Agency (WGEA) for a second consecutive year. RMIT was also named as Employer of the Year in the Australian Workplace Equality Index (AWEI), in recognition of our commitment to celebrating the diverse genders, sexes and sexualities (DGSS) of our community. RMIT was the first university to ever receive this honour.

Released in 2019, RMIT ranked 238th in the 2020 QS World University Rankings. The University is also ranked eighth in Australia and 32nd in East Asia and the Pacific for employer reputation, and 22nd in the Top 50 Universities Under 50 Years Old. The QS Graduate Employability Rankings placed RMIT at 77th globally and eighth in Australia for graduate employment. RMIT also ranks in the world's top 400 in the Academic Ranking of World Universities (ARWU) and the Times Higher Education (THE) World University Rankings.

Strategic Direction

At RMIT we focus on giving everyone the chance to be their best, shape their future and belong. That's what our strategy, Ready for Life and Work – RMIT to 2020, is all about and thanks to our extraordinary people we're making it a reality.



Our journey began in 1887 when Francis Ormond had a vision for helping workers acquire real-world skills, through a founding motto of “a skilled hand, a cultivated mind”.

The people of Melbourne matched his enthusiasm to start a very practical place of learning where students would leave ready for employment. We still live this vision today – now on a global scale.

As society and the economy have become more sophisticated and complex, RMIT has grown and changed alongside. We are proud to have been part of key developments in work and industry since our inception.

Today, more than ever, the transformational power of education is lifelong, generations deep and worldwide. We are

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

We are passionate about the communities we're part of and we're driven to make a purposeful contribution. We shape the world with our research and impactful partnerships with industry, government and enterprise. We provide life-changing experiences when we give our students their first, second or even third opportunity to prepare for the world of work.

2020 will see RMIT enter the final year of a five-year strategy. The RMIT strategic plan defines three directions that are shaping the University for the future.

Life-changing experiences

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

Passion with purpose

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

Shaping the world

Shape the world by focusing on high-impact research and collaboration, embedding industry and enterprise into everything we do, and deepening our global reach and outlook.





— Values

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



Passion

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

Impact

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

Inclusion

RMIT creates life-changing opportunities for all and welcomes students and staff from diverse backgrounds. We are an accessible and open institution dedicated to serving the needs of the whole community.

Courage

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

Agility

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

Imagination

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



Organisational Overview



Chancellor's Statement

As we turn the corner of a decade filled with change at scale, it's timely to reflect on what remains the same. RMIT opened its doors 133 years ago under the motto of 'a skilled hand and a cultivated mind' and we hold true to this today. It goes to the heart of our purpose as we look towards 2020, just as we did in 1887. And it defines and motivates the work of our University Council, the Executive led by Vice-Chancellor Martin Bean, and our 12,000 academic, sessional and professional staff around the world.

Our commitment to be a practical place of learning, where students come to prepare for employment in the real world, remains. Our promise to cultivate inclusion and freedom of thought, celebrating scholarly exploration, remains. These will continue to be the fundamentals of contemporary education, even as we continuously adapt to ensure RMIT is relevant and ready for tomorrow.

What has changed however, are the demands of the modern global workforce. Training may occur at international campuses, careers exist as multiples rather than continuums, and skills like critical thinking and digital literacy are now considered essential. Preparing students for this new world has challenged RMIT to adapt - and adapt it has. Whether it's through micro-credentials to support the development of human skills or course offerings ranging from Blockchain to Cyber Security that train in-demand hard skills, we're responding.

Our deep connectivity with industry and hands-on partnerships with local and international firms inform our decisions and ensure an RMIT education opens doors and, through lifelong learning, reinvigorates careers. This has been the RMIT way from the beginning and, in my view, it's what makes the University uniquely contemporary in its approach many generations on. We can proudly say that we transform lives through education and research, contributing on a global scale.

Of course, it's essential we remain well governed and sustainably managed. The financial results for the 2019 year suggest this continues to be the case. Consolidated group revenues increased to \$1,519.2 million, up 6.0% on the prior year, with operating cash flows of \$183.4 million.

These cash flows and further borrowings funded new scholarships, supported important research programs, allowed for increased investment in IT capability and helped us continue to develop our Australian and international campuses.

As we look ahead to the fifth year of our Ready for Life and Work strategy and the exciting task of creating its evolution, I applaud Vice-Chancellor Martin Bean. He is a leader of terrific vision and energy and embodies the values of our University. With a wide perspective and an eye for both the impact and opportunity of disruption, he continues to steer our University with dexterity and ingenuity.

I also acknowledge my colleagues on the RMIT Council and thank them for bringing their expertise and commitment to guiding this wonderful institution. Special thanks to Deputy Chancellor, Ms Janet Latchford, whose strategic counsel is always valuable and work across campuses much appreciated.

My gratitude, importantly, goes to the wonderful people of RMIT for all they give of themselves in this great world of education. What we do through RMIT is incredibly important - for the individuals we educate and for the wider world we help transform - and I believe we do it very well. I look forward to working with you all as we step, well prepared, into a new decade.

Dr Ziggy Switkowski AO
Chancellor



Vice-Chancellor's Statement

Since 2015 we've been implementing our Ready for Life and Work strategy, and in 2019 we continued to build on that momentum to make our bold vision a reality.

The landscape of contemporary education is constantly shifting, and the people of RMIT once again demonstrated that we can flex and adapt to ensure we do much more than keep up. In fact, in many endeavours, we're setting the pace.

In an environment of ongoing disruption, we continue to balance the demands of the moment with a focus on the future. We have a clear understanding of what it takes to prepare today's students for the world of work today and we're confident they'll be equally equipped for tomorrow.

I'm very proud of what we achieved in 2019. Guided by our three directions, some highlights include:

Keeping **'passion with purpose'** at the heart of our mission recognises that our people are everything. To better support our staff and student community, we developed a new Health, Safety and Wellbeing strategy to shine a light on the importance of care. We also harnessed the combined energy of sport and belonging, with RMIT's Redbacks claiming four national titles at the UniSport Nationals and taking home the coveted Spirit Trophy for a second year.

Making **'life changing experiences'** for our students is central to the way we operate. We've taken more than 111,000 enrolments in Micro Creds to help students strengthen the 'human' skills we know are a critical differentiator when it comes to employability; and we've invested in flexible learning options like RMIT Online and Future

Skills, where enrolments have grown 11%. We continue to innovate and have built contemporary assessments into 50% of our courses across 81 core programs, ensuring our students are demonstrating their competence in an ever-changing world.

Continuing to **'shape the world'** has helped improve our global standing with RMIT now 238th in the latest QS World University Rankings and top 400 in the latest Academic Ranking of World Universities (ARWU) and the Times Higher Education (THE) World University Rankings. In addition to some phenomenal personal achievements by our researchers, we have also partnered with world leaders in disciplines ranging from art to technology – including the announcement by the Minister for Education, the Hon. Dan Tehan, of \$31.8m in Australian Government funding for the Australian Research Council (ARC) Centre of Excellence for Automated Decision-Making and Society, to be hosted at RMIT.

Underpinning everything we do is our commitment to living our values first and I see this alive and well in so many of our 2019 achievements. From our award-winning Athena SWAN action plan to support the success of women in STEAM (Science, Technology, Engineering, Arts and Mathematics), to launching our second Reconciliation Plan, Dhumbah Goorowa, which lays out changes to our culture, policies, processes and systems to redefine our relationship working with and supporting Aboriginal and Torres Strait Islander communities in their self-determination journey.



It's an extraordinary time to be part of the world of education and I'm ever grateful for the commitment of our people to the communities we serve, in Australia and around the world.

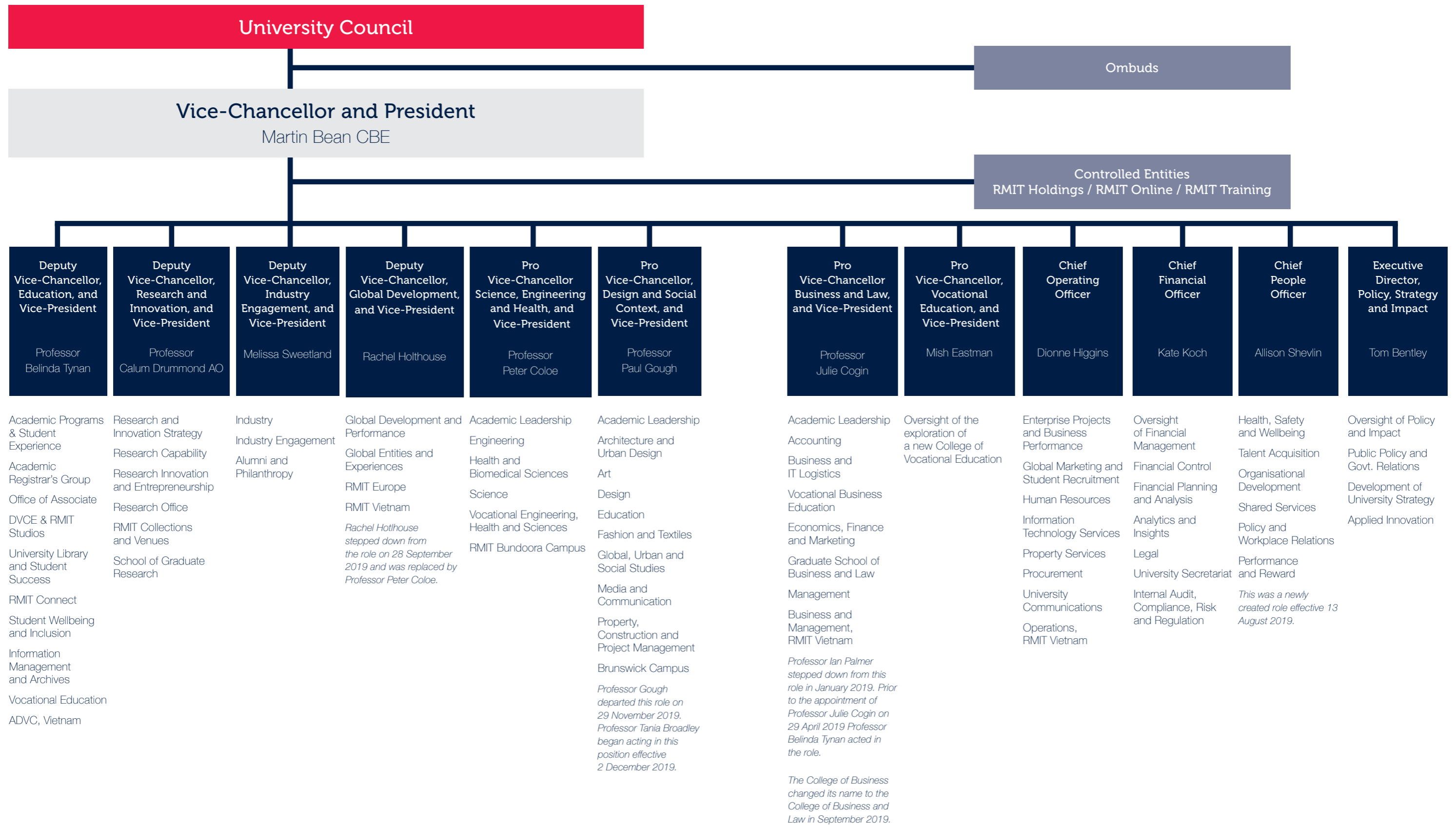
As we look towards 2020 and beyond, education is about flexibility and adaptability, and at RMIT that's simply part of who we are. I have great confidence and enormous pride in our ability to continue to evolve and to thrive in changing times.

We're committed to uphold the transformative power of education, to remain deeply relevant in changing times and to set the standard for what a university of today and tomorrow should be.

It's with heartfelt thanks to our wonderful staff, students, Chancellor and Council, that we make these ambitions a reality and I look forward to continuing the journey together.

Martin Bean CBE
Vice-Chancellor and President

Organisational Chart



Senior Officers



Vice-Chancellor and President

Mr Martin Bean CBE

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

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

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

Awarded an Honorary Doctor of Laws from the University of London in 2013, Martin has a Bachelor of Education degree from the University of Technology, Sydney. From 2016-2018 he was the Australian Government representative on the Commonwealth of Learning Board of Governors. He also Chaired the Australian Technology Network of Universities (ATN) in 2017 and 2018; was Chair of the Victorian Vice-Chancellors' Committee (WCC) in 2018 and 2019; and Deputy Chair of the Foreign Interference Steering Group (FISG) in 2019.



Deputy Vice-Chancellor Education and Vice-President

Professor Belinda Tynan

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

Professor Tynan has responsibility across the academic student life cycle to enable transformative student experiences. She was appointed to this role in 2016 and was previously Pro Vice-Chancellor Learning, Teaching and Innovation at The Open University in the UK, and Pro Vice-Chancellor Learning, Teaching and Quality at the University of Southern Queensland. Professor Tynan has 30 years' experience in the education sector in Australia, New Zealand, Singapore and the United Kingdom with numerous refereed publications and is an often invited public speaker. She also frequently undertakes Quality Reviews in Singapore and Hong Kong.

Professor Tynan is a Principal Fellow of the Higher Education Academy, UK and a Fellow of the European Distance Education Network. She has also held a number of international and national leadership roles and is the President of the International Council of Open and Distance Education, Company Director for RMIT Online, previously Executive Director of Open Universities Australia and the current Australian Government appointee Non-Executive Director for the Commonwealth of Learning. In 2019, Professor Tynan was named as one of the Australian Financial Review's Top 100 Women of Influence.



Deputy Vice-Chancellor Research and Innovation and Vice-President

Professor Calum Drummond AO

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

Professor Drummond has a leadership role in nurturing discovery and practice-based research, and in building and enhancing capability in research and innovation across the University. He joined RMIT in 2014 from CSIRO where he was Group Executive for Manufacturing, Materials and Minerals, and previously Chief of Materials Science and Engineering. He was also the inaugural Vice-President Research at CAP-XX. He remains an active research professor and has published more than 200 articles and patents in the area of advanced materials.

Professor Drummond was appointed an Officer of the Order of Australia in the Queen's Birthday 2019 Honours List for outstanding service to science and innovation, elected as a USA National Academy of Inventors Fellow in 2018, and received the 2018 Ian Wark Medal from the Australian Academy of Science, the 2017 Royal Australian Chemical Institute (RACI) Weickhardt Medal, a 2016 Fulbright Senior Scholarship, the 2015 Victoria Prize for Science and Innovation and the 2015 HG Smith Memorial Medal from the RACI.



Deputy Vice-Chancellor Engagement and Vice President

Ms Melissa Sweetland

BComm (Melb), CA, GAICD

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

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

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



**Pro Vice-Chancellor
Business and Law
and Vice-President**

Professor Julie Cogin
PhD, MCom, BBus, LL.M, GAICD

Professor Julie Cogin joined RMIT in April 2019. She has held a number of senior academic leadership positions over the last two decades, including Dean and Head of UQ Business School at the University of Queensland and Director of the Australian Graduate School of Management and Deputy Dean, University of New South Wales Business School.

Professor Cogin has made numerous leadership contributions while achieving substantial research outcomes. She is a recognised thought leader in strategy implementation, high performing workplaces and corporate culture, having authored books and world leading academic articles. Professor Cogin has received education awards at University, National and International levels and delivered education or consulting engagements for many leading companies throughout Australia, Asia and in the USA.

Professor Cogin currently sits on the board of directors of an ASX 200 company as a non-executive director and has been engaged as an expert witness in a number of tribunals and courts of Australia. In 2016, Professor Cogin was named as one of Australia's Women of Influence for her work to address gender imbalance in leadership.

Professor Ian Palmer stepped down in January 2019 and Professor Belinda Tyan acted in the role until Professor Julie Cogin was appointed on 29 April.



**Pro Vice-Chancellor
Design and
Social Context
and Vice-President**

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

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

He has published numerous books on the representation of war and peace, more than 100 research papers, and a highly popular book on street artist Banksy. He has also chaired international research assessment schemes in the UK, Australia, Romania, New Zealand and Hong Kong, and has addressed universities and research councils on international research and evaluation.

Professor Gough stepped down from this role on 29 November. Professor Tania Broadly began acting in the position effective 2 December 2019.



**Pro Vice-Chancellor
Science, Engineering and Health
and Vice-President, and Deputy
Vice-Chancellor Global and
Chairman RMIT Vietnam**

Professor Peter Coloe
BSc (Hons), PhD (Monash), FASM

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

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



**Deputy Vice-Chancellor,
Global Development
and Vice-President**

Ms Rachel Holthouse
BA (Monash), DipEd (Melb),
RSA/ Cambridge CELTA (RMIT),
MApplLing (Macquarie), GAICDA

Ms Holthouse was appointed to the role in January 2019 after over nine years as the CEO of RMIT Training Pty Ltd. Prior to that she previously held senior positions at the University of Melbourne, including Executive Manager of Business Strategy and Operations for the Department of Otolaryngology, home of Australia's renowned Bionic Ear Institute. She also worked in Asia as Director of Hawthorn-Singapore Language School, and in the UK as Principal of Edinburgh School of English, which included corporate governance responsibilities on the board of UMEE UK Ltd.

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

Ms Holthouse stepped down from her role as Deputy Vice-Chancellor Global on 28 September 2019. Professor Peter Coloe was simultaneously appointed to the role, and additionally appointed Chairman RMIT Vietnam in November.



**Pro Vice-Chancellor,
Vocational Education,
and Vice-President**

Mish Eastman
RN(Non Prac), BEdSt(Monash), Grad Cert
Nursing(Deakin), MTEM (UniMelb)

Mish Eastman is an experienced education and health leader with strong expertise in identifying and creating new models of education and training in collaboration with industry, enhancing tertiary pathways, and understanding how to create educational and employment success for learners.

Ms Eastman has a deep knowledge and passion for Vocational Education, beginning her career as a Registered Nurse before moving into educational leadership roles.

She has previously held the positions of Manager, Health Services at TAFE Tasmania and Director, Tasmanian Polytechnic. Prior to joining RMIT, Ms Eastman was Executive Director Pathways and Vocational Education (PAVE) at Swinburne University of Technology, providing strategic and operational leadership over teaching and learning programs.

Ms Eastman was appointed to the role in November 2019 to develop and lead an impactful strategic direction and vision for Vocational Education.



**Chief
Operating Officer**

Ms Dionne Higgins
BBus (La Trobe), CA, GAICD

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

Prior to joining RMIT, Ms Higgins held executive operations, finance and strategy roles in Pearson's media, publishing and education groups based in London, New York and most recently Hong Kong. In her previous role as COO, International, she led a diverse cross-functional team to drive growth, improve efficiency and adapt service models for Pearson's education businesses outside of North America.

Ms Higgins is a Chartered Accountant and spent her early career years in public practice and consulting.



**Chief
Financial Officer**

Ms Kate Koch
BCom (UNSW), CA, GAICD

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

Prior to this, she spent 17 years with Pearson PLC where she held CFO and senior finance roles across publishing, news and education organisations, including CFO of the Asia-Pacific business. Ms Koch earlier worked at Qantas Airways and Deloitte in Sydney. She is passionate about leading efforts to improve diversity and inclusion in the workplace.



**Chief
People Officer**

Ms Allison Shevlin
BA (LaTrobe)

Ms Shevlin moved into the newly created Chief People Officer role in August 2019 after joining RMIT in March 2018 as the Executive Director for Human Resources.

She is responsible for growing people capability for the changing world of work and shaping a culture that fosters wellbeing and care. With a strong interest in supporting gender and cultural diversity, she is leading transformation efforts to continuously improve the staff experience at RMIT through creating an inclusive workplace that has been recognised as an Employer of Choice for gender equality.

Prior to RMIT, Ms Shevlin has had an extensive career leading People and Culture teams spanning/across 17 years. She has spent her most recent executive roles at Simplot Australia as Executive Director People and Culture and also successfully led a digital transformation program focused on people capability at Sensis, a leading platform and marketing services organisation.

Ms Shevlin has participated in a number of external boards and NGO's including Wildlife Victoria and was a judge of the Telstra Women in Business Awards for five years.



**Chief Executive Officer
RMIT Online**

Ms Helen Souness
BA, LLB (Hons), GAICD

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

Ms Souness is a senior leader with a career that spans more than 25 years of commercial experience working in digital strategy, marketing and product across market-leading enterprises including Seek, Lonely Planet, Envato and Etsy.

She has operated in General Manager, Managing Director and Board Director capacities for Envato, Canteen, Etsy and Sendle. Most recently as Managing Director of Asia for New York-based digital marketplace Etsy, Ms Souness led her team to triple the size of Etsy's Australian seller community and enter new Asian markets.



**Executive Director
RMIT Europe**

Dr Marta Fernandez
MSc (Granada), PhD (UCL),
CEng, FRSA

Dr Fernandez was appointed to this role in 2015. Her career has spanned senior management roles in the UK, including Global Research Leader at international consultancy Arup. She has a strong interest in urban wellbeing, particularly the impact of design and technology for healthy ageing and has been a member of European expert panels for nature-based solutions in cities, active ageing and the built environment.

Dr Fernandez holds honorary appointments at University College London and Imperial College Business School. She is chair of the European Construction Technology Platform's Active Ageing and Design Committee as well as a member of the platform's Steering Committee. She is also on the Scientific Advisory Board for Eurac Research and the Research Advisory for the International Well Building Institute.



**CEO RMIT Training
Pty Ltd**

Catherine O'Sullivan
BA Dip Ed MPP

Ms O'Sullivan has built her career on the transformative power of education on the lives of young people. A teacher by profession, she transitioned to work in senior executive government roles including Executive Director of Schools, Assistant Director-General and State Manager for the Federal Department of Education Employment and Workplace Relations. In 2013, she joined Bond University as Pro Vice-Chancellor Pathways and Partnerships where she was able to oversee a number of passions as part of her wide-reaching portfolio: Indigenous, women's education and school partnerships.

Ms O'Sullivan has been recognised for her leadership and support of diversity and inclusion in the workplace. She has been awarded a Churchill Fellowship, Queensland Telstra Businesswoman of the Year and sits as a member on the Women's Leadership Board at the Harvard Kennedy School. Ms O'Sullivan holds a Masters in Public Policy from the Australian and New Zealand School of Government and an undergraduate degree in Arts and Education from the University of New England.





Academic Schools and Research Platforms

As at 31 December 2019, RMIT University offered programs of study in 22 schools across three academic colleges. In November 2019, RMIT appointed an inaugural Pro Vice-Chancellor of Vocational Education (VE) and began exploring the creation of a new College of VE.

College of Business and Law

(Led by Pro Vice-Chancellor and Vice-President Professor Julie Cogin)

School	Head of School
Accounting	Professor Nava Subramaniam (Acting)
Business IT and Logistics	Professor Joan Richardson (Acting)
Economics, Finance and Marketing	Professor Heath McDonald
Graduate School of Business and Law	Professor Kathy Douglas
Management	Professor Pauline Stanton
Vocational Business Education	Mr Graham Airey
School of Business and Management (Vietnam)	Professor Matthews Nkhoma

Professor Ian Palmer stepped down in January 2019 and Professor Belinda Tyan acted in the role until Professor Julie Cogin was appointed in April.

The College of Business changed its name to the College of Business and Law in September 2019.

College of Design and Social Context

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

School	Head of School
Architecture and Urban Design	Professor Martyn Hook
Art	Professor Kit Wise
Design	Professor Laurene Vaughan
Education	Professor Andrea Chester
Fashion and Textiles	Professor Robyn Healy
Global, Urban and Social Studies	Professor Robin Goodman
Media and Communication	Professor Lisa French
Property, Construction and Project Management	Professor Ron Wakefield
School of Vocational Design and Social Context	Mr Glenn Blair
School of Communication and Design (Vietnam)	Professor Rick Bennett

College of Science, Engineering and Health

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

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

Research and Innovation

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

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

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



Statistical snapshot: Students

Sector/level enrolments (headcounts)

	2017	2018 [*]	2019 ¹
Higher Education	68,097	71,903	75,382
Postgraduate Research	2,255	2,377	2,463
Postgraduate Coursework	12,592	14,217	15,979
Undergraduate	49,674	50,362	51,906
Sub-Degree	3,576	4,947	5,034
Open Universities Australia (OUA)	3,296	2,847	2,457
Postgraduate	812	802	622
Undergraduate	2,484	2,045	1,835
Vocational Education	14,783	14,936	15,750
Diploma and Advanced Diploma (AQF 5-6)	8,316	8,212	8,221
Certificates III and IV (AQF 3-4)	4,900	4,713	5,236
Certificates I and II (AQF 1-2)	318	332	301
VCE/VCAL	615	569	500
Other ²	634	1,110	1,493
Foundation Studies	1,267	1,387	1,344
Total	87,443	91,073	94,933

Student fee-type enrolments (headcounts)

	2017	2018 [*]	2019 ¹
Higher Education	68,097	71,903	75,382
Domestic	37,409	39,141	40,213
International Onshore	14,722	16,830	18,908
International Offshore	9,608	9,146	8,473
Vietnam	6,121	6,670	7,732
Indonesia	237	116	56
Vocational Education	14,783	14,936	15,750
Domestic	13,270	13,365	13,857
International Onshore	1,309	1,431	1,797
International Offshore	204	140	96

Student load

	2017	2018 [*]	2019 ¹
Equivalent Full Time Student Load (EFTSL) HE	49,408	51,701	54,041
Student Contact Hours (SCH) VE	7,036,912	6,787,419	7,199,262

Award completions

	2017	2018 [*]	2019 ¹
Higher Education	16,731	17,799	18,737
Postgraduate Research	280	342	296
Postgraduate Coursework	3,528	4,018	4,725
Undergraduate (incl Sub-Degrees)	12,923	13,439	13,716
Vocational Education	6,041	5,719	5,609
Total	22,772	23,518	24,346

Graduate outcomes and satisfaction in %³

	2017	2018 [*]	2019 ¹
Higher Education			
Graduates in full-time employment	72.2	75.4	74.7
Graduates in part-time employment	28.1	26.8	27.1
Graduates in further full-time study	17.3	15.0	13.9
Graduates in enterprise formation	6.1	5.5	5.1
Overall satisfaction	76.7	79.3	79.9
Generic skills	78.9	80.1	81.2
Vocational Education			
Graduates in employment	67.5	70.1	64.2
Graduates in further study	53.4	46.1	55.0
Graduates in enterprise formation	6.1	7.4	8.1
Overall satisfaction	83.3	85.3	83.9
Generic skills (problem solving)	77.6	80.9	82.1

^{*} Some 2018 historical values updated to reflect final position.

¹ Some 2019 indicators are provisional and will not be finalised until Q2 2020. HE and VE data exclude Foundation Studies and OUA unless specified. VE student load converted using Student Contact Hours/720.

² Non-award programs not elsewhere classified.

³ Based on graduate survey four months out.



Statistical snapshot: Workforce

Workforce disclosures

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

Employees have been correctly classified in the workforce data collections.



Workforce disclosures

	December 2019							
	All employees		Ongoing			Fixed term and casual		
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	
Gender								
Female Executives	60	59.00	13	0	13.00	47	46.00	
Female (total staff)	6,807	3,807.48	1,914	448	2,220.49	4,445	1,586.99	
Male Executives	56	55.50	14	0	14.00	42	41.50	
Male (total staff)	5,630	3,157.50	1,687	118	1,764.16	3,825	1,393.34	
Self-described	30	11.17	7	0	7.00	23	4.17	
Age								
15 - 24	721	154.21	23	3	24.80	695	129.41	
25 - 34	3,354	1,515.96	552	29	572.04	2,773	943.92	
35 - 44	3,246	2,007.60	1,045	196	1,180.70	2,005	826.90	
45 - 54	2,205	1,433.36	839	137	931.77	1,229	501.59	
55 - 64	1,640	1,072.02	679	114	755.20	847	316.82	
Over 64	1,301	793.01	470	87	527.14	744	265.87	
Total employees	12,467	6,976.16	3,608	566	3,991.65	8,293	2,984.51	

Employees have been correctly classified in the workforce data collections.

Occupational Health and Safety

RMIT is committed to developing a positive health and safety culture, with an aim to enhance the wellbeing of our people.



A Global Safety Model (GSM) is in place which is designed to support the University's objectives across operational safety, health and wellbeing, and operational risk management. A Health, Safety and Wellbeing Policy is underpinned by the principles of the GSM, and is supported by health, safety and wellbeing strategies, processes, guidance materials and proactive programs.

A key focus for 2019 was the consultative development of the 2020-2025 RMIT Health Safety and Wellbeing Strategy, which aims to transform the organisational health, safety and well-

being culture from one of compliance to one that aligns with the University's values and leverages the deep sense of care that our people have for each other across our student and staff communities.

