

Northern Melbourne Institute of TAFE  
Annual Report 2008



# NMIT STRATEGIC PLAN – The Northern Journey

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In 2008 NMIT launched its latest Strategic Plan, *The Northern Journey*. As well as articulating the Institute's mission and vision, *The Northern Journey* identifies strategic themes and corresponding key result areas. Together these will provide the basis for planning and operations in the coming years.

## **Mission**

NMIT delivers vocational training and higher education for a global workforce.

## **Vision**

NMIT graduates will be recognised as practical and solution oriented, making meaningful contributions to their chosen field of endeavour.

## **Strategic Themes**

### **Learning**

NMIT guides students in the acquisition of vocational skills and lifelong learning capabilities to enable them to achieve their vocational goals.

### **Engagement**

NMIT forges mutually beneficial partnerships with and between community, governments, industry, professions and other education providers.

### **Capacity**

NMIT builds human resources, corporate practices and infrastructure to ensure the effective, sustainable and ethical conduct of the core activities of learning and engagement.

# Annual Report 2008

## Northern Melbourne Institute of TAFE

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Preston Campus

 **nmit**  
*Your journey starts here*

**Further copies can be obtained from:**

**Research and Development Department**

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Enquiries should be directed to the Manager  
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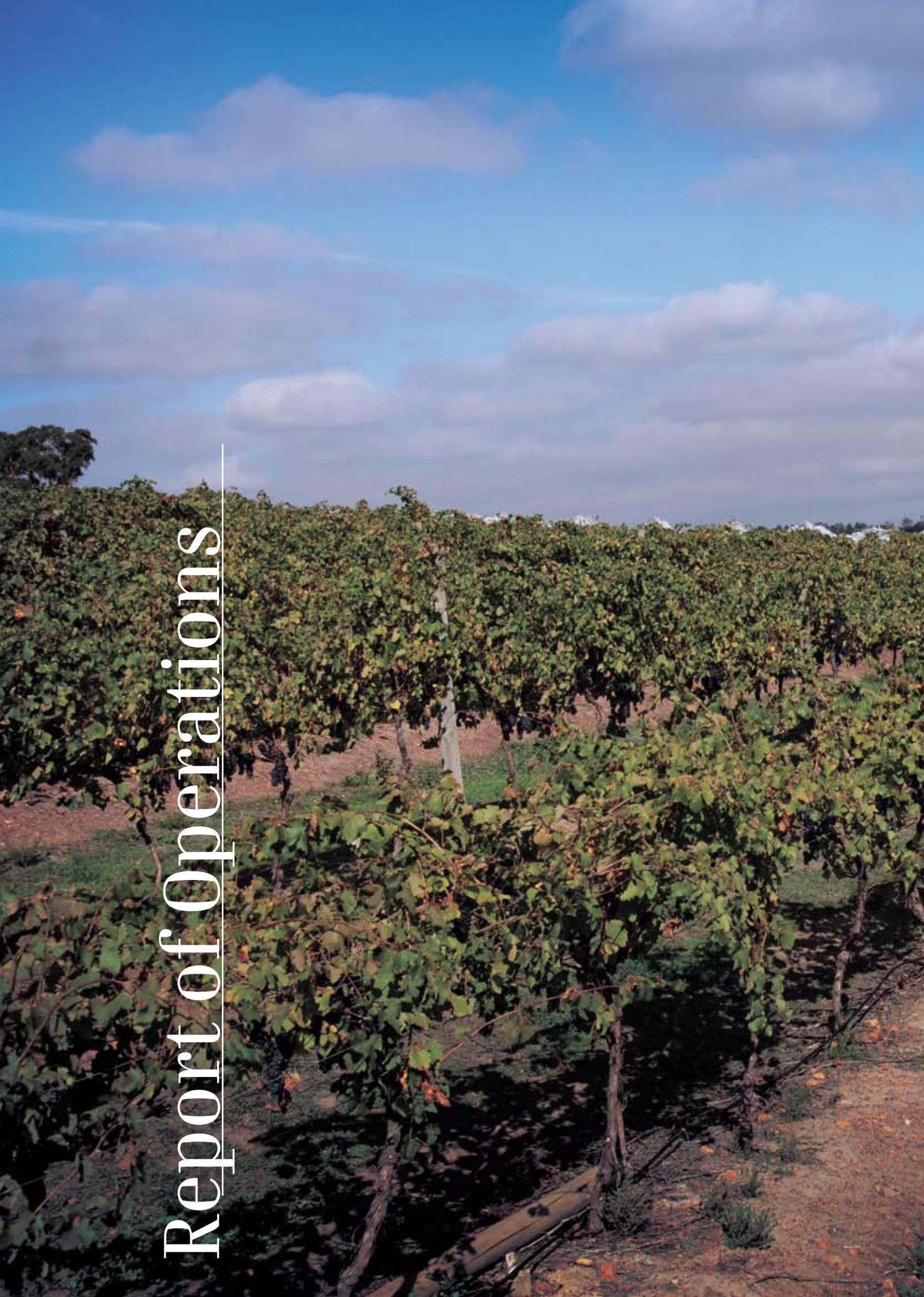
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# Report of Operations





 *NMIT launched its latest Strategic Plan, The Northern Journey, which is organised around the themes of Learning, Engagement and Capacity.*

*Photograph: Eden Park Vineyard*

# Board President's Report

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As the President of the NMIT Board I am pleased to present the 2008 Annual Report. The report provides details on the strategic, operational and financial initiatives undertaken in 2008 and reviews the significant events and achievements of the institute, its staff and students.

2008 was a challenging and productive year. NMIT launched its new Strategic Plan, *The Northern Journey*, which is organised around the themes of Learning, Engagement and Capacity. These themes, together with the identified key result areas, will provide the basis for planning and operations in the coming years. *The Northern Journey* can be viewed from a number of perspectives: as an educational model, a business model, or a description of the NMIT student experience.

NMIT met all performance targets set by the Victorian Skills Commission (VSC), including the targets for the delivery of student contact hours. A significant budget surplus has been generated with the delivery of over 12 million student contact hours. The institute generated over \$50 million in extraneous earnings, with fee for service activity contributing \$37 million.

Beginning with the creation of the Client Services Division in January, the recommendations from the 2007 review of the Programs Division and the Corporate Services Division were progressively implemented throughout 2008.

NMIT has now achieved 13 years of ISO accreditation, which is more than any other Victorian TAFE Institute. The Quality Assurance Unit provided representation on behalf of all Victorian TAFE providers to the Department of Education, Employment and Workplace Relations (DEEWR) reference group for the national roll-out of the AQTF Quality Indicators.

In capital works, the painting and plastering facility at the Epping campus was completed and delivery of programs commenced in the second semester. Projects commencing in 2008 included the Technical Education Centre at the Heidelberg campus, the refurbishment of Buildings Q and S at the Fairfield campus and the design of Stage 1 redevelopment of the Epping campus. Work also commenced on the redevelopment of Yarra House at the Fairfield campus into student accommodation, a project totally funded by NMIT.

In 2008 NMIT employed a little under 1,200 teaching and support staff to deliver over 500 Vocational Education and Training and Higher Education courses. NMIT's comprehensive portfolio of certificate to bachelor level qualifications attracted more than 64,000 course enrolments, comprising over 22,000 off-shore course enrolments and 42,000 course enrolments within Australia.

NMIT continued to be actively involved overseas, delivering programs in China, Hong Kong and Korea.

*2008 was a challenging and productive year.*

*NMIT launched its new Strategic Plan, The Northern Journey...*

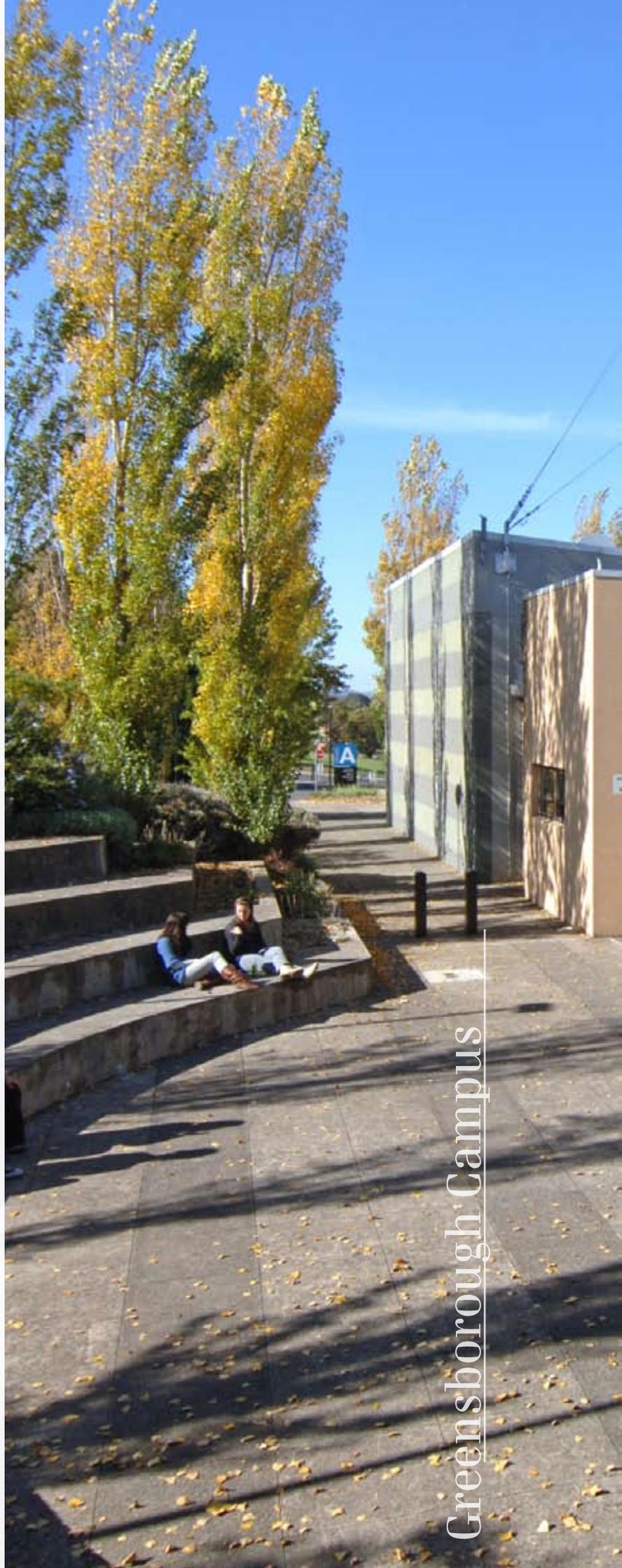
In 2008 NMIT commenced delivery of the Bachelor of Illustration and achieved accreditation for the Bachelor of Writing and Publishing. The Bachelor of Agriculture and Land Management has been submitted to the Victorian Registration & Qualifications Authority (VRQA) for approval.

In 2008 students in the Bachelor of Applied Aquaculture, Bachelor of Viticulture and Winemaking and Bachelor of Equine Studies completed the final year of their courses. The students will receive their awards at the Graduation Ceremony in May 2009.

Over the course of the year the NMIT Board members discharged their duties with diligence and care and I thank them for their valuable contributions.



**Elaine Forde**  
*President of Board 2008*  
23 February 2009



# Corporate Governance

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The NMIT Board is the governing body of NMIT. Directors of the Board are appointed or elected because of their specialist knowledge, skills and experience.

The NMIT Board met seven times during 2008, which included six regular meetings and one extraordinary meeting. The regular meetings were scheduled at the end of alternate months commencing February 2008 and the extraordinary meeting was held on June 2nd.

The Board objectives are to:

- establish goals for the Institute, within the context of national and state policy and management frameworks
- provide quality vocational education and training and adult, community and further education programs and services which promote the competitiveness of industry, enhance the opportunities of individuals, and serve the needs of the general community
- govern and control the Institute efficiently and effectively and optimise the efficient use of resources.

The Board duties are to:

- take all reasonable steps for the advancement of its objectives
- operate in accordance with the economic and social objectives and public sector management policy established from time to time by the Government of Victoria
- provide assistance and information that the Minister for Skills and Workforce Participation may reasonably require
- operate in accord with economic and social objectives and public sector management policies
- ensure the safe custody and proper use of the common seal of the Board.

The NMIT Board Governance Manual provides guidance for Board Directors in decision making.

## **Professional Development**

There were no professional development activities organised by NMIT for Board Directors in 2008. However, Board members attended meetings and information sessions as appropriate to keep up to date.

*Directors of the Board are appointed or elected because of their specialist knowledge, skills and experience.*

## NMIT Board Membership

Board Member	Nature of Appointment	Key Areas of Knowledge, Skill and Experience	Current Employment/ Position	Meetings Attended
<b>President</b> Elaine Forde	Co-opted	Local retail and property management	Consultant	6 of 7
<b>Vice President</b> Norman Shearer <i>B Bus (Acctg), B Ed, TPTC, MBA</i>	Co-opted	State and Institute TAFE administration at a senior level	Educational Auditor/ Consultant	5 of 7
<b>Deputy Vice President</b> Andrew Giddy <i>B V Sci, Grad Dip Bioethics, MAICD</i>	Ministerial	Senior management and strategic consultancy	Chief Executive Officer, Nucleus Network Limited	7 of 7
Josephine Acquaro <i>B Econ, LLB, MBA, Grad Cert Barrister/ Solicitor of Supreme Court, Certificate in Mediation</i>	Ministerial <i>(appointed April 2008)</i>	Administration and the law	General Manager Advocacy & Practice, Law Institute of Victoria	7 of 7 <i>(first two by invitation)</i>
Antoinette Braybrook <i>B Laws</i>	Ministerial <i>(term concluded September 2008)</i>	Legal practice; knowledge and experience of educational issues involving Aboriginal and Torres Strait Islanders	Coordinator, Aboriginal Family Welfare Association	0 of 5
Melissa Carfax-Foster <i>B App Sc (Adv Nursing), BA, Gen Nursing Cert</i>	Ministerial <i>(appointed June 2008)</i>	Hospital administration, nursing and nursing education	Director, Epworth Hospital Richmond	1 of 3
Peter Grist <i>B Eng (Mech) (Hons)</i>	Ministerial	Agriculture, engineering and business management	Senior Partner, Grist Consulting	3 of 7
Dr Leslie Kilmartin <i>BA (Hons), MA, PhD</i>	Ministerial <i>(casual appointment for term of Ronald Mackay's leave of absence )</i>	Regional planning, economic development and higher education	Principal, The Insight Group	1 of 2
Ronald Mackay	Ministerial <i>(granted leave of absence August 2008 - July 2009)</i>	Business development in tourism at a senior level	Principal, Arjay Tourism Marketing	0 of 5
Marianna Pettolino <i>B Sci Ed</i>	Ministerial	Tertiary education and local community issues	Marketing Officer, College of Design and Social Context, RMIT University	5 of 7
Anthony Ray	Co-opted	Small business operational knowledge and experience	Managing Director, Dura-Wear Industries	4 of 7
Michael Said <i>CPA, RCA</i>	Co-opted	Finance, governance, audit and business accounting and reporting	Principal, EMES Consulting	7 of 7
Christopher Watson <i>Dip Teaching</i>	Ministerial	State and national level senior management in racing industry and education	Consultant	7 of 7
<b>Student Representative</b> Antony Kuypers <i>Adv Dip Acctg</i>	Elected <i>(appointed March 2008)</i>	Part-time teaching in design drafting/building fields	Student	5 of 6
<b>Staff Representative</b> Lois Carlton <i>B Ed</i>	Elected <i>(resigned April 2008)</i>	Experience in various fields at NMIT and with industry contacts	NMIT staff member - Corporate Communications Department	2 of 2
<b>Staff Representative</b> Anthony Budge <i>Dip Civil Eng, Grad Dip Ed</i>	Elected <i>(appointed June 2008 - replacing Lois Carlton)</i>	Teaching/training in computing in various fields at NMIT	NMIT staff member - Information Technology Department	4 of 4
<b>NMIT Chief Executive Officer</b> Brian MacDonald <i>B Econ, Dip Ed</i>	Ex Officio	TAFE Institute Chief Executive Officer	NMIT CEO	7 of 7

# Committees

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Board committees are established under Clause 15 of the NMIT Constitution. Each Committee makes recommendations to the Board and ensures compliance with appropriate statutory requirements.

The Board committees met approximately six times during the year to review and monitor various aspects of NMIT's operations.

## **Audit and Risk Management Committee**

The Board members on the Audit and Risk Management Committee (A&RMC) were Michael Said (Chair), Josephine Acquaro, Elaine Forde, Andrew Giddy, Marianna Pettolino and Christopher Watson.

The A&RMC is appointed to provide independent assurance to the Board and the Chief Executive Officer in fulfilling their oversight responsibilities for the financial reporting, the system of internal control, risk management, audit processes and the Institute's process for monitoring compliance with laws, regulations and ethical conduct as prescribed in the Code of Conduct.

## **Board Executive Committee**

Members were Elaine Forde (Chair), Andrew Giddy, Brian MacDonald and Norman Shearer. The Executive Committee exercises the powers, functions and duties of the Board between Board meetings and reports on the exercise of its delegation to the Board.