A new mental health wellbeing strategic action plan was developed in partnership with mental health experts and deployed to strengthen the University's approach to student and staff mental wellbeing. In line with this action plan, an integrated approach to student and staff mental wellbeing has been adopted, while acknowledging the unique needs of

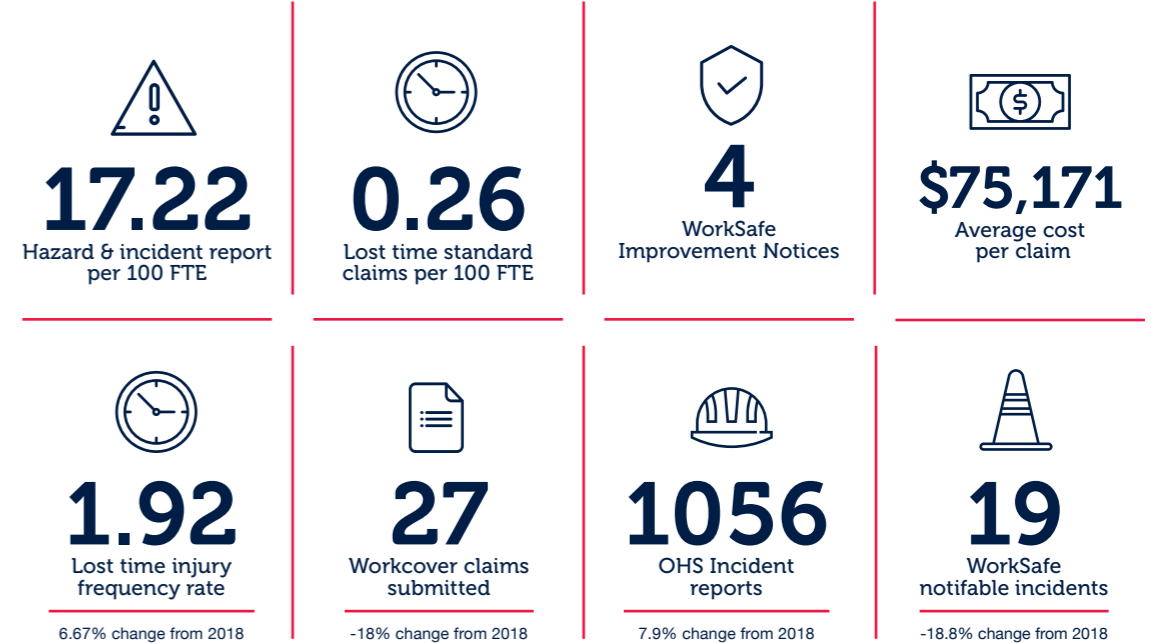
different groups in our diverse community.

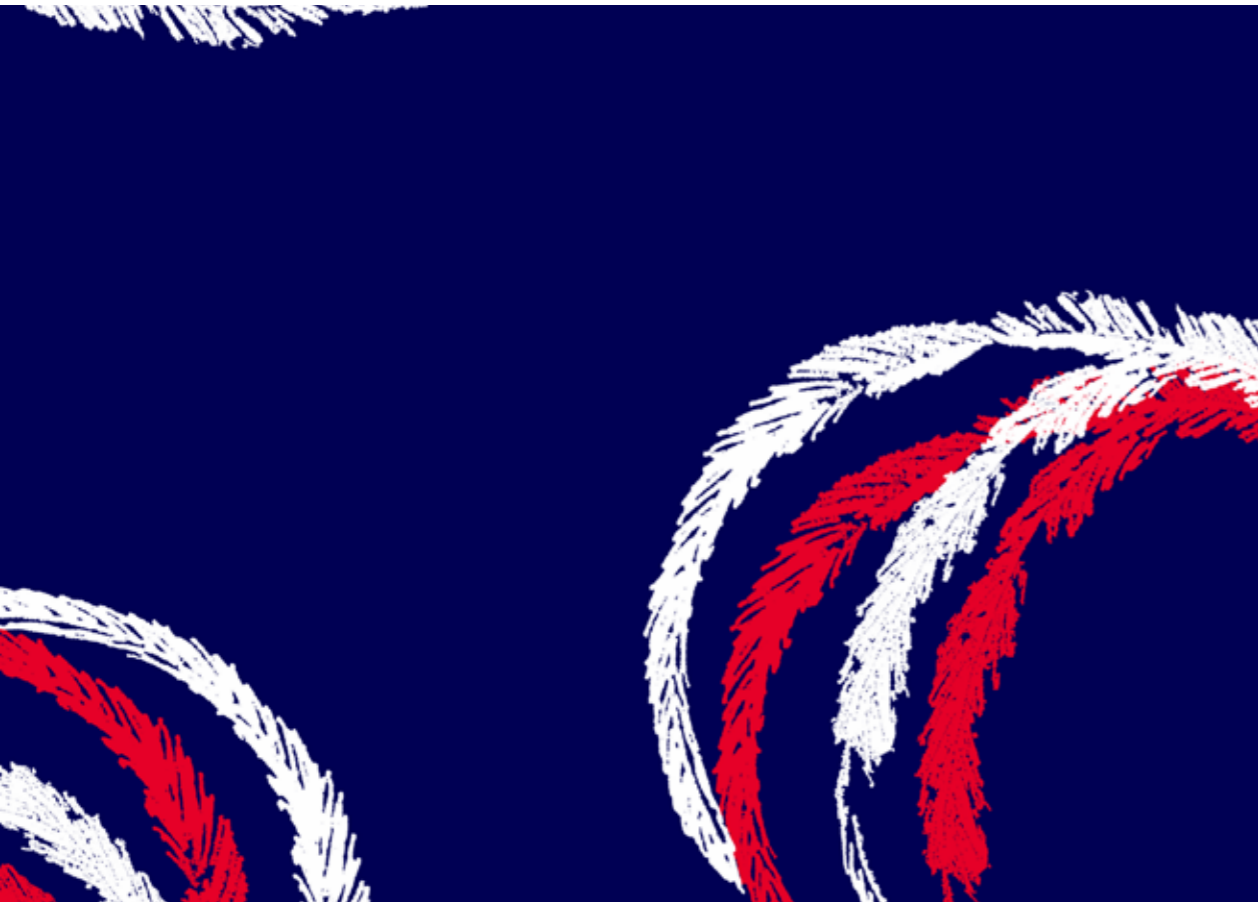
It aims to:

- increase the proportion of students and staff who experience high levels of mental wellbeing
- reduce student and staff exposure to avoidable risk factors within the learning and work environment and increase their resilience and social supports
- increase the proportion of students and staff who seek support for emerging or existing mental health conditions, and experience recovery.

A number of important health, safety and wellbeing actions were completed in 2019:

- Development of a new, innovative monitoring and evaluation framework to enable RMIT leaders to track progress against, and refine approaches to, mental wellbeing.
- Launch of a new employee assistance program with an online hub, live chat and improved manager coaching.
- Introduction of a medical hub at RMIT's city campus, providing cost effective general practice services for staff and students.
- 'Assisting students in distress' training delivered to 1,074 staff members.
- Mental health first aid training delivered to hundreds of students and staff.
- Wellbeing seminars and events delivered to more than 250 staff members and 10,000 students.
- 2,592 staff flu vaccinations supplied.





Operations



Photo Credit: Ben Swinnerton



Photo Credit: Tatjana Pitt

Plans and Performance

In 2020, RMIT will enter into the final year of its five-year strategic plan. Since introducing the Ready for Life and Work - RMIT to 2020 strategy in 2015, substantial progress has been made and significant benefits realised across the strategy's three core directions: Life-changing experiences, Passion with purpose and Shaping the world.

Progress has been driven at several levels but is largely attributed to annual enterprise-wide programs of work aligned to the strategy's three core directions.

Life-changing experiences

At RMIT we want to give everyone the chance to be their best, shape their future and belong. In 2019, we continued our focus on making this a reality.

Initiatives continued to be aimed at building a strong sense of belonging between the University, students, alumni and the community.

Creating respectful and inclusive environments for the RMIT community remained an absolute priority in 2019, with hundreds of events and activities designed to celebrate the different cultures across our community. Events ranged from Indian Independence Day to hosting the Grand Iftar in partnership with the Islamic Council of Victoria.

Student engagement in extra-curricular activities and University events continued to expand in 2019 with student participation in these activities growing by 18 per cent. There are now more than 15,000 registered members across RMIT clubs and collectives, including the RMIT University Student Union (RUSU).

Student engagement through sport was further amplified in 2019 with the launch of the AFLW Academy and the creation of two new Esports and games spaces for 6,000 students at RMIT's city campus.

In 2019, more than 9,000 students participated across 176 sports activities and events with a nine per cent increase in female participation. The RMIT Redbacks also returned home with six medals and the Spirit award for a second consecutive year at the University Games, recognising their passion and professionalism both on and off the field.

More than 1,100 students were involved in the 'Mates' peer social mentoring program and 184 student trips and tours were also delivered.

RMIT's Peer Mentoring program continued to provide support services for learners across RMIT's global operations in 2019. The program was also launched with RMIT Training and trialled in Carlton Library to extend support to Vocational Education cohorts.

More than 50 women participated in the Women in STEM (VE) program, designed to connect our female STEM students with alumni and industry to provide them with the skills they need to excel in their chosen field.

Ngarara Willim Indigenous Programs focused on how support can be better accessed by students off campus. By partnering with Victorian Aboriginal Community Services Association (VACSAL), Dardi Munwurro and the Dandenong Co-Op opportunities for these students included participation in the Gamadji Orientation Program, Access Academic Support as well as customised career and employment information to students.

A Media Collective between SYN Media, RUSU Catalyst and RMITV was also launched in 2019 and RMIT hosted the World Skills Competition in 2019 with 500 participants from 15 countries competing. Thirty-five students from RMIT's VE student community participated in the event.

In 2019, RMIT announced its intention to explore the creation of a new College of Vocational Education (VE) in what was one of the University's biggest commitments to VE ever. RMIT's vision for VE is to create a united, supported and empowered community that is set up for success, valued, and continuing to lead innovative, internationally-recognised teaching practice. A new Pro Vice-Chancellor of Vocational Education, Mish Eastman, commenced in November 2019.

RMIT's strong industry connections were further evidenced through more than 3,700 organisations choosing to support and foster future talent via work integrated learning (WIL). Almost 20,000 WIL activities were delivered to students throughout 2019, including 11,698 industry placements, discipline relevant projects and WIL activities in simulated workplace environments.

More than 4,500 career mentoring experiences were facilitated between students and industry professionals, including RMIT alumni, in Australia, Vietnam, Singapore and Europe to help connect students to their future industry and connect industry to emerging talent.

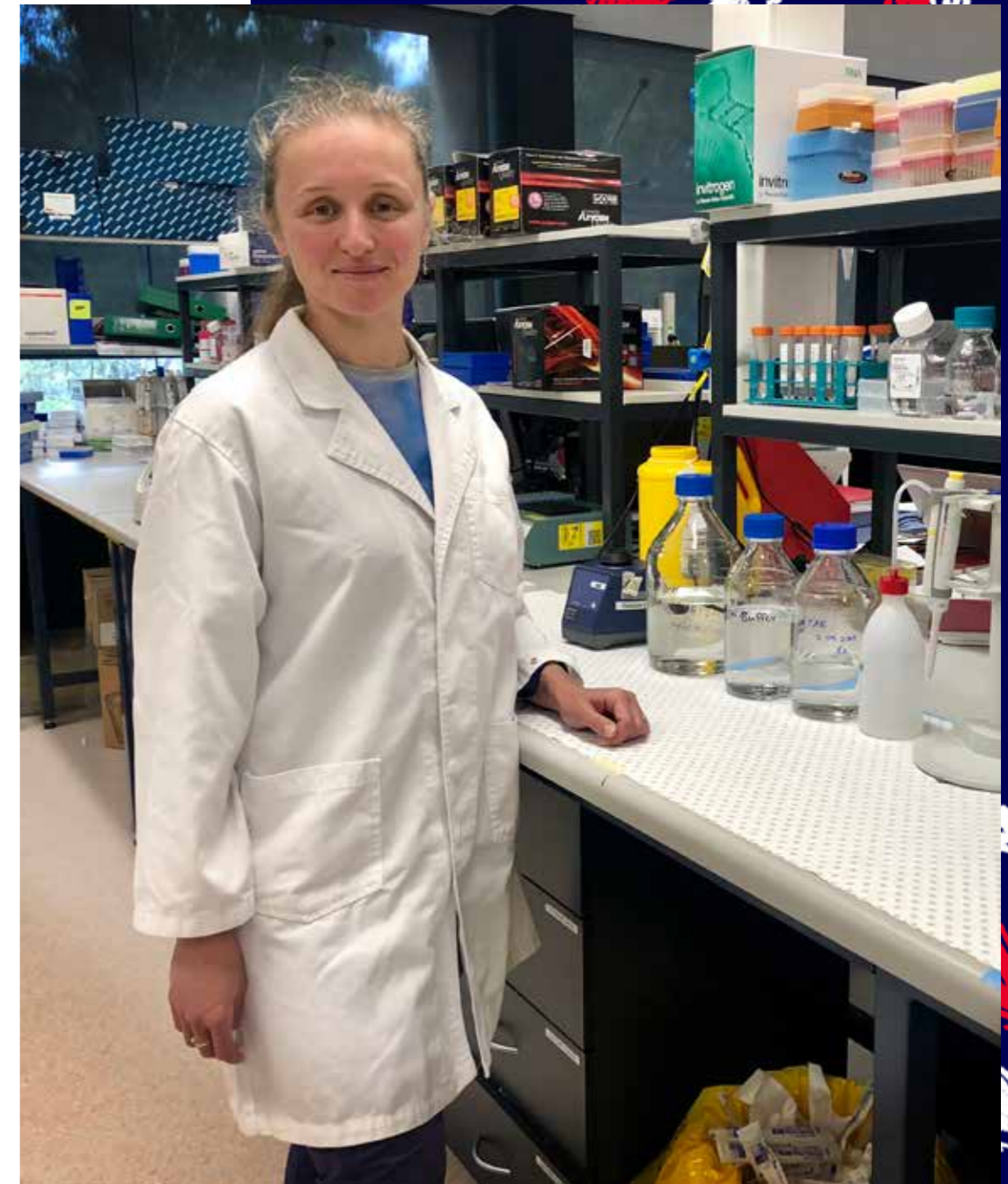
A focus on increasing support for students with career and employment opportunities saw the opening of a new dedicated Job Shop in 2019. RMIT also supported a range of other career-related activities and events, including Mentoring Week, International Student Careers Week, Entrepreneurship Week, the Business and Internship Fair and STEM Internship Fair. Ninety-seven employer events were conducted, along with 4,159 Job Shop drop-ins, 2,085 Future Edge registrations and 439 Low Socioeconomic Status (SES) and Aboriginal and Torres Strait Islander student appointments.

Performance

KPI	2017	2018	2019
Overall satisfaction (HE ¹)	76.7%	79.3%	79.9%
Overall satisfaction (VE ²)	83.3%	85.3%	83.9%
Graduates in employment (HE)	72.2%	75.4%	74.7%
Graduates in employment (VE)	67.5%	70.1%	64.2%

KPI	2019
Innovative learning delivery – microcredentials	<ul style="list-style-type: none"> 93.9% of students who completed an embedded credential in 2019 claimed a badge
Increasing retention	<ul style="list-style-type: none"> 900+ students connected to RMIT support services as part of Early Warning Signs initiative
Extracurricular participation	<ul style="list-style-type: none"> 40% increase in sport club memberships 9% increase in female participation in social sports
Increasing students' sense of belonging	<ul style="list-style-type: none"> 468 staff completed 'Belonging' credentials.

¹HE = Higher Education
²VE = Vocational Education
³Note: survey wording changed from an agreement scale to a satisfaction scale, therefore 2019 results are not directly comparable with previous years.





Passion with purpose

In 2019, we built a clearer architecture for our organisational support services, technology platforms and major projects.

We continued to deliver innovative models for service delivery, assessment and credentials, with the expansion of the RMIT micro-credentials program – RMIT Creds, developed in partnership with industry and employer groups.

Since the introduction of RMIT Creds in 2018, there have been more than 147,000 enrolments. 98 RMIT Creds are now available to students, focused on 11 capability areas, with 53 creds embedded in 207 courses and 105 programs and a badge claim rate of 94 per cent.

A suite of micro-credentials was also developed for staff in 2019, in line with RMIT's professional development program.

RMIT's digital credentials won the prestigious 2019 Business Higher Education Roundtable Award for Outstanding Collaboration in Higher Education and Training, alongside industry partners Credly, EY, Tigerspike and REA Group.

Integration options with RMIT's Microsoft Canvas Learning Management System commenced in 2019 and the transition of more than 100,000 staff and students to Microsoft Office 365 was completed successfully. This project was aimed at improving collaboration and streamlining the student experience.

RMIT also continued harmonising elegant global technologies and delivering best in class digital transformation in 2019, with key successes including;

The roll out of a Global Wide Area Network (WAN) to enable unified collaboration and satellite service of Vietnam from Australia.

Recognition as a leader in digital transformation, winning ISG Paragon™ awards for our digital transformation program (jointly with Capgemini, the University's digital partner) and the delivery of a new RMIT Researcher Portal.

The launch of a digital marketplace to support a streamlined student experience in an e-commerce eco system.

With a continued focus on enhancing access to services and support, an AI digital assistant (AIDA) chatbot, powered by Amazon Web Services (AWS) artificial intelligence technology, was launched in 2019. In less than six months, AIDA had completed more than 13,000 conversations with students, with an 80 per cent satisfaction rating. Sixty-six per cent of conversations were solved within the platform in real-time. With roughly 29 per cent of questions asked outside of business hours, AIDA is helping improve the student experience.

New facilities and activity spaces also continued to enhance student life and experience. Through the launch of a new library Study Support Hub, increased academic writing, language, information literacy and mathematics support was made available to students. There were more than 1.85 million visitors to RMIT libraries in 2019, with approximately 83,000 face-to-face enquiries and a 6 per cent increase in queries via the 'Ask the Library' online chat.

Following a multi-million-dollar refurbishment, The Capitol reopened in 2019 as a contemporary destination for culture, education and innovation. RMIT retained The Capitol's distinctive cinematic heritage, while taking a leap beyond, with the revitalised 580-seat space expected to host more than 500 cultural events, festivals and live performances each year. The Capitol now provides work opportunities for students, delivering an unparalleled experience of collaborating with real industry partners and the professional creative community without having to leave campus.

Minister for Training and Skills and Minister for Higher Education, The Hon. Gayle Tierney MP officially opened the majestic National Trust-registered building, delivering a valuable cultural asset back to the city of Melbourne and the people of Victoria.

By expanding the theatre's use beyond film screenings, RMIT successfully created a 'new media' hub in an 'old media' setting which is fitted out with the latest technology and linked directly to RMIT's media precinct. This connectivity enables the delivery of innovative and connected learning experiences for RMIT students across digital media, virtual reality (VR), augmented reality (AR), film and animation.

In partnership with the Australian Centre for Moving Image (ACMI), The Capitol also hosted a range of ACMI festivals and events for the general public throughout 2019.

A new multimedia creative studio, Press Play, was also launched on the City campus, providing teaching staff with access to the technology and resources required to produce high-quality media products and enhance the digital teaching experience.

RMIT re-opened the Oxford Scholar hotel to the public in 2019 after an extensive renovation, marking the beginning of a new chapter in one of Melbourne's oldest stories. The renovation and expansion was a visible demonstration of RMIT's ongoing commitment to preserving and enhancing Melbourne's cultural landmarks. With the top two floors able to be used as function spaces exclusively available to staff, students and alumni, the University successfully created another place for the RMIT community to connect and collaborate.

We also transformed our facilities and activity spaces, with the redevelopment of an AFL oval, futsal, tennis courts and changing rooms at the Bundoora campus.

From a staff perspective, an annual staff survey showed that engagement scores remained steady in 2019, with people reporting that they like the kind of work they do and feel like they belong at RMIT.

Other people highlights include:

The completion of RMIT's 'Be Ready' leadership program (module one) by more than 1,230 leaders since its introduction in 2017.

The launch of an enterprise-wide Kudos system, designed to recognise values-led work. More than 2,000 moments of recognition were given since the system launched in August 2019.

A renewed focus on building a future-ready workforce and attracting the best talent to join our community, with a refreshed approach to talent acquisition and employment brand resulting in RMIT placing 11th in the Talent Board Candidate Experience Awards for Asia Pacific.

Continued embedding of the three capability development frameworks that were rolled out in 2018: Educator/Researcher, Professional and Leadership. Together these frameworks serve to maintain a common language for the contemporary skills and knowledge the RMIT workforce needs to deliver against its objectives today and in the future.

KPI	2017	2018	2019
Percentage average female participation in identified leadership positions	37.3%	40.6%	43.6%

KPI	2019
Wellbeing Index	<ul style="list-style-type: none"> RMIT Mental Wellbeing Index and Evaluation Framework developed 980 staff completed online module "responding to students in distress"

Service Culture	<ul style="list-style-type: none"> Researcher portal launched 5 of top 20 pain points in student journey resolved
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Shaping the world

Research and Innovation

RMIT's performance for research and innovation in 2019 was the best in the University's history, cementing its global reputation for high impact and quality research.

The eight Enabling Capability Platforms (ECPs) that foster cross-disciplinary research supported the establishment of 17 collaborative networks, and a range of research projects with external partners were funded.



RMIT transformed its research services operating model to better support researchers to achieve world-changing research and engage strongly with research partners.

90 per cent of impact case studies submitted for the Australian Research Council (ARC) Engagement and Impact assessment rated RMIT as making a significant or highly significant contribution beyond academia.

The Vice-Chancellor's Researchers Fellowships Scheme was aligned to the ECPs and led to the appointment of significant academic talent, with 19 Research Fellows joining the University.

RMIT also continued to increase the impact of its research with cross-disciplinary international partnerships and collaboration through significant funding success. This included becoming host to a major new ARC Centre of Excellence for Automated Decision-Making and Society. The Centre received \$31.8 million in Government funding and \$39.3 million in partner cash and in-kind support and involves 22 academic and industry partner organisations from Australia, Europe, Asia and America.

RMIT was also announced as the lead for a new ARC Biosolids and Industrial Transformation Training Centre, with \$3.9 million in Government funding and \$13.7 million partner cash and in-kind support. The Centre involves 20 national and international partners from Australia, the UK and the US.

In 2019, RMIT had a record high 45 per cent increase in Higher Education Research Data Collection (HERDC) Categories 2-4 research contracted revenue, reflecting the extent of its external engagement and the value of its research capability for industry and government.

RMIT's research translation function oversaw a marked increase in invention disclosures, patent applications and IP licencing activities. A significant improvement in the number of research publications in top journals was achieved, along with a marked improvement in all major rankings schema.

RMIT's research active staff and graduate researcher (HDR student) capacity was increased to enhance research intensity with 2,130 HDR enrolments and 357 HDR completions. RMIT was ranked number one in Australia for placing Australian Postgraduate Research (APR) Interns.

Other 2019 research highlights include:

Eight RMIT early career researchers received funding in the ARC Discovery Early Career Researcher Award scheme

17 ARC Discovery Grants were awarded, valued at \$7,370,629

Professor Calum Drummond was appointed an Officer of the Order of Australia in the Queen's Birthday 2019 Honours List for outstanding service to science and innovation

Professor Mike Xie was awarded an ARC Laureate Fellowship, one of Australia's most prestigious competitive grants, to expand his research into sustainable, free-form architecture and was made a Member of the Order of Australia

Professor Roberto Sabatini was awarded Scientist of the Year at the Defence Industry Awards

Ellie Rennie and Ramon Lobato were awarded ARC Future Fellows

1,664 people registered for RMIT's signature research event, Engaging for Impact, bringing together academics and industry representatives to ensure research and innovation continues to be relevant and create value and impact

Partnering with Australia's SmartSat Collaborative Research Centre, the biggest space industry collaboration in Australia's history

Partnering with a new ARC Centre of Excellence for Transformative Meta-Optical Systems

Partnering with the Aikenhead Centre for Medical Discovery

Co-organisation of the 2019 World Conference on Research Integrity with the University of Hong Kong.

Industry and enterprise

In 2019, RMIT worked closely with a broad range of industry and government partners to deliver transformative student experiences, future-focused workforce development and research impact.

Collaborations with new global partners including Inditex, Mitsubishi, FLC Group, L'Oreal Vietnam and the Hanoi People's Committee featured student, academic and research components across multiple international campuses.

Collaboration across healthcare included new partnerships with Telstra Health; the launch of the first Australian digital health ecosystem in partnership with the European Connection Health Alliance; and the establishment of RMIT's Health Transformation Lab in partnership with global IT and networking leader, Cisco Systems.

The University strengthened ties with Australia's creative industries; renewing its position as National Gallery of Victoria Design Partner and reinvigorating its collaboration with the Australian Centre for the Moving Image (ACMI), becoming its official Research Partner. In Vietnam, RMIT hosted the first ever Vietnam Festival of Media and Design in Hanoi.

RMIT's connection with the creative community was clear in 2019, with more than 100,000 visitors to the RMIT Gallery, Design Hub Gallery, Design Archives, Intersect, First Site Gallery, the Australian Film Institute Research Collection and the Capitol across more than 333 major exhibitions, film screenings, programs and public events held throughout the year.

RMIT worked closely with industry to address critical skills shortages in Australia, partnering with information technology leaders including Microsoft, Telstra and Salesforce to grow the pipeline of domestic tech talent.



Partnerships also continued with the Department of Justice and Community Services (Centre for Innovative Justice), the Victorian Council of Social Service (Future Social Service Institute), the City of Melbourne, the City of Barcelona, the Melbourne Renegades, the Essendon Football Club and Australia's Defence and Aerospace industries through the expansion of the Sir Lawrence Wackett Centre.

We also continued to support local and international governments and organisations to adapt to the changing business world through tailored education programs for executives and emerging leaders.

Executive education was delivered to more than 750 participants from 23 organisations across six countries and 17 new programs including 'Leading in an Era of Technology Change' and 'Healthy, Liveable and Smart Cities'.

RMIT also helped connect students and graduates to short-term and project-based employment opportunities through RMIT On Demand, a partnered program with Australia and New Zealand's largest online staffing platform, Sidekicker. At the end of 2019, RMIT On Demand had hosted approximately 300 businesses and 450 students.

In what was an Australian first, RMIT journalism students were also given the opportunity to combine their reporting skills and love of footy to produce the AFL's latest online show. In a collaboration between RMIT, JAMTV, Champion Data and the AFL, The Data Game analysed the latest league statistics to provide deeper insight into player and team performance. The weekly show was written, filmed and edited by RMIT students and hosted by Carlton AFLW senior coach Daniel Harford and Daniel Hoyne from Champion Data.

Businesses also provided direct support to RMIT students through philanthropic activities. More than 700 students received philanthropic support through scholarships and prizes in 2019. A \$1 million gift from Investment Manager, Cedar Pacific will be used to support Indigenous students through the establishment of the Cedar Pacific Indigenous Accommodation Scholarships.

RMIT Activator

RMIT's vision of establishing a thriving incubator and accelerator program in the Asia Pacific region took another giant stride forward in 2019, with the launch of Activator Vietnam in Ho Chi Minh City and the appointment of a new Director, Matthew Salier.

RMIT Activator launched its digital pre-accelerator platform, RISE, to provide online access to learning resources, coaching and industry opportunities, and was announced as the home of the new RMIT Cyber Ready Cloud Innovation Centre (CIC).

Powered by Amazon Web Services (AWS), the CIC will connect students, researchers, government and subject matter experts to solve cyber security challenges. Students will have the chance to build in-demand cloud skills to help boost Australia's capability in cyber security and address a growing skills shortage.

RMIT Activator also worked extensively with RMIT academics, researchers and professional staff to foster innovative and entrepreneurial mindsets and skillsets amongst students; running internal hackathons, supporting course redesign and delivering micro-credential courses directly to over 9,000 students.

Since launching in 2016, RMIT Activator has provided a community of over 8,500 students, staff and alumni with access to a community of more than 250 industry experts and mentors and resources such as shared working spaces, development credits and sales and marketing support. The Activator Capital Fund has provided more than \$1.5 million to early-stage ventures across 65 high potential start-ups. The economic impact of Activator-powered startups in 2019 was over \$3.8 million.

RMIT Activator works with industry partners including Startup Victoria, Skalata Ventures, City of Melbourne and Hub Australia to support future pathways and seed investment for its startup community.

RMIT Online

After a shift in RMIT Online's strategic focus to courses designed to close skills gaps in 2018, demand for RMIT's alternative learning offers continued to increase in 2019. More than 19,000 students were enrolled across RMIT Online short courses and degrees in 2019.

RMIT Online also made its international debut through a partnership with the Singapore Government's 'SkillsFuture Singapore' with the delivery of its iOS App Development with Swift and Developing Blockchain Strategy short courses.

In 2019, RMIT Online joined forces with the Amazon Web Services (AWS) Academy to create two new cloud computing courses and launched a Cyber Security Risk and Strategy course with Palo Alto Networks and NAB to close cyber skills gaps. A CRM Professional with Salesforce short course was also built in partnership with Salesforce and leveraging Salesforce's gamified, online learning platform, Trailhead, to create well-rounded CRM professionals. Digital Leadership was also introduced to meet ongoing soft skills shortages, along with a revamped MBA for the digital age.

The RMIT Online Future Skills program saw revenue growth of more than 200 per cent in 2019, with more than 38 Future Skills courses now available, co-created with 50 leading industry partners and covering everything from digital transformation and marketing, to Augmented Reality (AR) and Virtual Reality (VR). The notable list of industry partners now includes – but is not limited to – Udacity, Accenture, Adobe, Amazon Web Services (AWS) and Slack.



RMIT Barcelona



Singapore Institute of Management

Global operations

RMIT Vietnam

RMIT Vietnam continued to operate across three locations: Ho Chi Minh City, Hanoi and Danang with more than 7,000 students, 700 staff and 14,600 alumni.

The University offers programs in business, technology, communication, design, fashion and languages and in 2019, introduced four new programs in Human Resources Management, Digital Business, Digital Film & Video and a Master of Global Trade.