## **Higher Education (HE) Academic Committee**

Board member Norman Shearer served on the HE Academic Committee in 2008. The Committee is responsible for assisting the Board to ensure appropriate supervision of Higher Education programs and maintenance of high standards in teaching and academic performance.

## **Resources Committee**

The Board members on the Resources Committee were Andrew Giddy (Chair), Josephine Acquaro, Marianna Pettolino, Michael Said and Christopher Watson. The Resources Committee provides advice to the Board on finances, facilities, human resources and student services.

## **Vocational Education and Training (VET) Programs Committee**

Board members on the VET Programs Committee were Norman Shearer (Chair) and Elaine Forde. The role of the VET Programs Committee is to assist the Board to ensure that appropriate content and academic standards of Vocational Education and Training courses are met.

# Attestation on compliance with the Australian / New Zealand Risk Management Standard

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I, Brian James MacDonald, certify that as at the 31st December 2008, the Northern Melbourne Institute of Technical and Further Education has risk management processes in place broadly consistent with the Australian / New Zealand Risk Management Standard (or equivalent standard) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures in significant respects, with the exception that further work is required to be carried out in 2009 for the Institute's risk management systems to be fully consistent with the Standard.

The Audit and Risk Management Committee verifies this assurance and also notes that the risk profile of the Institute has not been formally reviewed within the last 12 months consistent with the Standard.



Brian MacDonald  
*Chief Executive Officer*  
*Northern Melbourne Institute of TAFE*

DATE: 23/2/2009

# Senior Management

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## Chief Executive Officer

Mr Brian MacDonald

The Chief Executive Officer is responsible for the operational management of NMIT.

## Director Programs

Mr David Draper (Acting)

The Director Programs is responsible for the Faculties of Arts and Social Sciences, Building and Construction, Business, Earth Sciences, Engineering, Further Education, Hospitality, Tourism and Personal Services and Higher Education programs. He is also responsible for the International Office, Academic Registry and Policy and Analysis.

## Associate Directors

### **Faculty of Arts and Social Sciences**

Mr Peter Lamburd

### **Faculty of Building and Construction**

Mr Ian Roberts

### **Faculty of Business**

Ms Dianne Holman

### **Faculty of Earth Sciences**

Mr Wayne Pappin (Acting)

### **Faculty of Engineering**

Mr Bruce Burns

### **Faculty of Further Education**

Ms Fran O'Neill (Acting)

### **Faculty of Hospitality, Tourism and Personal Services**

Mr Philip Javier (Acting)

### **Academic Head Higher Education**

Dr Meeuwis Boelen

### **Academic Registrar**

Mr John Mitchell

## Managers

### **International Office**

Mr Dino Bettiol

### **Policy Development and Analysis**

Ms Jennifer Nation

## Director Corporate Services

Mr Peter Christie

The Director Corporate Services is responsible for the delivery of services through the Managers of Buildings and Properties, Capital Works Projects, Finance, Human Resources, IT Services and Quality Assurance.

## Managers

### **Buildings and Properties**

Mr David Delaney

### **Capital Works Projects**

Mr Dom Valeri

### **Chief Finance Officer**

Mr Leigh Pike

### **Human Resources**

Mr Peter Christie

### **IT Services**

Ms Mary Waterhouse

### **Quality Assurance**

Ms Fay Bellis

## Director Client Services

Ms Anne Bambrook

The Director Client Services is responsible for the delivery of services through the Managers of Marketing and Corporate Communications, Information Services, Research and Development and Student Services.

## Managers

### **Information Services**

Ms Anne Callahan

### **Marketing and Corporate Communications**

Ms Jude Whelan

### **Research and Development**

Mr Chris Corbel

### **Student Services**

Ms Cathy O'Connor

# NMIT Campuses and Training Centres

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## Campuses

### **Ararat**

Grano Street  
Ararat 3377  
**Telephone (03) 5355 3555**

### **Collingwood**

20 Otter Street  
Collingwood 3066

### **Epping**

Cnr Cooper Street and Dalton Road  
Epping 3076

### **Fairfield**

Yarra Bend Road  
Fairfield 3078

### **Greensborough**

Civic Drive  
Greensborough 3088

### **Heidelberg**

Cnr Waterdale Road and Bell Street  
Heidelberg 3081

### **Preston**

77-91 St Georges Road  
Preston 3072

**Telephone (03) 9269 1200 for all metropolitan campuses.**

## Training Centres

### **Eden Park**

Glen Robin Court  
Eden Park 3757  
**Telephone (03) 9715 1130**

### **Northern AMEP**

Cnr Belfast and Blair Street  
Broadmeadows 3047  
**Telephone (03) 9309 2833**

### **Growling Frog Golf Course**

1910 Donnybrook Road  
Yan Yean 3755  
**Telephone (03) 9269 1086**

### **Whittlesea**

Braemore Place  
Whittlesea 3757  
**Telephone (03) 9715 1130**

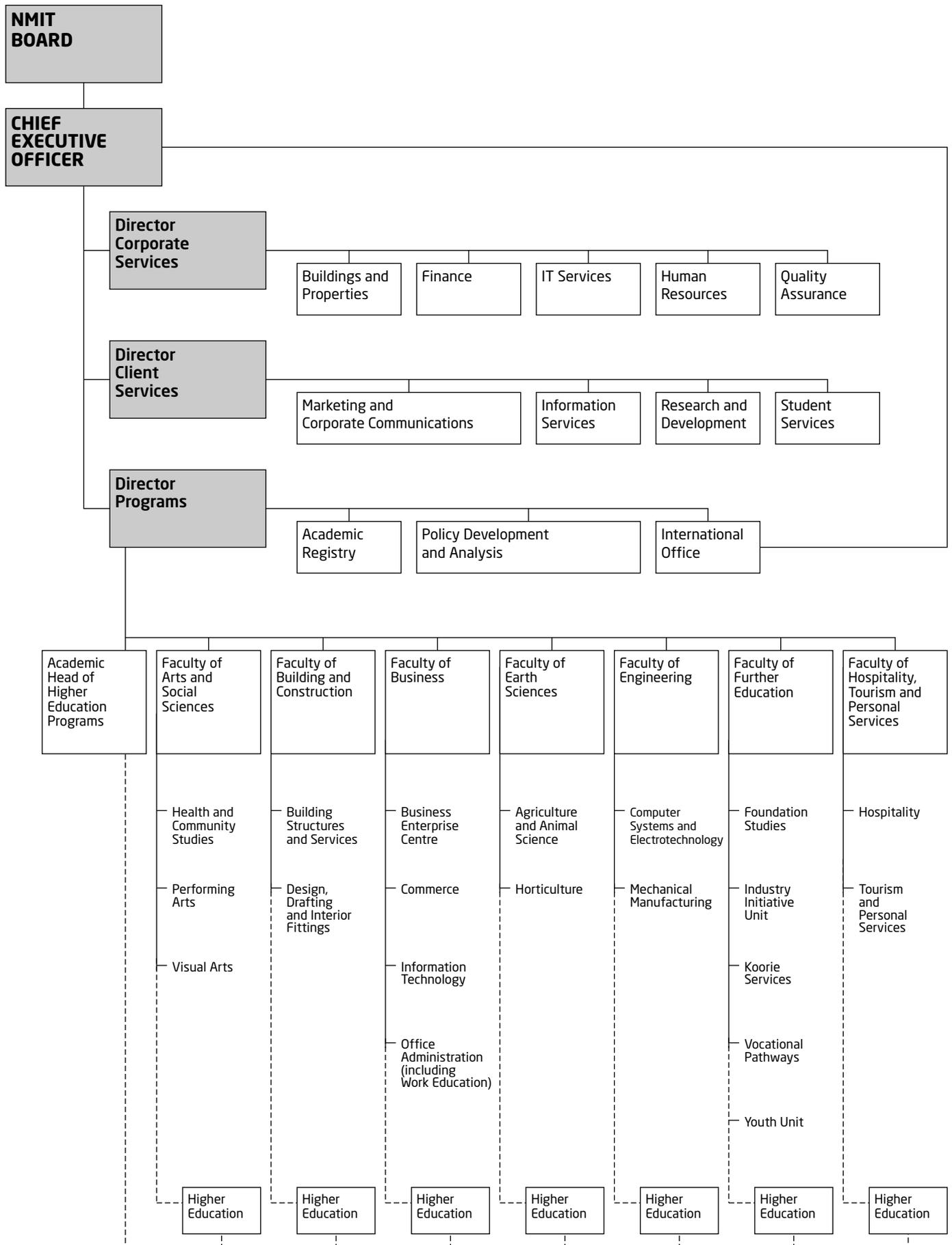
### **Yan Yean**

2005 Plenty Road  
Yan Yean 3755  
**Telephone (03) 9716 2354**

### **Yarra Glen**

Yarra Valley Racing Centre  
Armstrong Grove  
Yarra Glen 3775  
**Telephone (03) 9269 1086**

# Organisational Structure



# The Year in Review

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In 2008 NMIT offered an extensive range of Vocational Education and Training and support programs to metropolitan, regional and international students, including:

- nationally recognised certificates, diplomas and advanced diplomas as well as pre-apprenticeships, apprenticeships, traineeships, VET in Schools and Victorian Certificate in Applied Learning (VCAL), delivered in accordance with the Australian Quality Training Framework (AQTF)
- Institute accredited short courses
- off-shore courses in English language, business services, information technology, hospitality, event management, horticulture and building studies
- commercial services such as customised training, flexible delivery, online training and the production of training resources.

In Higher Education, the Bachelor of Illustration commenced as did second year delivery for the Bachelor of Australian Popular Music and third year delivery for the Bachelors of Applied Aquaculture, Viticulture and Winemaking and Equine Studies.

NMIT and Chisholm Institutes, along with industry organisations, have considerably advanced STRATA, the replacement student management system for SHAPE. It is anticipated that this will go 'live' in April 2009.

NMIT spent or committed \$6.5 million for teaching and other equipment. NMIT has made significant progress across an extremely wide and ever expanding range of developments and initiatives.

## Summary of Performance

All Performance Agreement targets were fully achieved as documented in the performance agreement with the VSC.

### **Manage a financially sound organisation with a balanced budget.**

NMIT generated a significant recurrent budget surplus in 2008 of \$1.3 million.

### **Achieve all Performance Agreement targets and advance NMIT's position as a leading provider of Vocational Education and Training.**

NMIT maintained its position as a leading provider of Vocational Education and Training in Victoria by:

- delivering all agreed program profile student contact hours
- complying with all audit requirements
- maintaining all quality assurance processes
- being below the threshold invalid module enrolment requirement
- providing statistical reports on enrolments by industry, sector, qualification level, student contact hours and staffing.

NMIT reported on:

- total student hours of training undertaken in the workplace
- usage of Victorian Crown Copyright curriculum, interstate or overseas, where it was used as the basis of commercial delivery
- capital works
- finances
- Indigenous programs
- regulated apprenticeship training agreements
- meeting obligations in relation to tagged items.

*In 2008 external quality audits resulted in the achievement of certification to the ISO 9001:2000 standard.*

### **Expand the Institute's regional and international profile.**

NMIT expanded its regional and international profile by:

- offering new courses for inbound international students, including locksmithing and several degree programs
- increasing enrolments in hairdressing, welfare, horticulture and mechanical engineering
- planning new courses for 2009 including cabinetmaking, plastering, bricklaying, beauty therapy, business equipment, electronics and communication engineering
- developing marketing strategies for India, China, Vietnam, Pakistan, Sri Lanka, Nepal, Mauritius, South America, Lebanon and the Philippines
- achieving record enrolments in ELICOS, with 1132 ELICOS blocks (514 students) in 2008 compared with 846 blocks in 2007
- developing relationships with key education agents based in Melbourne and elsewhere
- successfully hosting a wide range of delegations, visits and study tours to enhance present and future relationships
- implementing robust practices for approval and management of off-shore projects to ensure that NMIT and host country requirements and risk management issues are consistently addressed
- conducting routine audits of off-shore programs and following up with improved processes and procedures
- sending 46 English language and 81 specialist teachers to China to deliver NMIT programs in 2008
- being represented at a number of graduation ceremonies in China and Korea at partner institutions
- progressing with work in Vietnam to establish an agreement to deliver NMIT courses through a new local institution, and to investigate other cooperative options.

### **Deliver high quality programs to students and assure the quality and relevance of these programs through the quality management system.**

NMIT delivered a comprehensive range of high quality programs to students using a variety of delivery methods. These programs met the Australian Quality Training Framework standards and were quality assured through the NMIT Quality Management System. NMIT's quality system covers the design, development and provision of training programs and services provided by all teaching and non-teaching departments within NMIT. In 2008 external quality audits resulted in the achievement of certification to the ISO 9001:2000 standard. The Quality Assurance Unit has undertaken a number of quality audits of NMIT partner programs overseas.

## *NMIT expanded its range of specialist programs and the products and services offered by the Institute.*

### **Provide access to high quality equipment and facilities.**

NMIT continued its program of equipment purchase, refurbishment of campuses and capital works. This included:

- completion of way-finding signage at Preston, Fairfield and Epping campuses
- a new hairdressing facility at Preston campus
- a number of water saving and energy saving projects across all campuses
- replacement of the cooling tower at Fairfield campus
- construction of a soil testing facility at Greensborough campus
- construction of a renewable energy training facility at Epping campus
- refurbishment of the print room at Preston campus
- refurbishment of a number of office areas.

### **Support professional development of staff through in house and externally funded development programs.**

Major external funded activities included:

- two major e-Learning grants concentrating on the use of SharePoint
- an e-Learning Innovations Project which developed the use of Web 2.0 tools for use in Carpentry and Furniture studies
- a range of TAFE Development Centre (TDC) projects - four Industry Skills projects, one TAFE Teaching Fellowship, two Specialist Scholarships, the Leadership Program, and the Teaching and Learning Excellence Program
- the TDC Professional Learning Series, which was attended by over 120 staff with places funded by TDC and the Institute

- a Reframing the Future project in Knowledge Management methodology in the Building and Construction faculty
- a range of interstate and overseas study tours, major conferences and industry release activities funded by the Skills Victoria Staff Development grant.

Institute funded activities included:

- delivery of the Diploma of VET Practice to a new cohort of NMIT staff
- delivery of Certificate IV in Training and Assessment in a range of modes to NMIT staff
- faculty conferences, workshops and seminars
- the Special Professional Development fund.

The aggregate amount of Institute funding of \$2,025,389 for registration fees, travel, accommodation, replacement costs and staff time represents a significant increase in investment and priority placed on staff professional development.

### **Expand the range of innovative products and services offered by NMIT and undertake applied research.**

NMIT expanded its range of specialist programs and the products and services offered by the Institute. Developments included:

- installation of two additional switchboards to increase responsiveness to customers
- enhancement and expansion of the library's online service through the introduction of Web 2.0 features
- establishing a Visiting Scholars Program involving international lecturers and subject specialists
- completion of seven innovation fund projects

- accreditation of new Primary Industries courses and development of a Purchasing Guide for the RGR08 Training Package - a key document for Registered Training Organisations
- the roll-out of the student portal, which provides students with online access to their course materials, results and information about NMIT's services, rules and policies
- the roll-out of the staff portal, enhancing access to Institute and department information
- establishing a Student Information Portal Help Desk
- implementation of improved strategies for training programs in building and construction, following study tours to investigate best practice models of on-site training and assessment and innovations in sustainable resource management
- involvement of Adult Migrant English Program (AMEP) staff in national research projects including an action research project for the National Centre for English Language Teaching and Research (NCELTR)
- books published by Flat Chat Press
- increasing use of flexible and blended modes of delivery, including consolidation and expansion of the use of vodcasts.

Individual faculty and department reports provide further examples of research activities undertaken and innovative products and services introduced or expanded during 2008.

During 2008 the Government released a discussion paper on proposed reforms to Victoria's VET system entitled *Securing our future economic prosperity: discussion paper on skills reform*. NMIT made a detailed response which challenged many of the assumptions and statistics contained in the discussion paper.

In August 2008 the Government released the final policy document, *Securing Jobs for Your Future: Skills for Victoria*. There was little change in this document from the discussion paper. Accordingly, the matters raised by NMIT in response to the discussion paper remain extant.