RMIT Vietnam further strengthened relationships with industry and government, including significant aviation opportunities, securing new partnerships with the Vietnam Aviation Academy, FLC (Bamboo Airways), Vingroup and VietJet Air.

2019 also saw RMIT Vietnam host the inaugural Vietnam Festival of Media and Design in partnership with the Hanoi People's Committee and the University was announced as the Education partner of the Formula 1® VinFast Vietnam Grand Prix in 2020.

RMIT Europe

In 2019, RMIT Europe secured over AU\$2.2 million in both European and Australian research funding, including funds for an important stem cell research project. The five-year project brings together researchers from RMIT's College of Science, Engineering and Health with world-leading clinicians, researchers and healthcare organisations, to research stem cells to regenerate brain damage caused by premature birth.

RMIT Europe deepened its local connections through research, student and alumni activity focused on the University's contribution towards the United Nations Sustainable Development Goals (SDGs). RMIT researchers ran a panel discussion on sustainability in food, waste and cities at the 19th European Roundtable on Sustainable Consumption and Production in Barcelona. RMIT experts in sustainable cities also presented at COP25 in Madrid.

The focus on the SDGs saw students take part in a two-week study tour in collaboration with the Barcelona City Council to develop strategies to tackle urban heat. Alumni leaders making a contribution to the SDGs were profiled across the University.

RMIT Europe connected European industry with RMIT talent, including partnering with global fashion group Inditex for a student challenge on the management and recycle of post-production and consumption shoe waste. It involved students from the Master of Fashion (Entrepreneurship) at RMIT Australia and a challenge on post-production shoe waste with students from the Bachelor of Fashion (Merchandise Management) at RMIT Vietnam.



RMIT Vietnam

Offshore Partnerships

For more than 30 years, RMIT has played an active role in Asia, delivering education to students in partnership with foreign education institutions. Today, our nine offshore partners are in some of the world's most dynamic and influential locations, including Shanghai, Jakarta, Hong Kong and Singapore.

Together with our partners, we offer a broad range of programs from Mechanical Engineering and Economics to Communication Design and Fine Arts. In the past five years alone, more than 17,000 students have graduated from programs delivered through RMIT across our partnerships in Asia. Our long-term commitment to education in these regions enables us to have a lasting positive impact on their communities.

In Melbourne, the diverse global outlook of our RMIT community continued to grow, supported by increases in mobility and non-mobility global student experiences, with more than 3,500 global mobility participants and over 4,000 global experience cred badges completed.

KPI	2017	2018	2019
Research income (HERDC Total)	\$52.7M	\$54.1m	N/A*
Research Income from industry and other public sector (HERDC ² Category 2-4)	\$32.8M	\$34.0m	N/A*
Research collaboration—internationally co-authored research publications	51.3%	54.5%	55.4%
Research commercialisation— invention disclosures	42	44	47
Female Academic Participation—FTE	38.4%	41.2%	43.0%
KPI	2019		
Industry placements and mentoring	<ul style="list-style-type: none"> Career and industry mentoring target exceeded by 15% 10% increase in placements and global industry projects across targeted programs achieved 		

*NA = Not Available. These numbers are not available until mid-2020 post external audit sign off.

Diversity & Inclusion

RMIT recognises that an environment which celebrates and welcomes diversity results in higher success and engagement levels, and delivers benefits for recruitment, retention, innovation, collaboration and productivity.



We want to provide the best possible RMIT experience for our whole community, and this starts with ensuring that prospective staff and students have access to a fair and equitable selection process. Once they arrive, our priority is to make RMIT a safe, inclusive and supportive place to work and study so that staff and students have the best possible chance to succeed in work and study.

The RMIT Diversity and Inclusion Framework is the high-level statement of our aspirations. The Framework outlines our commitment to:

increase access, and build a more diverse student and staff community, and

provide an equitable and inclusive experience and outcomes for all students and staff.

While the commitment to an inclusive and diverse university community applies to all, a suite of Action Plans outline our specific objectives to support:

Students from low socio-economic backgrounds

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

Gender equality for staff

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

Students and staff of diverse genders, sexes and sexualities

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



Staff and students from culturally and linguistically diverse backgrounds

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

Staff, students and visitors with disability

Provide an equitable and inclusive experience for all students and staff with disability.

We continue to make progress in recognising, embracing and growing diversity, and living by our values to ensure that RMIT remains an inclusive place to study and work. Action Plans are ingrained into organisational practices, supported by a diversity, inclusion and equal opportunity policy and publicly available at:

rmit.edu.au/about/our-values/diversity-and-inclusion

Gender equality

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

RMIT was named as an Employer of Choice for Gender Equality (EOCGE) from the Workplace Gender Equality Agency (WGEA) in 2019. This was based on significant progress made since 2018, including an increase in females in executive positions (senior officers), from 49.3 per cent to 53 per cent.

Female representation in senior roles (HEW 10, executives, level D and E academics and Senior Educator 3) has also continued to grow, from 34.4 per cent in 2015 to 43.6 per cent in 2019.



RMIT has had a **9% increase** in female senior roles since 2015



We achieved gender parity for our governing Council in 2017 which was maintained in 2018 and 2019. We also worked to support flexible ways of working for staff, promote parental leave opportunities to fathers and encourage the career development of academics who have had career breaks through the introduction of the 'achievement relative to opportunity' option in academic promotion.

The University achieved Bronze status (highest available) in the Athena SWAN program for Women in STEMM in 2019 and commenced implementation of a four-year action plan. While the Athena SWAN accreditation is related to increasing participation of Women in STEMM academia, there is also a significant focus on CALD, DGSS, Accessibility and Indigenous participation in STEMM as well.

A first-of-its-kind public art project "Blooming Now" was undertaken by staff and students in 2019, featuring 859 human-painted hands, highlighting the University's ongoing commitment to creating a safe and respectful culture for women.

Diverse genders, sexes and sexualities

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

After being named as a Gold Employer in 2018, the 2019 accolade - the highest honour in the AWEI's benchmarking system for LGBTIQ+ workplace inclusion - demonstrated our continuous improvement in building a culture of inclusion and diversity for staff and students from the DGSS community. RMIT was the first university and first public-sector organisation to receive this honour, and also received the Trans and Gender Diversity Inclusion Award.

Changing the course on sexual harm

We have continued our work to create a culture of inclusion and respect at RMIT, where every member of the community is safe and free from sexual harm.

Guided by our three-year 'Changing the Course' framework, we have continued to implement initiatives that focus on prevention and response.

Initiatives in 2019 included:

introduction of the 'Consent Conversations' online micro-credential, educating students about respectful relationships

Bystander Intervention workshops, to give student leaders and student clubs the skills to challenge disrespectful behaviour

roll-out of 'Responding to Disclosures of Sexual Harm' training to all staff

commencement of tailored 'Respectful Research' training for supervisors

an ongoing visible commitment to preventing sexual harm, through the 'Be the Change' campaign, which was designed to empower the RMIT community in helping create a culture of respect

development of a student survey to track attitudes that contribute to sexual harm. The results of this survey will help us to measure the impact of our 'Changing the Course' initiatives across the RMIT community.

Access

RMIT now partners with 234 Victorian secondary schools in the Schools Network Access Partnership (SNAP) - an equity access scheme that gives priority entry to RMIT for eligible applicants.

Changes to RMIT equity admissions schemes resulted in greater procedural efficiency, targeting of disadvantaged students, student applications, offers and enrolments. As a result, low socioeconomic status (SES) secondary school SNAP access scheme enrolments increased by 22 per cent to 2,252. More than 3,400 students received an RMIT offer through SNAP for 2019 entry, a 28 per cent increase on the 2018 intake.

2,814 students from SNAP secondary schools across 12 regions in Victoria also participated in the 2019 'I Belong' program which connects students, staff and industry professionals to build aspiration and awareness for tertiary education.

The RMIT needs-based scholarship program helps eliminate the financial barriers that prevent students from pursuing tertiary studies and supports retention and completion. In 2019, RMIT awarded more than 1,900 scholarships to VE and undergraduate HE students, with 96 per cent of scholarships provided to students from disadvantaged backgrounds.

Twenty-one students seeking asylum also received holistic access and support packages comprising access to fee waivers, a living allowance scholarship, orientation and support services, and individualised employability development.

Ensuring RMIT is physically, technologically and culturally accessible for people with a disability remained a key area of focus in 2019.

RMIT was proud to be recognised as a top four organisation for accessibility in the Australian Network on Disability Access and Inclusion Index. RMIT was the highest-ranked organisation for 'Products and Services' for our provisions for students with disability.

The Student Counselling Service provided more than 8,600 individual student professional counselling appointments to approximately 2,900 students.

RMIT's Equitable Learning Services also provided individual consultations to 1,740 students, with 2,400 plans provided to students with disability, enabling access adjustments and services.

A range of resources and professional development programs were launched in 2019 to improve staff capability to respond to and support students in distress. Students were also engaged in a range of activities and events to build personal awareness and capability on matters of health and wellbeing.

The full list of support services available to students are available online: rmit.edu.au/students/support-and-facilities/student-support

Employment and conduct principles

RMIT is an equal opportunity employer committed to being a child safe organisation and dedicated to attracting, retaining and developing people regardless of gender identity, ethnicity, sexual orientation, disability and age. The primary document governing employment and conduct principles is the Code of Conduct. This is supported by other policies including; Staff Ethics and Integrity Policy, Sexual Harassment Policy, Conflict of Interest Policy, the Gift Benefits and Hospitality Policy and Commitment Statement on Staff / Student Relationships.

Reconciliation & Indigenous Engagement

Reconciliation at RMIT is underpinned by the section 5(f) objects of our enabling legislation and involves a whole-of-university approach to redefining our relationship with Aboriginal and Torres Strait Islander communities, working with and supporting them on their self-determination journey. Our dhumbali (commitment) to a just and meaningful relationship between Indigenous communities and our RMIT community is at the durrung (heart) of how we live our values.

2019 was a record year for Indigenous graduations for RMIT, with 122 Indigenous students graduating, including the first ever graduate in aviation.

The Indigenous student experience was also enhanced, with the first Indigenous Careers Fair held at RMIT, engaging industry partners and Ngarara Willim students. 192 students were supported in their career aspirations, including WIL placements, internships, graduate opportunities and casual employment.

A further 12 students participated in global study tours and International exchange programs, while Ngarara Willim's space underwent a complete renovation, redesigned to allow open spaces for students and staff and to create a community hub on campus.

RMIT's second Reconciliation Plan, Dhumbah Goorowa - Commitment to Share (2019-2020), was launched in 2019. Dhumbah Goorowa builds on the foundations laid in RMIT's first Reconciliation Plan (2016-18) by placing a sharper focus on the responsibility of non-Indigenous people to be in a relationship with Australia's First peoples as sovereign peoples.

Through this plan, we are working to transform RMIT values, culture, processes and systems, to provide a framework for embedding reconciliation in everything that we do.

In 2019, there was a significant priority placed on reconciliation across the University. Actions included improved planning and governance processes, investment growth, embedding reconciliation further across RMIT's policy framework and continued development of the University's collective understanding of reconciliation.

The University adopted the Bundjil Statement, developed by Elder-in-Residence N'Arwee't Carolyn Briggs, as a contextual dhumbali (commitment) to living and working respectfully on Kulin country. The RMIT Policy Governance Framework now contains an objective to provide a structure for incorporating reconciliation and Aboriginal and/or Torres Strait Islander self-determination as a core value. Acknowledging the Bundjil Statement through University policies has set RMIT on the path to giving effect to this objective. The new Code of Conduct will acknowledge our dhumbali to place, as explained in the Bundjil Statement and shaped through our ways of working, ways of knowing and ways of being.

In 2019 we also worked to better articulate the reconciliation capabilities that will support non-Indigenous staff to be in relation with Aboriginal and Torres Strait Islander peoples. We revised our capability development frameworks to include a specific reconciliation capability, together with embedding reconciliation across other aspects of the framework.

This transformation towards greater cultural responsibility is supported by our Bundyi Girri (shared future) professional development program, which includes an 'Advancing Reconciliation' micro-credential and a series of face-to-face workshops. 26 workshops were delivered to 203 academic and professional staff. Six leadership workshops were piloted to 30 executive leaders.

Bundyi Girri has continued to be an important enabler of the reconciliation activities, with an increase in the number of trained workshop facilitators from two to nine. This increase will allow the University to further its dhumbali to reconciliation in 2020 by increasing the number of workshops that are available.



Complementing the rollout of these workshops was a continuation of RMIT's 'Cultural Awareness' training, which now forms part of the new staff induction process, as well as the 'Advancing Reconciliation (Preparing for Bundyi Girri)' micro-credential, which received 598 enrolments in 2019.

As well as RMIT's support of Indigenous events such as NAIDOC Week, Reconciliation Week and our Blak and Bright festival sponsorship, other important events that generated significant attention in 2019 included the unveiling of the Wurrunggi Bliik - Law of the Land public artwork and the updating of the Ngarara Place artwork, inviting staff to actively engage in culture and place at RMIT.

Each college and portfolio also created a reconciliation committee (called a Ngulu, which means 'voice' in Woi wurrung and Boon wurrung language), to develop, implement and monitor reconciliation activities, reporting to their executives and further embedding reconciliation into all aspects of RMIT's operations.

A Community Indigenous Engagement Framework and how-to guide was also designed to help RMIT staff engage with the Aboriginal and Torres Strait Islander business community in a respectful and culturally responsible way, and to support Indigenous businesses to partner with the University and understand and work within our governance practices.

Off the back of these significant actions in 2019, awareness of reconciliation within RMIT's workforce continued to increase, with a staff survey showing more than 65 per cent of people are actively engaged in their reconciliation journey and more than 75 per cent of staff agree that RMIT offers them enough Indigenous engagement and awareness to do their job.



more than 65%
of people actively engaged in
their reconciliation journey.



75% of staff
agree that RMIT offers
them enough Indigenous
engagement and awareness
to do their job.



Image courtesy of Siemens

Sustainability

RMIT has a long-standing commitment to sustainability and we continue to take genuine and practical actions to reduce our environmental impact across our campuses, curriculum and research.

The RMIT Sustainability Policy models institution-wide excellence in integrating sustainability across University activities. It aims to make RMIT a living laboratory, encouraging research that engages with internal infrastructure, processes and people.

Carbon neutral progress

RMIT's strategic direction for climate action is underpinned by a Carbon Management Plan which sets the University on the course to be carbon neutral by 2030.

In 2019, RMIT generated over 500,000 kWh of electricity from on-site solar photovoltaic (PV) and continues to investigate further installation options across the portfolio. We continued a program of work to upgrade end-of-life infrastructure to higher efficiency equipment, allowing the University to achieve a 48 per cent reduction in emissions during 2019, against a 2007 baseline.

RMIT is also a member of the Melbourne Renewable Energy Project which brought together like-minded organisations to jointly fund a new 80MW wind farm outside Ararat. Commencing in 2019, 25 per cent of the University's

electricity will be supplied by this wind farm, with RMIT also leading a second purchasing group to increase the proportion of renewable energy in its supply chain.

Setting the standard

RMIT operates, maintains and enhances 128 buildings across RMIT campuses and sites, with a focus on providing quality and sustainable built environments to support all RMIT activities.

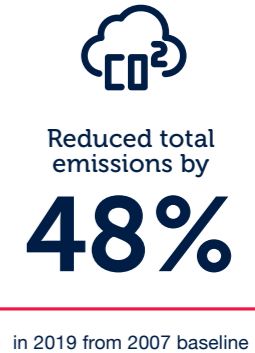
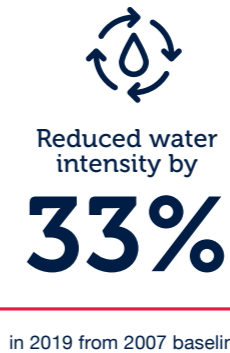
In 2019 RMIT achieved certification to three ISO standards (International Organisation for Standardisation):

ISO 9001 - Quality

ISO 14001 - Environmental

ISO 45001 - Occupational Health & Safety (OHS)

These three standards were brought together as an integrated system, which means RMIT has now developed and implemented business processes in line with international



standards for quality management, OHS and environmental management. Alignment to these requirements under these international standards provides greater assurance of compliance and service delivery outcomes to the RMIT community.

Sustainable Development Goals

To express commitment to transform RMIT into an organisation that models institution-wide excellence in shaping a sustainable future, RMIT publicly committed to the UN Sustainable Development Goals (SDGs) in 2017.

In 2019 the Vice-Chancellor's Executive (VCE) endorsed the incorporation of SDGs into the next RMIT five-year strategy (2021-2025), creating more formal reporting structures and connectivity with the RMIT Sustainability Committee.

Significant time was spent mapping and uplifting RMIT's research and curriculum impacts towards the 17 goals, and internal and external partners were brought together to explore how to effectively apply the SDGs to industry, education and communities around the world.

In 2019, the RMIT European Union (EU) Centre announced a seminar series that addressed each of the 17 SDGs. Each seminar focused on one Goal and provided an opportunity for attendees to explore the intent of the Goal, its targets, and some of the initiatives being undertaken to deliver on the targets. Each seminar was accompanied by a publicly available policy brief.

RMIT was ranked 13th in the world for its efforts to reduce inequality within and among countries (SDG 10) in the 2019 Times Higher Education (THE) University Impact Rankings. This performance was a testament to RMIT's continued focus on diversity, inclusion, community and the environment, with widespread engagement across the RMIT community.

RMIT has published its contributions to the SDGs at: [rmit.edu.au/about/our-values/sustainable-development-goals](https://www.rmit.edu.au/about/our-values/sustainable-development-goals).

Engagement

We remain committed to widespread engagement across the RMIT community to ensure the growth of sustainable practices and outcomes.

Sustainability initiatives in 2019 included events, behaviour change programs, social media advocacy and a 'Living Lab' project.

In 2019, RMIT staff from Melbourne and Vietnam participated in the Green Impact Program for a second consecutive year. The voluntary engagement and behaviour change program fosters staff to collaborate to implement a series of sustainability actions in their workplace. With students trained as environmental auditors to assess and validate the work, the Green Impact teams created more than 260 actions.

Staff and students from Vocational Education Furniture and Textile Design Programs also developed a tiny house exhibition, using upcycled and repurposed materials in new and interesting ways, as well as integrating sustainability into every aspect of product design for housing interiors. Items ranged from modular, multi-functional furniture to sustainable fibres and prints made into soft furnishings.

Resource Usage	2007 (baseline)	2017	2018	2019
Greenhouse Gas Emissions (tCO ₂ -e)	78,048	51,731	42,555	40,584
Emissions Offset (tCO ₂ -e)	1,648	12,000	8,000	8,021
Emissions Intensity (tCO ₂ -e/GFA)	0.180	0.107	0.089	0.083
Water Consumption per EFTSL (kL/EFTSL) GFA – Gross Floor Area	6.0	5.6	4.9	4.1



Financial Performance

The consolidated 2019 net operating result for RMIT University and its subsidiaries was \$62.9 million, continuing the strong financial performance of recent years driven by international onshore enrolments and Vocational Education in Australia, and increased enrolments in Vietnam.

The consolidated group met all financial budget objectives for the year:

1. Revenue of \$1.5 billion marginally exceeded the budget target
2. Earnings before Interest Tax and Depreciation (EBITDA) of \$192.4 million exceeded the budget target by 4 per cent.

For the consolidated group, revenue increased to \$1,519.2 million in 2019 from \$1,433.0 million in 2018. Expenditure increased to \$1,453.3 million from \$1,340.0 million, resulting in the operating result of \$62.9 million after income tax (2018: \$89.4 million).

Cash balances for the group ended the year at \$44.8 million (2018: \$43.0 million) and net assets grew to \$2,473 million (2018: \$2,420 million).

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

Overall, revenue increased by 5 per cent to \$1,379.5 million (2018: \$1,310.6 million). This result was driven by an increase in course fees and charges of 12 per cent to \$562.1 million (2018: \$503.7 million), predominantly due to additional international fee-paying student revenue.

Australian Government Financial Assistance – including HECS-HELP and VET Student Loans – was broadly flat year on year at \$618.9 million, up \$2.0 million on 2018.

The introduction of Free TAFE for Priority Courses in 2019 has driven an increase in enrolments and associated funding from the State Government of \$6.8 million to \$54.7 million in 2019.

Other fees and charges, the majority of which is used to fund student activities, grew 1 per cent on 2018.

Expenditure increased by 5 per cent to \$1,335.7 million (2018: \$1,271.2 million).

Employee benefits and on-costs increased by 7 per cent to \$780.3 million. Salary increases were due to pay rises incurred in line with the enterprise bargaining agreement, combined with increases in employee headcount to teach the increased student load and for enterprise-wide transformational projects.

IT expenditure (business as usual, excluding projects) was \$75.9 million in 2019 (2018: \$69.6 million). In addition, IT project expenditure was \$82.5 million: \$52.2 million operational expenditure and \$30.3 million capital expenditure (2018: \$23.0 million and \$14.0 million respectively). Investments continue to be made in rapidly evolving digital technologies and associated cloud-infrastructure to deliver a contemporary and dynamic learning experience to students. Substantial investments have also been made into the development of new, more efficient and effective tools to enhance ways of working for staff, including preparation for a new Enterprise Resource Planning (ERP) system. This project investment weighed heavily on the financial performance of the Group in 2019, such investments being increasingly operational rather than capital expenditure in nature due to being cloud-based solutions.

Repairs and maintenance of \$25.1 million increased 27 per cent compared to 2018. Warranty periods on recent large property projects came to an end in late 2018 meaning all ongoing repairs and maintenance costs became the responsibility of the University for the first time in 2019.

The operating result attributed to VE was a profit of \$3.3 million, an increase of \$1.9 million on 2018. Revenue increased by \$4.7 million, or 3 per cent, to \$187.3 million and total expenses increased by \$2.8 million, or 2 per cent, due to increased student numbers arising from the introduction of Free TAFE for Priority Courses.

Current assets increased by \$21.0 million to \$125.2 million, whilst current liabilities increased by \$64.9 million to \$496.0 million. Both increases can be largely attributed to the initial recognition of the new revenue (AASB 15 and AASB 1058) and leasing (AASB 16) accounting standards. Excluding the impact of the adoption of these accounting standards, net current assets (i.e. current assets less current liabilities) would have increased by \$0.9 million.

The net value of property, plant and equipment has increased by \$131.1 million. \$52.0 million of this increase can be attributed to the initial recognition of "right-of-use" assets associated with the adoption of the new lease accounting standard. The University has also continued to invest heavily in campus infrastructure and property projects focused on improving and providing additional learning and teaching spaces.

Total outstanding syndicated loan facilities at the end of 2019 were \$313.0 million (2018: \$246.3 million). Additional borrowings were utilised to fund The University's capital works (including intangible asset) programs.

From a main subsidiaries perspective, RMIT Vietnam delivered a profit of \$13.2 million (2018: \$8.6 million) driven by a 29% increase in fees revenues from significantly higher student enrolments across all schools.

Profit at RMIT Training was \$1.5 million down from \$4.0 million in 2018. This reduction was caused in part by lower student numbers in English language and Foundation Courses, and in part from an increased donation paid to RMIT University (up \$0.5 million to \$8.5 million).

RMIT Online incurred a loss of \$3.4 million in 2019 compared to a profit of \$1.3 million in 2018. Whilst revenue streams grew 17 per cent in 2019, expenses grew 30 per cent as the business invested ahead of future growth in marketing and staffing for new content.



Governance

Council

RMIT University is governed by a Council that in 2019 consisted of:

The Chancellor | The Vice-Chancellor | The Chair of the Academic Board | Three persons appointed by the Governor in Council | One person appointed by the Minister | Four persons appointed by the Council | One person elected by students | One person elected by staff

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

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

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

The Chancellor provides advice and support to the Vice-Chancellor and facilitates constructive communication between Council and the senior management of the University. The Chancellor represents Council in internal and external forums, participates in graduation ceremonies and champions RMIT's strategic objectives and activities with business, industry, government and the wider community.

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

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

Council members who are not staff of the University may choose to receive remuneration for being members of Council. RMIT does not make loans to Councillors or related parties of Councillors. As part of its commitment to good governance practices, in 2003, the University Council adopted a charter containing broad governance principles. This charter is reviewed regularly. Declarations received from Council members have indicated no conflict of interest or pecuniary interest other than remuneration disclosed in the financial statements.

The University has paid a premium for an insurance policy for the benefit of the directors and employees of RMIT and controlled entities of RMIT. In accordance with its charter, the Council reviews its performance regularly. As well as its regular meetings, Council had two strategic discussions in 2019, the first focusing on graduate attributes for the future workforce, and the second on digital disruption and technology training at an undergraduate level.

The Nominations, Remuneration and People Committee oversaw nominations to Council, its committees and subsidiaries, as well as induction and professional development for Councillors. Based on Council's governance charter, new members took part in an induction program and all members were able to participate in a professional development program, which covered a range of areas including informing members about stakeholder issues and the activities of the University.

Controlled entities conducted their business in accordance with their constitutions and charters. RMIT is compliant with the Voluntary Code of Best Practice for the Governance of Australian Universities.

Members

Dr Ziggy Switkowski AO

BSc (Hons), PhD (Melbourne),
FAA, FTSE, FAICD
Chancellor (ex-officio)

Dr Switkowski was appointed as Chancellor in January 2011. He is Chairman of NBN Co and a Director of Tabcorp Holdings. He is a former Chairman of Suncorp Group, the Australian Nuclear Science and Technology Organisation and of Opera Australia. He has also served as a non-Executive Director on the Board of Healthscope, Oil Search and Lynas.

Dr Switkowski previously held positions as Chief Executive Officer of Telstra Corporation Limited and Optus Communications Ltd. He is also a Fellow of the Australian Academy of Technological Sciences and Engineering, the Australian Academy of Science and the Australian Institute of Company Directors. In 2014, he was made an Officer of the Order of Australia in recognition of service to tertiary education administration, scientific organisations and the telecommunications sector, to business, and to the arts.

Mr Martin Bean CBE

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

Position: Vice-Chancellor and President (ex-officio)
Other Directorships: N/A

Professor Mark McMillan

SJD, LL.M (University of Arizona), LL.B (ANU)

Position: Chair, Academic Board (ex-officio)
Member since 1 Jan 2019
Other Directorships: National Congress of Australia's First Peoples, Trangle local Aboriginal Land Council

Professor Gary Hogan AM, CSC

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

Position: Melbourne Enterprise professor for Industry Engagement and Executive Director, Australian Postgraduate Research Internship Program, Australian Mathematical Sciences Institute
Appointed by Governor in Council
Member since 13 October 2014
Other Directorships: N/A

Associate Professor Debra Bateman

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

Position: Associate Professor, School of Global, Urban and Social Studies
Elected RMIT staff member, three-year term
Member since 1 August 2016
Term concluded 31 July 2019
Other Directorships: Victoria Police Blue Ribbon Foundation, LifeChanger Foundation

Mr Bruce Akhurst

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

Appointed by RMIT Council
Member since 1 August 2013
Other Directorships: Adstream Holdings Pty Ltd (Chair), Paul Ramsay Holdings Pty Ltd, Tabcorp Holdings Limited, Peter MacCallum Cancer Foundation (Chair), Director VOCUS Communications Ltd

Ms Judith Bornstein

LLB (Hons) (Melb), MAICD

Appointed by the Minister
Member 1 April 2017 – 13 November 2019
Other Directorships: N/A

Emeritus Professor Stephen Duckett

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

Appointed by RMIT Council
Member since 7 April 2014
Other Directorships: South Australian Health Performance Council, Eastern Melbourne Healthcare Network, Brotherhood of St Laurence, St Peter's Anglican Church, Eastern Hill

Ms Megan Haas

BBus (IT & Accountancy) (RMIT)

Appointed by RMIT Council
Member since 1 February 2017
Other Directorships: Note Printing Australia, Development Victoria, handdii

Ms Janet Latchford

BCom (Melb), FCPA, GAICD

Appointed by Governor in Council
Appointed Deputy Chancellor since 8 September 2014
Member since 18 May 2010
Other Directorships: RCD Foundation

Ms Rhonda O'Donnell

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

Appointed by Governor in Council
Member since 23 September 2008
Other Directorships: MTAA, Superannuation Fund Pty Ltd, O'Donnell Global Solutions

Ms Anne Ward

BA, LLB (Melb) FAICD

Appointed by RMIT Council
Member since 28 May 2015
Other Directorships: Colonial First State, Investments Limited (Chair), Avanteos, Investments Ltd (Chair), Redbubble Ltd

Ms Sadaf Hadi

Elected student member
One-year term
Term of Office: 1 November 2018 to 31 October 2019
Other Directorships: N/A

Mr Prashanth Kumar

Elected student member
One-year term
Term of Office: 1 November 2019 to 31 October 2020
Other Directorships: N/A

Associate Professor Tricia McLaughlin

MBA (RMIT), DEd (RMIT), M.Ed (La Trobe)

Elected staff member: 3 year term
Term of office: 1 August 2019 to 31 July 2022
Other Directorships: N/A



Back row, L - R: Gary Hogan AM CSC, Prashanth Kumar, Martin Bean CBE, Briony Lewis (General Counsel and University Secretary), Ziggy Switkowski AO, Stephen Duckett, Tricia McLaughlin
Front row, L - R: Bruce Akhurst, Janet Latchford, Megan Haas, Anne Ward, Mark McMillan
Absent: Rhonda O'Donnell and Judith Bornstein

Name	Council	Audit and Risk Management	Nominations Remuneration and People	Infrastructure and Information Technology
Bruce Akhurst	7/7			4/4
Debra Bateman	4/7 (part year)			
Martin Bean	7/7			4/4
Judith Bornstein	5/7 (part year)			2/4
Stephen Duckett	6/7		6/6	
Megan Haas	7/7	4/4		
Sadaf Hadi	4/7 (part year)			
Gary Hogan	7/7			4/4
Prashanth Kumar	1/7 (part year)			
Janet Latchford	7/7	4/4	5/6	
Tricia McLaughlin	2/7 (part year)			
Mark McMillan	7/7			
Rhonda O'Donnell	5/7			3/4
Ziggy Switkowski	6/7		6/6	3/4
Anne Ward	6/7	4/4		

Council Committees

Audit and Risk Management Committee

Chair: M Haas
Members: J Latchford, A Ward

The Audit and Risk Management Committee acts on behalf of Council to monitor the audit controls and risk management of the University and associated processes.

It meets to:

Review the annual financial statements and make a recommendation to Council as to whether to authorise the statements before they are released to Parliament by the Responsible Minister

Monitor the adequacy and effectiveness of the University's accounting, financial and internal controls, including policies and processes to assess, monitor and manage these controls

Oversee the University's relationship with the Victorian Auditor-General's Office (VAGO), including reviewing and agreeing the scope of the external audit plan and review reports and management letters from VAGO on accounting procedures and recommendations for improvements in internal controls and management responses

Provide oversight of the internal audit function, including reviewing the activities, resources, organisational structure and operational effectiveness of the internal audit function and making recommendations to Council

Monitor the University's strategic and academic risk profile and provide an objective view to Council on the effectiveness of the University's risk management framework

Review the University's systems and processes for ensuring compliance with laws, regulations and internal policies, and the results of management's investigation and follow-up of any instances of non-compliance.

Academic Board

Chair: M McMillan
Deputy Chair: S Andrews

Established by Council, the Academic Board is the principal academic governing body responsible for oversight of RMIT's academic affairs across the RMIT Group.

The functions of the Board are established by Council under Part 4 of the RMIT Statute No. 1 (Amendment No. 2) and the Academic Board Regulations.

The Board fulfils its responsibilities by monitoring and providing oversight of academic quality, standards and outcomes; academic and research integrity; academic innovation and risk; and academic freedom.

The Board has delegated authority to approve the requirements for all higher education and vocational education including Higher Degree by Research awards conferred by the University, and to develop, review and approve academic and research policies and procedures.

In 2019 the Board was comprised of 61 members, 23 of which were ex-officio members drawn from University Executive, and 38 who were elected by and from academic and teaching staff, professional staff and students.

In 2019 the Board was supported by the following subcommittees:

Education Innovation and Quality Committee

Research Committee

Nominations, Remuneration and People Committee

Chair: J Latchford
Members: Z Switkowski, S Duckett

The Nominations, Remuneration and People Committee acts on behalf of Council to ensure Council and the Boards of RMIT-controlled entities have an effective balance of skills and experience, to review senior executive remuneration and to monitor that RMIT has an effective human resources strategy in place to meet the strategic objectives of the University.

The Committee meets to:

Recommend candidates for Council vacancies to Council or to the Minister for Training and Skills and the Minister for Higher Education as appropriate to ensure the Council has an effective balance of relevant skills, experience and knowledge

Recommend to Council a person to be appointed or reappointed as Chancellor and Deputy Chancellor

Recommend to Council membership of Council committees and oversee the appointment of directors to RMIT controlled entities

Approve candidates for honorary awards

Monitor the progress and execution of the University's People Strategy, particularly with respect to the critical imperatives and organisational outcomes:

- Developing leadership excellence and capability
- Attracting and retaining the best staff;
- Supporting professional growth and outstanding careers;
- Defining and lifting performance; and
- Staff and student engagement, culture and values.

Assess, monitor and review the Vice-Chancellor's performance and key performance indicators for the determination of annual salary and bonus components

Approve the remuneration policy and structure for senior management and monitor the application of such policy by the Vice-Chancellor

Participate and endorse the appointment, re-appointment and termination of positions reporting directly to the Vice-Chancellor

Approve and monitor the achievements of the University's objectives through regular discussion and monitoring of key University scorecard metrics

Monitor and review the University's remuneration and incentive policies, practices and performance indicators to ensure they are aligned to the Universities values, vision and overall business objectives.

Infrastructure and Information Technology Committee

Chair: B Akhurst
Members: Z Switkowski, M Bean, J Bornstein, G Hogan, R O'Donnell

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

The Committee meets to:

Consider major capital infrastructure and information technology projects/ investments of significant complexity or risk, or of strategic significance to the organisation and make recommendations to Council about future directions

Oversee and monitor significant projects already in progress to ensure they evidence value for money, efficiency, meet key milestones and performance indicators, align with the University's strategy, and produce measurable benefits for the organisation

Monitor the University's operating and capital expenditure on infrastructure and information technology assets and projects

Receive and consider quarterly environmental scans of factors external to RMIT that may impact on the University's infrastructure and how it can be used by the University to maximise its impact

Consider a capital development plan encompassing both information technology and infrastructure, including long-term and short-term priorities, in accordance with the University strategic plan for endorsement to Council

Monitor the University's asset management, covering the physical assets of the University, their condition, maintenance and lifecycle planning

Monitor the identification and analysis of risks to the University's infrastructure and information technology assets and the development of appropriate mitigation strategies to support resilience and operational effectiveness.

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

Subsidiaries

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

RMIT Holdings Pty Ltd

RMIT Holdings Pty Ltd is wholly owned by RMIT University with a purpose to fund the University's activities and investments into industry, innovation, research and to support other strategic activities to promote fair and equitable access to education, both within the University and across controlled entities.

RMIT Holdings Pty Ltd is a holding company for RMIT University Vietnam LLC. RMIT University Vietnam LLC has proudly operated as a legal entity in Vietnam for 19 years and offers a range of pre-degree, undergraduate, postgraduate and PhD programs in engineering, business, technology, professional communication and creative areas, including fashion and design. The University is committed to equipping its students with the knowledge, skills and attitudes to make the most of this ever-changing world.

Research: supporting research aiming to help solve critical global problems and to deliver significant economic, social and environmental impact, especially in Vietnam. During the period of 2016 - 2019, RMIT Vietnam processed nine external research projects regarding international collaboration, 40 internal research projects, and 338 publications in international academic science journals.

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

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

Scholarships: we are the largest Australian university campus overseas, and we have provided over 1,200 scholarships worth more than A\$20 million to Vietnamese and international students.

RMIT University Indonesia Pty Ltd

In 2016 RMIT University established a representative office in Jakarta which spans a range of activities and sectors such as English language training for industry; research projects with many of Indonesia's premier universities; and connections with industry associations based in Indonesia.

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

RMIT Spain SL

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



For students, RMIT Europe supports study tours in Europe, sources internships and real business challenges for students, and manages relationships with RMIT's study abroad and exchange partners in Europe. It also operates as a platform into Europe for RMIT functions including international student recruitment and alumni engagement.

RMIT Online Pty Ltd

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

In 2019, RMIT Online continued to build out an expanse of online short courses and accredited degrees in partnership with leading industry employers. With student experience at the forefront of design, RMIT Online launched, refreshed and refined its online offerings to provide work-relevant skills to help graduates meet the demands of the changing workforce.

RMIT Training Pty Ltd

RMIT Training is a company owned by RMIT University that provides a range of education solutions to students, academics and professionals located in Melbourne and overseas. One of the key services offered is Informit, a leading aggregator of Australasian academic research content and provider of TVNews and EduTV.

RMIT Training also delivers pathway programs that enable international students to articulate into Bachelor degrees at university, including Foundation Studies and ELICOS English language programs. These pathway programs ensure students are 'university-ready' for their chosen discipline and for university life and provide students with the English and academic skills they need to succeed in their studies.

Several international partnerships enable RMIT Training to deliver tailored training programs to professionals in industries such as aviation and share its pathway expertise with students and educators by delivering programs in their home countries.



Statutory Reporting

Freedom of information

During the reporting period 1 January to 31 December 2019, RMIT received 13 applications under the Freedom of Information (FOI) Act 1982 (Vic):

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

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

Protected disclosure

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

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

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

Buildings

To the best of our knowledge and having undertaken all reasonable enquiries and due diligence, we confirm that the University has met compliance with the building and maintenance provisions of the Building Act 1993. Independently reviewed and verified annual statements of compliance have been received and issued where appropriate. Additionally, RMIT has again maintained the annual requirements against the International Standard for Strategic Asset Management System, ISO 55001.

Report of Operations

The RMIT Annual Report 2019 was prepared in accordance with Financial Reporting Directions and Australian Accounting Standards. The financial statements were reviewed by the Audit and Risk Management Committee prior to finalisation and submission to Council for approval.

National Competition Policy

RMIT has developed costing and pricing models that apply to all relevant University costs, including overhead and other indirect costs, and, where appropriate, adjust prices to factor in any competitive advantage the University may have.

The price adjustments offset any inequalities that may exist for the University and enable the University to co-exist with private businesses in a variety of commercial market activities.

Most importantly, these models also enable the University to comply with the National Competition Policy including the requirements of the Government policy statement Competitive Neutrality: A Statement of Victorian Policy and subsequent reforms.

Public funding

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

Fees and Charges

In 2019, there were no changes to prevailing legislation that impacted the level of fees charged to students by the University.

Schedule of Fees and Charges

All fees charged to students at RMIT University are set and approved under the authority of Council. An approved Schedule of Fees and Charges is published each year which lists all fees that may be charged to students.

The 2019 schedules are available on the RMIT website at: rmit.edu.au/study-with-us/applying-to-rmit/local-student-applications/fees/approved-schedule-of-fees-and-charges

In 2019 RMIT University has collected \$14.5m of compulsory non-academic fees from students. The purpose of such fees is to improve the student experience and to ensure that various student-related activities are funded directly from collected funds.

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

Tuition Fees

In 2019, domestic non-government funded fees increased by an average of 4.4 per cent. International onshore student fees were increased by an average of 5.9 per cent.

Course Material and Administrative Fees

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

Financial Management

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

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

Risk management and internal audit

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

a defined Risk Management Policy that articulates RMIT's approach to risk management and the key principles and responsibilities to facilitate the effective management of risks

a Council appointed Audit and Risk Management Committee (ARMC) which regularly monitors and reports to Council on the adequacy of arrangements in place to ensure that risks are effectively managed and reflective of the strategy across the group

an annual review and regular update of the RMIT risk profile

active management and monitoring by all Colleges and Portfolios during the year to ensure that appropriate mitigation measures are in place and risk exposures remain consistent with RMIT's objectives

the provision of risk management support, advice, assessment tools and training for RMIT staff

execution of the annual internal audit plan, which is primarily concerned with evaluating the effectiveness of internal controls, and is risk-based to place greater emphasis on those areas of higher risk to RMIT

an insurance program that protects RMIT from financial impacts as a result of physical loss of, or damage to, assets and activities, as well as injuries to RMIT staff, students and third parties.

Enquiries should be directed to:

Office of the Chief Audit and Risk Officer,
RMIT University, GPO Box 2476,
Melbourne VIC 3001

(03) 9925 2000
enterprise.risk.management@rmit.edu.au

Attestation on compliance with the Victorian government risk management framework

I, Martin Bean, certify that RMIT University has risk management processes in place consistent with the Victorian Government Risk Management Framework, and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

RMIT Council's Audit and Risk Management Committee verifies this assurance and the risk profile of RMIT has been critically reviewed within the last 12 months.



Martin Bean CBE

Vice-Chancellor and President RMIT University

Date: 2 March 2020

Consultants

The total number of consultancy engagements during the reporting period to end of December 2019 that are individually valued at \$10,000 or greater (exclusive of GST) is 15 and correspondent total expenditure for the reporting period (exclusive of GST) on these consultancies is \$5.8m.

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

There were no consultancies individually valued at less than \$10,000 (exclusive of GST) and therefore no corresponding expenditure.

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

Objects of the University

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

The objects of the University under the Act include:

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

Financial Statements



Financial Statements for RMIT for the 2019 Reporting Period

Financial Statements

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COUNCILLORS' DECLARATION
YEAR ENDED 31 DECEMBER 2019

In our opinion:

The consolidated financial statements of the Royal Melbourne Institute of Technology (RMIT) consisting of the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the accompanying notes thereto, present fairly the financial position of the University and the consolidated entity as at 31 December 2019 and their financial performance represented by the results of their operations for the year ended on that date.

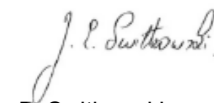
In the Councillors' opinion, as at the date of this declaration, there are reasonable grounds to believe that the University and the consolidated entity will be able to pay its debts as and when they become due and payable.

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

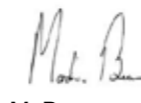
All public funds allocated to RMIT have been expended for the purposes specified by the Government or other public funding bodies, and RMIT has complied with applicable legislation, contracts, agreements and program expenditure.

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

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



Z. Switkowski
Chancellor



M. Bean
Vice-Chancellor and President

STATEMENT BY PRINCIPAL ACCOUNTING OFFICER

In my opinion:

The financial statements of RMIT present fairly the financial transactions of RMIT and the consolidated entity during the financial year ended 31 December 2019 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 2019 was expended for the purposes for which it was provided;

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

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

RMIT charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

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



Kate Koch
Chief Finance and Accounting Officer

Dated at Melbourne
This 20th day of April 2020

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Independent Auditor's Report

To the Council of the Royal Melbourne Institute of Technology

Opinion

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

- consolidated entity and university statements of financial position as at 31 December 2019
- consolidated entity and university income statements for the year then ended
- consolidated entity and university statements of comprehensive income for the year then ended
- consolidated entity and university statements of changes in equity for the year then ended
- consolidated entity and university statements of cash flows for the year then ended
- notes to the financial statements, including the summary of significant accounting policies
- councillor's declaration and statement by principal accounting officer.

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

- presenting fairly, in all material respects, the financial position of the university and the consolidated entity as at 31 December 2019 and their financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Opinion

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

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

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

Emphasis of Matter - subsequent events COVID-19 pandemic

I draw attention to Note 38 of the financial report, which describes the effects of the COVID-19 pandemic as a material subsequent event. My opinion is not modified with respect to this matter.

Council's responsibilities for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

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

MELBOURNE
29 April 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Council, the Royal Melbourne Institute of Technology

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

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

Independence Declaration

As auditor for the Royal Melbourne Institute of Technology for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

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



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

MELBOURNE
29 April 2020

Income Statement for the year ended 31 December 2019

	Note	Consolidated		RMIT	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Income from continuing operations					
Australian government financial assistance	4	618,890	616,863	618,890	616,863
State and local government financial assistance	5	54,657	47,903	54,657	47,903
HECS-HELP - Student payments		21,032	20,445	21,032	20,445
Fees and charges	6	724,730	645,576	577,320	518,710
Investment income	9	17,584	11,247	14,117	9,209
Consultancy and contracts	7	45,964	47,312	55,160	53,489
Other revenue	10	36,370	43,641	38,371	44,000
Total income from continuing operations		1,519,227	1,432,987	1,379,547	1,310,619
Expenses from continuing operations					
Employee related expenses	13	861,005	798,282	780,260	728,175
Depreciation and amortisation	21 & 22	114,296	112,141	103,933	105,619
Repairs and maintenance	14	31,708	19,928	25,119	19,808
Borrowing costs	15	11,561	10,478	11,283	11,271
Impairment of assets	16	550	3,245	410	3,006
Other expenses	17	434,134	395,963	414,684	403,352
Total expenses from continuing operations		1,453,254	1,340,037	1,335,689	1,271,231
Net result before income tax		65,973	92,950	43,858	39,388
Income tax expense	18	(3,088)	(3,538)	(770)	(1,981)
Net result after income tax for the period		62,885	89,412	43,088	37,407

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

Statement of Comprehensive Income

for the year ended 31 December 2019

	Note	Consolidated		RMIT	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Net result after income tax for the period		62,885	89,412	43,088	37,407
Items that will be reclassified to profit or loss					
Gain/(loss) on cash flow hedges	31	(1,163)	(14,059)	(1,163)	(14,059)
Exchange differences on translation of foreign operations	31	871	7,646	-	-
Transfers out	31	(83)	(21)	(83)	(21)
Total items that will be reclassified to profit or loss		(375)	(6,434)	(1,246)	(14,080)
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of land, buildings and artworks	31	4,617	-	4,617	-
Deferred government superannuation contributions		15,305	13,577	15,305	13,577
Deferred employee benefits for superannuation		(15,305)	(13,577)	(15,305)	(13,577)
Changes in the fair value of equity investments at FVOCI	31	16,882	458	16,882	458
Total items that will not be reclassified to profit or loss		21,499	458	21,499	458
Total comprehensive income		84,009	83,436	63,341	23,785

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

Statement of Financial Position

as at 31 December 2019

	Note	Consolidated		RMIT	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	19	44,766	42,962	36,008	33,536
Receivables	20	62,143	60,702	62,026	57,909
Contract assets	8	6,389	-	6,389	-
Inventories		16	19	-	-
Other financial assets	23	94,003	65,524	-	-
Other non-financial assets	24	23,990	15,148	20,735	12,752
Total current assets		231,307	184,355	125,158	104,197
Non-current assets					
Receivables	20	317,278	301,926	317,170	301,796
Property, plant and equipment	21	2,941,080	2,790,036	2,867,611	2,736,542
Deferred tax asset	18	534	540	-	-
Intangible assets	22	31,550	6,930	30,026	6,779
Other financial assets	23	139,485	109,840	141,212	111,567
Total non-current assets		3,429,927	3,209,272	3,356,019	3,156,684
Total assets		3,661,234	3,393,627	3,481,177	3,260,881
LIABILITIES					
Current liabilities					
Trade and other payables	26	150,560	153,785	212,224	219,025
Borrowings	27	18,080	3,375	14,905	3,375
Provisions	29	160,262	149,611	152,697	142,771
Current tax liabilities	18	3,015	2,492	2,959	2,458
Contract liabilities - current	8	38,864	-	38,864	-
Other liabilities	30	82,735	72,011	74,378	63,458
Total current liabilities		453,516	381,274	496,027	431,087
Non-current liabilities					
Trade and other payables	26	4,528	5,527	4,528	5,527
Borrowings	27	386,705	261,803	364,913	261,803
Provisions	29	343,590	324,623	342,702	324,185
Total non-current liabilities		734,823	591,953	712,143	591,515
Total liabilities		1,188,339	973,227	1,208,170	1,022,602
Net assets		2,472,895	2,420,400	2,273,007	2,238,279
EQUITY					
RMIT entity interest					
Reserves	31	1,033,975	1,012,851	1,024,548	1,004,295
Retained earnings	32	1,438,920	1,407,549	1,248,459	1,233,984
Total equity		2,472,895	2,420,400	2,273,007	2,238,279

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 2019

	Consolidated		
	Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2019	1,012,851	1,407,549	2,420,400
Retrospective changes	-	(31,514)	(31,514)
Balance as restated	1,012,851	1,376,035	2,388,886
Net result	-	62,885	62,885
Gain/(loss) on revaluation of land, buildings and artworks	4,617	-	4,617
Exchange differences on translation of foreign operations	871	-	871
Gain/(loss) on cash flow hedges	(1,163)	-	(1,163)
Transfers out	(83)	-	(83)
Changes in the fair value of equity investments at FVOCI	16,882	-	16,882
Balance at 31 December 2019	1,033,975	1,438,920	2,472,895

Balance at 1 January 2018	1,022,817	1,303,026	2,325,843
Retrospective changes	(3,990)	15,111	11,121
Balance as restated	1,018,827	1,318,137	2,336,964
Net result	-	89,412	89,412
Exchange differences on translation of foreign operations	7,646	-	7,646
Gain/(loss) on cash flow hedges	(14,059)	-	(14,059)
Transfers in/(out)	(21)	-	(21)
Changes in the fair value of equity investments at FVOCI	458	-	458
Balance at 31 December 2018	1,012,851	1,407,549	2,420,400

	RMIT		
	Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2019	1,004,295	1,233,984	2,238,279
Retrospective changes	-	(28,613)	(28,613)
Balance as restated	1,004,295	1,205,371	2,209,666
Net result	-	43,088	43,088
Gain/(loss) on revaluation of land, buildings and artworks	4,617	-	4,617
Gain/(loss) on cash flow hedges	(1,163)	-	(1,163)
Transfers out	(83)	-	(83)
Changes in the fair value of equity investments at FVOCI	16,882	-	16,882
Balance at 31 December 2019	1,024,548	1,248,459	2,273,007

Balance at 1 January 2018	1,021,907	1,181,637	2,203,544
Retrospective changes	(3,990)	14,940	10,950
Balance as restated	1,017,917	1,196,577	2,214,494
Net result	-	37,407	37,407
Gain/(loss) on cash flow hedges	(14,059)	-	(14,059)
Transfers out	(21)	-	(21)
Changes in the fair value of equity investments at FVOCI	458	-	458
Balance at 31 December 2018	1,004,295	1,233,984	2,238,279

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 2019

	Note	Consolidated		RMIT	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Australian government grants received		642,367	591,895	642,367	591,895
OS-HELP (net)		(306)	1,084	(306)	1,084
Superannuation supplementation		(20,974)	23,212	(20,974)	23,212
State government grants received		54,657	47,903	54,657	47,903
HECS-HELP - Student payments		21,032	20,445	21,032	20,445
Receipts from student fees and other customers		837,075	767,076	679,241	612,626
Dividends received		-	6,792	-	6,792
Interest received		4,148	3,042	680	1,862
Payments to suppliers and employees (inclusive of GST)		(1,378,411)	(1,283,231)	(1,255,609)	(1,143,957)
Interest and other finance costs		(9,654)	(7,522)	(9,376)	(8,315)
GST recovered/(paid)		36,008	33,970	36,008	34,050
Income tax paid		(2,565)	(4,636)	(269)	(3,368)
Net cash provided by operating activities	37	183,377	200,030	147,451	184,229
Cash flows from investing activities					
Proceeds from sale of financial assets		15,000	-	15,000	-
Proceeds from sale of property, plant and equipment		417	4,463	348	4,440
Payments for financial assets		(43,979)	(12,244)	(15,500)	-
Payments for intangible assets		(24,747)	(76)	(23,247)	-
Payments for property, plant and equipment		(175,440)	(169,167)	(170,642)	(164,593)
Net cash provided by investing activities		(228,749)	(177,024)	(194,041)	(160,153)
Cash flows from financing activities					
Proceeds from borrowings		373,000	235,485	373,000	235,485
Repayment of borrowings		(311,375)	(295,375)	(311,375)	(295,375)
Repayment of lease liabilities		(15,408)	-	(12,563)	-
Net cash provided by/ (used in) financing activities		46,217	(59,890)	49,062	(59,890)
Net increase/ (decrease) in cash and cash equivalents		845	(36,884)	2,472	(35,814)
Cash and cash equivalents at the beginning of the financial year		42,962	75,745	33,536	69,350
Effects of exchange rate changes on cash and cash equivalents		959	4,101	-	-
Cash and cash equivalents at the end of the financial year		44,766	42,962	36,008	33,536

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

Notes to the Financial Statements
for the year ended 31 December 2019

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Notes to the Financial Statements
for the year ended 31 December 2019

1 Summary of significant accounting policies

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

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

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of RMIT. They have been prepared on an accrual basis and comply with Australian Accounting Standards (AAS) and other authoritative pronouncements of the AAS Board.

RMIT applies Tier 1 reporting requirements.

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

- *Higher Education Support Act 2003 (Financial Statement Guidelines)*
- *Financial Management Act 1994*
- *Australian Charities and Not-for-Profits Commission Act 2012*
- *Applicable directions from the Assistant Treasurer of the Victorian Parliament*

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

Date of authorisation for issue

The financial statements were authorised for issue by the Council members of RMIT on 20 April 2020.

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements in conformity with AAS requires the use of certain critical accounting estimates. They also require management to exercise its judgment in the process of applying RMIT's accounting policies.

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

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

Comparative amounts

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

(b) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of RMIT as at 31 December 2019 and the results of all subsidiaries for the year then ended.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a December financial year end.

A list of controlled entities is contained in Note 41 to the financial statements.

Notes to the Financial Statements

for the year ended 31 December 2019

1 Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control as at 31 December 2019. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(iii) Group entities translation

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

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

(d) Goods and services tax (GST) / Value Added Tax (VAT)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) or value added tax (VAT), except where the amount of GST/VAT incurred is not recoverable from the Australian Taxation Office (ATO) and other taxation authorities.

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

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

(e) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with legislative instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars.

Notes to the Financial Statements

for the year ended 31 December 2019

1 Summary of significant accounting policies (continued)

(f) New accounting standards and interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2019. RMIT's assessment of the impact of these new Standards and Interpretations is set out below:

Standard/Interpretation	Mandatory application date	Impact on financial reports
AASB 1059 - Service Concession Arrangements: Grantor This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time.	1 January 2020	RMIT will be completing a review of this accounting standard in 2020, although it is not expected to have a significant impact.
AASB 15 Revenue from Contracts with Customers & AASB 2016-8 - Amendments to Australian Accounting Standards - Australian Implementation Guidance for NFP entities. AASB 15 introduces a five-step process for revenue recognition with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. On 22 November 2019, the Australian Accounting Standards Board decided to defer the application of AASB 15 and AASB 1058 by not-for-profit entities to research grants from periods beginning on or after 1 January 2019 to periods beginning on or after 1 July 2019, with earlier application permitted.	1 July 2019	RMIT has elected to adopt both AASB 15 and AASB 1058 in full with the date of initial application of 1 January 2019. This includes the early adoption of these standards as they pertain to research grants to not-for-profit entities. Further analysis of the impact of the changes to RMIT are included in note 1(g).
AASB 1058 Income of not-for-profit (NFP) Entities - AASB 1058 supersedes all the income recognition requirements relating to the majority of income recognition requirements for public sector NFP entities, previously in AASB 1004 Contributions.	1 July 2019	RMIT has elected to adopt both AASB 15 and AASB 1058 in full with the date of initial application of 1 January 2019. This includes the early adoption of these standards as they pertain to research grants to not-for-profit entities. Further analysis of the impact of the changes to RMIT are included in note 1(g).
AASB 1058 applies when a NFP entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset, principally to enable the entity to further its objectives. In the latter case, the entity recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard. On 22 November 2019, the Australian Accounting Standards Board decided to defer the application of AASB 15 and AASB 1058 by not-for-profit entities to research grants from periods beginning on or after 1 January 2019 to periods beginning on or after 1 July 2019, with earlier application permitted.		

(g) Initial application of AAS

RMIT has adopted AASB15, AASB1058 and AASB16 in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. RMIT has early adopted AASB 15 for revenue from research grants, a component for which the AASB issued a specific deferral (with earlier application permitted).

The following interpretations and amending standards have also been adopted:

AASB2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
AASB2017-1	Amendments to Australian Accounting Standards – Transfers of Investment Property
Interpretation 23	Uncertainty over Income Tax Treatments
AASB2017-6	Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
AASB2017-7	Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures

Notes to the Financial Statements
for the year ended 31 December 2019

1 Summary of significant accounting policies (continued)

(g) Initial application of AAS (continued)

AASB2018-1	Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle
AASB2018-2	Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
AASB2018-4	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors
AASB2018-8	Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

AASB15 - Revenue from Contracts with Customers and AASB1058 - Income of not-for-profit (NFP) Entities

RMIT adopted AASB15 and AASB1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, RMIT recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, RMIT has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 January 2019.

As RMIT is applying the modified retrospective approach, RMIT did apply the practical expedient described in AASB15.C5 (c), for contracts that were modified before the beginning of the earliest period presented.

RMIT did not retrospectively restate the contract for those modifications in accordance with AASB15.20-21. Instead, RMIT reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB15 and AASB1058 respectively are provided in Note 3 below.

Overview of AASB15 and AASB1058

Under the new income recognition model applicable to not-for-profit entities, RMIT shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Group applies the general AASB15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Group shall consider whether AASB1058 applies.

Notes to the Financial Statements
for the year ended 31 December 2019

1 Summary of significant accounting policies (continued)

(g) Initial application of AAS (continued)

Overview of AASB15 and AASB1058 (continued)

The below table represents the Group's opening balance sheet as at 1 January 2019 reflecting the changes made upon early adoption of AASB15 and AASB1058.