*... a significant increase in investment and priority placed on staff professional development.*

# Awards

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## Student Awards

### Faculty of Arts and Social Sciences

The Australian Academy of Design Photographic Portrait Competition	
Gustava Reyes	Finalist, Tertiary Category
Australian Museum Eureka Prize for Science Photography	
Katrina Putker	Finalist
Australian Professional Photographers Association Awards	
Lui Ferreiro	Two Silver Awards with one Silver Distinction, Runner-up Student of the Year
Kenny Foo	Silver Award
Katrina Putker	Three Silver Awards
Kaiserman Prize for Jewellery Design	
Lucinda Knight	Winner
Sparta Awards - Competition for Design of Promotional Material	
Bronwyn Stempel	Winner
Telstra Road to Tamworth	
Jasmine Rae	Winner, Country Music's Newest Potential Star
Williamstown Festival Contemporary Art Prize for Two-dimensional Work	
Kate Winterton	Winner

### Faculty of Building and Construction

Building Designers Association of Victoria	
Steve Slaveski	Winner, Best Response to a Design Brief by a Student
Furnishing Industry Association of Australia (Victoria and Tasmania)	
Nick Hauf	Winner, Cabinet Making Pre-apprenticeship Award
Kate Poloni	Winner, Certificate IV in Interior Decoration and Design Award
Housing Industry Association of Victoria Training Awards	
Shareena Sloane	Best Apprentice - Painting and Decorating Runner Up, 2008 Australian Apprentice of the Year
Master Builders Association of Victoria	
James Grose	Best Apprentice - Roof Tiling
Daniel Robertson	Best Apprentice - Wall and Ceiling Lining
Shareena Sloane	Best Apprentice - Painting and Decorating
WorldSkills	
Jason Brew	4th Place, Painting and Decorating (State/Regional)
Alex Lockhart	Gold Medal, Detailed Joinery (State/Regional)
Alex Lockhart	5th Place, Detailed Joinery (National)
Sam Mutch	Gold Medal, Cabinet Making (State/Regional)

## Faculty of Earth Sciences

Australian Institute of Landscape Designers and Managers	
Denise Smallwood	Winner, Student Design Competition
Iskander Breeding and Racing Award	
Kathryn Langdon	Winner
Melbourne International Flower and Garden Show (Australia and New Zealand)	
Yen Ong	Winner, Flemings Student Landscape Design Competition
Nursery and Garden Industry Victoria (State)	
Kate Galea	Winner, Achievable Garden Design Competition
Royal Melbourne Show Beef Handlers Competition	
Paul Cromie	3rd Place (over 21 age group)
Peter George	Highly Commended (over 21 age group)
Tom Muir	Highly Commended (18-20 age group)
Natasha Velimirovic	Winner (18-20 age group), Reserve Grand Champion (open section)
WorldSkills - Landscaping	
Chris Dimitriou	Winner (State), Silver Medal (National), and will compete in international championships in Canada in 2009

## Faculty of Engineering

AGR Matthey Jewellery Awards	
Veronica Atkins	2nd Place
Kaiserman Prize for Jewellery	
John T	Winner
Master Locksmithing Association of Australasia Apprentice of the Year Awards	
Rick McHutchinson	2nd Place
Thomas Robinson	3rd Place

## Faculty of Further Education

Alan Marshall Short Story Award	
Lena Pasqua	Shortlisted
Belinda Woods	Commended
The Father Chris O'Reilly Youth of the Streets Scholarship	
Redwen Adem	One of 10 Winners (240 nominees nationally)
VCAL Awards - Joinery Pre-apprentice of the Year	
Andrew Multari	Winner

## **Faculty of Hospitality, Tourism and Personal Services**

Association of Massage Therapists Student of the Year Award

Damian Spadaro

Winner

AUSTAFE Apprentice Cook of the Year Competition

Stuart Hurley

Bronze Medal

Developing Tourism Leaders Competition

Tanya Ballard

Judges' Award for Innovation

Kerrie Leonard

Merit Award

Melissa Primal

Merit Award

Rotary Club of Preston Pride of Workmanship Awards

Elizabeth Contini and Sufian Talip (Commercial Cookery apprentices)

School-based Trainee of the Year

Fifi Fisipuna (Commercial Cookery)

Winner

## **Staff Awards**

### **Faculty of Hospitality, Tourism and Personal Services**

Meat and Livestock Association Live Kitchen Event

Dale Lyman (sessional chef instructor)

Bronze Medal

## **Institute Awards**

### **Visual Arts**

Australian Professional Photographers Association

Australian Tertiary Institute of the Year award



*Visual Arts*

*Australian Professional Photographers*

*Association Australian Tertiary Institute  
of the Year*

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Applied Photography

# 2008 Highlights – Programs Division

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The Programs Division includes the faculties of:

Arts and Social Sciences  
Building and Construction  
Business  
Earth Sciences  
Engineering  
Further Education  
Hospitality, Tourism and Personal Services

and the following functional areas:

Higher Education  
International Office

## Faculty of Arts and Social Sciences

The faculty has departments of Health and Community Studies, Performing Arts and Visual Arts, and offers higher education degrees in Music and Illustration.

### Health and Community Studies

The Health and Community Studies Department offered courses in Aged Care, Health, Childcare, Disability, Alcohol and Other Drugs Work, Welfare and Mental Health.

Highlights included:

- an increase in the number of international students undertaking the Diploma of Welfare Work from 40 students in 2007 to 160 in 2008
- online delivery of Certificate III in Community Care Competencies to 20 students (developed from the 2007 innovation funding grant)
- supporting the development of leadership training for managers in a non-clinic environment by establishing relationships with the Mental Health Coordinating Council (MHCC), Psychiatric Disability Services of Victoria (VICSERV), and Neami, a leading national provider of psychosocial health and rehabilitation support

- delivery of Health Support Services to eight large metropolitan hospitals, with a range of other options under discussion for 2009
- introduction of NMIT's Advanced Diploma of Children's Services, designed to meet existing workers' training needs.

### Performing Arts

The Performing Arts Department delivered programs in Music Performance, Music Industry (Business), Music Industry (Technical Production) and Screen and Media.

Highlights included:

- the 2008 Yarra Edge Music Festival, which included five days of student performances and had a student songwriting competition as its high point
- performances at NMIT by international and high-profile local artists including Mike Stern, Kurt Elling, George Gargone, Finnish ensemble Ilmiliekki, Bennetts Lane Big Band and the Rob Burke Band
- licensing of Music Business student Corinne Peachey's CD, 'Two UP', for a TV show
- a collaboration between Music Business students and 'Smalltown Events' to produce a CD featuring Melbourne buskers, with launches in prominent Melbourne venues
- international recording artist and arranger Niko Schauble working with Music Performance staff and students on specialist skills in composition and performance.

## Visual Arts

The Visual Arts Department offered courses in Fine Art, Illustration, Applied Photography, Graphic Arts, Photomedia and Product Design/Jewellery.

Highlights included:

- a competition for Victorian secondary schools on August 25, hosted by the Visual Arts Department with Archibald Prize winner Lewis Miller as the adjudicator
- numerous examples of recognition for excellence including
  - an artist's residency at Arthur Boyd's property in NSW (staff member Kari Hendricksen)
  - design, text design and art production of the critically acclaimed Wathaurong Dictionary (staff member Stephen Pascoe)
  - all five major industry-sponsored awards at the annual Illustre show at Chapel off Chapel gallery in South Yarra (Diploma of Arts - Illustration students)
  - distinctions or above for twelve students from the Diploma of Photography and Diploma of Photoimaging, with many students receiving multiple awards
  - the Australian Professional Photographers Association award 'Australian Tertiary Institute of the Year 2008'.



## Faculty of Building and Construction

The faculty consists of two departments - Building Structures and Services and Design, Drafting and Interior Fittings. The faculty is considered to be a leader in vocational training for the construction, furnishing and caravan manufacturing industries.

### Building Structures and Services

The department offered pre-vocational and apprentice training programs in carpentry, bricklaying, plumbing, painting, plastering, wall and floor tiling and roof tiling.

Highlights included:

- continued recognition of excellence in training through several industry awards presented to pre-vocational and apprenticed students, including the Housing Industry Association of Victoria (HIA) 2008 Apprentice of the Year
- organisation of the bi-annual Victorian and National TAFE Construction Teachers Conferences, which attracted 500 participants from TAFE, industry and government sectors
- a study tour to the international Water Environment Federation's Technical Exhibition and Conference (WEFTEC) to research innovations in sustainable water resource management for inclusion in training programs for the plumbing industry
- consolidation and expansion of a successful skills recognition program for existing workers in the construction industry to support government strategies for addressing skills shortages.

### Design, Drafting and Interior Fittings

The department offered pre-vocational, apprentice, certificate IV, diploma and advanced diploma courses in civil engineering, building design, building, interior decoration and design, furniture design, cabinet making, joinery, shop fitting, stair building and recreational vehicle manufacture and servicing.

Highlights included:

- students winning several industry training awards, including the Building Designers Association of Victoria (BDAV) 2008 'Best Response to a Design Brief' Award, and the Furnishing Industry Association of Australia (FIAA), 2008 Best Pre-apprentice, Furnishing (Cabinet Making) Award
- students achieving gold medals in Cabinet Making and Detailed Joinery at 2008 Regional WorldSkills
- presentation of the second 'Highlander' caravan constructed by Caravan Manufacturing students to West Mead Children's Hospital to support the organisation's fund raising
- a successful study tour of vocational training centres in the United Kingdom to investigate best practice models of onsite training and assessment, which are currently being implemented across apprentice training programs.



*Awards presented to prevocational and  
apprenticed students, including the Housing  
Industry Association of Victoria (HIA) 2008  
Apprentice of the Year*

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Interior Decoration and Design

*...establishing a culture of higher education strongly focused on meeting students' learning needs while maintaining an emphasis on academic standards and industry requirements.*

## Faculty of Business

The Faculty of Business comprises the Business Enterprise Centre and Work Education Centre along with three departments - Commerce, Information Technology and Office Administration. The faculty delivers Vocational Education and Training courses from Certificate I to Advanced Diploma. It also has a Higher Education area delivering Associate Degrees.

- establishment of a knowledge management system for storage and retrieval of teaching resources
- success for Darebin Enterprise Centre Limited (an NMIT partner in the delivery of the New Enterprise Incentive Scheme) in winning the International Incubator Non-Technology Award - the awards ceremony in San Antonio, Texas, was attended by a BEC staff member.

### **Business Enterprise Centre (BEC)**

The BEC has continued to provide consultancies and training solutions to meet individual, organisational, industry and government requirements over a range of sectors.

Highlights included:

- completion of a customised Certificate IV and Diploma of Government qualification for the Department of Human Services (DHS) Victoria, delivered to over 400 staff
- successful tendering for and commencement of training to 300 Victoria Police staff across the state for a Certificate IV in Government, utilising a blended approach of workshops, individual mentoring and online delivery
- online delivery of Certificate IV in Training and Assessment for Healthscope employees
- commencement of the Diploma in Vocational Education and Training (VET) Practice, designed to increase the skills and knowledge of trainers and facilitators in the VET sector

### **Business Higher Education**

This area of the Faculty of Business commenced operations in January 2008 and in its first year offered Associate Degrees in Accounting, International Business and International Business Management.

Highlights included:

- staffing growth, so that by the end of 2008 Business Higher Education had two full-time academic staff, a number of ongoing and sessional staff delivering higher-education subjects, a Course Administrator and an acting Head of Program
- effective design of courses to allow for integration and common classes wherever possible, to optimise the use of resources and enhance the learning environment for students
- establishing a culture of higher education strongly focused on meeting students' learning needs while maintaining an emphasis on academic standards and industry requirements
- development of a number of strategies to enhance student outcomes, including study-skills programs, skills week, a student newsletter and mentoring

- research and planning for additional courses including
  - an innovative Bachelor in Accounting with a focus on sustainability, which will be one of the first of its type in Australia at this level and has the support of industry, professional bodies and government
  - development of a business case for a potential new degree in Knowledge Management
- development for 2009 of applied research projects, student professional practicum arrangements, scholarly activities and single-subject enrolment based on the existing Associate Degrees and the proposed Bachelor of Accounting
- building relationships with industry and professional groups including CPA Australia, the National Institute of Accountants, organisations such as North Link and SAS and local governments (City of Darebin and City of Whittlesea)
- establishing agreements for articulation from NMIT VET programs and Associate Degrees to courses at La Trobe University, Australian Catholic University and Victoria University
- a Memorandum of Understanding between the National Institute of Accountants and NMIT to provide scholarships leading into the Associate Degree in Accounting
- the appointment of the acting Head of Program as a foundation member of the National Institute of Accountants Faculty of Accounting Education.

## Commerce

The Commerce Department offered courses in Financial Services, Accounting, Marketing, International Business, Small Business Management and Sport Development.

Highlights included:

- design and development of new courses in Bookkeeping, Sales and Business for 2009 delivery
- increased teaching commitments in China, with 53 individual teaching placements (a 23% increase from 2007) over 15 locations
- substantial resource development, with a number of teachers developing resources in anticipation of delivery in Vietnam of Financial Services, International Business and Marketing courses
- facilitation of study tours for Hong Kong students in February/March, April and October, each involving six weeks of on-line classes prior to travel to Australia for face-to-face study
- growth in inbound international student numbers, predominantly in Accounting courses and also in International Business
- first and second-year sport students attending camps at Milgrove and Angelsea as part of a camp program that has been integrated into students' studies to enhance and extend their range of experiences in the course.

*...increased teaching commitments in China, with 53 individual teaching placements (a 23% increase from 2007) over 15 locations.*

## Information Technology

The Information Technology Department offered courses in Software Development, Multimedia and Networking.

Highlights included:

- development and implementation of online, automated systems for processing, reporting on and archiving student evaluation feedback forms, to replace the current manual methods of compiling results and entering data into spreadsheets
- a review of the first year of the Advanced Diplomas of Information Technology (Programming) and Information Technology (Network Security), leading to the implementation of minor changes to enhance course content and delivery methods
- implementation of more flexible delivery via the use of lectures and tutorials, resulting in enhanced timetable flexibility for students and more efficient use of staff time
- delivery of the new Diploma of Information Technology (Software Development) course in China, in line with the new ICA05 Training Package
- an increase in the number of inbound off-shore students undertaking advanced diploma programs in Information Technology and Multimedia

- continuing progress in establishing articulation arrangements with a number of higher educational institutions, including:
  - Australian Catholic University*  
Bachelor of Networking Engineering
  - La Trobe University*  
Bachelor of Computer Science,  
Bachelor of Information Systems,  
Possible degree Bachelor of Computer Science/Games Technology
  - Victoria University*  
Currently negotiating regarding Bachelor of Business (Computer System Management), Bachelor of Business (Information Systems), and the possibility of Bachelor of Business (Electronic Commerce)/Bachelor of Arts (Multimedia)
- strengthening the Department's contacts and profile by sourcing industry projects which final-stage Advanced Diploma students completed as part of their course and presented to industry representatives in November:
  - Close the Loop*  
Redistribution and recycling printer cartridge project
  - Diamond Valley Railway*  
Party Booking System project
  - Whittlesea Community Centre*  
Community Directory Database project
- Multimedia gallery evenings at both Collingwood and Greensborough campuses, showcasing student work and promoting the department's programs.

*...Multimedia gallery evenings at both Collingwood and Greensborough campuses, showcasing student work and promoting the department's programs.*

*...the launch of the Centre's inaugural alumni chapter to provide opportunities for graduates to network socially, hear about and acknowledge graduates' achievements...*

## **Office Administration**

The Office Administration Department offered courses in Business Administration, Legal Practice, Human Resources, Retail and Management.

Highlights included:

- implementation of a dual qualification: Certificate II in Retail and Certificate II in Community Pharmacy
- delivery of Certificate I Retail units of competency to ESL students in Foundation Studies programs
- design and development of new courses to be introduced in 2009 including two Certificate III programs in Business Administration (Medical and Legal), Certificate IV in Project Management, and a one-year Diploma in Business Administration
- staff participation in the Industry Release Scheme funded by the TAFE Development Centre, with research findings then taken into account in the design of new courses for 2009
- establishing pathways from the Advanced Diploma in Legal Practice to Victoria University's Bachelor of Arts (Criminal Justice Studies) and Bachelor of Arts (Legal Studies), with NMIT Legal Practice graduates to be granted between 4 and 8 credits in these degree programs
- participation and leadership in state-wide industry networks including the Administration Studies Network, Human Resources Network and Management Network
- development of alliances with Harris Scarfe and Myer, resulting in students undertaking practical placements with these organisations for the first time
- a substantial increase in international student enrolments in Administration courses.

## **Work Education Centre**

The Work Education Centre offered courses in Transition, Work Education, Hospitality and Performing Arts.

Highlights included:

- development of a strategy to promote the growth of e-learning within the Centre and enhance e-learning opportunities for students now and into the future
- continuing development of partnerships to improve student outcomes, including a collaboration with the City of Darebin that generated work-experience placement opportunities and the provision of mentoring support for Performing Arts students through community grants funding
- innovative delivery of units of competency for Hospitality and Work Education students through enhanced onsite training and an expanded practical program, ensuring transferability to industry
- development of new resources, assessment tasks and checklists to improve existing practices and enhance the quality of teaching and learning
- the launch of the Centre's inaugural alumni chapter to provide opportunities for graduates to network socially, hear about and acknowledge graduates' achievements, provide future course information and remain involved with the Centre
- participation in manufacturing and engineering skills training through a 'Careers in Manufacturing' program - this provided an opportunity for students to explore different aspects of the manufacturing industry and increase their awareness of career opportunities.

## Faculty of Earth Sciences

The Earth Sciences Faculty has two departments - Agriculture and Animal Science and Horticulture.

### Agriculture and Animal Science

The department offered courses in Animal Technology, Natural Resource Management, Agriculture, Wool Handling and Classing, Beef Cattle Production, Meat and Fish Processing, Farriery, Farm Management and Operations, Viticulture and Winemaking, Aquaculture, Equine Studies, Thoroughbred Breeding, Horse Racing, Civil Construction and Earthmoving, Transport and Distribution, Warehousing and Forklift, Veterinary Nursing, Organic Farming and Olive Production.