		Consolidated	RMIT
	Note	1 January 2019	1 January 2019
		\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents		42,962	33,536
Receivables		60,702	57,909
Inventories		19	-
Contracts assets	(a)	3,209	3,209
Other financial assets		65,524	-
Other non-financial assets		15,148	12,752
Total current assets		187,564	107,406
Non-current assets			
Receivables		301,926	301,796
Property, plant and equipment		2,790,036	2,736,542
Deferred tax assets		540	-
Intangible assets		6,930	6,779
Other financial assets		109,840	111,567
Total non-current assets		3,209,272	3,156,684
Total assets		3,396,836	3,264,090
LIABILITIES			
Current liabilities			
Trade and other payables		153,785	219,025
Borrowings		3,375	3,375
Provisions		149,611	142,771
Current tax liabilities		2,492	2,458
Contract liabilities	(c)	25,472	25,472
Other liabilities	(b)	72,481	63,928
Total current liabilities		407,216	457,029
Non-current liabilities			
Trade and other payables		5,527	5,527
Borrowings		261,803	261,803
Provisions		324,623	324,185
Total non-current liabilities		591,953	591,515
Total liabilities		999,169	1,048,544
Net assets		2,397,667	2,215,546
EQUITY			
Reserves		1,012,851	1,004,295
Retained earnings		1,384,816	1,211,251
Total equity		2,397,667	2,215,546

Notes to the Financial Statements
for the year ended 31 December 2019

1 Summary of significant accounting policies (continued)

(g) Initial application of AAS (continued)

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of the adoption of AASB15 and AASB1058. The adoption of AASB15 did not have a material impact on OCI or the Group's operating, investing and financing cash flows. The first column shows amounts prepared under AASB15 and AASB1058 and the second column shows what the amounts would have been had AASB15 and AASB1058 not been adopted:

	Consolidated			RMIT		
	AASB15/ AASB1058 \$'000	Previous \$'000	Increase /decrease \$'000	AASB15/ AASB1058 \$'000	Previous \$'000	Increase /decrease \$'000
Income Statement						
Revenue and income from continuing operations						
Australian Government financial assistance	618,890	622,325	(3,435)	618,890	622,325	(3,435)
State and local government financial assistance	54,657	54,657	-	54,657	54,657	-
HECS-HELP – Student payments	21,032	21,032	-	21,032	21,032	-
Fees and charges	724,730	724,730	-	577,320	577,320	-
Investment income (net gains/losses)	17,584	17,584	-	14,117	14,117	-
Consultancy and contracts	45,964	53,129	(7,165)	55,160	62,325	(7,165)
Other revenue	36,370	36,370	-	38,371	38,371	-
Total revenue and income from continuing operations	1,519,227	1,529,827	(10,600)	1,379,547	1,390,147	(10,600)
Expenses from continuing operations						
Employee related expenses	861,005	861,005	-	780,260	780,260	-
Depreciation and amortisation	114,296	114,296	-	103,933	103,933	-
Repairs and maintenance	31,708	31,708	-	25,119	25,119	-
Borrowing costs	11,561	11,561	-	11,283	11,283	-
Impairment of assets	550	550	-	410	410	-
Other expenses	434,134	434,134	-	414,684	414,684	-
Total expenses from continuing operations	1,453,254	1,453,254	-	1,335,689	1,335,689	-
Net result before income tax from continuing operations	65,973	76,573	(10,600)	43,858	54,458	(10,600)
Income tax expense	(3,088)	(3,088)	-	(770)	(770)	-
Net result from continuing operations, after tax	62,885	73,485	(10,600)	43,088	53,688	(10,600)

Notes to the Financial Statements
for the year ended 31 December 2019

1 Summary of significant accounting policies (continued)

(g) Initial application of AAS (continued)

Statement Of Financial Position	Note	Consolidated			RMIT		
		AASB15/ AASB1058 \$'000	Previous \$'000	Increase /decrease \$'000	AASB15/ AASB1058 \$'000	Previous \$'000	Increase /decrease \$'000
ASSETS							
Current assets							
Cash and cash equivalents		44,766	44,766	-	36,008	36,008	
Receivables		62,143	62,143	-	62,026	62,026	
Inventories		16	16	-	-	-	
Contracts assets	(a)	6,389	-	6,389	6,389	-	
Other financial assets		94,003	94,003	-	-	-	
Other non-financial assets		23,990	23,990	-	20,735	20,735	
Total current assets		231,307	224,918	6,389	125,158	118,769	
Non-current assets							
Receivables		317,278	317,278	-	317,170	317,170	
Property, plant and equipment		2,941,080	2,941,080	-	2,867,611	2,867,611	
Deferred tax assets		534	534	-	-	-	
Intangible assets		31,550	31,550	-	30,026	30,026	
Other financial assets		139,485	139,485	-	141,212	141,212	
Total non-current assets		3,429,927	3,429,927	-	3,356,019	3,356,019	
Total assets		3,661,234	3,654,845	6,389	3,481,177	3,474,788	
LIABILITIES							
Current liabilities							
Trade and other payables		150,560	150,560	-	212,224	212,224	
Borrowings		18,080	18,080	-	14,905	14,905	
Provisions		160,262	160,262	-	152,697	152,697	
Current tax liabilities		3,015	3,015	-	2,959	2,959	
Contract liabilities	(c)	38,864	-	38,864	38,864	-	
Other liabilities	(b)	82,735	81,877	858	74,378	73,520	
Total current liabilities		453,516	413,794	39,722	496,027	456,305	
Non-current liabilities							
Trade and other payables		4,528	4,528	-	4,528	4,528	
Borrowings		386,705	386,705	-	364,913	364,913	
Provisions		343,590	343,590	-	342,702	342,702	
Total non-current liabilities		734,823	734,823	-	712,143	712,143	
Total liabilities		1,188,339	1,148,617	39,722	1,208,170	1,168,448	
Net assets		2,472,895	2,506,228	(33,333)	2,273,007	(33,333)	
EQUITY							
Reserves		1,033,975	1,033,975	-	1,024,548	1,024,548	
Retained earnings		1,438,920	1,472,253	(33,333)	1,248,459	1,281,792	
Total equity		2,472,895	2,506,228	(33,333)	2,273,007	(33,333)	

Notes to the Financial Statements

for the year ended 31 December 2019

1 Summary of significant accounting policies (continued)

(g) Initial application of AAS (continued)

The nature of the adjustments as at 1 January 2019 and the reasons for the significant changes in the statement of financial position as at 31 December 2018 and the income statement for the year ended 31 December 2019 are described below:

(a) Contract assets

A \$3.2m Contract asset was recognised on 1 January 2019 and relates to External Research contracts where revenue was determined to be assessable under AASB15. Under the input method of revenue recognition, a Contract asset has been recognised when the expenditure incurred on the project exceeds funds received (over the life of the contract)

(b) Financial liability

A \$0.5m Financial liability was recognised on 1 January 2019 and relates to External Research contracts where funds received were determined to be a Financial liability and not revenue. This relates to scholarships, stipends, or any amount that RMIT is directed to pay per the contract such as where RMIT is the Administering University in a collaborating agreement and funds are to be passed on to another University.

(c) Contract liability

A \$25.5m Contract liability was recognised on 1 January 2019 and relates to External Research contracts where revenue was determined to be assessable under AASB15. Under the input method of revenue recognition, a Contract liability has been recognised when the funds received for the project exceeds expenditure incurred (over the life of the contract).

For any External Research contract where the revenue was determined to be assessable under AASB1058, there was no impact on the financial statements as revenue is recognised in the same way under AASB1058 and AASB 1004.

AASB16 - Leases

RMIT has adopted AASB16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under the modified approach, RMIT has chosen to measure the related right-of-use (ROU) asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

In accordance with the provisions of this transition approach, RMIT recognised the cumulative effect of applying this new standard as an adjustment to opening retained earnings at the date of initial application i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases - AASB117 and AASB Interpretation 4 *Determining whether an arrangement contains a lease* (Interpretation 4). The new accounting policies for leases in accordance with AASB16 is provided in Note 28.

The nature and effect of the changes as a result of adoption of AASB16 and AASB1058 are as described below:

Definition of a lease

Previously, RMIT determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB16, RMIT will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease.

On transition to AASB16, RMIT elected to apply the practical expedient to grandfather the assessment of which transactions are or contain leases. This means that for arrangements entered into before 1 January 2019, RMIT has not reassessed whether they are, or contain, a lease in accordance with the new AASB16 lease definition. Consequently, contracts existing prior to 1 January 2019 which were assessed per the previous accounting policy described below in accordance with AASB117 and Interpretation 4 as a lease will be treated as a lease under AASB16. Whereas, contracts previously not identified as a lease, will not be reassessed to determine whether they would meet the new definition of a lease in accordance with AASB16. Therefore, RMIT applied the recognition and measurement requirements of AASB16 only to contracts that were previously identified as leases, and does not apply AASB16 to contracts that were previously not identified as leases. The new definition of lease under AASB16 will only be applied to contracts entered into or modified on or after 1 January 2019.

Incentives

Under AASB117, lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease. Under AASB16, RMIT recognises incentives related to lease free periods on buildings when applicable.

Notes to the Financial Statements

for the year ended 31 December 2019

1 Summary of significant accounting policies (continued)

(g) Initial application of AAS (continued)

RMIT as a lessee

RMIT previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to RMIT. Under AASB16, this classification no longer exists for RMIT as a lessee. Instead, practically all leases are now recognised on the statement of financial position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments (see Note 28 for the new leases policy which explains what amounts are included in lease payments).

Leases previously classified as operating leases under AASB117

On transition to AASB16, the Group recognised lease liabilities for leases previously classified as operating leases by discounting the remaining lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised at:

- (a) its carrying amount as if AASB16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application.

The Group has applied the following practical expedients in transitioning existing operating leases:

- (a) Applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining leases term is 12 months or less from the date of initial application
- (b) Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

Reconciliation of operating lease commitments under AASB117 and lease liabilities under AASB16

As a lessee, the weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on the date of initial application was 3.62% for the Group.

The difference between the operating lease commitments disclosed previously by applying AASB117 and the value of the lease liabilities recognised under AASB16 on 1 January 2019 is explained as follows:

	Consolidated	RMIT
	\$'000	\$'000
Operating lease commitments disclosed at 31 December 2018	68,178	51,563
Discounted using the RMIT weighted average incremental borrowing rate of 3.62%	58,259	44,040
(Less): Short-term leases recognised on a straight-line basis as an expense	(246)	(246)
(Less): Low-value leases recognised on a straight-line basis as an expense	(14,370)	(14,370)
Add/(less): Adjustments as a result of a different treatment of extension and termination options	38,161	22,612
Add/(less): Adjustments relating to changes in the index or rate	(1,156)	(1,113)
Add/(less): Liabilities additionally recognised based on initial application of AASB16	1,838	2,006
(Less): Amounts not recognised upon consolidation	(3,574)	-
Lease liability recognised as at 1 January 2019	78,912	52,929

Notes to the Financial Statements
for the year ended 31 December 2019

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

(a) Industry - Parent Entity

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

(i) Income Statement

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2019	2019	2019	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from continuing operations						
Australian government financial assistance	562,036	56,854	618,890	558,203	58,660	616,863
State and local government financial assistance	4,059	50,598	54,657	103	47,800	47,903
HECS-HELP - Student payments	21,032	-	21,032	20,445	-	20,445
Fees and charges	504,152	73,168	577,320	449,058	69,652	518,710
Investment income	14,115	2	14,117	9,205	4	9,209
Consultancy and contracts	53,452	1,708	55,160	51,841	1,648	53,489
Other revenue	33,394	4,977	38,371	39,153	4,847	44,000
Total income from continuing operations	1,192,240	187,307	1,379,547	1,128,008	182,611	1,310,619
Expenses from continuing operations						
Employee related expenses	657,446	122,814	780,260	614,733	113,442	728,175
Depreciation and amortisation	83,502	20,431	103,933	86,646	18,973	105,619
Repairs and maintenance	17,688	7,431	25,119	16,180	3,628	19,808
Borrowing costs	9,439	1,844	11,283	9,517	1,754	11,271
Impairment of assets	410	-	410	3,006	-	3,006
Other expenses	383,191	31,493	414,684	359,950	43,402	403,352
Total expenses from continuing operations	1,151,676	184,013	1,335,689	1,090,032	181,199	1,271,231
Operating result before income tax	40,564	3,294	43,858	37,976	1,412	39,388
Income tax expense	(770)	-	(770)	(1,981)	-	(1,981)
Operating result after income tax for the period	39,794	3,294	43,088	35,995	1,412	37,407

(ii) Statement of Comprehensive Income

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2019	2019	2019	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net result after income tax for the period	39,794	3,294	43,088	35,995	1,412	37,407
Items that may be reclassified to profit or loss						
Cash flow hedges	(1,045)	(118)	(1,163)	(12,656)	(1,403)	(14,059)
Transfers out	(83)	-	(83)	(21)	-	(21)
Total items that may be reclassified to profit or loss	(1,128)	(118)	(1,246)	(12,677)	(1,403)	(14,080)
Items that will not be reclassified to profit or loss						
Gain/(loss) on revaluation of land, buildings and artworks	4,155	462	4,617	-	-	-
Deferred government superannuation contributions	15,305	-	15,305	13,577	-	13,577
Deferred employee benefits for superannuation	(15,305)	-	(15,305)	(13,577)	-	(13,577)
Changes in the fair value of equity investments at FVOCI	16,882	-	16,882	458	-	458
Total items that will not be reclassified to profit or loss	21,037	462	21,499	458	-	458
Total comprehensive income	59,703	3,638	63,341	23,776	9	23,785

Notes to the Financial Statements
for the year ended 31 December 2019

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

(a) Industry - Parent Entity (continued)

(iii) Statement of Financial Position

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2019	2019	2019	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
Current assets						
Cash and cash equivalents	35,280	728	36,008	29,798	3,738	33,536
Receivables	58,151	3,875	62,026	51,967	5,942	57,909
Contract assets	6,389	-	6,389	-	-	-
Other non-financial assets	17,832	2,903	20,735	10,966	1,786	12,752
Total current assets	117,652	7,506	125,158	92,731	11,466	104,197
Non-current assets						
Receivables	317,170	-	317,170	301,796	-	301,796
Property, plant and equipment	2,426,900	440,711	2,867,611	2,320,594	415,948	2,736,542
Intangible assets	24,021	6,005	30,026	5,423	1,356	6,779
Other financial assets	140,767	445	141,212	111,261	306	111,567
Total non-current assets	2,908,858	447,161	3,356,019	2,739,074	417,610	3,156,684
Total assets	3,026,510	454,667	3,481,177	2,831,805	429,076	3,260,881
LIABILITIES						
Current liabilities						
Trade and other payables	187,592	24,632	212,224	194,961	24,064	219,025
Borrowings	12,873	2,032	14,905	3,375	-	3,375
Provisions	129,420	23,277	152,697	120,908	21,863	142,771
Current tax liabilities	2,959	-	2,959	2,458	-	2,458
Contract liabilities - current	38,864	-	38,864	-	-	-
Other liabilities	66,070	8,308	74,378	56,334	7,124	63,458
Total current liabilities	437,778	58,249	496,027	378,036	53,051	431,087
Non-current liabilities						
Trade and other payables	4,075	453	4,528	4,974	553	5,527
Borrowings	330,981	33,932	364,913	243,928	17,875	261,803
Provisions	337,865	4,837	342,702	320,146	4,039	324,185
Total non-current liabilities	672,921	39,222	712,143	569,048	22,467	591,515
Total liabilities	1,110,699	97,471	1,208,170	947,084	75,518	1,022,602
Net assets	1,915,811	357,196	2,273,007	1,884,721	353,558	2,238,279
EQUITY						
RMIT entity interest						
Reserves	797,338	227,210	1,024,548	777,429	226,866	1,004,295
Retained earnings	1,118,473	129,986	1,248,459	1,107,292	126,692	1,233,984
Total equity	1,915,811	357,196	2,273,007	1,884,721	353,558	2,238,279

Notes to the Financial Statements
for the year ended 31 December 2019

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

(a) Industry - Parent Entity (continued)

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

Cash and cash equivalents

All Bank account balances are allocated on a proportional basis.

Receivables and other financial assets

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

Other assets

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

Property, plant and equipment

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

Trade and other payables

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

Borrowings

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

Provisions

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

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

Other liabilities

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

Notes to the Financial Statements
for the year ended 31 December 2019

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

(a) Industry - Parent Entity (continued)

(iv) Statement of Changes in Equity

	Higher Education			VET			RMIT
	Reserves	Retained earnings	Total	Reserves	Retained earnings	Total	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as 1 January 2019	777,429	1,107,292	1,884,721	226,866	126,692	353,558	2,238,279
Retrospective changes	-	(28,613)	(28,613)	-	-	-	(28,613)
Balance as restated	777,429	1,078,679	1,856,108	226,866	126,692	353,558	2,209,666
Net result	-	39,794	39,794	-	3,294	3,294	43,088
Gain/(loss) on revaluation of land, buildings and artworks	4,155	-	4,155	462	-	462	4,617
Gain/(loss) on cash flow hedges	(1,045)	-	(1,045)	(118)	-	(118)	(1,163)
Transfers out	(83)	-	(83)	-	-	-	(83)
Changes in the fair value of equity investments at FVOCI	16,882	-	16,882	-	-	-	16,882
Balance at 31 December 2019	797,338	1,118,473	1,915,811	227,210	129,986	357,196	2,273,007
Balance at 1 January 2018	793,638	1,056,357	1,849,995	228,269	125,280	353,549	2,203,544
Retrospective changes	(3,990)	14,940	10,950	-	-	-	10,950
Balance as restated	789,648	1,071,297	1,860,945	228,269	125,280	353,549	2,214,494
Net result	-	35,995	35,995	-	1,412	1,412	37,407
Gain/(loss) on cash flow hedges	(12,656)	-	(12,656)	(1,403)	-	(1,403)	(14,059)
Transfers out	(21)	-	(21)	-	-	-	(21)
Changes in the fair value of equity investments at FVOCI	458	-	458	-	-	-	458
Balance at 31 December 2018	777,429	1,107,292	1,884,721	226,866	126,692	353,558	2,238,279

Notes to the Financial Statements
for the year ended 31 December 2019

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

(a) Industry - Parent Entity (continued)

(v) Statement of Cash Flows

	Higher Education	VET	Total RMIT	Higher Education	VET	Total RMIT
	2019	2019	2019	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Australian Government Grants received	583,707	58,660	642,367	533,235	58,660	591,895
OS-HELP (net)	(306)	-	(306)	1,084	-	1,084
Superannuation Supplementation	(20,974)	-	(20,974)	23,212	-	23,212
State Government Grants received	4,059	50,598	54,657	103	47,800	47,903
HECS-HELP – Student payments	21,032	-	21,032	20,445	-	20,445
Receipts from student fees and other customers	606,073	73,168	679,241	541,824	70,802	612,626
Dividends received	-	-	-	6,792	-	6,792
Interest received	680	-	680	1,858	4	1,862
Payments to suppliers and employees (inclusive of GST)	(1,078,465)	(177,144)	(1,255,609)	(983,803)	(160,154)	(1,143,957)
Interest and other finance costs	(7,876)	(1,500)	(9,376)	(6,985)	(1,330)	(8,315)
GST recovered/(paid)	30,608	5,400	36,008	28,943	5,107	34,050
Income tax paid	(269)	-	(269)	(3,368)	-	(3,368)
Net cash provided by/ (used in) operating activities	138,269	9,182	147,451	163,340	20,889	184,229
Cash flows from investing activities						
Proceeds from sale of financial assets	12,750	2,250	15,000	-	-	-
Proceeds from sale of property, plant and equipment	296	52	348	3,774	666	4,440
Payments for financial assets	(13,175)	(2,325)	(15,500)	-	-	-
Payments for intangible assets	(23,247)	-	(23,247)	-	-	-
Payments for property, plant and equipment	(153,578)	(17,064)	(170,642)	(148,134)	(16,459)	(164,593)
Net cash provided by/ (used in) investing activities	(176,954)	(17,087)	(194,041)	(144,360)	(15,793)	(160,153)
Cash flows from financing activities						
Proceeds from borrowings	331,970	41,030	373,000	209,582	25,903	235,485
Repayment of borrowings	(277,124)	(34,251)	(311,375)	(262,884)	(32,491)	(295,375)
Other financing outflows	(10,679)	(1,884)	(12,563)	-	-	-
Net cash provided by/ (used in) financing activities	44,167	4,895	49,062	(53,302)	(6,588)	(59,890)
Net increase/ (decrease) in cash and cash equivalents	5,482	(3,010)	2,472	(34,322)	(1,492)	(35,814)
Cash and cash equivalents at the beginning of the financial year	29,798	3,738	33,536	64,120	5,230	69,350
Cash and cash equivalents at end of year	35,280	728	36,008	29,798	3,738	33,536

(b) RMIT Consolidated entity

Geographical	Total Revenue		Net Operating Results		Total Assets	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	1,412,818	1,350,284	49,550	80,643	3,479,365	3,261,015
South East Asia	101,949	79,056	13,237	8,675	177,259	130,832
Europe	4,460	3,647	98	94	4,610	1,780
Total	1,519,227	1,432,987	62,885	89,412	3,661,234	3,393,627

Notes to the Financial Statements
for the year ended 31 December 2019

3 Revenue and Income

The notes 4 to 10 disclose the revenue and income received during the year according to the mandatory disclosures required by the Department of Education. The disclosures as per AASB15 and AASB1058 are included in the note 8 and a reconciliation is included in note 11.

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

(a) Commonwealth Grants Scheme and Other Grants

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Commonwealth Grants Scheme	265,073	264,631	265,073	264,631
Indigenous Support Program	1,004	898	1,004	898
Higher Education Participation and Partnership Program	4,458	4,115	4,458	4,115
Disability Support Program	116	102	116	102
Total Commonwealth Grants Scheme and Other Grants	44(a) 270,651	269,746	270,651	269,746

(b) Higher Education Loan Programs (HELP - Australian Government Pay)

HECS - HELP	202,076	196,260	202,076	196,260
FEE - HELP	57,380	52,092	57,380	52,092
VET FEE - HELP	(50)	(2,840)	(50)	(2,840)
VET FEE LOAN	15,232	17,086	15,232	17,086
SA-HELP	44(j) 3,992	3,990	3,992	3,990
Total Higher Education Loan Programs	44(b) 278,630	266,588	278,630	266,588

(c) Education Research

Research Training Scheme	44(d) 12,190	12,985	12,190	12,985
International Postgraduate Research Scholarships	44(c) 21,049	21,300	21,049	21,300
Total Education Research Grants	33,239	34,285	33,239	34,285

(d) Other Capital Funding

Other Capital	514	595	514	595
Total Other Capital Funding	44(g) 514	595	514	595

(e) Australian Research Council

Discovery	5,885	8,240	5,885	8,240
Linkages	1,566	1,589	1,566	1,589
Networks and Centres	1,537	985	1,537	985
Total Australian Research Council	44(f) 8,988	10,814	8,988	10,814

Notes to the Financial Statements

for the year ended 31 December 2019

4 Australian government financial assistance including HECS-HELP and FEE-HELP (continued)

(f) Other Australian Government financial assistance

	Consolidated		RMIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-capital				
Other	7,963	9,967	7,963	9,967
Superannuation Supplementation	18,905	24,868	18,905	24,868
Total	26,868	34,835	26,868	34,835
Total Australian government financial assistance	618,890	616,863	618,890	616,863

Accounting Policy

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

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

- Government financial assistance

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

- HELP Student revenue

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

5 State and local government financial assistance

	Consolidated		RMIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Non-capital				
Recurrent grants	51,237	40,983	51,237	40,983
Other grants	3,420	6,920	3,420	6,920
Total State and Local Government Financial Assistance	54,657	47,903	54,657	47,903

Accounting Policy

State and local government financial assistance revenue is measured and recognised in accordance with the policy set out in Note 4.

Notes to the Financial Statements

for the year ended 31 December 2019

6 Fees and charges

	Consolidated		RMIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Course fees and charges				
Fee paying onshore overseas students	521,751	466,040	483,102	425,364
Fee paying offshore overseas students	132,973	110,046	39,400	37,842
Continuing education	12,832	13,432	3,950	3,283
Fee paying domestic postgraduate students	5,630	8,580	5,630	8,580
Fee paying domestic undergraduate students	24,351	22,701	24,351	22,701
Fee paying domestic non-award students	7,027	4,616	3,624	3,536
Other domestic course fees and charges	2,353	2,745	2,086	2,436
Total course fees and charges	706,917	628,160	562,143	503,742
Other non-course fees and charges				
Amenities and service fees	14,085	13,153	10,532	9,630
Late fees	182	235	182	235
Library fines	46	58	46	58
Registration fees	15	6	15	6
Other fees and charges	3,485	3,964	4,402	5,039
Total other fees and charges	17,813	17,416	15,177	14,968
Total fees and charges	724,730	645,576	577,320	518,710

Accounting Policy

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

7 Consultancy and contracts

	Consolidated		RMIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Consultancy	4,502	3,917	4,362	3,917
Contract research	38,876	40,830	38,489	40,590
Other contract revenue	2,586	2,565	12,309	8,982
Total consultancy and contracts	45,964	47,312	55,160	53,489

Accounting Policy

Consultancy and contracts revenue is recognised when the individual performance obligations are satisfied. This is different for each contract. For some contracts, revenue will be recognised over time and for some contracts will be recognised at a point in time.

The following factors are used to assess when research contract revenue must be recognised on receipt or can be deferred to future periods:

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

Notes to the Financial Statements
for the year ended 31 December 2019

8 Revenue and income from continuing operations

Basis for disaggregation

Sources of funding

The Group receives funds from the Australian Government as well as State and Local Government to assist with education programs across a wide range of disciplines, and at different education qualification levels. Apart from the sources received from Government, the Group also receives funds and fees from private organisations or individuals that are used for the different programs led by the Group or correspond to the education services provided by the Group.

Revenue and income streams

The streams are distinguishing the different activities performed by the Group as well as acknowledging the different type of users of the programs and services provided:

- Education: RMIT has domestic and overseas students enrolled in a variety of programs for different qualification levels (such as certificates to doctoral degrees). Whilst, the number of domestic students is affected by national economic factors such as interest rates or unemployment, the overseas students are impacted by changes in immigration policies and foreign exchange rates.
- Research: RMIT performs research activities in different fields such as health, engineering, education, and science. The Group enters into many different types of research agreements with different counterparties, such as with private sector customers and Government agencies that award research grants. Each grant agreement needs to be assessed as to whether it is an enforceable arrangement and contains sufficiently specific promises to transfer outputs from the research to the customer (or at the direction of the customer). Judgement is required in making this assessment. The Group has concluded that some research agreements represent a contract with a customer and therefore revenue is recognised, whereas other research grants are recognised as income when the Group obtains control of the research funds.
- Non-course fees and charges: these correspond to the complementary services provided by the Group such as parking.

Notes to the Financial Statements
for the year ended 31 December 2019

8 Revenue and income from continuing operations (continued)

(a) Disaggregation

In 2019, RMIT derived revenue and income from:

Revenue and Income Streams	Higher Education Loan Program ("HELP") \$'000	Student fees \$'000	Australian Gov. financial assistance \$'000	State and Local Gov. financial assistance \$'000	Commercial arrangements \$'000	Donations, including corporate sponsorship \$'000	Others \$'000	Total revenue from contracts with customer \$'000	Total income of not-for-profit entities \$'000
Course fees and charges									
Domestic students undergraduate	227,189	45,383	234,343	54,657	-	-	-	-	561,572
Onshore overseas students undergraduate	-	280,025	-	-	-	-	-	-	280,025
Fee paying domestic non award students	-	3,624	-	-	-	-	-	-	3,624
Other domestic course fees and charges	-	2,086	-	-	-	-	-	-	2,086
Offshore overseas students undergraduate	-	38,211	-	-	-	-	-	-	38,211
Domestic students postgraduate	51,441	(14,099)	41,420	-	-	-	-	-	78,762
Onshore overseas students postgraduate	-	202,949	-	-	-	-	-	-	202,949
Offshore overseas students postgraduate	-	900	-	-	-	-	-	-	900
Continuing education and executive programs	-	3,950	-	-	-	-	-	-	3,950
Online	-	20,145	-	-	-	-	-	-	20,145
Total course fees and charges	278,630	583,174	275,763	54,657	-	-	-	-	1,192,224
Research									
Research goods and services [AASB15]	-	-	11,840	-	-	-	-	36,311	48,151
Research income [AASB1058]	-	-	-	-	-	-	-	2,207	2,207
Total research	-	-	11,840	-	-	-	-	38,518	50,358
Non-course fees and charges									
Parking fees	-	10,532	-	-	16,680	-	-	-	27,212
Commercial sales (e.g. sale of books and publications)	-	-	-	-	-	-	-	5,876	5,876
Other	-	4,646	-	-	-	10,091	(223)	12,295	26,809
Total non-course fees and charges	-	15,178	-	-	16,680	10,091	(223)	18,171	59,897
Other									
Capital Government grants	-	-	514	-	-	-	-	-	514
Royalties	-	-	-	-	2,510	-	-	-	2,510
Other income recognised under AASB 15	-	-	-	-	-	-	2,054	4,362	6,416
Other income recognised under AASB 1058	-	-	52,143	-	-	-	1,368	-	53,511
Total other	-	-	52,657	-	2,510	-	3,422	4,362	62,951
Total income of not-for-profit	278,630	598,352	340,260	54,657	19,190	10,091	3,199	61,051	1,365,430

This table above excludes investment income of \$14,117 as per note 9. Total income of not-for-profit including investment income is \$1,379,547.

Notes to the Financial Statements

for the year ended 31 December 2019

8 Revenue and income from continuing operations (continued)

(b) Revenue from contracts with customers

A contract is in scope of AASB15 when it is deemed to be enforceable and the performance obligations are sufficiently specific.