Highlights included:

- commissioning of the Meat and Fish Processing and Training Centre at Epping, which has led to the delivery of meat industry training for J.B.S. Swift, Australia's largest and most successful meat exporter and packer
- successful use of the Centre as the venue for two meat industry workshops conducted by Meat & Livestock Australia and a pilot sheep-marketing workshop run by the Department of Primary Industries
- hosting of visits by two international scholars in August/September
  - a three-week stay by equine reproduction specialist Dr Jaymie Noland (Associate Department Head, Animal Science Department, California Polytechnic State University), who provided input into planning for a new artificial insemination (AI) and exercise physiology training facility at Northern Lodge and engaged with students in the Department's Equine Studies programs
  - a two-week stay by Dr Don Furnell (Chair of the Department of Fisheries and Aquaculture, Vancouver Island University, Canada), who advised the Department's Aquaculture staff on the design and operation of recirculating fish farms, taught students in the Bachelor of Applied Aquaculture program and visited a number of Victorian aquaculture enterprises
- graduation of students from the first intake of the Equine Studies higher education program
- graduate Kathryn Langdon winning the Iskander Breeding and Racing Award for Academic Excellence, which will allow her to pursue her interest in equine reproduction as a student of a specialist AI course in Colorado, USA, in January 2009

*...the five-year old stallion, Sea Battle, becoming the most successful thoroughbred produced by the Northern Lodge Stud, with \$679,820 earned in prize money.*

*...two first prizes in Garden Design at the 2008 Melbourne International Flower and Garden Show.*

- impressive results for agriculture students in the Beef Cattle Handlers Competition at the Royal Melbourne Show - Natasha Velimirovic won the Beef Cattle Handler's Competition (18-20 years) and was Reserve Grand Champion Handler in the Open Age Section; Paul Cromie was placed third in the Over 21 Years Section; Tom Muir and Peter George received highly commended awards in the 18-20 Years and Over 21 Years Sections respectively
- facilitation of the first sensory training session for olive oil analysis, which involved 21 industry-based participants including growers, sellers, teachers and laboratory personnel, and will be followed by further sessions to train industry judges over the next 15-20 months in consultation with the Department of Primary Industries, Wagga Wagga
- a special 'Drought Recovery Strategies' field day at Yan Yean, conducted in conjunction with the Department of Primary Industries and the City of Whittlesea and attracting more than 100 farmers, sustainability experts and pasture authorities
- the five-year old stallion, Sea Battle, becoming the most successful thoroughbred produced by the Northern Lodge Stud, with \$679,820 earned in prize money.

## **Horticulture**

The Horticulture Department offered courses in Arboriculture, General Horticulture, Horticulture Operations, Landscaping, Nursery, Parks and Gardens, Turf Management, Floristry and Pest Control.

Highlights included:

- students winning awards in a number of prestigious competitions, including gold and silver medals for Landscape Construction in the Worldskills competition, and two first prizes in Garden Design at the 2008 Melbourne International Flower and Garden Show
- a visit in August by German Floristry Master and specialist in wedding floristry, Ms Wally Klett, who conducted three workshops at the Fairfield Campus for floristry students and representatives from the industry
- involvement by parks and gardens students in an extensive revegetation project (Riparian Zone planting along the banks of Gardiners Creek), undertaken in conjunction with Melbourne Water and the Blackburn Creeklands Committee and designed to help stabilise soil, promote the creation of habitats for aquatic animals, reduce weed establishment and help in removing toxins from the water.



*...students receiving state and national awards in competitions conducted by the Jewellery Association of Australia and the Locksmiths Association of Australasia...*

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Jewellery

## Faculty of Engineering

The Faculty of Engineering has two departments - Computer Systems and Electrotechnology and Mechanical Manufacturing.

### **Computer Systems and Electrotechnology**

The department offered courses in Computer Systems, Electrical Technology, Electronic Engineering, Power Industry and Renewable Energy.

Highlights included:

- staff undertaking international study tours to Germany and the United States to investigate latest technologies and educational training practices in the disciplines of Power Industry (Transmission and Distribution) and Renewable Energy
- expansion of existing training agreements with the Tasmanian government to include the Electrical Supply (Power Sector) and Fitter Armature Winding industries
- establishing specialist training and assessment facilities for the Sustainable Energy and Electrical Licensing sectors, reflecting latest industry technologies, practices and plant
- the development of a dual Certificate III/Diploma qualification in Electronics (Business Machines) for marketing to international students.

### **Mechanical Manufacturing**

The department offered courses in basic Engineering, Engineering Technology, Jewellery, Manufacturing Engineering, Metal Fabrication and Welding and Security Technology and Locksmithing.

Highlights included:

- introduction of a two-year dual Certificate III/Diploma qualification for international students within the vocations of locksmithing and engineering
- students receiving state and national awards in competitions conducted by the Jewellery Association of Australia and the Locksmiths Association of Australasia
- purchase and installation of specialist equipment including a 3 Axis CNC Milling Machine (\$114,000) and Brake Press (\$230,000), enabling latest technological practices to be taught to students
- hosting of state and national industry and curriculum forums
- an eight-day graduate exhibition of work by Advanced Diploma of Jewellery students at the Northcote Town Hall, with the opening night attended by 430 people.

## Faculty of Further Education

The faculty includes the Foundation Studies and Vocational Pathways Departments, the Koorie Services Centre, the Youth Unit, the Further Education Industry and Initiatives Unit and the International English Language Testing System (IELTS) Test Centre.

### Foundation Studies

The department offered courses in English as a Second Language (ESL), Adult Literacy and Basic Education (ALBE), the Adult Migrant English Program (AMEP) and the Language, Literacy and Numeracy Program (LLNP). These programs provided students with opportunities to develop their English language, literacy and numeracy skills and employability skills for work, further education and/or training. The department also provided literacy and numeracy support to apprentices and trainees and has started the first of a series of programs under the new Employment Pathways Program Pilot (AMEP/Department of Immigration and Citizenship).

Highlights included:

- increased collaboration with other NMIT departments to facilitate pathways for students into mainstream courses or employment through dual delivery models, as well as increased work and study placements
- involvement of AMEP staff in national research projects, including an Action Research Project for the National Centre for English Language Teaching and Research (NCELTR), a longitudinal study in cooperation with the AMEP Research Centre (Macquarie and Latrobe Universities), and representation on the National Assessment Task Bank committee

- staff presentations and participation at AMEP forums
- provision of professional development and moderation for trade teachers in relation to literacy and numeracy.

### Vocational Pathways

The department offered courses in Professional Writing and Editing, Liberal Arts, Bridging Science, ESL for Vocational and Further Study, English Language Intensive Courses for Overseas Students (ELICOS) and the Overseas Qualified Professionals Program (OQPP). It also offered programs through the Centre of Excellence for Students who are Deaf and Hard of Hearing. In addition, Vocational Pathways provided study-skills support services to students in other faculties and managed the staffing of NMIT's off-shore teaching in China.

Highlights included:

- a staff member being invited to deliver numeracy workshops nationally to Language, Literacy and Numeracy providers
- provision of study-skills assistance to over 300 students through workshops, tutorials, classroom delivery and one to one support, with an increasing demand from Higher Education students
- ELICOS enrolments of 514 students from 33 countries, in eight intakes during the year
- 46 English language teachers going to China to deliver the NMIT Certificate of English for Business and Global Communication (CEBGC)
- teacher training programs run for the Chinese teachers at two partner institutions
- publication of eight books by Flat Chat Press (fiction, educational texts, nonfiction and poetry)

- notable achievements by the Centre of Excellence
  - three staff members presenting at the Pathways 9 Disabilities in Post Compulsory Education conference held in Melbourne in December
  - production of a DVD, 'Navigating TAFE: A Guide for Deaf and Hard of Hearing Students in TAFE', for potential students who are deaf and hard of hearing and for VET teachers working with these students
  - provision of training, the first of its kind in Australia, for deaf people working as trainers in areas such as deafness awareness, Auslan and other more generic fields, with 16 deaf people undertaking the Certificate IV in Training and Assessment over 10 weekend block sessions
  - continued success of the Central Auslan Booking Service (CABS) run by the Centre, which was able to fill 92% of requests for interpreters to support 30 individual deaf and hard of hearing students in nine metropolitan TAFE institutes.

## Youth Unit

The Youth Unit offered the Young Adult Migrant Education Course (YAMEC) and a range of Victorian Certificate of Applied Learning (VCAL) programs both themed and general. Transition programs which operated out of the unit were Youth Pathways, TAFE Pathways and Managed Individual Pathways (MIPs).

Highlights included:

- senior VCAL students attending the 'Young Achievement Australia' awards presentation evening at the Leonda restaurant in Hawthorn and winning the Tertiary Category 'Special Performance' section (this was for high results in all aspects of running a company, such as thorough and professional business planning, attendance and reporting at business meetings with Grant Thornton, well researched product and marketing plans)
- sixteen students from YAMEC VCAL at Collingwood completing the eight-week Barista Course at Lentil As Anything restaurant Abbotsford, which included classes for the 'Serving Non Alcoholic Drinks' module of Certificate III in Hospitality and eight hours Practical Placement at Lentil As Anything, funded by a generous donation from the Inner North Foundation
- outstanding student achievements in VCAL Furniture and Carpentry, with first-semester students Michael Wickham and Andrew Multari both being nominated for the Joinery pre-apprentice of the year and Andrew Multari winning the award
- YAMEC students from Collingwood being asked to design and produce a poster for the local Neighbourhood Justice Centre (NJC) to advertise Community Policing, which involved working with a Youth Worker and Fitzroy Police to take photos of policing in the area, and with a graphic designer to put images and design ideas into digital format.

## **Koorie Services Centre**

The Koorie Services Centre offered courses for Aboriginal and Torres Strait Islander people in Certificate II & III in Multimedia, Certificate IV in Community Services, Certificate II in First Aid, and Song Writing with students recording CDs of songs that they wrote and performed.

Highlights included:

- running numerous cross-cultural workshops that have been well received by NMIT staff and students alike
- increased support for all Indigenous students studying at NMIT, including access to tutorial support, financial support and scholarships.

## **Further Education Industry and Initiatives Unit**

The unit coordinated the faculty's business activities and provided project management and advice. In 2008 a significant part of the work included provision of customised training programs and innovative approaches for enterprises and communities with employees with low levels of literacy, numeracy and English language skills. As part of the Adult Migrant English Program contract, the unit provided distance learning courses in ESL and AMEP Home Tutor Scheme volunteer training.

Highlights included:

- management of the AMEP consortium of nine providers over 13 sites
- successful management and completion of 19 Workplace English Language and Literacy (WELL) projects in a range of industry settings including aged care, home and community services, food processing and automotive
- management of the Northern LLANS consortium of four LLNP providers across six sites

- training support from the Victorian Office of Multicultural Affairs for bilingual students wanting to work in the health sector
- auspicing of the Employment and Learning Coordinator initiative for the Heidelberg West Neighbourhood Renewal program funded by the Victorian government through the Department of Human Services
- training and placing over 372 community volunteers and providing volunteer training and support to 40 community service organisations across the northern region.

## **IELTS Test Centre**

IELTS is the premier English language test for migrants, students and personnel world wide. The NMIT Test Centre is accredited by IDP IELTS Australia in partnership with the British Council and the University of Cambridge. The Test Centre has access to over 100 examiners, 20 clerical markers and 55 invigilators. In 2008 the Centre conducted separate sessions of Examiner, Clerical Marking, Invigilator, Facial Recognition and Document Fraud Detection training.

Highlights included:

- completing a second full year of IELTS test days, with 7,500 candidates over 30 Saturdays
- continued success in effectively providing candidates with information, support and facilities for undertaking the IELTS test.



*The NMIT Test Centre is accredited by IDP IELTS Australia in partnership with the British Council and the University of Cambridge.*

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Koorie Services Centre



## Faculty of Hospitality, Tourism and Personal Services

The faculty has two departments - Hospitality and Tourism and Personal Services.

### Hospitality

The Hospitality Department offered courses in Accommodation, Cookery, Event Management and Food and Beverage, including cookery apprenticeships, hospitality traineeships, school-based apprenticeships and VET in schools. Training continued to incorporate partnerships and external events involving industry, local councils, community groups and the general community, as well as student use of St Georges Restaurant and Level 3 Bistro Collingwood to connect with industry.

Highlights included:

- successful implementation of a partnership arrangement with Mint Training, with 23 trainees based at Crown Casino
- Event Management students organising and coordinating the 2008 Victorian TAFE Administrative Officers' Annual Conference
- the fifth annual NMIT Food and Wine Expo, which was held in November in St Georges Restaurant and an outdoor marquee and:
  - organised by Events Management students
  - sponsored by the Darebin City Council, with the estate agency Raine and Horne providing support by displaying promotional boards around Preston
  - attended by over 400 people, who enjoyed wine tasting, cheese, chocolate, olive oil and bread sampling from producers from around the state, and music provided by NMIT music students

- continued success of the Food and Wine Dinner series and the Master Chef Dinner series, which represented wineries including Buller Wines, Casella Wines and T'Gallant Winery Operations, and featured guest chefs from renowned Victorian restaurants including Executive Chef Gordon Brown from Evelyn County Estate Vineyard and Executive Chef Jake Cowen from Athenaeum Club on Collins
- sessional chef instructor Dale Lyman winning the bronze medal at the Meat and Livestock Association Tabasco Live Kitchen Event held in conjunction with the Fine Food Expo in September.

### Tourism and Personal Services

The department offered courses in Tourism Operations, Event Management, Tourism Product Development, Retail, International Travel, Tour Guiding, Remedial Massage, Myotherapy and Hairdressing, Beauty and Salon Management.

Highlights included:

- the launch in August of the mentor program, an event at St Georges Restaurant involving students from tourism and event courses and mentors from industry
- development of a high quality hairdressing salon at the Collingwood campus to consolidate the training of apprentices and international students
- Certificate IV Hairdressing students holding their first stylist parade in November as part of their learning, with an outstanding level of work in their preparation of models for demonstration

*...development of a high quality hairdressing salon at the Collingwood campus...*

- development of the Diploma of Beauty course for 2009
- NMIT's Tourism Employment seminar, organised by Event Management students
- students in myotherapy and tourism receiving awards
- work placements and volunteer work by students at the Banyule Festival, in Darebin Council programs, and at the Victorian Caravan and Camping Leisurefest
- development of partnerships and alliances with Darebin Council, OXFAM Trailwalk, Life in Style, Diamond Valley Miniature Railway and Nillumbik Open Cellars.

Hairdressing





*...third (final) year delivery of the  
Bachelors of Australian Popular Music,  
Applied Aquaculture, Equine Studies and  
Viticulture and Winemaking...*

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Applied Aquaculture



## Higher Education

Higher Education incorporates the development and accreditation of courses, the support of academic staff, the development and review of academic governance and the establishment of degree committees and quality assurance systems.

Highlights included:

- ministerial approval to offer the Bachelor of Writing and Publishing
- delivery of the Bachelor of Illustration and Associate Degrees in Accounting, International Business and International Business Management
- third (final) year delivery of the Bachelors of Australian Popular Music, Applied Aquaculture, Equine Studies and Viticulture and Winemaking
- submission for accreditation of the Bachelor of Agriculture and Land Management
- development of a Degree in Accounting and a Graduate Diploma in Education
- recruitment of 15 academic staff, bringing the total to 19 (equivalent full-time).

## NMIT International Office

The office manages the international activities of the Institute through the identification and evaluation of international opportunities, professional advice and planning.

Highlights included:

- growth in international student numbers and activities
  - on-shore enrolments have grown by 71% (from 916 to 1569)
  - ELICOS enrolments have grown by 33% (from 846 ELICOS blocks delivered in 2007 to 1132 in 2008)
  - off-shore enrolments have grown by 8% (from 17,500 to an estimated 19,000), after accelerated growth in the previous year of 75%
  - total revenue has grown by 40% from A\$11 million to A\$15.5 million
- development of pathway programs to enable graduates from NMIT programs in China to articulate to the Institute's Associate Degree programs and on to universities to complete a full degree
- Melbourne study tours by four groups of students from NMIT's Hong Kong partner, including completion of a unit of their course at NMIT in Melbourne.



*One major capital works project was completed – a new painting and plastering facility at Epping campus.*

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Epping Campus

# 2008 Highlights – Corporate Services Division

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The Corporate Services division includes the following departments:

Buildings and Properties

(including Capital Works Projects)

Finance

Human Resources

IT Services

Quality Assurance

## Buildings and Properties

The Buildings and Properties Department provided a range of services, including maintenance of buildings and grounds, cleaning, security and capital works.

One major capital works project was completed – a new painting and plastering facility at Epping campus.

Major projects begun in 2008 and continuing were:

- construction of the Technical Education Centre, Heidelberg campus
- refurbishment of Buildings Q and S at Fairfield campus
- refurbishment of Yarra House at Fairfield campus
- design for Epping Campus - Stage 1 redevelopment.