A contract is enforceable when promises in an agreement create enforceable rights and obligations which are enforceable through legal or equivalent means. These agreements can be written or oral and include sufficiently specific requirements of the parties. It is not necessary for each promise in the agreement to transfer goods or services to be enforceable by legal or equivalent means, as long as some enforceable obligations of the entity arise from the agreement. For an agreement to be enforceable by a separate party through 'equivalent means', the presence of a mechanism outside the legal system that establishes the right of a separate party to oblige the entity to act in a particular way or be subject to consequence is required. Terms that result in enforceable agreements include:

- (a) a refund in cash or kind is required when the agreed specific performance has not occurred;
- (b) the customer, or another party acting on its behalf, has a right to enforce specific performance or claim damages;
- (c) the customer has the right to take a financial interest in assets purchased or constructed by the entity with resources provided under the agreement;
- (d) the parties to the agreement are required to agree on alternative uses of the resources provided under the agreement; and
- (e) an administrative process exists to enforce agreements between sovereign States or between a State and another party.

For an agreement to contain sufficiently specific performance obligations, there must be a benefit provided to the customer (or a beneficiary) and it is necessary to be able to determine when the obligation has been satisfied. It is a matter of judgement to determine whether a performance obligation is sufficiently specific, however, the following aspects are taken into account:

1. the nature or type of the goods or services
2. the cost or value of the goods or services
3. the quantity of the goods or services and
4. the period over which the goods or services must be transferred.

When a contract is enforceable and contains sufficiently specific performance obligations revenue is recognised either over time, in a manner that best reflects RMIT's performance, or at a point in time, when control of the goods or services is transferred to the customer.

Where revenue is recognised over time it may be accounted for based on the input or output method of measurement. The nature of the performance obligations shall inform whether input or output method is used for revenue recognition.

The input method recognises revenue based on RMIT's efforts or inputs to the satisfaction of a performance obligation. Depending on the agreement, revenue may be recognised in relation to resources consumed; labour hours expended; costs incurred; or time elapsed.

The output method recognises revenue on the basis of direct measurements of the value to the customer of the goods or services. Depending on the agreement, revenue may be recognised based on the delivery of course work; delivery of training sessions; milestones reached or time elapsed.

Where the underlying agreement relating to funding is primarily to further the University's objectives and does not require the University to transfer any goods or services to a customer, income is recognised in the period when the cash is received.

The transaction price applicable is calculated with reference to the contract agreement and after considering whether any other standard may apply (such as AASB9 - Financial liabilities). If another standard applies to a portion of the agreement then this amount is excluded from the transaction price. RMIT does not include variable consideration in the transaction price because there is no expectation to breach the terms of the contract.

RMIT does not incur contract establishment costs.

• Course fees and charges

The course fees and charges revenue relates to undergraduate programs, graduate and professional degree programs and continuing education and executive programs. The revenue is recognised over time using the output method as and when the course is delivered to students over the semester.

When the courses have been paid in advance by students, or RMIT has received the government funding in advance (e.g. before starting the academic period), RMIT defers the funds until the services are delivered. However, revenue recognition at RMIT has not changed in practice because the funding received relates to an academic year which is also RMIT's financial year, thus all revenue is recognised during the financial year. RMIT has an obligation to return funds if a student withdraws before census date.

Notes to the Financial Statements

for the year ended 31 December 2019

8 Revenue and income from continuing operations (continued)

(b) Revenue from contracts with customers (continued)

There is no significant financing component, as the period from when the funds received and the service is provided 12 months and the consideration is not variable.

• Research

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction. The following specific research revenue recognition criteria have been applied:

Funding received from Australian Research Council (ARC) is considered to be enforceable and the performance obligations are sufficiently specific. The Funding Agreements represent deeds between the Commonwealth and RMIT and are subject to the laws of the Australian Capital Territory. Refund clauses in the legislative provisions of the Australian Research Council Act 2001, create a legal means of enforceability. A 'mature research plan', which is contained within the proposal for the grant funding represents sufficiently specific performance obligations as it is a promise to undertake specific research activities. AASB 15 is the applicable revenue standard.

Funding received from National Health and Medical Research Council (NHMRC) is considered to be enforceable and the performance obligations are sufficiently specific. The Funding Agreements represent deeds between the Commonwealth (represented by and acting through the NHMRC) and RMIT subject to the laws of the Australian Capital Territory. Refund clauses contained in the Funding Agreement and in the legislative provisions of the National Health and Medical Research Council Act 1992, create a legal means of enforceability. There is specificity identified in the NHMRC funding agreement via the attachment of the Schedule which references the Research Activities in the Application. It also includes the Grant Proposal, which is evidenced through the assessment criteria, through the various reporting requirements and the breach of terms and conditions clauses. AASB 15 is the applicable revenue standard.

Funding received from the Department of Education – Research Block Grant ("RBG"), RMIT receives funding in relation to the Research Training Program ("RTP") and Research Support Program ("RSP"), both of which are governed by the Higher Education Support Act and the legislative provisions contained within therefore creating enforceability. The guidelines specify in which areas the funds are to be spent, however RMIT has discretion on the amount that can be spent in each area therefore the performance obligations are not sufficiently specific. AASB 1058 is the applicable revenue standard.

Funding received from non-government entities will depend on each individual contract agreement. Every agreement is reviewed to determine the relevant revenue recognition standard as every agreement will contain different performance obligations. For enforceability RMIT ensures there is an executed agreement with a clause specifying the governing law in the terms and conditions. For a performance obligation to be sufficiently specific the agreement (including any attached schedules) must provide details of outputs required by RMIT to deliver to the funder or other beneficiary. Judgement is necessary to assess whether a promise is sufficiently specific; this takes into account any conditions specified in the arrangement, whether explicit or implicit. The following aspects are considered when assessing for specificity:

- i) the nature or type of the goods or services
- ii) the cost or value of the goods or services
- iii) the quantity of the goods or services and
- iv) the period over which the goods or services must be transferred

AASB15 or AASB 1058 can be the applicable standard.

Revenue recognition of research revenue:

- ARC and NHMRC, revenue is recognised under AASB15 over time using the input method (ie as expenses are incurred), after consideration of the performance obligations required to be delivered as one of the following criteria is met:

(a) The funder contemporaneously receives and consumes the benefits of RMIT's research as the term of the project progresses;

(b) RMIT's performance creates or enhances an asset (e.g. Intellectual Property) that the funder controls as the asset is created or enhanced; or

(c) RMIT's performance does not create an asset with an alternative use and RMIT has an enforceable right to performance completed to date.

The input method of recognition is the most appropriate method for revenue recognition as this best depicts the transfer of the performance obligations required (i.e. based the number of hours worked and resources consumed).

- Funding received from the Department of Education – Research Block Grant ("RBG"), RMIT received funding in relation to the Research Training Program ("RTP") and Research Support Program ("RSP"), and revenue is recognised under AASB1058, on receipt of the funds or recognition of the asset.

Notes to the Financial Statements
for the year ended 31 December 2019

8 Revenue and income from continuing operations (continued)

(b) Revenue from contracts with customers (continued)

- Funding received from non-government entities, revenue can be recognised under AASB15 or AASB1058, refer above for the considerations made in determining the applicable standard. Where AASB15 is the correct standard to apply, then revenue is recognised either over-time (as per ARC and NHMRC above), otherwise at a point in time under AASB1058 if the over time criteria is not met. If a point in time revenue recognition is appropriate, RMIT determines at which point/s performance obligations are satisfied and transferred to the funder. The following are taken into account when determining the point/s at which revenue is to be recognised:

- (a) RMIT has a present right to payment;
- (b) The funder has a legal right to the asset;
- (c) RMIT has transferred physical possession of the asset.
- (d) Whether the funder has the significant risks and rewards of ownership of the asset;
- (e) Whether the customer has accepted the asset.

Where AASB1058 is the appropriate standard to apply, revenue is recognised on receipt of the funds or recognition of the asset.

RMIT has an obligation to return funds if a clause exists stating this in the agreement and a breach of the Terms and Conditions has taken place. There is no significant financing component, and the consideration is not variable.

• Non-course fees and charges

Non-course fees and charges revenue assessable under AASB15 relates mainly to student services and amenities fees, products sales (including events and excursions), seminar & conference fees and Service Level Agreements (SLAs) agreements. Performance obligations and revenue recognition are as follows:

Revenue item	Sufficiently specific performance obligation	Revenue Recognition
Student services and amenities fees	The promise of providing certain services and amenities to the students who are enrolled	Output as time elapses
Product sales	The promise of providing goods or services	A point in time, when the sale occurs or via the output method for membership (as time elapses)
Service fees (SLA revenue)	The promise of providing goods or services to subsidiaries	Output as time elapses (monthly charges)
Seminar and conference fees	The promise of delivering seminars and conferences	Output as seminars and conferences are delivered

Although the relevant standard of revenue recognition has changed, RMIT has not changed how revenue has been recorded as the result would be the same under old and new standards. The revenue recognised over time via the output method relates to an academic year which is also RMIT's financial year (with the exception of RMIT Online Pty Ltd and RMIT University Vietnam LLC), thus all revenue is recognised during the financial year. Revenue which is recognised at a point in time would also have been recognised at the same time under the old standard.

Also included in non-course fees and charges are donations and bequests, and property lease revenue; each of these are assessed under AASB 1058 and AASB 16 respectively.

RMIT has an obligation to return funds if certain conditions are met or if a there is a breach in terms and conditions of an agreement. There is no significant financing component, and the consideration is not variable.

• Other

Other revenue that is within the scope of AASB15 mainly relates to Childcare fees. The performance obligation is to deliver childcare services over a known time period for an agreed price. RMIT recognises this revenue at points in time as the childcare is delivered. Although the relevant standard of revenue recognition has changed, RMIT has not changed how revenue has been recorded as the result would be the same under old and new standards. Revenue recognised at a points in time would also have been recognised the same time under the old standard.

Also included in Other is Linkage Infrastructure, Equipment and Facilities ("LIEF"), Commonwealth Grant (superannuation suppliment) and Reasrch Support Program ("RSP") and Reseach Training Program ("RTP") revenue. This revenue is assessed under AASB 1058.

Notes to the Financial Statements
for the year ended 31 December 2019

8 Revenue and income from continuing operations (continued)

(b) Revenue from contracts with customers (continued)

RMIT has an obligation to return funds if certain conditions are met or if a there is a breach in terms and conditions of an agreement. There is no significant financing component, and the consideration is not variable.

• Royalties, trademarks and licences

Royalties, trademarks and licences that are within the scope of AASB15 mainly relate to the royalty received from RMIT University Vietnam LLC. The performance obligation is the provision of access to learning materials and the delivery of learning materials. RMIT recognises this revenue at points in time and is based on a percentage of RMIT University Vietnam LLC's higher education revenue.

RMIT has an obligation to return funds if certain conditions are met or if a there is a breach in terms and conditions of an agreement. There is no significant financing component, and the consideration is not variable.

(c) Unsatisfied performance obligations

Remaining performance obligations represent services RMIT has promised to provide to customers relating to research contracts which are satisfied as the goods or services are provided over the contract term. In determining the transaction price allocated to the remaining performance obligations in RMIT's contracts with customers' refunds/variations have not been included. Further, the amounts disclosed below do not include variable consideration which has been constrained.

These unsatisfied performance obligations are expected to be satisfied within the following periods:

	Within 1 year \$'000	From 1 to 5 years \$'000	After 5 years \$'000	Total \$'000
Consolidated				
Contract liability	38,864	-	-	38,864
RMIT				
Contract liability	38,864	-	-	38,864

As permitted under the transitional provisions in AASB15, the transaction price allocated to partially unsatisfied performance obligations as of 31 December 2018 is not disclosed.

(d) Assets and liabilities related to contracts with customers

The Group has recognised the following right of return assets and refund liabilities related to contracts with customers:

	Consolidated		RMIT	
	2019	2018	2019	2018
	Closing balance	Opening balance	Closing balance	Opening balance
	\$'000	\$'000	\$'000	\$'000
Contract assets	6,389	3,209	6,389	3,209
Contract assets - current	6,389	3,209	6,389	3,209
Australian Government unspent financial assistance	14,174	7,980	14,174	7,980
Other contract liabilities	24,690	17,492	24,690	17,492
Contract liabilities - current	38,864	25,472	38,864	25,472

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$16.5m.

Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (e.g. changes in transaction price) was \$5.8m.

Notes to the Financial Statements

for the year ended 31 December 2019

8 Revenue and income from continuing operations (continued)

(d) Assets and liabilities related to contracts with customers (continued)

- Contract assets

The contract assets are associated with external research contract agreements where a performance obligation has been delivered but funds have not yet been received. The classification of contract assets as current was made on the basis that RMIT expects to receive revenue for these amounts within 12 months.

- Contract liabilities

The contract liabilities are associated with external research contract agreements where funding has been received but a promised performance obligation is yet to be delivered. The classification of contract liabilities as current was made on the basis that RMIT, generally does not receive funds for research contracts more than a year in advance of its deliverables.

Accounting Policy

Contract liabilities differ from the amounts disclosed in note 30. Contract liabilities include deferred income.

9 Investment income

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Interest				
Debt instruments at amortised cost	4,472	4,134	1,017	2,115
Other interest	12	19	-	-
Total interest	4,484	4,153	1,017	2,115
Dividends				
Equity instruments designated at FVOCI	3,580	10,992	3,580	10,992
Net fair value gains/(losses)				
Financial assets designated at FVPL	8,534	(6,368)	8,534	(6,368)
Other investment gains/(losses)				
Financial assets designated at FVPL	986	2,470	986	2,470
Total investment income	17,584	11,247	14,117	9,209

Accounting Policy

- Interest

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

- Dividends

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

Notes to the Financial Statements

for the year ended 31 December 2019

10 Other revenue

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Donations and bequests	1,591	1,214	10,091	9,214
Scholarships and prizes	(135)	4,257	(135)	4,257
Product sales	14,674	14,402	3,074	3,176
Property rental	12,541	11,631	16,696	15,481
Foreign exchange gains	138	881	88	303
Net gain/ (loss) on sale of available-for-sale financial assets	38	-	38	-
Net gain/ (loss) on disposal of property, plant and equipment	(321)	(281)	(350)	(304)
Supplier rebate	2,802	2,239	2,802	2,239
Other	5,042	9,298	6,067	9,634
Total other revenue	36,370	43,641	38,371	44,000

(a) Accounting Policy

Revenue is recognised for the major business activities as follows:

- Sale of non-current assets

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

- Property rental (lease) income

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

- Product sales

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

11 Reconciliation of revenue and income

The following table reconciles the amounts disclosed in notes 4 to 10 and the disclosures provided in note 8 as per AASB15 and AASB1058:

	Note	Consolidated	RMIT
		2019	2019
		\$'000	\$'000
Total Australian Government financial assistance including Australian Government loan programs (HELP)	4	618,890	618,890
Total State and Local Government financial assistance	5	54,657	54,657
Total Fees and Charges	6	724,730	577,320
Total Royalties, trademarks and licences	10	-	2,509
Total Consultancy and contract fees	7	7,461	16,657
Total Other revenue and income	10	36,370	35,862
Total		1,442,108	1,305,895
Total revenue from Contracts with customers per AASB15	7	36,296	36,296
Total Income of not-for-profit as per AASB1058	7	2,207	2,207
Total Investment Income	9	17,584	14,117
Total HECS-HELP - Student payments		21,032	21,032
Total Revenue and Income from continuing operations	8	1,519,227	1,379,547

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for the year ended 31 December 2019

12 Economic dependency

Consolidated		RMIT	
2019	2018	2019	2018
\$'000	\$'000	\$'000	\$'000

The revenue of RMIT Consolidated entity is derived from:

Commonwealth and Victorian government financial assistance	673,547	664,766	673,547	664,766
Income excluding government financial assistance	845,680	768,221	706,000	645,853

The percentage of the RMIT Consolidated entity's revenue was sourced from:

Commonwealth and Victorian government financial assistance	44.33 %	46.39 %	48.82 %	50.72 %
Income excluding government financial assistance	55.67 %	53.61 %	51.18 %	49.28 %

13 Employee related expenses

Consolidated		RMIT	
2019	2018	2019	2018
\$'000	\$'000	\$'000	\$'000

Academic

Salaries	346,440	322,507	295,267	277,460
Contributions to superannuation and pension schemes:				
Emerging cost	13,243	17,420	13,243	17,420
Funded	46,383	43,916	45,582	43,173
Payroll tax	18,573	17,368	18,064	16,889
Workers' compensation	1,168	771	1,085	689
Long service leave expense	6,220	4,439	6,030	4,496
Annual leave expense	26,981	23,654	26,901	23,533

Total academic 459,008 430,075 406,172 383,660

Non-academic

Salaries	292,710	273,453	270,069	253,573
Contributions to superannuation and pension schemes:				
Emerging cost	5,662	7,448	5,662	7,448
Funded	48,174	42,655	45,995	40,749
Payroll tax	17,885	16,125	16,750	15,163
Workers' compensation	1,079	864	968	634
Long service leave expense	6,809	3,179	6,289	2,833
Annual leave expense	29,678	24,483	28,355	24,115

Total non-academic 401,997 368,207 374,088 344,515

Total employee related expenses 861,005 798,282 780,260 728,175

Accounting Policy

- Salaries

Expenditure for salaries is expensed as incurred.

- Termination benefits

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

Notes to the Financial Statements
for the year ended 31 December 2019

13 Employee related expenses (continued)

Accounting Policy (continued)

- 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.

14 Repairs and maintenance

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Buildings	28,227	17,797	22,803	17,679
Equipment	3,481	2,131	2,316	2,129
Total repairs and maintenance	31,708	19,928	25,119	19,808

Accounting Policy

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if the recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

15 Borrowing costs

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Interest to related corporations	-	-	627	793
Interest to other corporations	11,561	10,478	10,656	10,478
Total borrowing costs	11,561	10,478	11,283	11,271

Accounting Policy

Borrowing costs are expensed when incurred.

16 Impairment of assets

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Amounts set aside for impaired intangibles	5	-	5	-
Bad and doubtful debts	545	3,245	405	3,006
Total impairment of assets	550	3,245	410	3,006

Accounting Policy

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Notes to the Financial Statements
for the year ended 31 December 2019

17 Other expenses

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants, donations and prizes	60,677	39,471	64,253	74,356
Non-capitalised equipment	14,472	14,573	14,208	14,529
Advertising, marketing and promotional expenses	25,005	16,827	6,831	5,898
General consumables	14,439	13,058	14,177	12,848
Printing and stationery	2,955	5,280	2,866	5,134
Minimum lease payments on operating leases	21,098	34,837	23,975	31,722
Telecommunications	6,610	5,826	4,504	4,114
Travel, staff development and entertainment	32,394	31,284	28,922	28,104
Foreign exchange losses	599	827	530	811
Occupancy expenses	35,487	38,391	31,897	33,204
Audit fees, bank charges, legal costs, insurance and taxes	8,683	10,523	7,779	9,729
Contractors and consultancy fees	111,583	98,993	137,082	116,134
Patents, commissions, copyright and licences	47,834	43,761	30,193	28,626
Memberships and subscription fees	5,579	5,348	5,421	5,226
Computer software support and maintenance	34,957	28,128	34,470	27,686
Other expenses	11,762	8,836	7,576	5,231
Total other expenses	434,134	395,963	414,684	403,352

Accounting Policy

Other expenses are recognised on an accrual basis.

18 Income tax

(a) Income tax expense

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current tax	3,078	4,457	770	3,029
Deferred tax	10	130	-	-
Adjustment for current tax of prior periods	-	(1,049)	-	(1,048)
Total income tax expense	3,088	3,538	770	1,981

(b) Numerical reconciliation of income tax expense

Net result from continuing operations before income tax expense	69,883	92,950	43,858	39,388
Net result not subject to income tax	40,466	63,896	30,094	21,535
Tax at the Australian tax rate of 30% (2018: 30%)	8,825	8,716	4,129	5,356
Tax effect of amounts which are not deductible / taxable in calculating taxable income:				
Non-deductible expenses	214	160	-	-
Difference in overseas tax rates	(4,351)	(4,422)	(1,768)	(2,327)
Adjustment for current tax of prior periods	(1,640)	(1,049)	(1,591)	(1,048)
Previously unrecognised tax losses now recouped to reduce current tax expense	-	(10)	-	-
Deferred income tax benefit reversal/(arising) from deductible temporary differences	40	143	-	-
Total income tax expense	3,088	3,538	770	1,981

Notes to the Financial Statements
for the year ended 31 December 2019

18 Income tax (continued)

(c) Deferred tax

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Non-current deferred tax	534	540	-	-

(d) Current tax liabilities

Current tax liability	3,015	2,492	2,959	2,458
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(e) Accounting Policy

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

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

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

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

19 Cash and cash equivalents

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	17,021	12,791	13,056	10,850
Short-term deposits at call	22,964	22,698	22,952	22,686
Foreign currency bank accounts	4,781	7,473	-	-
Total cash and cash equivalent	44,766	42,962	36,008	33,536

(a) Accounting Policy

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

Notes to the Financial Statements
for the year ended 31 December 2019

20 Receivables

	Consolidated		RMIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Trade receivables	15,572	20,170	15,543	17,558
Less Provision for impaired receivables	(2,809)	(2,383)	(2,446)	(2,116)
Student loans & student receivables	3,270	5,002	3,270	5,002
Less Provision for impaired receivables	(600)	(600)	(600)	(600)
Amounts receivable from subsidiaries	-	-	710	528
Less Provision for impairment	-	-	(563)	(388)
Government grants receivable	4,833	4,330	4,833	4,330
Deferred government contributions for superannuation*	22,054	22,051	22,054	22,051
Interest receivable	58	72	58	71
Other debtors and accrued income	18,701	11,122	18,105	10,536
Other receivables	1,064	938	1,062	937
Total current receivables	62,143	60,702	62,026	57,909
Non-current				
Other debtors	894	1,222	780	1,085
Less Provision for impaired receivables	(694)	(1,072)	(688)	(1,065)
Deferred government contributions for superannuation*	317,078	301,776	317,078	301,776
Total non-current receivables	317,278	301,926	317,170	301,796
Total receivables	379,421	362,628	379,196	359,705

* RMIT recognises a receivable for the amount expected to be received from the Commonwealth Government in respect of unfunded superannuation schemes operated by the State Government. The total consolidated amount owing in respect of these at 31 December 2019 amounted to \$339.1m (\$323.8m as at 31 December 2018). Refer to Note 29 in relation to the Deferred Superannuation receivable.

(a) Impaired receivables

Movements in the provision for impaired receivables are as follows:

	Consolidated		RMIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
At 1 January	4,055	3,071	4,169	3,062
Provision for expected credit losses	730	2,528	590	2,222
Write-off	(682)	(1,544)	(462)	(1,115)
At 31 December	4,103	4,055	4,297	4,169

(b) Accounting Policy

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

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

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

Notes to the Financial Statements
for the year ended 31 December 2019

21 Property, plant and equipment

Consolidated	Land	Buildings	Construction in progress	Leasehold improvements	Equipment, motor vehicles, furniture and fittings	Library collection	Artworks	Subtotal PP&E (owned)	Subtotal Right-of-use assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1 January 2018										
Cost	-	48,221	132,984	756	38,480	-	-	220,441	-	220,441
Valuation	517,352	1,885,907	-	28,992	373,514	114,362	9,931	2,930,058	-	2,930,058
Accumulated depreciation	-	(13,463)	-	(19,420)	(308,770)	(79,071)	-	(420,724)	-	(420,724)
Net book amount	517,352	1,920,665	132,984	10,328	103,224	35,291	9,931	2,729,775	-	2,729,775
Year ended 31 December 2018										
Opening net book amount	517,352	1,920,665	132,984	10,328	103,224	35,291	9,931	2,729,775	-	2,729,775
Additions	-	1,378	124,052	2,911	23,157	7,197	8	158,703	-	158,703
Transfer out of capital work in progress	-	154,321	(167,631)	3,198	10,112	-	-	-	-	-
Disposals	-	-	-	-	(709)	-	-	(709)	-	(709)
Depreciation	-	(49,245)	-	(3,282)	(42,168)	(6,883)	-	(101,578)	-	(101,578)
Foreign currency translation gain/(loss)	-	2,736	528	12	569	-	-	3,845	-	3,845
Closing net book amount	517,352	2,029,855	89,933	13,167	94,185	35,605	9,939	2,790,036	-	2,790,036
31 December 2018										
Cost	-	56,984	89,933	835	47,373	-	-	195,125	-	195,125
Valuation	517,352	2,036,800	-	35,027	355,693	121,559	9,939	3,076,370	-	3,076,370
Accumulated depreciation	-	(63,929)	-	(22,695)	(308,881)	(85,954)	-	(481,459)	-	(481,459)
Net book amount	517,352	2,029,855	89,933	13,167	94,185	35,605	9,939	2,790,036	-	2,790,036
Year ended 31 December 2019										
Opening net book amount	517,352	2,029,855	89,933	13,167	94,185	35,605	9,939	2,790,036	-	2,790,036
Adoption of AASB16 - on transition (Cost)	-	-	-	-	-	-	-	-	86,316	86,316
Adoption of AASB16 - on transition (Acc. Deprn)	-	-	-	-	-	-	-	-	(16,014)	(16,014)
Adjusted opening net book amount	517,352	2,029,855	89,933	13,167	94,185	35,605	9,939	2,790,036	70,302	2,860,338
Revaluation	-	-	-	-	-	-	4,617	4,617	-	4,617
Additions	-	283	147,000	39	20,292	7,344	482	175,440	15,053	190,493
Transfers	-	-	-	(4,774)	-	-	-	(4,774)	4,774	-
Transfer out of capital work in progress	-	140,021	(153,411)	442	12,948	-	-	-	-	-
Disposals	-	-	-	(42)	(602)	-	(94)	(738)	-	(738)
Depreciation	-	(52,415)	-	(2,861)	(35,614)	(6,915)	-	(97,805)	(16,362)	(114,167)
Reclassification	-	(1,216)	-	1,146	70	-	-	-	-	-
Foreign currency translation	-	(64)	5	452	131	-	-	524	13	537
Closing net book amount	517,352	2,116,464	83,527	7,569	91,410	36,034	14,944	2,867,300	73,780	2,941,080
31 December 2019										
Cost	-	51,907	83,527	5,743	50,139	-	-	191,316	90,129	281,445
Valuation	517,352	2,176,820	-	27,235	374,958	128,903	14,944	3,240,212	-	3,240,212
Accumulated depreciation	-	(112,263)	-	(25,409)	(333,687)	(92,869)	-	(564,228)	(16,349)	(580,577)
Net book amount	517,352	2,116,464	83,527	7,569	91,410	36,034	14,944	2,867,300	73,780	2,941,080

Notes to the Financial Statements
for the year ended 31 December 2019

21 Property, plant and equipment (continued)

RMIT	Land \$'000	Buildings \$'000	Construction in progress \$'000	Leasehold improvements \$'000	Equipment, motor vehicles, furniture and fittings \$'000	Library collection \$'000	Artworks \$'000	Subtotal PP&E (owned) \$'000	Subtotal Right-of- use assets \$'000	Total \$'000
1 January 2018										
Cost	-	-	126,555	-	-	-	-	126,555	-	126,555
Valuation	517,352	1,885,907	-	28,992	373,514	114,362	9,931	2,930,058	-	2,930,058
Accumulated depreciation	-	-	-	(18,887)	(280,002)	(79,071)	-	(377,960)	-	(377,960)
Net book amount	517,352	1,885,907	126,555	10,105	93,512	35,291	9,931	2,678,653	-	2,678,653
Year ended 31 December 2018										
Opening net book amount	517,352	1,885,907	126,555	10,105	93,512	35,291	9,931	2,678,653	-	2,678,653
Additions	-	-	124,046	2,837	19,691	7,197	8	153,779	-	153,779
Transfer out of capital works in progress	-	150,893	(161,183)	3,198	7,092	-	-	-	-	-
Disposals	-	-	-	-	(708)	-	-	(708)	-	(708)
Depreciation	-	(46,995)	-	(3,190)	(38,114)	(6,883)	-	(95,182)	-	(95,182)
Closing net book amount	517,352	1,989,805	89,418	12,950	81,473	35,605	9,939	2,736,542	-	2,736,542
31 December 2018										
Cost	-	-	89,418	-	-	-	-	89,418	-	89,418
Valuation	517,352	2,036,800	-	35,027	355,693	121,559	9,939	3,076,370	-	3,076,370
Accumulated depreciation	-	(46,995)	-	(22,077)	(274,220)	(85,954)	-	(429,246)	-	(429,246)
Net book amount	517,352	1,989,805	89,418	12,950	81,473	35,605	9,939	2,736,542	-	2,736,542
Year ended 31 December 2019										
Opening net book amount	517,352	1,989,805	89,418	12,950	81,473	35,605	9,939	2,736,542	-	2,736,542
Adoption of AASB16 - on transition (Cost)	-	-	-	-	-	-	-	-	52,928	52,928
Adoption of AASB16 - on transition (Acc. Depn)	-	-	-	-	-	-	-	-	(5,955)	(5,955)
Adjusted opening net book amount	517,352	1,989,805	89,418	12,950	81,473	35,605	9,939	2,736,542	46,973	2,783,515
Revaluation	-	-	-	-	-	-	4,617	4,617	-	4,617
Additions	-	-	144,866	-	17,951	7,344	482	170,643	13,467	184,110
Transfers	-	-	-	(4,774)	-	-	-	(4,774)	4,774	-
Transfers out of capital works in progress	-	140,021	(153,295)	442	12,832	-	-	-	-	-
Disposals	-	-	-	(40)	(564)	-	(94)	(698)	-	(698)
Depreciation	-	(50,137)	-	(2,258)	(31,448)	(6,915)	-	(90,758)	(13,175)	(103,933)
Closing net book amount	517,352	2,079,689	80,989	6,320	80,244	36,034	14,944	2,815,572	52,039	2,867,611
31 December 2019										
Cost	-	-	80,989	-	-	-	-	80,989	65,214	146,203
Valuation	517,352	2,176,820	-	27,237	374,958	128,903	14,944	3,240,214	-	3,240,214
Accumulated depreciation	-	(97,131)	-	(20,917)	(294,714)	(92,869)	-	(505,631)	(13,175)	(518,806)
Net book amount	517,352	2,079,689	80,989	6,320	80,244	36,034	14,944	2,815,572	52,039	2,867,611

An independent valuation of land and buildings was carried out as at 31 December 2017 by Cunningham Property Consultants Pty Ltd. The next valuation is due at the end of 2020. Fair value disclosure for land and buildings is included in Note 40.