Minor works projects completed were:

- refurbishment of Finance Department offices
- completion of way-finding signage at Preston and Fairfield campuses
- refurbishment of the Hairdressing facility in Building G, Preston campus
- landscaping works at Fairfield and Preston campuses

- water-saving projects comprising installation of additional water tanks at Heidelberg, Epping and Preston campuses and flow-restriction valves to taps across the institute; conversion of single to dual flush toilet cisterns; and numerous conversions of irrigation systems to water-efficient automated drip systems
- replacement of fire stairs in Building B, Preston campus
- replacement of the cooling tower at Fairfield campus
- construction of a soil testing facility at Greensborough campus
- refurbishment of the print room at Preston campus
- construction of a new Renewable Energy training facility at Epping campus
- relocation of Academic Registry at Preston campus
- refurbishment of International offices at Collingwood campus
- refurbishment of toilets on levels 1, 3, 4 and 5 at Collingwood campus.

Minor projects begun in 2008 and continuing were:

- an additional locksmithing training facility at Heidelberg campus
- way-finding signage at Epping and Ararat campuses
- refurbishment of lecture theatres at Preston campus
- increase of student capacity across all Institute training areas.

*...negotiation of new agreements for green electricity usage, enabling NMIT to meet the government's target of 25% by 2010 for the purchase of electricity from green sources.*

## Finance

The Finance Department was responsible for the financial functions of NMIT including accounts payable and receivable, assets, banking and investments, budgets, courier, insurance, management reporting, payroll, printing and risk management. The department had responsibility for implementing government legislation through the Financial Management Compliance Framework and Ministerial Directions.

Highlights included:

- negotiation of new agreements for green electricity usage, enabling NMIT to meet the government's target of 25% by 2010 for the purchase of electricity from green sources
- a major upgrade of the Finance System in April and subsequent training of staff
- successful review and implementation of policies and procedures to improve department efficiency and delivery.

## Human Resources

The department provided all faculties, departments and staff at NMIT with human resource services encompassing recruitment, induction, leave, industrial relations and employee welfare. The department has continued to develop, implement and review policies in the areas of industrial, employment, anti-discrimination and occupational health and safety law. It also has responsibility for Freedom of Information, Information Privacy and the Whistleblowers Protection Acts.

Highlights included:

- certification of enterprise agreements for miscellaneous workers and storage services staff
- a review of employment advertising to improve exposure of the NMIT brand
- updating of induction processes for all staff
- results of the 2008 WorkSafe Compliance Project showing that no notices were issued to NMIT (87 provisional improvement and prohibition notices were issued to TAFE Institutes across the state).

## IT Services

The department was responsible for the planning, acquisition and support of all information and communication technology used by NMIT. IT Services responded to in excess of 6,500 end user requests for assistance during 2008.

Highlights included:

- development and testing of the STRATA Student Management System (developed for NMIT and Chisholm Institute of TAFE by a private software firm, AVAXA, and project managed by NMIT)
- extension of Sharepoint services to include a student portal
- replacement of 17 PC and 3 MAC laboratories
- transfer of the existing high availability network to a central Rack Room
- preparation of design for a wireless network for submission to Skills Victoria
- management of a copier tender and implementation of equipment and new management software.

## Quality Assurance

NMIT has been certified to international standard ISO 9001 since 1995. The quality system covers the design, development and provision of training programs, higher education and services provided by all teaching and non-teaching departments within NMIT.

In 2008, the Quality Assurance Manager was invited by the Department of Education, Employment and Workplace Relations (DEEWR) to provide representation on behalf of all Victorian TAFE providers to DEEWR's reference group for the national roll-out of the AQTF Quality Indicators, and to become a member of the National Quality Council's Standing Committee.

The Quality Assurance Unit was directly involved in a number of external audits in 2008, all with excellent results.

### ISO 9001:2000

- Quality audits were undertaken in April and October/November by SAI-Global Assurance Services.
- Certification to standard ISO 9001:2000 was permitted to continue.
- No non-conformances were identified.

### Cattlecare

- An audit by Aus-Meat was undertaken in August.
- Continued accreditation was achieved for activities on Yan Yean farm.
- No non-conformances were identified.

### Victorian Registration and Qualifications Agency

- CRICOS capacity increase audit.
- CRICOS (ESOS Act) re-registration audit of inbound International Student delivery, October 2008.

### Meat and Seafood Processing Facility

- HACCP audit by SGS Pty Ltd was undertaken in July.
- An audit/inspection of the Meat Processing Facility and Aquaculture area at Epping was undertaken by Prime-Safe in July.
- No non-conformances were identified.

### Bus Accreditation

- An audit by the Department of Infrastructure (Public Safety Transport) was undertaken in July.
- No non-conformances were identified.

*The Quality Assurance Unit was directly involved in a number of external audits in 2008, all with excellent results.*

# 2008 Highlights – Client Services Division

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The Client Services division includes the following departments:

Marketing and Corporate Communications  
Information Services  
Research and Development  
Student Services

## Marketing and Corporate Communications

The department provides a range of services including course information, event management, media relations, community liaison activities, graphic design and publishing services, developing and maintaining NMIT's Internet and Intranet websites, and managing the Industry Foundation and Student Study Grant program. The department is also responsible for advertising, which is now subject to the new Master Agency Media Services contract, a centralised process and purchasing arrangement introduced by the Department of Premier and Cabinet in late 2008 and applying to all Victorian TAFE Institutes.

During 2008 the Marketing and Corporate Communications Department was realigned to provide an increased focus on understanding the Institute's customer base and ensuring presentation of a strong and consistent image to the marketplace.

Highlights included:

- management of key Institute events including Graduation and the Study Grant Presentation Ceremony
- production of key Institute publications including the Course and Career Guide and NMIT Handbook as well as course brochures and numerous fliers
- a range of marketing activities including newspaper, magazine and online advertisements

- development and design of targeted content for the new student and staff portals to enhance accessibility of information and facilitate student-staff interaction
- usability and feedback sessions with students, staff and career advisors to assist with planning of a new NMIT website, which will be launched early in 2009.

## Information Services

The Information Services Department was established in January 2008 from components of the former Student Services and Corporate Communications Departments. The department has responsibility for the campus libraries, bookshop, student records area, campus information desks and switchboard, all enrolment activities, provision of specialist support for the fee-for-service course enrolments, and procedural arrangements relating to the maintenance of Institute copyright obligations. The department is also responsible for administration of student award certification policy and for planning the annual NMIT graduation ceremony in association with the Marketing and Corporate Communications Department.

Highlights included:

- successful participation in a CAL (Copyright Agency LTD) monitoring program of all material being processed through the print room, which indicated that targeted training sessions on attribution were successful
- a professional development program for staff in the department, designed to develop high level frontline customer service skills, and to establish standards and protocols for the delivery of information services to external and internal customers on campuses
- presentation at the 5th International Lifelong Learning Conference of a paper, 'Planning for success: reprioritising, repurposing and retooling with results', by NMIT Teaching and Learning Librarian
- redevelopment of the Bill Freeman Library and Student Centre at Collingwood to incorporate the Information desk, enabling seamless customer service and an enhanced student experience
- successful trialling of a new enrolment process (to be implemented in 2009) enabling the immediate capturing of class figures at the time of enrolment
- redesign of the library web page, bringing it in line with other online services by requiring log-in to access subscription services and other copyright protected information
- upgrading of the library operating system, Spydus, to enhance user access to web-based features.



Study Grant Presentation

## Research & Development

The Research and Development Department's role is to develop and maintain courses in vocational and higher education; support, enhance and extend staff professional capabilities; provide relevant and appropriate information and advice on teaching and learning research, training, resources, technology and policy; and provide executive services to internal and external curriculum bodies.

In 2008 the department undertook a substantial expansion of degree project work, with a total of sixteen projects at various stages of development over the year. One course was accredited following submission in 2007. Two courses were submitted for accreditation and another six were in development. A further seven potential projects were investigated.

A major focus continued to be the Primary Industry Curriculum Maintenance Manager (PICMM) function on behalf of Skills Victoria, with 17 projects in development or completed during the year. All key performance indicators were met.

Highlights included:

- formal approval of the Degree in Writing and Publishing
- completion of eight PICMM projects
- completion of 12 TAFE Development Centre projects and 11 Professional Learning Series seminars, with participant numbers more than double those of 2007
- completion of six forums for specialist staff (three each for Heads of Departments and Academic Staff), which focused on developing and maintaining quality teaching and learning across the Institute
- an organisational capacity building program, which was delivered by an external company, Dattner Grant, and involved three months of workshops, peer review sessions and individual coaching in areas related to leadership and communication skills for 21 senior and specialist staff across the Corporate Services and Client Services Divisions
- development of an intranet-based database of approved higher education courses to ensure the correct versions of subjects are available to all staff.

*In 2008 the department undertook a substantial expansion of degree project work, with a total of sixteen projects at various stages of development over the year.*

## Student Services

The Student Services Department delivers a comprehensive range of services to support the educational achievements of students and enhance their participation in institute life. General services provided by the department include counselling and disability support, gym services, recreational and sporting activities, orientation and transition services, housing assistance and first aid.

Highlights included:

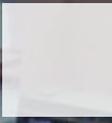
- delivery of a comprehensive, tailored orientation and welcome program to international students and all first-year higher education students
- delivery of a range of on-campus recreational events to approximately 7,400 students across all campuses
- introduction of faculty counsellors, each working with two faculties to provide support services tailored to suit the culture and demographics of specific departments
- continued development of the gym including the installation of air-conditioning and the purchase of four major pieces of new gym equipment
- development and implementation of guidelines for staff calling an ambulance when managing a first-aid situation
- development and implementation of a 'cessation of analgesia' (administration of medication) procedure across the Institute in line with Worksafe Authority recommendations
- refurbishment of the Cramer Street house into three self-contained suites to accommodate visiting scholars involved in the delivery of components of the Higher Education program, with two international visitors using the facility in 2008.



Student Welcome Day

# Statutory and Financial Information





*NMIT guides students in the acquisition of vocational skills and lifelong learning capabilities to enable them to achieve their vocational goals.*

*Photograph: Heidelberg Campus, Building Structures and Services*

# Environmental Performance

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NMIT has focused on effective energy management since 1990 and has a successful record in environmental performance. All new and refurbished buildings will have, as part of the planning and construction processes, environmentally sustainable outcomes. Where possible, such outcomes will also be applied to existing building stock.

In 2008 NMIT:

- installed energy efficient lighting at the Greensborough campus
- replaced several refrigerated cooling systems with low energy evaporative units
- installed a Mueller 3C replacement cooling tower at the Fairfield campus, providing significant water savings and eradicating the potential for legionnaires' disease
- converted a number of irrigation systems to automated drip irrigation
- installed additional water harvesting tanks with holding capacity of 200,000 litres
- produced a water plan as required by government policy for Epping and Preston campuses and met water reduction requirements
- installed flow restriction washers in tap sets across the Institute
- converted single flush toilet cisterns to dual flush at most campuses.

Renewable Energy



# Workforce and Compliance

The following statistics apply as at the last pay in November of the relevant year. They reflect staff numbers (not equivalent full-time positions).

## 2005-2008 Staffing Gender Analysis

Year	Male	Female	TOTAL
2008	576	592	1168
2007	536	608	1144
2006	565	643	1208
2005	600	650	1250

## 2008 Workforce Profile

### Executives

	Full Time	Part Time	TOTAL
Female	4	-	4
Male	12	-	12
<b>Total</b>			<b>16</b>

### Teaching Staff - Ongoing

	Full Time	Part Time	TOTAL
Female	117	68	185
Male	251	38	289
<b>Total</b>			<b>474</b>

### Teaching Staff - Contract

	Full Time	Part Time	TOTAL
Female	44	53	97
Male	46	14	60
<b>Total</b>			<b>157</b>

### Teaching Staff - Casual

	TOTAL
Female	61
Male	71
<b>Total</b>	<b>132</b>

### Non-teaching Staff - Ongoing

	Full Time	Part Time	TOTAL
Female	134	62	196
Male	116	6	122
<b>Total</b>			<b>318</b>

### Non-teaching Staff - Contract

	Full Time	Part Time	TOTAL
Female	17	21	38
Male	7	4	11
<b>Total</b>			<b>49</b>

### Non-teaching Staff - Casual

	TOTAL
Female	20
Male	11
<b>Total</b>	<b>31</b>

### Termination of Employment

120 employees ceased employment with NMIT during 2008, for the reasons shown.

Reason for Ceasing Employment	Male	Female	TOTAL
Retirement	4	4	8
Resignation	63	33	96
Redundancy	7	8	15
Performance/ Misconduct	1	-	1

## Professional Development

During 2008, 847 staff undertook 2,843 professional development activities at a total cost of \$2,025,389.

## Employment and Conduct Principles

NMIT's human resources policies and practices are underpinned by the public sector employment principles as set out in Section 8 of the Public Sector Administration Act 2004. Selection decisions are based on key selection criteria in position descriptions available to all applicants. NMIT has a range of policies that promote fairness and equity in the workplace and are designed to discourage discrimination and harassment against staff, students and visitors.

These policies are:

Institute Code of Practice

Anti-discrimination Policy

Employment Procedures

Prevention of Bullying, Harassment and Sexual Harassment Policy and associated procedures

Policy and Procedures for Employee Grievances

Selection Policy

Whistleblowers Policy and Procedures

## Industrial Relations

Teaching staff participated in the following industrial action during 2008. The dispute related to enterprise bargaining negotiations for a multi-business agreement for teaching staff conducted at a central level. The industrial action was aimed at the Government's wages policy.

Date	Total	Full day	Half day
20/8/08	236	208	28
9/10/08	130	-	130
21/10/08	18	-	18
25/11/08	173	161	12

Despite the industrial action excellent relationships were maintained with all unions with coverage at NMIT.

## Application of the Freedom of Information Act 1982

It is NMIT policy to facilitate, subject to privacy and confidentiality provisions, access to information without recourse to the provisions of the FOI Act.

*NMIT has a range of policies that promote fairness and equity in the workplace and are designed to discourage discrimination and harassment against staff, students and visitors.*

## FOI Access Arrangements

Requests for access to records must be in writing and directed to:

Freedom of Information Officer  
Human Resources Department  
NMIT  
77-91 St Georges Road  
Preston 3072

### FOI Access Charges

Charges for access to documents were in accordance with the Freedom of Information [Access Charges] Regulations 2004. Charges covered costs incurred in conducting routine searches for documents, supervising document inspections and supplying document copies. The application fee for FOI requests was \$22.00 until 30 June 2008 and \$22.70 from 1 July 2008 onwards.

### FOI Access Claims 2008

There were no formal requests for access to records pursuant to the Act.

## Occupational Health and Safety

The Occupational Health and Safety Committee met four times during the year. The Committee investigated the use of welding shields at NMIT. At issue was whether to use sensor helmets or those that required the practice of raising and lowering a lens during welding. As the latter type is over-whelmingly used in industry the Committee's decision was to continue to use the lens based helmets.

The Committee considered staff and student incident reports at each meeting.

Five staff were trained as Occupational Health & Safety Representatives.

Statistics for reported accidents and incidents are tabulated below.

### Staff

Total number employed as at the last pay in November 2008	1,168
Number of incidents reported	42
Number of compensable claims	3
Time lost (hours)	4,144

### Students

Total number of enrolments effective November 2008	59,313
Number of incidents reported	102

*NMIT ensured that all works requiring building approval had plans certified, works in progress inspected...*

## Compliance with Whistleblowers Protection Act 2001

No disclosures were made to NMIT. No disclosures were referred to the Ombudsman and there were no requests made to the Ombudsman to investigate matters.

## Compliance with Building Act 1993

NMIT ensured that all works requiring building approval had plans certified, works in progress inspected and occupancy permits issued by independent building surveyors engaged on a job-by-job basis. A register of building surveyors and the jobs they certified is maintained.

NMIT required all building practitioners engaged on its works to show evidence of current registration upon their engagement. A condition of contracts between NMIT and building contractors requires the maintenance of registration for the duration of the contract. All practitioners engaged by NMIT maintained their registered status throughout the year.

During 2008, the following works and maintenance were undertaken to ensure conformity with the relevant standards:

Building works	Number
Work under construction and the subject of mandatory inspections	3
Occupancy permits issued	8

## Compliance with National Competition Policy

NMIT has developed a costing model to ensure compliance with National Competition Policy. Costings are checked to ensure compliance with:

- competitive neutrality principles
- the Victorian Government Timetable for the Review of Legislative Restrictions on Competition
- any subsequent reforms.

# International Education

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## International students studying in Australia

- India remains NMIT's predominant source country with almost 50% of prospective new students for Semester 1, 2009 applying from this country. However, changes in visa 'assessment levels' has resulted in reduced applications for enrolments from that region. International Office is actively diversifying marketing across a spread of countries.
- Enrolments from China have increased significantly. 10% of international student enrolments now come from China. The strategy to combine inbound marketing responsibilities to the off-shore trips has been instrumental in recruiting more inbound students from China.
- A second marketing trip to South America created further opportunity for NMIT. Results in terms of paid up students for 2009 continue to be strong.
- Improved monitoring of agent performance has resulted in a number of 'non-performing' agents not having their contracts renewed, making savings in terms of providing support and improving the overall relationship with on-going agents.