Land and buildings valued at \$447.12m (2018 - \$437.55m) is held by RMIT on behalf of the Minister. Upon disposal of any such properties, the application of the proceeds will be directed by the Minister.

Notes to the Financial Statements
for the year ended 31 December 2019

21 Property, plant and equipment (continued)

(a) Key estimates and judgements

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

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

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

	2019 Years	2018 Years
Buildings	23-100	23-100
Equipment, motor vehicles, furniture and fittings	1-20	1-20
Leasehold improvements	2-51	2-51
Library collection	3-10	3-10
Leased buildings	2-30	-
Leased computer equipment	3-5	-
Leased motor vehicles	2-5	-

(b) Accounting Policy

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

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

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

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

The capitalisation threshold for plant, equipment, computers, motor vehicles and furniture and fittings to be recognised as an asset is \$5,000 (2018: \$5,000). The library collections are capitalised on an individual unit basis as they are considered to be significant in value as a collective group.

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

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

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

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

Notes to the Financial Statements
for the year ended 31 December 2019

21 Property, plant and equipment (continued)

(b) Accounting Policy (continued)

Construction work in progress

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(c) Right-of-use assets

Information about leases where RMIT is a lessee is presented below:

	Consolidated	RMIT
	2019	2019
	\$'000	\$'000
Leased Buildings		
At 1 January 2019	57,339	34,018
Additions of right-of-use assets	14,793	13,208
Transfers from PPE	4,774	4,774
Depreciation charge	(12,951)	(9,767)
Foreign currency translation movement	13	-
At 31 December 2019	63,968	42,233
Leased Motor Vehicles		
At 1 January 2019	2,002	2,002
Depreciation charge	(1,092)	(1,092)
At 31 December 2019	910	910
Leased Computer Equipment		
At 1 January 2019	10,961	10,968
Additions of right-of-use assets	260	260
Depreciation charge	(2,319)	(2,332)
At 31 December 2019	8,902	8,896
Total right-of-use assets	73,780	52,039

Accounting Policy

Assessment of whether a contract is, or contains, a lease

At inception of a contract, the RMIT assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. RMIT assesses whether:

- (a) The contract involves the use of an identified asset - The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use.
- (b) The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

Notes to the Financial Statements
for the year ended 31 December 2019

21 Property, plant and equipment (continued)

Accounting Policy (continued)

(c) The customer has the right to direct the use of the asset throughout the period of use - The customer is considered to have the right to direct the use of the asset only if either:

- i. The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
- ii. The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

Accounting for leases - RMIT as lessee

In contracts where RMIT is a lessee, RMIT recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied.

Right-of-use asset

A right-of-use asset is initially measured:

- at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus
- initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A right-of-use asset associated with land and buildings is subsequently measured at fair value. All other property, plant and equipment are measured as described in the accounting policy for property, plant and equipment in Note 21.

Dependencies on concessionary leases

RMIT currently has 2 concessionary leases of which it has low dependency on in relation to its objective and operations of their business as a whole.

Nature and term of the leases

- RMIT leases a small space in the Capitol Theatre (115 Swanston Street, Melbourne) for the installation of a lift to exclusively service the Theatre. The lease covers a 99 year term starting from 1 April 2018 with payment at \$1 per year.
- RMIT leases level 3 of the building situated at 720 Swanston Street, Melbourne, owned by Dental Health Services Victoria. The use of the premises is limited to the provision of oral and crano/facial services to humans and teaching, promotion, scientific research and the development of technology in relation to those services. The lease covers a 50 year term starting from 26 November 2003 with payment at \$1 per year.

Concessionary (peppercorn) leases

Leased assets arising from significantly below market leases are measured at fair value at the inception of the lease whereas the lease liability is recognised at present value of peppercorn lease payment amounts. The difference between the right-of-use asset and lease liability is recorded as income in the income statement under AASB1058.

RMIT has elected to measure a class (or classes) of right-of-use assets arising under 'concessionary leases' at initial recognition at cost, in accordance with AASB16 paragraphs 23-25, which incorporates the amount of the initial measurement of the lease liability.

Exemption from AASB16

RMIT has elected not to recognise right-of-use assets and lease liabilities for the following types of assets:

- Short-term leases, i.e leases with a lease term of 12 months or less
- Low value assets
- Intangible assets; and
- Concessionary leases

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expenses in

Notes to the Financial Statements

for the year ended 31 December 2019

21 Property, plant and equipment (continued)

profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of small equipment where values are less than \$5,000

Concessionary (peppercorn) leases

Leased assets arising from significantly below market leases are measured at fair value at the inception of the lease whereas the lease liability is recognised at present value of peppercorn lease payment amounts. The difference between the right-of-use asset and lease liability is recorded as income in the income statement under AASB1058.

RMIT has elected to measure a class (or classes) of right-of-use assets arising under 'concessionary leases' at initial recognition at cost, in accordance with AASB16 paragraphs 23-25, which incorporates the amount of the initial measurement of the lease liability.

22 Intangible assets

	Consolidated		RMIT	
	Software \$'000	Total \$'000	Software \$'000	Total \$'000
1 January 2018				
Cost	30,593	30,593	28,294	28,294
Accumulated amortisation and impairment	(19,943)	(19,943)	(17,857)	(17,857)
Net book amount	10,650	10,650	10,437	10,437
Year ended 31 December 2018				
Opening net book value	10,650	10,650	10,437	10,437
Additions	6,833	6,833	6,779	6,779
Amortisation charge	(10,563)	(10,563)	(10,437)	(10,437)
Foreign currency translation gain/(loss)	10	10	-	-
Closing net book amount	6,930	6,930	6,779	6,779
31 December 2018				
Cost	37,602	37,602	35,073	35,073
Accumulated amortisation and impairment	(30,672)	(30,672)	(28,294)	(28,294)
Net book amount	6,930	6,930	6,779	6,779
Year ended 31 December 2019				
Opening net book amount	6,930	6,930	6,779	6,779
Additions	24,747	24,747	23,247	23,247
Amortisation charge	(129)	(129)	-	-
Foreign currency translation gain/(loss)	2	2	-	-
Closing net book amount	31,550	31,550	30,026	30,026
31 December 2019				
Cost	62,370	62,370	58,320	58,320
Accumulated amortisation and impairment	(30,820)	(30,820)	(28,294)	(28,294)
Net book amount	31,550	31,550	30,026	30,026

Notes to the Financial Statements

for the year ended 31 December 2019

22 Intangible assets (continued)

(a) Key estimates and judgements

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

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

	2019 Years	2018 Years
Software	3	3
Capitalised development costs	10	-

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

(b) Accounting Policy

Software that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. The total amount of new internally developed intangible assets must be \$500,000 or higher in order to be considered for capitalisation.

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

23 Other financial assets

	Consolidated		RMIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Financial assets at amortised cost	94,003	65,524	-	-
Total current other financial assets	94,003	65,524	-	-
Non-current				
Financial assets at amortised cost	-	-	1,727	1,727
Financial assets at FVOCI	51,242	34,360	51,242	34,360
Financial assets at FVPL	88,243	75,480	88,243	75,480
Total non-current other financial assets	139,485	109,840	141,212	111,567
Total other financial assets	233,488	175,364	141,212	111,567

(a) Accounting Policy

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

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

Financial assets at amortised cost

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

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

Notes to the Financial Statements

for the year ended 31 December 2019

23 Other financial assets (continued)

(a) Accounting Policy (continued)

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

Financial assets at fair value through other comprehensive income

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

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

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

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

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

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

Derecognition

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

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

24 Other non-financial assets

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Library subscriptions prepaid	3,795	1,732	3,963	1,895
Other prepayments	10,114	7,932	6,691	5,373
IT prepayments	10,081	5,484	10,081	5,484
Total other non-financial assets	23,990	15,148	20,735	12,752

Accounting Policy

Prepayments are recognised when payment is made in advance of receiving goods and services.

Notes to the Financial Statements

for the year ended 31 December 2019

25 RMIT as lessor

Amounts included in the income statement as follows:

	Consolidated	RMIT
	2019	2019
	\$'000	\$'000
Operating leases		
Lease income	9,841	9,160
Total Operating Leases	9,841	9,160

Nature of operating leases as lessor

RMIT leases out building space across the campus to both retail and commercial lessees. The purpose is to provide appropriate facilities to staff and students and to meet the University's service delivery objectives. Rental accommodation is also provided on the Bundoora campus to students. RMIT has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Risk management for rights retained in the underlying assets

RMIT minimises its lessor risk by putting in place policies and procedures that are reviewed every 2 years, and act in accordance with Retail Leases Act 2003. The policies and procedures cover matters such as tenant vetting, rent review, lease renewal, occupancy rate management, rental deposits and management of rent in arrears. RMIT is the only university with accreditation for ISO9001 Quality Assurance and ISO5501 Asset Management. In addition to this, RMIT, purchases lessor risk and liability insurance as part of our overall Property Damage and Business Interruption Policy. Lease agreements are structured to protect the interest of RMIT as a landlord are managed by our internal Legal Services Group. The properties are maintained regularly by the Facilities and Asset Management team, working in conjunction with the Health and Safety team. RMIT incorporates make good provisions in its contracts with lessees to ensure the premises are returned in their original condition.

Maturity analysis of undiscounted lease payments receivable

	Consolidated	RMIT
	2019	2019
	\$'000	\$'000
Less than one year	8,141	7,532
One to five years	13,279	13,058
More than 5 years	1,334	1,330
Total undiscounted lease payments receivable	22,754	21,920

Accounting Policy

Policy on assessment of whether a contract is, or contains, a lease is detailed in note 21(c).

RMIT as a lessor

When RMIT acts as a lessor, it determines at inception whether each lease is a finance lease or an operating lease.

To classify each lease, RMIT makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, RMIT considers indicators such as whether the lease is for the major part of the economic life of the asset.

RMIT reassesses the lease classification only if there is a lease modification. Changes in estimates (e.g. changes in estimates of the economic life or of the residual value of the underlying asset), or changes in circumstances (e.g. default by the lessee), do not give rise to a new classification of a lease for accounting purposes.

When RMIT is an intermediate lessor in a sublease, it accounts for its interests in the head lease and the sublease separately as two separate contracts. RMIT assesses the lease classification as a lessor in the sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which RMIT applies the short-term lease exemption as described in the policy where RMIT is a lessee, then the sublease is classified as an operating lease.

RMIT recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

Notes to the Financial Statements

for the year ended 31 December 2019

25 RMIT as lessor (continued)

Accounting Policy (continued)

Where the lease is classified as a finance lease, RMIT recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Subsequently, RMIT recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

26 Trade and other payables

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Trade creditors	84,594	86,071	68,182	74,529
Sundry creditor and operating accruals	63,580	64,492	42,532	46,569
OS-HELP Liability to Australian government	1,333	1,639	1,333	1,639
Related party payables	-	-	99,124	94,705
Derivatives used for hedging	1,053	1,583	1,053	1,583
Total current trade and other payables	150,560	153,785	212,224	219,025
Non-current				
Derivatives used for hedging	4,528	5,527	4,528	5,527
Total non-current trade and other payables	4,528	5,527	4,528	5,527
Total trade and other payables	155,088	159,312	216,752	224,552

Accounting Policy

Creditors

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

Derivative financial instruments

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

• Hedge accounting

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

• Cash flow hedge

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

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

Notes to the Financial Statements

for the year ended 31 December 2019

27 Borrowings

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities	14,705	-	11,530	-
Other loans - unsecured	3,375	3,375	3,375	3,375
Total current borrowings	18,080	3,375	14,905	3,375
Non-Current				
Bank loan - unsecured	168,000	103,000	168,000	103,000
USPP loan - unsecured	144,970	143,328	144,970	143,328
Other loans - unsecured	12,100	15,475	12,100	15,475
Lease liabilities	61,635	-	39,843	-
Total non-current borrowings	386,705	261,803	364,913	261,803
Total borrowings	404,785	265,178	379,818	265,178

(a) Financing arrangements

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

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Bank loan facilities				
Facilities available	350,000	350,000	350,000	350,000
Amount utilised	(168,000)	(103,000)	(168,000)	(103,000)
Unused credit facility	182,000	247,000	182,000	247,000
Technology finance operating lease facility				
Lease facility available	25,000	25,000	25,000	25,000
Amount utilised	(18,620)	(14,664)	(18,620)	(14,664)
Unused credit facility	6,380	10,336	6,380	10,336
Business credit card facility				
Business credit facility available	6,241	24,241	6,000	24,000
Amount utilised	(1,488)	(1,202)	(1,437)	(1,164)
Unused credit facility	4,753	23,039	4,563	22,836
Other loan facilities				
Facilities available	15,475	18,850	15,475	18,850
Amount utilised	(15,475)	(18,850)	(15,475)	(18,850)
Unused credit facility	-	-	-	-

(b) Details of borrowings

Bank loan facility

In 2017 a syndicated facility agreement was signed between RMIT University, CBA, HSBC, MUFG and NAB for the provision of a \$350.0m loan facility for a period of 3, 5 and 7 years. At the end of 2019 the total outstanding amount of the facility was \$168.0m (2018 - \$103.0m).

US Private Placement (USPP)

In 2017 RMIT arranged a USPP for long term funding to be drawn down in January 2018. The USPP is covered by a cross currency swap which converts all of the USD cash flows into fixed AUD amounts. In January 2018 RMIT drew down AU \$130.5m (US \$100.0m)

Notes to the Financial Statements

for the year ended 31 December 2019

27 Borrowings (continued)

(b) Details of borrowings (continued)

which is repayable in 20 years (2038-AU \$32.6m), 25 years (2043-AU \$32.6m) and 30 years (2048-AU \$64.8m). At the end of 2019 the fair value was AU\$144.9m (2018 - AU\$143.3m).

Credit card facilities

The Group has entered arrangements with its bankers for the provision of corporate credit card facilities. No interest has been paid during the year as all outstanding balances have been paid by the due dates.

Other loans

The Government of Victoria awarded RMIT University with \$27.0m interest free loan with repayment period over eight years for the Greener Government Building Program. Amount utilised at the end of 2019 was \$15.5m (2018 - \$18.9m).

Accounting Policy

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

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

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

Borrowing costs incurred for the construction of any qualifying asset are expensed. All other borrowing costs are also expensed.

28 RMIT as lessee

Amounts recognised in the income statement

	Consolidated	RMIT
	2019	2019
	\$'000	\$'000
Interest on lease liabilities	2,886	1,980
Expenses relating to short-term leases	338	338
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	10,491	10,491
Total amounts recognised in the income statement	13,715	12,809

Maturity analysis - undiscounted contractual cash flows

	Consolidated	RMIT
	2019	2019
	\$'000	\$'000
Less than one year	16,324	12,298
One to five years	43,060	28,744
More than 5 years	31,600	20,974
Total undiscounted lease payments payable	90,984	62,016
Current	14,705	11,530
Non-current	61,635	39,843
Lease liabilities recognised in the statement of financial position	76,340	51,373

Buildings

RMIT leases buildings for its offices, teaching space and carparks. The leases run between 2 to 30 years. Some leases include an option to renew the lease for additional periods after the end of the contract term. Extension options have been included in the calculation of right of use assets and lease liabilities when it is reasonably certain RMIT will exercise the extension options. The majority of rental payments are based on a fixed percentage increase with a small proportion based on a variable structure determined by CPI.

Notes to the Financial Statements

for the year ended 31 December 2019

28 RMIT as lessee (continued)

Computers

RMIT leases IT equipment with lease terms of 3 to 5 years. These leases include both high and low value items. RMIT elects not to recognise right of use assets and lease liabilities for low value items. Rental payment is based on a fixed amount over the lease term. RMIT has the option to purchase the assets at the end of the contract term.

Aircraft

RMIT leases aircrafts with a lease term of 2 years. Rental payment is based on a fixed amount over the lease term.

Printers

RMIT leases printers with a lease term of 6 years. Rental payment is based on a fixed and variable amount over the lease term.

Exposure from leases not yet commenced but committed by RMIT

As at 31 December 2019, RMIT is contractually committed to leasing Levels 5, 6 and 7 at 222 Lonsdale St, Melbourne, Australia. This lease will commence on the 1st March 2020 and expire 28th February 2035.

Amounts recognised in the statement of cashflows

	Consolidated	RMIT
	2019	2019
	\$'000	\$'000
Principal portion of the lease liability	15,408	12,563
Interest portion of the lease liability	2,886	1,980
Short term / low value assets / variable lease payments	10,829	10,829
Total cash outflow for leases	29,123	25,372

Accounting policy

Policy on assessment of whether a contract is, or contains, a lease is detailed in note 21(c).

Lease liabilities - RMIT as lessee

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI);
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if RMIT is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

For a contract that contains a lease component and one or more additional lease or non-lease components, RMIT allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within the right-of-use assets note, in Note 21(c) and lease liabilities are presented within Note 27.

Notes to the Financial Statements
for the year ended 31 December 2019

28 RMIT as lessee (continued)

Accounting policy (continued)

Short-term leases and leases of low-value assets

RMIT has elected not to recognise right of use assets and lease liabilities for short term leases of real estate that have a lease term of 12 months or less and leases of low value assets, including IT equipment (i.e. when the value of the leased asset when new is \$5,000 or less). RMIT recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

29 Provisions

	Consolidated		RMIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current provisions expected to be settled within 12 months				
Provision for restructuring costs	4,379	5,670	1,088	1,823
Provision for lease	3,614	152	3,602	152
Employee benefits and oncosts				
Annual leave - at nominal value	37,701	33,995	36,100	32,888
Long service leave - at nominal value	10,559	9,079	9,629	8,869
Employment oncosts provision - at nominal value	9,741	9,040	9,741	8,842
Deferred benefits for superannuation	22,054	22,051	22,054	22,051
Total current provisions	88,048	79,987	82,214	74,625
Current provisions expected to be settled later than 12 months				
Employee benefits and oncosts				
Annual leave - at net present value	3,229	3,809	2,942	3,644
Long service leave - at net present value	54,144	51,239	52,700	50,110
Employment oncosts provision - at net present value	14,841	14,576	14,841	14,392
Total current provisions	72,214	69,624	70,483	68,146
Total current provisions	160,262	149,611	152,697	142,771
Non-current				
Provision for lease	1,732	2,685	1,702	2,685
Employee benefits and oncosts				
Long service leave - at net present value	20,494	15,817	19,636	15,442
Employment oncosts provision - at net present value	4,286	4,345	4,286	4,282
Deferred benefits for superannuation	317,078	301,776	317,078	301,776
Total non-current provisions	343,590	324,623	342,702	324,185
Total provisions	503,852	474,234	495,399	466,956

Notes to the Financial Statements
for the year ended 31 December 2019

29 Provisions (continued)

(a) Movement in provisions

Consolidated	Provision for lease	Restructuring costs	Total
	\$'000	\$'000	\$'000
2019			
Carrying amount at start of year	2,837	5,670	8,507
Additional provisions	2,509	-	2,509
Provisions used	-	(1,291)	(1,291)
Carrying amount at end of year	5,346	4,379	9,725
RMIT			
2019			
Carrying amount at start of year	2,837	1,823	4,660
Additional provisions	2,467	-	2,467
Provisions used	-	(735)	(735)
Carrying amount at end of year	5,304	1,088	6,392

Accounting Policy

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

• Employee benefits

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

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

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

• Superannuation

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

• Restructuring

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

Notes to the Financial Statements
for the year ended 31 December 2019

29 Provisions (continued)

Accounting Policy (continued)

- Provision for lease

The Group leases a number of properties which include make good requirements to restore the premises to its original condition at the expiry of the lease. On initial recognition of the make good provision a leasehold improvement asset is recognised to record the future economic outflows required to perform the restoration. Changes to the estimated future costs of the restoration are recognised in the statement of financial position by adjusting the cost of the related asset.

- Deferred government benefit for superannuation

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

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. Remeasurement gains and losses arising from experience and adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

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

The unfunded liabilities recorded in the balance sheet under provisions have been determined by actuary of the Victorian Government Superannuation Office and relate to the estimates of net liabilities at 31 December 2019. The methodology of measurement of the net liabilities is based on the following actuarial assumptions:

Economic	2019	2018
Discount rate	1.5% pa	2.4% pa
Salary increase rate	4.0% pa	4.0% pa
Pension indexation	2.5% pa	2.5% pa

The actuary currently believes, in respect of the long-term financial condition of the Fund, that assets as at 31 December 2019, together with current contribution rates, are not expected to be sufficient to provide for the current benefit levels for both existing members and anticipated new members if experience follows the "best estimate" assumptions or the more conservative "funding" assumptions.

An arrangement exists between the Australian government and the State government to meet the unfunded liability for RMIT's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This receivable is recorded under Note 20.

30 Other liabilities

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Australian government unspent financial assistance	360	-	360	-
Research grants	2,107	191	-	-
Student fees	77,225	70,425	70,976	62,164
Other	3,043	1,395	3,042	1,294
Total current other liabilities	82,735	72,011	74,378	63,458

Notes to the Financial Statements
for the year ended 31 December 2019

30 Other liabilities (continued)

Accounting Policy

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

31 Reserves

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	1,012,851	1,022,817	1,004,295	1,021,907
Retrospective changes	-	(3,990)	-	(3,990)
Transfers out	(83)	(21)	(83)	(21)
Gain/(loss) on cash flow hedges	(1,163)	(14,059)	(1,163)	(14,059)
Revaluation of land, buildings and artworks	4,617	-	4,617	-
Foreign exchange gains/(losses)	871	7,646	-	-
Changes in the fair value of equity investments at FVOCI	16,882	458	16,882	458
Balance at end of year	1,033,975	1,012,851	1,024,548	1,004,295
Represented by:				
Asset revaluation surplus	1,003,219	998,685	1,003,219	998,685
Hedge reserve	(20,693)	(19,530)	(20,693)	(19,530)
Foreign currency translation reserve	9,427	8,556	-	-
Investment revaluation reserve	42,022	25,140	42,022	25,140
Total reserves	1,033,975	1,012,851	1,024,548	1,004,295
Movements in reserves during the year were:				
Asset revaluation surplus				
Balance at beginning of year	998,685	998,685	998,685	998,685
Transfer to income statement on asset disposals	(83)	-	(83)	-
Revaluation of land, buildings and artworks	4,617	-	4,617	-
Balance at end of year	1,003,219	998,685	1,003,219	998,685
Hedge reserve				
Balance at beginning of year	(19,530)	(5,471)	(19,530)	(5,471)
Gain/(loss) on cash flow hedges	(1,163)	(14,059)	(1,163)	(14,059)
Balance at end of year	(20,693)	(19,530)	(20,693)	(19,530)
Foreign currency translation reserve				
Balance at beginning of year	8,556	910	-	-
Foreign currency translation gains/(losses)	871	7,646	-	-
Balance at end of year	9,427	8,556	-	-
Share premium reserve				
Balance at beginning of year	-	21	-	21
Transfers out	-	(21)	-	(21)
Balance at end of year	-	-	-	-
Investment revaluation reserve				
Balance at beginning of year	25,140	28,672	25,140	28,672
Retrospective changes	-	(3,990)	-	(3,990)
Changes in the fair value of equity investments at FVOCI	16,882	458	16,882	458
Balance at end of year	42,022	25,140	42,022	25,140

Notes to the Financial Statements
for the year ended 31 December 2019

32 Retained earnings

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Retained earnings at beginning of year	1,407,549	1,303,026	1,233,984	1,181,637
Retrospective changes - AASB15	(22,733)	-	(22,733)	-
Retrospective changes - AASB16	(8,781)	-	(5,880)	-
Retrospective changes - other	-	15,111	-	14,940
Net result	62,885	89,412	43,088	37,407
Retained earnings at end of year	1,438,920	1,407,549	1,248,459	1,233,984

33 Contingencies

Contingent liabilities

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

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Guarantees				
Non-trade letter of credit/accommodation	27	27	27	27

Accounting Policy

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

34 Remuneration of auditors

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

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Audit of the Financial Statements				
Fees paid to Auditor-General of Victoria	508	463	357	306
Fees paid to Moore Stephens	16	-	-	-
Total auditing services	524	463	357	306

35 Ex gratia payments

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

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Ex gratia payments	191	82	106	-

Notes to the Financial Statements
for the year ended 31 December 2019

36 Commitments

(a) Capital commitments

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

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Plant and equipment				
Due within one year	3,472	4,547	3,472	4,547
GST reclaimable on the above	(269)	(281)	(269)	(281)
Total commitment	3,203	4,266	3,203	4,266

Building works

Due within one year	66,550	55,784	65,889	54,602
GST reclaimable on the above	(5,990)	(4,964)	(5,990)	(4,964)
Total commitment	60,560	50,820	59,899	49,638

Software

Due within one year	284	113	284	113
GST reclaimable on the above	(26)	(10)	(26)	(10)
Total commitment	258	103	258	103

(b) Other expenditure commitments

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

	Consolidated		RMIT	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Due within one year	177,972	82,946	172,581	82,244
Due after one year but within five years	56,095	49,927	53,834	49,927
Due after five years	1,210	2,823	1,210	2,823
GST reclaimable on the above	(18,537)	(9,722)	(18,244)	(9,669)
Total Commitment	216,740	125,974	209,381	125,325

Accounting Policy

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

Notes to the Financial Statements
for the year ended 31 December 2019

37 Notes to statement of cash flows

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

	Note	Consolidated		RMIT	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Operating result for the period after income tax		62,885	89,412	43,088	37,407
Loss/(gain) on sale of property, plant and equipment	10	321	281	350	304
Depreciation of property plant and equipment	21	114,167	101,578	103,933	95,182
Amortisation of intangible assets	22	129	10,563	-	10,437
Provision for doubtful debts		550	3,277	410	3,006
Foreign exchange (gain)/loss		(777)	(1,327)	479	508
Loss/(gain) on financial assets		(12,263)	2,193	(12,263)	2,193
Borrowing costs		-	-	626	793
Changes in assets and liabilities					
Net (increase) / decrease in receivables		(17,343)	(18,436)	(19,901)	(18,973)
Net (increase) / decrease in inventories		3	2	-	-
Net (increase) / decrease in other non-financial assets		(8,842)	(1,816)	(7,983)	(1,855)
Net (increase) / decrease in deferred tax assets		6	86	-	-
Net (increase) / decrease in other financial assets		-	(643)	-	-
Net increase / (decrease) in payables		(3,434)	10,243	(8,510)	51,106
Net increase / (decrease) in provisions		26,986	(656)	26,059	(1,015)
Net increase / (decrease) in other liabilities		9,866	6,457	10,062	6,523
Net increase / (decrease) in contract assets and liabilities		10,600	-	10,600	-
Net increase / (decrease) in current tax liability		523	(1,184)	501	(1,387)
Net cash flows from operating activities		183,377	200,030	147,451	184,229

38 Events occurring after the balance sheet date

The financial report was authorised for issue on 20 April 2020 by the Council of RMIT.

On 20 January 2020, the Chinese Government announced an outbreak of novel coronavirus (COVID-19) in the city of Wuhan in Hubei Province. This event will have an impact on the financial performance and liquidity of the University in 2020.

To the date of writing this report, there continues to be significant uncertainty surrounding the potential financial impact of this event arising from the following elements:

- The duration of the pandemic conditions and extent of the spread of the virus.
- The uncertainty inherent in determining the number of students who will not be able to or choose not to participate in their enrolled subjects during 2020.
- The positions taken by global governments on worldwide travel restrictions, large gatherings and the potential closure of all University campuses.
- The extent to which course materials will be able to be delivered on-line.
- The extend of the Australian Federal and State Governments' responses to the financial impact on the University sector.

The University is actively managing this developing situation and will continue to monitor the non-financial and financial impacts of COVID-19 on its operations, and has put in place various mitigation strategies that will ensure it will remain a going concern for at least 12 months. Measures being taken include reducing discretionary spend, implementing additional controls on recruitment and increasing the learning content available to students via on-line/digital mechanisms.

The University also notes the significant volatility in financial markets as a result of the COVID-19 outbreak. The University has exposure to financial market risks and an assessment of the potential impact arising from these exposures is detailed in note 39 below.

Notes to the Financial Statements
for the year ended 31 December 2019

38 Events occurring after the balance sheet date (continued)

The financial statements have been prepared based upon conditions existing at 31 December 2019, and considering those events occurring subsequent to that date that provide evidence of conditions that existed at the end of the reporting period.

As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period, and as such, no adjustments have been made to the financial statement balances as at 31 December 2019 for the impacts of COVID-19.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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 within the relevant notes of the financial statements.