**See Figure 1  
Risk Issues and Strategies page 60**

## International students studying outside Australia

- In 2008 NMIT had in excess of 17,500 student enrolments in programs delivered outside Australia with 26 partner institutions. The majority of these students were studying through partner institutions in China and preceded their main study with English language training provided by NMIT or others. Programs in Korea and Hong Kong served several hundred students.
- Delivery of Australian award courses in foreign jurisdictions carries an element of risk. One of the prime functions of the International Office is to identify risk factors and strategies to ameliorate those risks. The International Office has focused on review and overhaul of agreements with foreign institutions and has a process for continuous improvement of management processes.
- Improved models and structures have been implemented in ex IEN sites in China with greater control by NMIT.
- NMIT continues to explore agreements to deliver NMIT courses in Vietnam through local institutions. An earlier prospect is (at least) delayed and other options are under investigation. The approach is to maximise discussion but minimise up-front investment by NMIT pending proof of viability.
- Off-shore delivery must comply with the AQTF, including assessment. NMIT has delivered the Certificate IV in Training and Assessment to selected academic staff at partner institutions in Hong Kong and China to enhance the capacity to ensure compliance. Options for further development of such training are under investigation.

**See Figure 2  
Risk Issues and Strategies page 61**

**Figure 1**  
**Risk Issues and Strategies**

Risk Issue	Strategies
<p>Many students are selecting courses based on the perceived Permanent Residency outcomes. Strong enrolments in Hospitality (Cookery and Patisserie) and Hairdressing could drop dramatically if the residency outcomes are diminished through a change of status with the Department of Immigration and Citizenship. The Department of Immigration and Citizenship has clearly indicated that it is concerned about the apparent excessive numbers of international students in certain courses.</p> <p>Additionally, government decisions to make it more difficult for students from key countries to meet the financial criteria for obtaining a student visa are likely to see fewer students seeking to study in Australia and opting for other English speaking countries with less stringent visa criteria.</p>	<p>NMIT has proactively promoted a broad range of courses. NMIT is well established to attract students into other courses with equally desirable perceived Permanent Residency outcomes and could take higher numbers of students in courses such as community welfare, horticulture, cabinet making, business equipment electronics, and mechanical engineering.</p> <p>The diverse range of courses available to international students will protect NMIT to some degree from the collapse in demand of one or two main courses.</p> <p>Higher Education courses are being actively marketed.</p> <p>NMIT International Office is monitoring developments diversifying the Institute's market across a wider range of disciplines and source countries.</p> <p>Marketing will continue to leverage off the fact that Melbourne is world renowned as a multicultural city with established communities from a number of key source countries (India, China, Vietnam, Pakistan, Sri Lanka, Lebanon).</p>
<p>Other global issues may affect the ability to attract students. The 'economic downturn' across the world may see fewer students studying abroad. The threat of 'terrorist activities' in India, Pakistan, Sri Lanka Indonesia, Thailand and Lebanon makes it risky to undertake marketing trips to those countries.</p>	<p>NMIT will continue to communicate regularly with agents representing us in these countries and work closely with them to help them promote NMIT on our behalf.</p> <p>To some extent the 'economic downturn' could be counter-balanced by the fall in the value of the Australian dollar against a number of other international currencies.</p>
<p>A high percentage of enrolments are still coming from a limited number of source countries, especially India.</p>	<p>Marketing strategies have been implemented for China, Vietnam, Pakistan, Sri Lanka, Nepal, Mauritius, Colombia (and other South American countries), Lebanon, Japan and the Philippines. NMIT is already seeing a greater percentage of total enrolments coming from these countries.</p>
<p>Demand for some courses is greater than current facilities can accommodate.</p>	<p>Marketing efforts are being focused on new or increased enrolments in courses with available capacity. The wide range of courses available will help NMIT keep students who are unable to enrol in the course they first selected.</p>

**Figure 2**  
**Risk Issues and Strategies**

Risk Issue	Strategies
<p><b>Staffing:</b></p> <p>International security issues can severely impact on the ability to send teaching staff off-shore.</p>	<p>NMIT is widening the range of nations in which programs are offered to spread the risk. We maintain good working relationships with existing partners to ensure that short-term disruptions to delivery arrangements can be handled by re-scheduling the teaching provided by NMIT and partner institutions. New programs are designed with lower demands for teaching by NMIT staff in the host country. Some programs are delivered in part through online strategies.</p>
<p>High growth levels in transnational operations can be limited by the availability of suitably qualified staff.</p>	<p>NMIT maintains an active list of available staff, both within and external to the Institute. We also favour new agreements where NMIT does not provide teaching resources, focusing involvement on content and quality assurance. NMIT uses highly experienced locally based organisations where NMIT has a high level of control to source suitably qualified and experienced staff already in the host country. This strategy is subject to strict compliance with NMIT staffing standards.</p>
<p><b>Quality assurance:</b></p> <p>If suitable quality assurance procedures are not in place and implemented the reputation of the program can be adversely affected either off-shore or in Australia.</p>	<p>NMIT maintains ISO 9001 accreditation of all operations. Requirements of the Australian Quality Training Framework are integrated into the ISO framework and compliance monitored through regular audits. A review of the schedule of regular audits to ensure systematic audit of all off-shore operations over a three-year cycle is being conducted and more effort is being allocated to process improvement alongside process audit.</p>

*NMIT maintains ISO 9001 accreditation of all operations. Requirements of the Australian Quality Training Framework are integrated into our ISO framework and compliance monitored through regular audits.*

## International Consultancy

The International Office provides a consultancy and advisory service to senior management and NMIT faculties on all international opportunities. This includes management of requests for visits by delegations, briefing of senior staff involved in approved visits and 'filtering out' delegations where there is no discernable strategic outcome for either party. In 2008 the International Office has advised and assisted in development of training contracts in Singapore and articulation agreements aimed at improved pathways for international students studying in Melbourne. This aspect of the work of the International office continues to be relatively low level. This is by design as the industry experience is that short - term consultancies and aid projects seldom deliver long term benefit to the Institute and seldom produce a worthwhile income stream.

## Performance Measures, Targets and Outcomes

### Finance

All NMIT International activity is required to cover costs and make a reasonable return in its own right. No international activity is supported on the basis of 'loss leading' or support of other activity. Each category of activity has its own budget which is carefully monitored. All categories cover costs and return a margin in line with Institute requirements.

### Quality

All NMIT activities which lead to an award are required to produce educational outcomes comparable to those achieved in Melbourne, taking account of the context of delivery. Comparability of outcomes is monitored through the quality assurance program. A program of teacher training for key personnel in off-shore partnerships has commenced and is the basis of a strategy for improving compliance with AQTF requirements. A regular program audit schedule is in place. NMIT International graduates who choose to articulate to higher education have a high success rate in gaining entry to further study.

### Reputation

NMIT aims to be a reputable international agency - and in particular to operate in such a fashion as to enhance the reputation of NMIT in particular and Australian education in general. The continued high level involvement in professional activity in the field by invitation of peers and the regular stream of international institutions actively seeking partnerships with NMIT indicate that this is achieved.



*In 2008 the International Office has advised and assisted in development of training contracts in Singapore and articulation agreements aimed at improved pathways for international students studying in Melbourne.*

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Collingwood Campus



# Audit Report on Statement of Performance

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## VAGO

Victorian Auditor-General's Office

### INDEPENDENT AUDITOR'S REPORT

#### **To the Board Members, Northern Melbourne Institute of Technical and Further Education**

##### *The Statement of Performance*

The accompanying statement of performance for the year ended 31 December 2008 of Northern Melbourne Institute of Technical and Further Education comprises the statement, the related notes and the declaration by the president of the board, chief executive officer and chief finance officer.

##### *The Board Members Responsibility for the Statement of Performance*

The Board Members of Northern Melbourne Institute of Technical and Further Education are responsible for the preparation and the fair presentation of the statement of performance in accordance with the *Financial Management Act 1994*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the statement of performance that is free of material misstatement, whether due to fraud or error.

##### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of performance. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the statement of performance, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the entity's preparation and fair presentation of the statement of performance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the statement of performance.

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

##### *Matters Relating to the Electronic Presentation of the Audited Statement of Performance*

This auditor's report relates to the statement of performance published in both the annual report and on the website of Northern Melbourne Institute of Technical and Further Education for the year ended 31 December 2008. The Board Members are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statement named above. An opinion is not provided on any other information which may have been hyperlinked to or from this statement. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited statement of performance to confirm the information included in the audited statement of performance presented on Northern Melbourne Institute of Technical and Further Education web site.

Level 24, 35 Collins Street, Melbourne Vic. 3000  
Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Independence*

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

### *Auditor's Opinion*

In my opinion, the statement of performance of Northern Melbourne Institute of Technical and Further Education in respect of the 31 December 2008 financial year presents fairly, in all material respects, and in accordance with the *Financial Management Act 1994*.

MELBOURNE  
5 March 2009

  
for D D R PEARSON  
Auditor-General

# Statement of Performance Management

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## **Northern Melbourne Institute of TAFE Performance Statement for 2008**

In our opinion, the accompanying Statement of Performance of Northern Melbourne Institute of TAFE in respect of the 2008 financial year is presented fairly in accordance with the *Financial Management Act 1994*.

The statement outlines the performance indicators as determined by the responsible Minister, pre-determined targets and the actual results for the year against these indicators and an explanation of any significant variance between the actual results and performance targets.

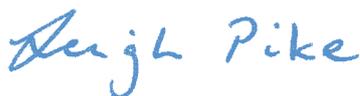
As at the date of signing, we are not aware of any circumstance that would render any particulars in the statement to be misleading or inaccurate.



**Elaine Forde**  
*President of Board*  
DATE: 23/2/2009



**Brian MacDonald**  
*Chief Executive Officer*  
DATE: 23/2/2009



**Leigh Pike**  
*Chief Finance Officer*  
DATE: 23/2/2009

# Statement of Performance for the Year Ended 31 December, 2008

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Executive Memorandum 2007-48 from Patricia Neden Deputy Secretary Office of Training and Tertiary Education stated:

*In 2006 a comprehensive suite of KPIs were approved by the then Minister for Education and Training for inclusion in 2006 Annual Reports by TAFE Institutes. In 2007 a further review was undertaken of the KPIs in consultation with TAFE Business Managers. As a result, three new indicators have been added for inclusion ... FRD 27 (A) requires the disclosure of such information in a concise statement of performance as part of an entity's report of operations.*

Executive Memorandum 2008-03 from Philip Clarke Acting Deputy Secretary OTTE restated the advice from Executive Memorandum 2007-48.

Financial Reporting Direction (FRD) 27 (A) stipulates that public entities are 'to present and report any performance information required by the responsible portfolio Minister in an audited statement of performance as part of its report of operations.'

The requirements of FRD 27 (A) are:

- An applicable entity must include in its report of operations an audited statement of performance.
- The statement must contain the details as required by the responsible portfolio Minister.

The statement of performance must include:

- a) the relevant performance targets and indicators as determined by the responsible portfolio Minister;
- b) the actual results achieved for that financial year against pre-determined performance targets and indicators; and
- c) an explanation of any significant variance between the actual results and performance targets and indicators.

The outcomes and targets are detailed in the chart and commentary on the following pages.

## Key Performance Indicators and 2008 Performance

KPI	Definition	Actual Performance	Target Performance	
1. Module Load Completion Rate	Scheduled hours assessed and passed or satisfactorily completed / Total scheduled hours reported less hours recorded with Credit Transfer and continuing studies outcomes	71.51%	No Target advised	
2. Student Satisfaction	Proportion of graduates satisfied with the overall quality of training	89.40%	No Target advised	
3. Participation of 15 - 24 Year Olds	Number of students within the age group	9,588	No Target advised	
4. Participation of 25 - 64 Year Olds	Number of students within the age group	10,400	No Target advised	
5. Total Cost per Student Contact Hour (SCH)	Total funded expenditure (excluding Depreciation) / Total SCH	\$8.94	Targets set for recurrently funded programs only	
6. Working Capital Ratio	Current Assets / Current Liabilities (adjusted for Long Term current Long Service Leave)	1 : 2.67	1 : 1	Target exceeded by 167%
7. Net Operating Margin	Funded Operating Surplus (excluding Depreciation) / Total Revenue (excluding Capital)	9.66%	5.36%	Target exceeded by 80.2%
8. Fee for Service Revenue	Fee for Service Revenue / Total Revenue (%).	29.61%	24.35%	Target exceeded by 21.6%
9. Revenue per EFT Staff	Total Revenue (excluding Capital) / Average EFT Staff	\$125,944	No Target advised	
10. Student Contact Hours	Total number of student contact hours delivered against contracted delivery.	12,746,399	No Target advised	
11. Energy Consumption	Percentage reduction in energy consumption for Electricity, Gas LPG, Green Power and Heating Oil			
	Electricity	9,640,483 (kwhs)	1999 data (for target setting) not available	
	Natural Gas	27,692,293 (megajoules)		
	LPG	23,193 (litres)		
	Electricity purchased from Green Power	1,879,767 (kwhs)	10.00%	Target exceeded by 9.50%

Each key performance indicator is dealt with in turn as the NMIT Statement of Performance.

### **1. Module Load Completion Rate MLCR**

- The actual MLCR was 71.51%.
- No target was set.

#### **Comment**

MLCR is considerably lower for some types of programs, especially Further Education programs. The latest information available (2007 statistics) indicated that the MLCR across the Victorian VET system was 60% in Adult, Community and Further Education compared to 77% for all other programs. The percentage of an Institute's total program profile delivered in Further Education programs can therefore have a very significant impact on its MLCR, which would be largely unrelated to performance. Other factors that contribute to variations in MLCR include:

- Different methods of recording enrolments and module completion for students enrolled in modules being delivered across two calendar years give a different MLCR for the same group of students and modules.
- Different methods of recording internal student transfers from one program to another also give a different MLCR for the same group of students and modules.
- Differing pass standards and pass rates between TAFE Institutes will have an impact on respective MLCRs.

Because of the above influences the MLCR as a measure of Institute performance is of little value.

### **2. Student Satisfaction**

- The actual result was 89.4%.
- No target was set.

### **3. Participation of 15-24 Year Olds**

- The actual number of students enrolled in this cohort in government funded places was 9,588.
- No target was set in the 2008 Performance Agreement.

#### **Comment**

There is no value in these indicators. The cohorts are formed by arbitrary age identifiers. No targets are set in the Performance Agreement and consequently do not impact on Institute Performance.

### **4. Participation of 25-64 Year Olds**

- The actual number of students enrolled in this cohort in government funded places was 10,400.
- No target for student numbers was set by OTTE in the 2008 Performance Agreement.

#### **Comment**

There is no value in these indicators. The cohorts are formed by arbitrary age identifiers. No targets are set in the Performance Agreement and consequently do not impact on Institute performance.

## 5. Total Cost per Student Contact Hour (SCH)

- NMIT's total cost per student contact hour was \$8.94.
- No target was set in the 2008 Performance Agreement.

### Comment

Total cost per student contact hour is of little value as a measure of an Institution's performance unless other considerations such as the following are factored into the assessment processes.

- Institutes incur higher cost structures when operating multi-campus structures.
- Higher costs are incurred for small classes required for educational and/or OH&S reasons.
- Essential or preferred quality improvements lead to higher costs per SCH.
- Many staff are employed to generate extraneous earnings and undertake other activities that do not generate SCH but do add to total costs.
- Increased casualisation of staff will lead to decreased costs, but may also lead to much poorer quality provision.

## 6. Working Capital Ratio

- The actual was 1:2.67 after adjusting for Long Term Current Liability Long Service Leave.
- The target for 2008 was set at 1:1.

Performance was better than target.

## 7. Net Operating Margin

- The actual percentage was 9.66% (Funded Operating Surplus excluding Depreciation and Total Revenue excluding Capital).
- The target for 2008 was set at 5.36%.

Performance was better than target.

## 8. Fee for Service Revenue

- The actual performance was 29.61%.
- The target set for 2008 was 24.35%.

Performance was better than target.

### Comment

This indicator could show very high revenue for fee for service as a proportion of total revenue, while at the same time the institute could be making significant losses on fee for service because the indicator measures gross revenue and not net profit. On the other hand, a low revenue figure may show a high net profit.

Because of these considerations this KPI is of little value as a measure of performance.

## 9. Revenue per EFT Staff

- The actual revenue per EFT staff member for NMIT in 2008 was \$125,944.
- No target was set.

### Comment

Revenue per EFT staff is not regarded by NMIT as a meaningful or valuable measure of an institute's performance for the following reasons.

- It ignores the costs associated with generating that level of income
- Significant increases in revenue generated at a loss would show a higher revenue/EFT staff figure but could lead to a deficit, therefore net revenue per EFT staff would be a more appropriate measure but with some qualifications
- An institute may wish to concentrate on excellence in delivery to its students rather than concentrate on income generation, which is not necessarily reflective of a poorer performance. Rather a different set of priorities and value and different output quality would reflect such a choice.

## 10. Student Contact Hours

- Actual student contact hours delivered including fee for service against contracted delivery were 12,746,399.
- No target was set.

### Comment

This indicator is suggestive of over delivery that runs counter to an optimal result in the working capital ratio and net operating margin indicators. Similar comments to those made in relation to fee for service revenue also apply.

In the past there have been no rewards for institutes to over deliver compared to the funded target.

Institutes may decide that higher priorities exist for institute-generated funds than SCH over delivery, such as capital works, professional development, or quality initiatives.

## 11. Energy Consumption

The following points need to be made in relation to this indicator.