(a) Financial risk management objectives

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

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

(b) Foreign currency risk

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

The Group hedges large payments and receipts denominated in foreign currencies to manage foreign current risk. At the end of 2019, RMIT had the AUD equivalent of \$19.1m (2018 - \$8.1m) of such hedges in place.

(c) Credit risk

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

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

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

Notes to the Financial Statements
for the year ended 31 December 2019

39 Financial risk management (continued)

(d) Price risk

Exposure to price risk arises due to the inherent risk of the possibility of unfavourable movements in the value of the investments classified as FVPL or FVOCI.

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

	Price risk				
	Carrying amount	Result	-10.0% Equity	Result	10.0% Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2019					
FVPL	88,243	(8,824)	(8,824)	8,824	8,824
31 December 2018					
FVPL	75,480	(7,548)	(7,548)	7,548	7,548

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

	Price risk				
	Carrying amount	Result	-10.0% Equity	Result	10.0% Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2019					
FVOCI	51,242	-	(5,124)	-	5,124
31 December 2018					
FVOCI	34,360	-	(3,436)	-	3,436

(e) Interest rate risk

The Group's exposure to movement in interest rates primarily relates to the Group's interest rate borrowings. The Group manages its interest rate risks with hedge instruments. The USPP loan has a fixed interest rate. The remaining loan is reviewed regularly and hedged to the level required by the treasury policy.

If interest rates were one percent lower/higher for the unhedged portion of borrowings, the Group's result would be \$0.8m (2018-\$0.8m) higher/lower.

(f) Liquidity risk

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

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

Notes to the Financial Statements
for the year ended 31 December 2019

39 Financial risk management (continued)

(f) Liquidity risk (continued)

Consolidated	Note	Average interest rate %	Floating interest rate \$'000	Fixed Interest Maturing Over 5 years \$'000	Non Interest Bearing \$'000	Total \$'000
31 December 2019						
Financial liabilities						
Trade and other payables, exclude interest rate swaps	26	-	-	-	(149,507)	(149,507)
Interest rate swaps used for hedging	26	1.48	(5,582)	-	-	(5,582)
Borrowings	27	3.59	(168,000)	(144,970)	(15,475)	(328,445)
Total financial liabilities			(173,582)	(144,970)	(164,982)	(483,534)
31 December 2018						
Financial liabilities						
Trade and other payables, exclude interest rate swaps	26	-	-	-	(152,202)	(152,202)
Interest rate swaps used for hedging	26	1.88	(7,110)	-	-	(7,110)
Borrowings	27	3.78	(103,000)	(143,328)	(18,850)	(265,178)
Total financial liabilities			(110,110)	(143,328)	(171,052)	(424,490)

40 Fair value measurements

(a) Fair value measurement and hierarchy

All financial assets and liabilities have carrying values that are a reasonable approximation of fair value, and there are no significant differences between carrying amounts and aggregate fair values. The Group measures and recognises the following assets and liabilities in the table below at fair value on a recurring basis. The Group does not measure any assets and liabilities as fair value on a non-recurring basis.

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

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

Recognised fair value measurements

Consolidated	Note	2019 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Financial assets at FVOCI	23	51,242	-	-	51,242
Financial assets at FVPL	23	88,243	88,243	-	-
Total financial assets		139,485	88,243	-	51,242
Non-financial assets					
Land	21	517,352	-	-	517,352
Buildings	21	2,116,464	-	-	2,116,464
Total non-financial assets		2,633,816	-	-	2,633,816
Financial liabilities					
Interest rate swaps	26	5,581	-	5,581	-
Borrowings	27	404,785	-	404,785	-
Total financial liabilities		410,366	-	410,366	-

Notes to the Financial Statements
for the year ended 31 December 2019

40 Fair value measurements (continued)

(a) Fair value measurement and hierarchy (continued)

Consolidated	Note	2018 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Financial assets at FVOCI	23	34,360	-	-	34,360
Financial assets at FVPL	23	75,480	75,480	-	-
Total financial assets		109,840	75,480	-	34,360
Non-financial assets					
Land	21	517,352	-	-	517,352
Buildings	21	2,029,855	-	-	2,029,855
Total non-financial assets		2,547,207	-	-	2,547,207
Financial liabilities					
Interest rate swaps	26	7,110	-	7,110	-
Borrowings	27	265,178	-	265,178	-
Total financial liabilities		272,288	-	272,288	-

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

Recurring fair value measurements

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

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

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

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

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

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

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

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

Notes to the Financial Statements
for the year ended 31 December 2019

40 Fair value measurements (continued)

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2019:

Level 3 Fair Value Measurements 2019	Financial assets at FVOCI \$'000	Land \$'000	Buildings \$'000	Total \$'000
Opening balance	34,360	517,352	2,029,855	2,581,567
Purchases (sales)	-	-	283	283
Transfers out of capital works in progress	-	-	140,021	140,021
Depreciations	-	-	(52,415)	(52,415)
Foreign currency translation movement	-	-	(64)	(64)
Reclassifications	-	-	(1,216)	(1,216)
Subtotal	34,360	517,352	2,116,464	2,668,176
Recognised in OCI	16,882	-	-	16,882
Closing balance	51,242	517,352	2,116,464	2,685,058

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

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

Description	Valuation Technique	Unobservable inputs*
Land	Market approach	Community service obligation (CSO) adjustment
Buildings	Depreciated replacement cost	Direct cost per square metre Useful life
Investments in unlisted shares	Net assets method	

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

41 Subsidiaries

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

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

Notes to the Financial Statements
for the year ended 31 December 2019

43 Key management personnel disclosures (continued)

(a) Responsible persons related disclosures (continued)

(ii) Names of council members and executive officers

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

Council Members

Akhurst, B.	McLaughlin, P. (term commenced 1 Aug 2019)
Bean, M. (Accountable Officer)	McMillan, M.
Bateman, D. (term concluded 31 Jul 2019)	O'Donnell, R. (term concluded 31 Dec 2019)
Bornstein, J. (term concluded 13 Nov 2019)	Switkowski, Z.
Duckett, S.	Ward, A.
Haas, M.	
Hadi, S. (term concluded 31 Oct 2019)	
Hogan, G.	
Kumar, P. (term commenced 1 Nov 2019)	
Latchford, J.	

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

Executive Officers

Broadley, T. (term commenced 2 Dec 2019)	Holthouse, R. (term concluded 28 Sep 2019)
Cogin, J. (term commenced 29 Apr 2019)	Koch, K.
Coloe, P.	Shevlin, A. (term commenced 13 Aug 2019)
Drummond, C.	Sweetland, M.
Gough, P. (term concluded 29 Nov 2019)	Tynan, B.
Higgins, D.	

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

(b) Remuneration of executive officers

	Consolidated		RMIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Short-term employee benefits	6,082	5,838	4,760	4,782
Post-employment benefits	539	542	417	449
Other long-term benefits	114	157	88	137
Termination benefits	732	-	732	-
Total remuneration	7,467	6,537	5,997	5,368
Total number of executive officers	15	14	11	11
Total annualised employee equivalent (AEE)	12.01	12.25	8.80	9.25

Notes to the Financial Statements
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43 Key management personnel disclosures (continued)

(c) Key management personnel compensation

	Consolidated		RMIT	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Short-term employee benefits	6,633	6,765	6,633	6,765
Post-employment benefits	549	601	549	601
Other long-term benefits	121	182	121	182
Termination benefits	732	-	732	-
Total remuneration	8,035	7,548	8,035	7,548
Total number of key management personnel	26	25	26	25
Total annualised employee equivalent (AEE)	21.80	22.25	21.80	22.25

For the consolidated entity, key management personnel have been assessed as the council members and executive officers of RMIT University and their details are disclosed in Note 43(a).

Notes to the Financial Statements
for the year ended 31 December 2019

43 Key management personnel disclosures (continued)

(d) Remuneration of council members and executives

	Consolidated		RMIT	
	2019	2018	2019	2018
Remuneration of council members				
Nil to \$9,999	2	2	2	2
\$30,000 to \$39,999	1	1	1	1
\$40,000 to \$49,999	7	7	7	7
\$60,000 to \$69,999	2	1	2	1
\$130,000 to \$139,999	1	-	1	-
\$230,000 to \$239,999	-	1	-	1
\$290,000 to \$299,999	1	-	1	-
\$420,000 to \$429,999	-	1	-	1
\$1,100,000 to \$1,109,999	-	1	-	1
\$1,110,000 to \$1,119,999	1	-	1	-
Total	15	14	15	14
Remuneration of executive officers				
\$20,000 to \$29,999	1	-	1	-
\$140,000 to \$149,999	-	1	-	1
\$150,000 to \$159,999	1	-	1	-
\$180,000 to \$189,999	-	1	-	1
\$210,000 to \$219,999	-	1	-	1
\$270,000 to \$279,999	1	-	-	-
\$280,000 to \$289,999	1	-	-	-
\$330,000 to \$339,999	1	1	1	-
\$400,000 to \$409,999	-	1	-	-
\$420,000 to \$429,999	2	1	1	-
\$480,000 to \$489,999	1	-	-	-
\$540,000 to \$549,999	-	1	-	1
\$560,000 to \$569,999	-	1	-	1
\$570,000 to \$579,999	-	1	-	1
\$580,000 to \$589,999	1	-	1	-
\$600,000 to \$609,999	-	1	-	1
\$610,000 to \$619,999	-	2	-	2
\$630,000 to \$639,999	-	1	-	1
\$650,000 to \$659,999	2	-	2	-
\$670,000 to \$679,999	-	1	-	1
\$680,000 to \$689,999	1	-	1	-
\$690,000 to \$699,999	1	-	1	-
\$780,000 to \$789,999	1	-	1	-
\$990,000 to \$999,999	1	-	1	-
Total	15	14	11	11

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

Notes to the Financial Statements
for the year ended 31 December 2019

44 Acquittal of Australian government financial assistance

(a) Education - CGS and other education grants

	Commonwealth grants scheme#1		Indigenous student success program		Higher education participation program	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (RMIT) Only						
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)	265,073	264,631	1,004	898	4,458	4,115
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	265,073	264,631	1,004	898	4,458	4,115
Surplus/(deficit) from the previous year	-	-	(346)	-	-	-
Total revenue including accrued revenue	265,073	264,631	658	898	4,458	4,115
Less expenses including accrued expenses	(265,073)	(264,631)	(1,147)	(1,244)	(4,458)	(4,115)
Surplus/(deficit) for the reporting period	-	-	(489)	(346)	-	-
	Disability performance funding #2		Promo of exc in learning and teaching		Australian maths & science partnership program	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (RMIT) Only						
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)	116	102	-	-	(30)	-
Net accrual adjustments	-	-	-	-	30	-
Revenue for the period	116	102	-	-	-	-
Surplus/(deficit) from the previous year	(717)	(576)	(113)	(114)	30	427
Total revenue including accrued revenue	(601)	(474)	(113)	(114)	30	427
Less expenses including accrued expenses	(346)	(243)	(4)	1	-	(397)
Surplus/(deficit) for the reporting period	(947)	(717)	(117)	(113)	30	30
					Total	
					2019	2018
					\$'000	\$'000
Parent Entity (RMIT) Only						
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)					270,621	269,746
Net accrual adjustments					30	-
Revenue for the period					270,651	269,746
Surplus/(deficit) from the previous year					(1,146)	(263)
Total revenue including accrued revenue					269,505	269,483
Less expenses including accrued expenses					(271,028)	(270,629)
Surplus/(deficit) for the reporting period					(1,523)	(1,146)

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

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

Notes to the Financial Statements
for the year ended 31 December 2019

44 Acquittal of Australian government financial assistance (continued)

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

	Note	HECOS-HELP (Aust. govt payments only)		FEE-HELP #3		VET STUDENT LOAN	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash payable/(receivable) at the beginning of the year		-	-	(2,997)	2,118	(1,038)	(1,033)
Financial assistance received in cash during the reporting period		202,076	196,260	55,619	46,977	16,266	17,081
Cash available for the period		202,076	196,260	52,622	49,095	15,228	16,048
Revenue earned	4(b)	202,076	196,260	57,380	52,092	15,232	17,086
Cash payable/(receivable) at the end of the year		-	-	(4,758)	(2,997)	(4)	(1,038)

	Note	VET FEE-HELP		SA-HELP		Total	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Cash payable/(receivable) at the beginning of the year		(49)	(3,052)	948	(193)	(3,136)	(2,160)
Financial assistance received in cash during the reporting period		193	163	2,779	5,131	276,933	265,612
Cash available for the period		144	(2,889)	3,727	4,938	273,797	263,452
Revenue earned	4(b)	(50)	(2,840)	3,992	3,990	278,630	266,588
Cash payable/(receivable) at the end of the year		194	(49)	(265)	948	(4,833)	(3,136)

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

(c) Scholarships

	Note	Research training program		Total	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)		21,049	21,300	21,049	21,300
Net accrual adjustments		-	-	-	-
Revenue for the period	4(c)	21,049	21,300	21,049	21,300
Surplus/(deficit) from the previous year		(23,051)	(8,964)	(23,051)	(8,964)
Total revenue including accrued revenue		(2,002)	12,336	(2,002)	12,336
Less expenses including accrued expenses		(36,375)	(35,387)	(36,375)	(35,387)
Surplus/(deficit) for the reporting period		(38,377)	(23,051)	(38,377)	(23,051)

(d) Education research

	Note	Research support program		Total	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in cash during the reporting period (total cash received from Australian government for the program)		12,190	12,985	12,190	12,985
Net accrual adjustments		-	-	-	-
Revenue for the period	4(c)	12,190	12,985	12,190	12,985
Total revenue including accrued revenue		12,190	12,985	12,190	12,985
Less expenses including accrued expenses		(12,190)	(12,985)	(12,190)	(12,985)
Surplus/(deficit) for the reporting period		-	-	-	-

Notes to the Financial Statements
for the year ended 31 December 2019

44 Acquittal of Australian government financial assistance (continued)

(e) Total higher education provider research training program expenditure

	Total domestic students \$'000	Total overseas students \$'000
Research training program fees offsets	25,724	1,904
Research training program stipends	7,070	1,635
Research Training Program Allowances	-	41
Total for all types of support	32,794	3,580

(f) Australian research council grants

	Note	Discovery		Linkages	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the program)		8,301	8,240	1,387	1,589
Net accrual adjustments		(2,416)	-	179	-
Revenue for the period	4(e)	5,885	8,240	1,566	1,589
Surplus/(deficit) from the previous year		6,329	8,375	240	(38)
Total revenue including accrued revenue		12,214	16,615	1,806	1,551
Less expenses including accrued expenses		(9,758)	(10,286)	(1,985)	(1,311)
Surplus/(deficit) for reporting period		2,456	6,329	(179)	240

	Note	Networks and centres		Total	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the program)		1,176	985	10,864	10,814
Net accrual adjustments		361	-	(1,876)	-
Revenue for the period	4(e)	1,537	985	8,988	10,814
Surplus/(deficit) from the previous year		1,358	1,482	7,927	9,819
Total revenue including accrued revenue		2,895	2,467	16,915	20,633
Less expenses including accrued expenses		(3,256)	(1,109)	(14,999)	(12,706)
Surplus/(deficit) for reporting period		(361)	1,358	1,916	7,927

(g) Other capital funding

	Note	Linkage infrastructure, equipment and facilities grant		Total	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian government for the program)		514	595	514	595
Revenue for the period	4(d)	514	595	514	595
Surplus/(deficit) from the previous year		1,256	975	1,256	975
Total revenue including accrued revenue		1,770	1,570	1,770	1,570
Less expenses including accrued expenses		(1,114)	(314)	(1,114)	(314)
Surplus/(deficit) for reporting period		656	1,256	656	1,256

Notes to the Financial Statements
for the year ended 31 December 2019

44 Acquittal of Australian government financial assistance (continued)

(h) OS-HELP

	2019	2018
	\$'000	\$'000
Parent Entity (RMIT) Only		
Cash received during the reporting period	4,362	5,726
Cash spent during the reporting period	(4,668)	(4,642)
Net cash received	(306)	1,084
Cash surplus/(deficit) from the previous period	1,639	555
Cash surplus/(deficit) for the reporting period	1,333	1,639

(i) Superannuation supplementation

	2019	2018
	\$'000	\$'000
Parent Entity (RMIT) Only		
Cash received during the reporting period	20,974	23,212
Cash available	20,974	23,212
Cash surplus/(deficit) from the previous period	(1,191)	(413)
Cash available for current period	19,783	22,799
Contributions to specified defined benefit funds	(19,856)	(23,990)
Cash surplus/(deficit) for this period	(73)	(1,191)

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

(j) Student services and amenities fee

	2019	2018
	\$'000	\$'000
Parent Entity (RMIT) Only		
SA-HELP revenue earned	3,992	3,990
Student services fees direct from students	10,532	9,630
Total revenue expendable in period	14,524	13,620
Student services expenses during period	(14,524)	(13,620)
Unspent/(overspent) student services revenue	-	-

Income Statement
for the years 2019 to 2015 inclusive

	Consolidated					RMIT				
	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Incoming from continuing operations										
Australian Government financial assistance										
Australian government grants	340,260	350,275	348,876	344,818	330,467	340,260	350,275	348,876	344,818	330,467
HELP - Australian government payments	278,630	266,588	250,880	236,965	232,686	278,630	266,588	250,880	236,965	232,686
State and local government financial assistance	54,657	47,903	49,379	33,131	32,488	54,657	47,903	49,379	33,131	32,488
HECS-HELP - Student payments	21,032	20,445	19,161	19,309	17,354	21,032	20,445	19,161	19,309	17,354
Fees and charges	724,730	645,576	547,585	492,846	455,620	577,320	518,710	440,407	407,809	369,948
Investment income	17,584	11,247	8,362	4,367	7,996	14,117	9,209	6,893	3,106	5,469
Consultancy and contracts	45,964	47,312	42,521	51,418	40,115	55,160	53,489	48,779	50,924	36,518
Other revenue	36,370	43,641	39,779	43,225	46,326	38,371	44,000	29,993	30,916	38,967
Total revenue from continuing operations	1,519,227	1,432,987	1,306,543	1,226,079	1,163,052	1,379,547	1,310,619	1,194,368	1,126,978	1,063,897
Expenses from continuing operations										
Employee related expenses	861,005	798,282	733,539	677,164	662,514	780,260	728,175	670,896	625,499	604,318
Depreciation and amortisation	114,296	112,141	99,422	82,094	71,714	103,933	105,619	94,020	76,163	65,507
Repairs and maintenance	31,708	19,928	19,740	39,747	24,036	25,119	19,808	19,661	39,649	23,930
Borrowing costs	11,561	10,478	8,077	7,340	7,354	11,283	11,271	8,643	7,664	7,772
Impairment of assets	550	3,245	(76)	(731)	4,056	410	3,006	(3,103)	2,001	3,774
Other expenses	434,134	395,963	373,085	325,338	321,473	414,684	403,352	351,846	308,215	295,427
Total expenses from continuing operations	1,453,254	1,340,037	1,233,787	1,130,952	1,091,147	1,335,689	1,271,231	1,141,963	1,059,191	1,000,728
Operating result before income tax	65,973	92,950	72,756	95,127	71,905	43,858	39,388	52,405	67,787	63,169
Income tax expense	(3,088)	(3,538)	(1,839)	(1,673)	(4,342)	(770)	(1,981)	(1,447)	(559)	(2,690)
Operating result from continuing operations	62,885	89,412	70,917	93,454	67,563	43,088	37,407	50,958	67,228	60,479
Operating result attributable to minority interest	-	-	-	-	153	-	-	-	-	-
Operating result attributed to RMIT entity	62,885	89,412	70,917	93,454	67,716	43,088	37,407	50,958	67,228	60,479

Statement of Financial Position

for the years 2019 to 2015 inclusive

	Consolidated					RMIT				
	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current assets										
Cash and cash equivalents	44,766	42,962	75,745	87,098	98,984	36,008	33,535	69,350	77,178	90,855
Receivables	62,143	60,702	54,092	55,880	55,070	62,026	57,908	54,695	52,488	59,058
Inventories	16	19	20	869	2,246	-	-	-	853	1,782
Contract assets	6,389	-	-	-	-	6,389	-	-	-	-
Other financial assets	94,003	65,524	53,279	49,034	43,779	-	-	-	-	-
Other non-financial assets	23,990	15,148	12,985	14,290	11,681	20,735	12,752	10,897	11,871	9,413
Total current assets	231,307	184,355	196,121	207,171	211,760	125,158	104,195	134,942	142,390	161,108
Non-current assets										
Receivables	317,278	301,926	288,940	296,825	309,518	317,170	301,796	288,876	296,799	309,433
Available for sale financial assets	-	-	-	91,131	84,200	-	-	-	91,131	29,276
Property, plant and equipment	2,941,080	2,790,036	2,729,775	2,406,161	2,262,464	2,867,611	2,736,542	2,678,653	2,357,401	2,209,149
Deferred tax asset	534	540	626	420	658	-	-	-	-	-
Intangible assets	31,550	6,930	10,650	23,581	25,852	30,026	6,779	10,437	23,346	25,552
Other financial assets	139,485	109,840	102,539	37	37	141,212	111,568	104,266	1,764	2,411
Total non-current assets	3,429,927	3,209,272	3,132,530	2,818,155	2,682,729	3,356,019	3,156,685	3,082,232	2,770,441	2,575,821
Total assets	3,661,234	3,393,627	3,328,651	3,025,326	2,894,489	3,481,177	3,260,880	3,217,174	2,912,831	2,736,929
LIABILITIES										
Current liabilities										
Trade and other payables	150,560	153,785	141,444	146,109	132,772	212,224	219,024	168,078	154,070	124,252
Borrowings	18,080	3,375	3,375	4,775	-	14,905	3,375	3,375	4,775	-
Provisions	160,262	149,611	157,854	165,100	147,019	152,697	142,771	151,474	159,730	134,144
Current tax liabilities	3,015	2,492	3,845	4,997	5,785	2,959	2,458	3,845	4,997	5,785
Contract liabilities	38,864	-	-	-	-	38,864	-	-	-	-
Other liabilities	82,735	72,011	65,828	67,898	71,806	74,378	63,458	56,935	54,674	61,468
Total current liabilities	453,516	381,274	372,346	388,879	357,382	496,027	431,086	383,707	378,246	325,649
Non-current liabilities										
Trade and other payables	4,528	5,527	4,576	-	-	4,528	5,527	4,576	-	-
Borrowings	386,705	261,803	308,850	242,225	231,362	364,913	261,803	308,850	242,225	231,362
Provisions	343,590	324,623	317,036	325,426	340,953	342,702	324,185	316,497	324,934	333,115
Deferred tax liabilities	-	-	-	-	3	-	-	-	-	-
Other liabilities	-	-	-	-	117	-	-	-	-	-
Total non-current liabilities	734,823	591,953	630,462	567,651	572,435	712,143	591,515	629,923	567,159	564,477
Total liabilities	1,188,339	973,227	1,002,808	956,530	929,817	1,208,170	1,022,601	1,013,630	945,405	890,126
Net assets	2,472,895	2,420,400	2,325,843	2,068,796	1,964,672	2,273,007	2,238,279	2,203,544	1,967,426	1,846,803
EQUITY										
RMIT entity interest										
Reserves	1,033,975	1,012,851	1,022,817	839,450	832,401	1,024,548	1,004,295	1,021,907	799,975	791,219
Retained earnings	1,438,920	1,407,549	1,303,026	1,229,346	1,132,146	1,248,459	1,233,984	1,181,637	1,167,451	1,055,584
Total RMIT entity interest	2,472,895	2,420,400	2,325,843	2,068,796	1,964,547	2,273,007	2,238,279	2,203,544	1,967,426	1,846,803
Outside equity interest in controlled entities	-	-	-	-	125	-	-	-	-	-
Total equity	2,472,895	2,420,400	2,325,843	2,068,796	1,964,672	2,273,007	2,238,279	2,203,544	1,967,426	1,846,803

Disclosure Index

Item Number	Source	Summary of Reporting Requirement	
Charter and Purpose			
1.	FRD 22H 5.4	Manner of establishment and the relevant Minister	55
2.	FRD 22H 5.4	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	7-11, 16-23, 33-53, 65
3.	FRD 22H	Nature and range of services provided including communities served	7, 60-61, 64-65
Management and Structure			
4.	FRD 22H 5.6	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	16-17, 18-23, 56, 58-59
Financial and Other Information			
5.	FRD 03A	Accounting for Dividends	Not Applicable
6.	FRD 07B	Early adoption of authoritative accounting pronouncements	F-14
7.	FRD 10A	Disclosure Index	146-149
8.	FRD 17B	Long Service leave and annual leave for employees	F-37, F-55 - F-56
9.	FRD 22H 5.11 c	Operational and budgetary objectives, performance against objectives and achievements	14-15, 33-34, 38, 43
10.	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators	30-31
11.	FRD 22H 5.8	Workforce data for current and previous reporting period including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections	28-29
12.	FRD 22H 5.11 a	Summary of the financial results, with comparative information for the preceding four reporting periods	F-75 - F-76
13.	FRD 22H 5.11 b	Summary of significant changes in financial position	52-53
14.	FRD 22H 5.7	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	33-43
15.	FRD 22H 5.11 d	Post-balance sheet date events likely to significantly affect subsequent reporting periods	F-61
16.	FRD 22H 5.18 a	Summary of application and operation of the Freedom of Information Act 1982	62
17.	FRD 22H 5.18 b	Statement of compliance with building and maintenance provisions of the Building Act 1993	63
18.	FRD 22H 5.12	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	52-53
19.	FRD 22H 5.9	University inclusion policy (where a University has one), including a measurable target and report on the progress towards the target	44-45
20.	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST)	Not Applicable
21.	FRD 22H 5.18 e	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform	63

Item Number	Source	Summary of Reporting Requirement	
22.	FRD 22H 5.18 c	Summary of application and operation of the Protected Disclosure Act 2012 including disclosures required by the Act	62-63
23.	FRD 22H 5.18 h & FRD 24D	Summary of Environmental Performance	50-51
24.	FRD 22H 5.13 5.14 5.15	<p>Consultants:</p> <p>Report of Operations must include a statement disclosing each of the following:</p> <ol style="list-style-type: none"> Total number of consultancies of \$10,000 or more (excluding GST) Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available <ul style="list-style-type: none"> Consultant engaged Brief summary of project Total project fees approved (excluding GST) Expenditure for reporting period (excluding GST) Any future expenditure committed to the consultant for the project <p>Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period</p>	65
25.	FRD 22H 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	64
26.	FRD 22H 5.17	<p>An entity shall disclose the following in the report of operations:</p> <ol style="list-style-type: none"> Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: <ol style="list-style-type: none"> Operational expenditure (OPEX); and Capital expenditure (CAPEX). 	53
27.	FRD 25D	Local Jobs First	Not Applicable
28.	AASB 16	Leases	F-19 - F-20, F-50 - F-51, F-53 - F-55
29.	FRD 119A	Transfers through contributed capital	Not Applicable
30.	SD 3.7.1	The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework	65
31.	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions	F-1 - F-12
32.	SD 5.2.3	Report of Operations is signed and dated by the Chancellor or equivalent and includes the date of the Council Meeting at which Annual Report was approved	3
Financial Report			
Financial Statements Required Under Part 7 of the Financial Management Act 1984			
33.	SD 5.2.2(a), 5.2.2(b) & FMA s49	<p>The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, CFO (subject to 5.2.2) and a member of the Responsible Body, in a manner approved by the Minister, stating whether, in their opinion the financial statements:</p> <ul style="list-style-type: none"> present fairly the financial transactions during reporting period and the financial position at end of the period; and have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards 	F-1

Item Number	Source	Summary of Reporting Requirement	
34.	FRD 30D	<p>Financial statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than:</p> <ul style="list-style-type: none"> \$10,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and \$1,000,000,000, when the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000 	F-13
35.	SD 3.2.1.1(c)	<p>The Responsible Body must establish an Audit Committee to:</p> <ul style="list-style-type: none"> review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament by the Responsible Minister 	64
Other Requirements as per Financial Reporting Directions in Notes to the Financial Statements			
36.	FRD 11A	Disclosure of ex-gratia payments	F-59
37.	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	F-68 - F-70
38.	FRD 102A	Inventories	F-8
39.	FRD 103H	Non-financial physical assets	F-8, F-42 - F-47, F-64 - F-66
40.	FRD 105B	Borrowing costs	F-6, F-8, F-38, F-52 - F-53
41.	FRD 106B	Impairment of assets	F-6, F-38, F-41
42.	FRD 107B	Investment properties	Not applicable
43.	FRD 109A	Intangible assets	F-8, F-47 - F-48
44.	FRD 110A	Cash flow statements	F-10, F-61
45.	FRD 112D	Defined benefit superannuation obligations	F-55 - F-57, F-74
46.	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	F-66 - F-67
47.	FRD 120M	Accounting and reporting pronouncements applicable to the reporting period	F-11 - F-74
Compliance with Other Legislation, Subordinate Instruments and Policies			
48.	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019	63
49.	PAEC	Financial and other information relating to the University's international operations	7, 13, 41, 60, F-7, F-9, F-13, F-39 - F-40, F-42, F-58, F-61 - F-62, F-65 - F-66
50.	University Commercial Activity Guidelines	<ul style="list-style-type: none"> Summary of the university commercial activities If the university has a controlled entity, include the accounts of that entity in the university's Annual Report 	F-1 - F-76



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