- The benchmark year for this indicator has been determined to be 1999.
- NMIT commenced its major efforts in energy management in 1990 and those efforts were recognised by winning the following awards:
  - Best Educational Institution Award in 1998
  - Energy Achiever of the Year in 2000
  - Service Provider of the Year in 2001
- NMIT is a multi-campus institute and energy reductions are far more difficult to achieve than for monocampus institutes.

- NMIT has aging building stock with inefficient energy systems, in particular heating and cooling.
- Developments since the benchmark year of 1999 make fair comparisons with the current year impossible. These include:
  - the replacement of Johnston St Collingwood and Parkville campuses with the larger Fairfield campus
  - the addition of the Ararat campus
  - the addition of the Primary Industries and Production Training Centre and Roof Tiling and Painting and Plastering facilities at Epping campus
  - the addition of high energy use programs such as Hairdressing, Viticulture and Meat Processing, and the extension of existing facilities in areas such as Hospitality.

Because of the above influences this KPI is of little value as a measure of Institute performance.

### Summary

NMIT believes that the raw data used and the KPIs nominated are of very little value when assessing performance unless the KPIs are viewed in the context of other relevant issues, such as the examples given above.

# Information about NMIT

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The NMIT website is a comprehensive source of information about courses, faculties, campuses, services and history. The website provides public access to the Institute's Annual Reports at:

[www.nmit.vic.edu.au/about](http://www.nmit.vic.edu.au/about)

## Summary of Financial Results

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Year	Operating Surplus (Deficit)	Accumulated Surplus (Deficit)
	\$000	\$000
2008	6,442	43,026
2007	7,939	36,584
2006	5,545	32,136
2005	5,570	26,591
2004	1,987	21,021

## Summary of Significant Changes in Financial Position

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There were no significant changes in financial position for the year ended 31 December 2008.

## Events Subsequent to Balance Date

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There were no events subsequent to balance date that will have a significant effect on the operations of NMIT in future years.

## Consultancies for the Year Ended 31 December, 2008

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### Consultancies over \$100,000 (excluding GST)

- **Brand Architects**

Heidelberg campus Technical Centre development	\$260,850
Epping campus Plastering and Painting centre	\$52,631
Epping campus development - stage 1	\$170,364
Fairfield campus Buildings Q & S	\$16,732
<b>Total:</b>	<b>\$500,577</b>

- **Perrot Lyon Matheson**

Fairfield campus Yarra House development	\$241,830
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- **Wilde & Woollard**

Heidelberg campus Technical Centre development	\$60,000
Fairfield campus Yarra House development	\$44,940
Epping campus redevelopment - stage 1	\$10,500
<b>Total:</b>	<b>\$115,440</b>

**Total Project Fees Approved: \$857,847**

NMIT has future commitments relating to these consultants of:

- \$858,374 - Brand Architects
- \$103,070 - Perrot Lyon Matheson
- \$42,060 - Wilde & Woollard

for a total of \$1,003,504.

### Consultancies under \$100,000 (excluding GST)

NMIT engaged eighteen consultants for a total cost of \$193,688 during 2008.

# Additional Information

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

**Declarations on pecuniary interest**

**Shares held beneficially by senior officers as nominees of a statutory authority or subsidiary**

**Publications**

**Major external reviews**

**Major research and development activities**

**Overseas visits undertaken**

**Major promotional, public relations and marketing activities**

**Major committees sponsored by NMIT**

# 2008 Fees and Charges

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NMIT charges a range of fees for programs and services offered.

In 2008 the fees and charges included:

- A compulsory tuition fee of \$1.37 per student contact hour for Government funded programs in accordance with Ministerial Directions on fees and charges. This represented a \$0.03 per student contact hour increase from the 2007 tuition fee.

Minimum/Concession \$55 (40 or less student contact hours)

Maximum \$877

- A compulsory student services and amenities fee of \$0.25 per student contact hour.

There was no increase in this fee from 2007.

Minimum/Concession \$45 (Full-fee and Concession)

Full-fee Maximum \$135

Maximum Concession \$101.25

- Class materials and ancillaries fees will be charged on all classes.

## Concessions

Concessions that applied to tuition and student services and amenities fees apply to the holder of a Commonwealth Health Care Card, Pensioner Card or Veteran's Gold Card or their dependant spouse or child.

## Exemptions

Fee exemptions for government-funded TAFE courses are available to:

- Aboriginal and Torres Strait Islanders
- Persons on remand or attending a course as part of a non-custodial order
- Prisoners.

Information about changes in fees and charges should be directed to:

**Academic Registrar**  
**77-91 St Georges Rd**  
**Preston 3072**

# Activity Table

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The following activity table is unaudited and does not form part of the Financial Statements.

## NOTE A1 – Operating Statement Total Operating Expenses

Activity	NOTE	2008 \$000	2007 \$000
Delivery provision and support activity	A2	77,499	69,795
Admin. and general services activity	A3	23,908	17,131
Property plant and equip. services activity	A4	14,128	13,633
Student and other services activity	A5	3,582	5,222
<b>Total Operating Expenses</b>		<b>119,117</b>	<b>105,781</b>

## NOTE A2 – Operating Statement Delivery Provision and Support Activity

	2008 \$000	2007 \$000
Salaries, wages, overtime & allowances	53,161	48,612
Superannuation	4,362	4,079
Payroll tax	2,670	2,507
Other salary related costs	1,291	755
Consumables	5,241	4,693
Travel and motor vehicle expenses	492	455
Depreciation	4,073	3,802
Other direct delivery expenses	6,209	4,892
<b>Total</b>	<b>77,499</b>	<b>69,795</b>

## NOTE A3 – Operating Statement Administration and General Services Activity

	<b>2008</b>	<b>2007</b>
	\$000	\$000
Salaries, wages, overtime & allowances	11,716	7,348
Superannuation	960	617
Payroll tax	587	379
Other salary related costs	159	99
Consumables	155	47
Communication expenses	754	753
Fees	3,446	3,344
Travel and motor vehicle expenses	1,261	1,467
Depreciation	896	575
Other expenses	3,974	2,502
<b>Total</b>	<b>23,908</b>	<b>17,131</b>

## NOTE A4 – Operating Statement Property, Plant and Equipment Services Activity

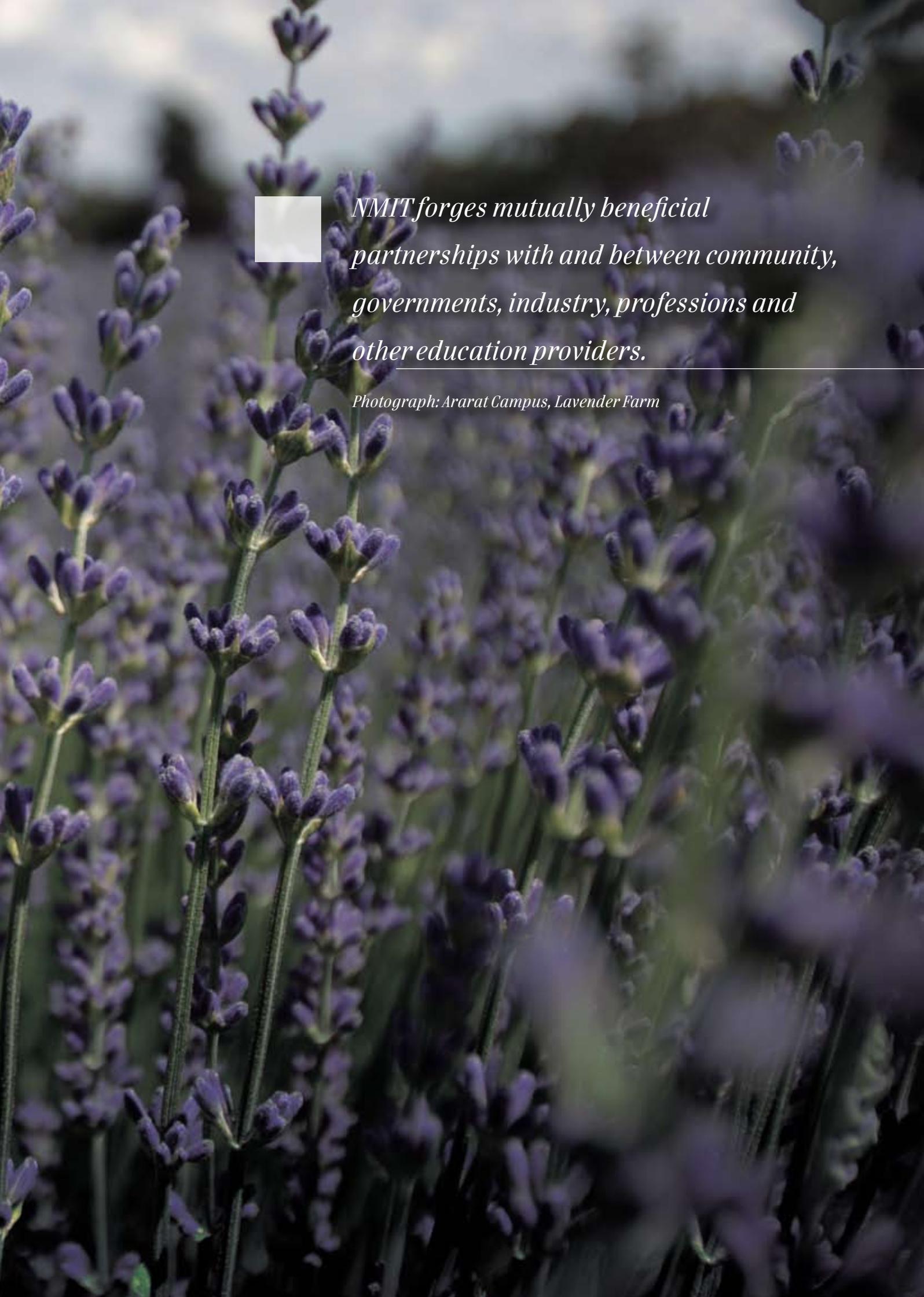
	<b>2008</b>	<b>2007</b>
	\$000	\$000
Salaries, wages, overtime & allowances	1,864	1,779
Superannuation	153	149
Payroll tax	93	92
Other salary related costs	25	24
Consumables	10	20
Depreciation	142	139
Equipment	2,471	3,003
Energy costs	1,511	1,301
Contract services	3,054	2,988
Rent/leasing charges	542	566
Repairs and maintenance	4,040	3,387
Other expenses	223	185
<b>Total</b>	<b>14,128</b>	<b>13,633</b>

## NOTE A4 – Operating Statement Student and Other Services Activity

	<b>2008</b>	<b>2007</b>
	\$000	\$000
Salaries, wages, overtime & allowances	984	2,523
Superannuation	81	212
Payroll tax	49	130
Other salary related costs	13	34
Consumables	103	132
Depreciation	75	198
Other expenses	2,277	1,993
<b>Total</b>	<b>3,582</b>	<b>5,222</b>



# Financial Statements



*NMIT forges mutually beneficial  
partnerships with and between community,  
governments, industry, professions and  
other education providers.*

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*Photograph: Ararat Campus, Lavender Farm*

# Fees And Charges Statement

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## Compulsory Non-Academic Fees and Charges Statement as at 31 December, 2008

	2008	2007
	\$	\$
<b>Income</b>		
Compulsory Non- Academic Fees	980,571	919,816
<b>Total Income</b>	<b>980,571</b>	<b>919,816</b>
<b>Expenditure</b>		
<b>Salaries</b>		
Salaries	704,605	703,113
Salary Oncosts	106,533	106,377
<b>Total Salary Expenditure</b>	<b>811,138</b>	<b>809,490</b>
<b>Non Salaries</b>		
Consumables	9,038	12,472
Subscriptions	998	777
Telephone	3,009	2,505
EDP Equipment Purchases	1,165	14,083
Equipment Purchases	25,996	16,180
Furniture & Fittings	17,515	52,522
Equipment Lease	432	432
Security Services	-	420
Travel	1,040	505
Citylink Payments	31	8
Equipment Repairs	93	-
Diaries & Advertising	61,713	42,193
Staff Development	2,812	1,417
Advertising - Recruitment	36	3,246
Software Licences	174	-
Orientation/Recreational Activities	45,725	38,503
Minor Works	-	2,069
Building Repairs & Maintenance	855	16,259
Uniforms	-	643
Hospitality	350	-
<b>Total Non Salary Expenditure</b>	<b>170,982</b>	<b>204,234</b>
<b>Total Expenditure</b>	<b>982,120</b>	<b>1,013,724</b>
<b>Operating Result for the year</b>	<b>(1,549)</b>	<b>(93,908)</b>
Accumulated Surplus 1 January	116,958	210,866
<b>Accumulated Surplus/(Deficit)</b>	<b>115,409</b>	<b>116,958</b>



**Leigh Pike**  
Chief Finance Officer  
DATE: 2/2/2009

# Auditor General's Independent Audit Report

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## VAGO

Victorian Auditor-General's Office

### INDEPENDENT AUDITOR'S REPORT

#### **To the Board Members, Northern Melbourne Institute of Technical and Further Education**

##### *The Financial Report*

The accompanying financial report for the year ended 31 December 2008 of Northern Melbourne Institute of Technical and Further Education which comprises the operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the declaration by the president of the board, chief executive officer and chief finance officer has been audited.

##### *The Board Members Responsibility for the Financial Report*

The Board Members of Northern Melbourne Institute of Technical and Further Education are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

##### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

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Level 24, 35 Collins Street, Melbourne Vic. 3000  
Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

### *Matters Relating to the Electronic Presentation of the Audited Financial Report*

This auditor's report relates to the financial statements published in both the annual report and on the website of Northern Melbourne Institute of Technical and Further Education for the year ended 31 December 2008. The Board Members of Northern Melbourne Institute of Technical and Further Education are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on Northern Melbourne Institute of Technical and Further Education web site.

### *Independence*

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

### *Auditor's Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of Northern Melbourne Institute of Technical and Further Education as at 31 December 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE  
5 March 2009

  
D D R Pearson  
Auditor-General

## **Northern Melbourne Institute of Technical and Further Education**

### **Financial Report for Year Ended 31 December 2008**

**Declaration By President of the Board,**

**Chief Executive Officer**

**And Chief Finance Officer**

We certify that the attached financial report for the Northern Melbourne Institute of TAFE has been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2008 and financial position of the Institute as at 31 December 2008.

At the date of signing this financial report, we are not aware of any circumstance that would render any particulars included in the financial report to be misleading or inaccurate. There are reasonable grounds to believe that the Institute will be able to pay its debts as and when they become due and payable.

The President of the Board, the Chief Executive Officer and the Chief Finance Officer sign this declaration as delegates of, and in accordance with a resolution of the Board of Northern Melbourne Institute of TAFE.



**Elaine Forde**

*President of the Board*

DATE: 23/2/2009

Place: Preston, Victoria

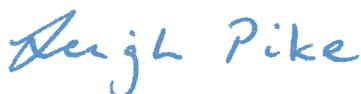


**Brian MacDonald**

*Chief Executive Officer*

DATE: 23/2/2009

Place: Preston, Victoria



**Leigh Pike**

*Chief Finance Officer*

DATE: 23/2/2009

Place: Preston, Victoria

# Operating Statement

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## Operating Statement for the year ended 31 December, 2008

	Note	2008 \$000	2007 \$000
<b>Income</b>			
Revenues from continuing operations			
Government contributions - operating	2.1	70,099	66,654
Fee for service	2.3	37,180	30,490
Student fees and charges	2.5	5,835	5,263
Sale of goods	2.6	2,723	2,463
Other income	2.4	4,544	3,612
		<u>120,381</u>	<u>108,482</u>
<b>Expenses from continuing operations</b>			
Employee benefits	3.1	78,167	69,339
Finance costs		57	-
Other expenses	3.2	34,319	29,015
		<u>112,543</u>	<u>98,354</u>
<b>Net result from continuing operations before capital and specific items</b>		<u>7,838</u>	<u>10,128</u>
Government contributions - capital	2.2	5,178	5,238
Depreciation and amortisation	9	(5,187)	(4,714)
Expenditure using Government contributions - capital	3.3	(1,387)	(2,713)
<b>Net result for the period</b>		<u>6,442</u>	<u>7,939</u>

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

# Balance Sheet

---

## Balance Sheet as at 31 December, 2008

	Note	2008 \$000	2007 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4, 22	37,235	28,984
Trade and other receivables	5, 22	4,035	5,095
Inventories	6	1,407	1,645
Biological assets	10	71	51
Other assets	8	1,068	652
<b>Total Current Assets</b>		<b>43,816</b>	<b>36,427</b>
<b>Non-Current Assets</b>			
Other financial assets	7, 22	301	301
Property, plant and equipment	9	207,622	206,785
Biological assets	10	4,038	3,218
<b>Total Non-Current Assets</b>		<b>211,961</b>	<b>210,304</b>
<b>TOTAL ASSETS</b>		<b>255,777</b>	<b>246,731</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	11, 22	12,210	9,461
Interest bearing liabilities	12, 22	95	88
Employee benefits	13	11,971	12,168
<b>Total Current Liabilities</b>		<b>24,276</b>	<b>21,717</b>
<b>Non-Current Liabilities</b>			
Interest bearing liabilities	12, 22	140	235
Employee benefits	13	962	822
<b>Total Non-Current Liabilities</b>		<b>1,102</b>	<b>1,057</b>
<b>TOTAL LIABILITIES</b>		<b>25,378</b>	<b>22,774</b>
<b>NET ASSETS</b>		<b>230,399</b>	<b>223,957</b>
<b>EQUITY</b>			
Reserves	14	155,692	155,692
Contributed capital	14	31,681	31,681
Accumulated surplus	14	43,026	36,584
<b>TOTAL EQUITY</b>		<b>230,399</b>	<b>223,957</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

# Changes in Equity

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## Statement of Changes in Equity for the Year Ended 31 December, 2008

	Note	2008 \$000	2007 \$000
<b>Total equity at the beginning of the year</b>	14	<b>223,957</b>	<b>187,979</b>
Gain on revaluation of land and buildings	14	-	28,086
Loss on devaluation of vineyard		-	(47)
<b>Net income recognised directly in equity</b>		<b>-</b>	<b>28,039</b>
<b>Net operating result for the year</b>		<b>6,442</b>	<b>7,939</b>
<b>Total recognised income and expense for the year</b>		<b>6,442</b>	<b>35,978</b>
<b>Total equity at the end of the year</b>		<b>230,399</b>	<b>223,957</b>

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

# Cash Flow Statement

## Cash Flow Statement for the Year Ended 31 December, 2008

	Note	2008 \$000	2007 \$000
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
User fees and charges received (inclusive of GST)		44,986	33,007
Interest received		2,915	1,880
Goods and Services Tax recovered from the ATO		1,025	1,066
Other receipts		161	117
<b>Payments</b>			
Payments to employees		(78,960)	(68,750)
Payments to suppliers (inclusive of GST)		(38,659)	(33,688)
Finance costs		(57)	-
Goods and Services Tax paid to the ATO			
Other payments		(568)	(527)
<b>Cash flows from government</b>			
Government contributions - operating (including Govt FFS)	2.1, 2.3	79,534	77,112
Government contributions - capital	2.2	5,178	5,238
<b>Net cash provided by operating activities</b>	15	<b>15,555</b>	<b>15,455</b>
<b>Cash Flows from Investing Activities</b>			
Payments for property, plant and equipment	9	(6,480)	(6,566)
Payments for biological assets	10	(975)	(380)
Proceeds from sale of property, plant and equipment	9	239	427
<b>Net Cash used in investing activities</b>		<b>(7,216)</b>	<b>(6,519)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of finance leases		(88)	(404)
<b>Net Cash used in financing activities</b>		<b>(88)</b>	<b>(404)</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>		<b>8,251</b>	<b>8,532</b>
Cash and cash equivalents at the beginning of the financial year		28,984	20,452
<b>Cash and cash equivalents at the end of the financial year</b>	4	<b>37,235</b>	<b>28,984</b>

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

# Notes to and Forming Part of the Financial Statements for the Year Ended 31 December, 2008

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## Note 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, in accordance with the *Financial Management Act 1994* and relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

### 1.1 BASIS OF PREPARATION

#### 1.1.1 Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements and notes of Northern Melbourne Institute of TAFE comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

#### 1.1.2 Critical accounting estimates and judgments

In the application of A-IFRS, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

#### 1.1.3 Estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **1.1.4 Judgements**

Judgments made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2008 and the comparative information presented for the year ended 31 December 2007.

### **1.2 REPORTING ENTITY AND PRINCIPLES OF CONSOLIDATION**

**1.2.1** The financial statements include all the activities of the Institute. The Institute has one controlled entity, NMIT International Limited, which is dormant and has never traded, therefore consolidation is not warranted.

### **1.3 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of change in value. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of bank overdrafts. At the reporting date there are no bank overdrafts (2007 - nil).

### **1.4 RECEIVABLES**

Receivables consist predominantly of debtors in relation to goods and services, accrued investment income and GST input tax recoverable. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective rate of interest method, less any accumulated impairment. A provision for doubtful debts is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

### **1.5 INVENTORIES**

Inventories include goods held either for sale or for distribution at nominal cost in the ordinary course of business operations. Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at the lower of cost and replacement cost.

Cost is measured on the basis of weighted average cost.

Inventories acquired at no cost, or nominal consideration are measured at current replacement cost as at the date of acquisition.

## 1.6 FINANCIAL INSTRUMENTS

### Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting (the date on which the Institute commits to purchase or sell the asset) is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Financial instruments are classified and measured as set out below.

### Classification and subsequent measurement

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

Financial assets are classified at fair value through income statement when they are held for trading purposes, where they are derivatives note held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by a key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

#### (ii) Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

#### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Institute's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method less impairment losses.

#### **(iv) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

#### **(v) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

#### **Derivative instruments**

Derivative instruments are measured at fair value. Gains and losses arising from changes in value are taken to the income statement unless they are designated as hedges.

#### **Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### **Impairment**

At each reporting date, the group assesses whether there is objective evidence that a financial instrument or group of financial instruments has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

### **1.7 FOREIGN CURRENCY TRANSACTIONS**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items at reporting date are translated at the exchange rate existing at reporting date.

#### **1.7.1 Functional and presentation currency**

The functional currency of the Institute is the Australian dollar, which has also been identified as the present currency of the Institute.

#### **1.7.2 Exchange differences**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences arising on the translation of monetary items are recognised in the operating statement.

Exchange differences arising on translation of foreign operations are transferred directly to the Institute's foreign currency translation reserve in the balance sheet. These differences are recognised in the operating statement in the period in which the operation is disposed.

## **1.8 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE**

Non-current assets are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The condition is regarded as met only when the sale is highly probable and is expected to be completed within one year from the date of classification and the asset is available for immediate sale in its present condition.

Non current assets classified as held for sale are not subject to depreciation.

## **1.9 PROPERTY, PLANT AND EQUIPMENT**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

### **Property**

Freehold land and buildings are shown initially at cost, then subsequently at their fair value.

Crown land is measured at fair value with regard to its highest and best use after due consideration is made for any legal or constructive restrictions imposed on the land, public announcements or commitments made in relation to the intended use of the land. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

### **Plant and equipment**

Plant and equipment and motor vehicles are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the institute to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the institute includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 Institute 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.

### **Construction contracts and work in progress**

The cost of non-current assets constructed by the Institute includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

### **Library collections**

Library collections are measured at cost less accumulated depreciation.

## **Restrictive nature of cultural and heritage assets, Crown land and infrastructures**

During the reporting period, the Institute may hold cultural assets, heritage assets, Crown land and infrastructures.

Such assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The nature of these assets means that there are certain limitations and restrictions imposed on their use and/or disposal.

## **1.10 REVALUATION OF NON-CURRENT PHYSICAL ASSETS**

**1.10.1** Non-current physical assets measured at fair value are revalued in accordance with FRD 103C. This revaluation process normally occurs every five years based on the assets Government purposes classification. Revaluation increments or decrements arise from differences between an asset's carrying value, and fair value.

Revaluation increments are credited directly to equity in the revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised as revenue in determining the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except to the extent that a credit balance exists in the revaluation reserve in respect of the same class of assets, they are debited to the revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. Revaluation reserves are not transferred to accumulated funds on derecognition of the relevant asset.

## **1.11 BIOLOGICAL ASSETS**

### **1.11.1 Bloodstock**

Bloodstock used for breeding purposes is measured at fair value and stated at valuations conducted by Mr R Higgins, MBE of RH Consultancies Pty Ltd at 31 December 2000.

Subsequent purchases are at cost.

Animals are identified as immature assets (natural increase) and mature assets (transformed and marketable) and classified as consumable (transformed and marketable) or bearer (used for breeding). A distinction is also made between current and non-current biological assets.

### **1.11.2 Vineyard**

Land under vine is measured at fair value and stated at valuations conducted at 31 December 2007 by Charter Keck Cramer and indexed annually based on Valuer General indexation movements for subsequent years.

Vines are measured at cost and identified as immature (non grape producing) and mature assets (grape producing).

Grapes harvested are measured at fair value based on tonnes produced.

## **1.12 IMPAIRMENT OF ASSETS**

Assets are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the operating statement, except to the extent that the write down can be debited to an asset revaluation reserve amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

## **1.13 PAYABLES**

Payables consist predominantly of creditors and revenues in advance for the forthcoming financial year (see note 1.21.2 and 1.21.3).

Creditors are recognised at fair value when the Institute becomes obliged to make future payments resulting from the purchase of goods and services.

Creditors are carried at amortised cost and represent liabilities for goods and services provided to the Institute prior to the end of the financial year that are unpaid, and arise when the Institute becomes obliged to make future payments in respect of the purchase of these goods and services.

## **1.14 INTEREST BEARING LIABILITIES**

**1.14.1** Interest bearing liabilities are initially recognised at fair value, net of transaction costs incurred. Interest bearing liabilities are subsequently measured at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in the operating statement over the period of the interest bearing liabilities using the effective interest method.

### **1.14.2 Finance costs**

Finance costs are recognised as expenses in the period in which they are incurred.

Finance costs include amortisation of ancillary costs incurred in connection with the arrangement of finance lease charges.

## **1.15 EMPLOYEE BENEFITS**

The calculation of employee benefits includes all relevant on-costs and are calculated as follows at reporting date.

### **1.15.1 Salaries and wages, annual leave, long service leave and sick leave**

Liabilities for salaries and wages, including non-monetary benefits, annual leave and accumulated sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

### **1.15.2 Long Service Leave**

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL representing (7 years) is disclosed as a current liability even when the Institute does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

present value - component that is not expected to be settled within 12 months

nominal value - component that is expected to be settled within 12 months

Non Current Liability - conditional LSL representing less than (7 years) is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

The non - current LSL liability is measured at present value.

### **1.15.3 Employee Benefits Expense**

Employee benefits expense includes all costs related to employment, including wages and salaries, leave entitlements, redundancy payments and superannuation contributions. These are recognised when incurred, except for contributions in respect of defined benefits plans.

### **1.15.4 Employee benefits on-costs**

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised and included with employee benefits.

### **1.15.5 Termination Benefits**

Termination benefits are paid in accordance with employee enterprise bargaining agreement.

### **1.15.6 Performance Payments**

Performance payments for TAFE Executive Officers are based on a percentage of the annual salary package provided under the contract of employment. A liability is provided for under the term of the contracts at reporting date and paid out in the next financial year. Other performance payments provided for under contracts of employment are recognised as a current liability.

### **1.15.7 Superannuation**

Defined contribution plan

Contributions to defined contribution plans are expensed when incurred.

Defined benefit plans

The amount charged to the operating statement in respect of superannuation represents the contributions made by the Institute to the superannuation plans in respect of current services of current Institute staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The Institute does not recognise any deferred liability in respect of the plans because the Institute has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as and when they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its financial report.

## **1.16 PROVISIONS**

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

## **1.17 LEASES**

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Leasehold improvements are capitalised and amortised over the term of the lease. There were no capital improvements to leasehold land and buildings during the year.

### **1.17.1 Institute as lessor**

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

### 1.17.2 Institute as lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum lease payments are allocated between the principal component of the lease liability and the interest expense calculated using the interest rate implicit in the lease, and charged directly to the operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Operating lease payments including any contingent rentals are recognised as an expense in the operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

## 1.18 DEPRECIATION AND AMORTISATION

### 1.18.1 Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is generally calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

All library acquisitions are brought to account and depreciated over a five year period.

Depreciation methods and rates used for each class of depreciable assets are:

Class of asset	Method	Rate/Rates
Buildings	Straight line	2% to 4%
Major components - buildings	Straight line	5% to 10%
Plant & equipment	Straight line	6.67% to 50%
Motor vehicles	Straight line	10% to 20%
Library collections	Straight line	20%

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis. There has been no substantial change in the methodology and rates for 2008.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the operating statement. When revalued assets are sold, the amounts included in the revaluation reserve relating to that asset are not transferred to accumulated surplus.

### 1.18.2 Amortisation

Additions to leasehold buildings are amortised over the term of the lease (20 years).

Finance leases - the discounted minimum lease payments are amortised over the term of the lease (4 years).

## **1.19 RESOURCES PROVIDED AND RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION**

Contributions of resources and resources provided free of charge or for nominal consideration are recognised at fair value. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

## **1.20 GOODS AND SERVICES TAX (GST)**

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable from the taxation authority, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Receivables and payables (Debtors and Creditors) are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST 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.

## **1.21 REVENUE RECOGNITION**

### **1.21.1 Government contribution**

Government contributions are recognised as revenue in the period when the Institute gains control of the contributions. Control is recognised upon receipt or notification by relevant authorities of the right to receive a contribution for the current period.

### **1.21.2 Fee for Service**

Fee for service revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as Revenue in Advance.

### **1.21.3 Student fees and charges**

Student fees and charges revenue is recognised by reference to the percentage of services provided where student fees and charges revenue has been clearly received in respect of courses or programs to be delivered in the following year. Any non-refundable portion of the fees is treated as revenue in the year of receipt and the balance as Revenue in Advance.

### **1.21.4 Revenue from sale of goods**

Revenue from sale of goods is recognised by the Institute when:

- a) the significant risks and rewards of ownership of the goods have transferred to the buyer;
- b) the Institute retains neither continuing management involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) the amount of revenue can be reliably measured;
- d) it is probable that the economic benefits associated with the transaction will flow to the Institute and;
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably

### **1.21.5 Investment Income**

Investment income from cash, short-term deposits and investments is brought to account on a proportional basis taking into account interest rates applicable to the financial assets.

### **1.21.6 Assets received free of charge**

Assets received free of charge are recognised as revenue when the Institute gains control of them. The benefits derived from these assets are recorded at their fair value in the financial statements.

### **1.21.7 Gain/loss on disposal of property, plant and equipment**

Any gain or loss on disposal is recognised at the date control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at the time.

### **1.21.8 Rental income**

Rental income is recognised on a time proportional basis and is brought to account when the Institute's right to receive the rental is established.

## **1.22 CONTRIBUTED CAPITAL**

Funding that is in the nature of contributions by the State government is treated as contributed capital when designated in accordance with UIG Interpretation 1038 Contribution by Owners Made to Wholly-Owned Public Sector Entities. Commonwealth capital funds are not affected and are treated as income.

Funds generated by the Institute for capital purposes are not "Contributions by the Owner" and are treated as income.

## **1.23 MATERIALITY**

In accordance with Accounting Standard AASB1031 'Materiality', accounting policies need only be identified in the summary of accounting policies where they are considered 'material'. Accounting policies will be considered material if their omission, misstatement or non-disclosure has the potential, individually or collectively, to:

- a) influence the economic decisions of users taken on the basis of the financial report; and
- b) affect the discharge of accountability by the management or governing body of the Institute.

## **1.24 ROUNDING OF AMOUNTS**

Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

## **1.25 COMPARATIVE INFORMATION**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## **1.26 COMMITMENTS**

Commitments include those operating, capital and other outsourcing commitments arising from non - cancellable contractual or statutory sources and are disclosed at their nominal value.

## **1.27 CONTINGENT ASSETS and CONTINGENT LIABILITES**

Contingent assets and liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer note 19) and, if quantifiable, are measured at nominal value.

## **1.28 AUSTRALIAN ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The following Australian Accounting Standards issued or amended which are applicable to the institute but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected		Outline of Amendment	Application date of Standard	Impact on financial statements
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 5	Non-current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report, as the institute does not fall within the scope of AASB 8.	01-Jan-09	Impact expected to be insignificant
	AASB 6	Exploration for and Evaluation of Mineral Resources			
	AASB 102	Inventories			
	AASB 107	Cash Flow Statements			
	AASB 119	Employee Benefits			
	AASB 127	Consolidated and Separate Financial Statements			
	AASB 134	Interim Financial Reporting			
	AASB 136	Impairment of Assets			
	AASB 1023	General Insurance Contracts			
	AASB 1038	Life Insurance Contracts			
AASB 8 Operating Segments	AASB 114	Segment Reporting	As above.	1-Jan-09	Not applicable
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007, has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial group as they already capitalise borrowing costs related to qualifying assets.	1-Jan-09	Impact expected to be insignificant
	AASB 101	Presentation of Financial Statements			
	AASB 107	Cash Flow Statements			
	AASB 111	Construction Contracts			
	AASB 116	Property, Plant and Equipment			
	AASB 138	Intangible Assets			
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As above.	1-Jan-09	As above
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity.	1-Jan-09	As above
AASB 101	AASB 101	Presentation of Financial Statements	As above.	1-Jan-09	As above

## NOTE 2 - REVENUE FROM CONTINUING ACTIVITIES

	Note	2008 \$000	2007 \$000
<b>Note 2.1 - GOVERNMENT CONTRIBUTIONS - OPERATING</b>			
State/C'wealth current specific funded programs		69,527	66,550
Other contributions		572	104
		<u>70,099</u>	<u>66,654</u>
<b>Note 2.2 - GOVERNMENT CONTRIBUTIONS - CAPITAL</b>			
C'wealth capital		1,727	3,465
State capital		3,451	1,773
		<u>5,178</u>	<u>5,238</u>
<b>Note 2.3 - FEE FOR SERVICE</b>			
Fee for service - Government		9,435	10,458
Fee for service - International operations		17,545	11,051
Fee for service - other		10,200	8,981
		<u>37,180</u>	<u>30,490</u>
<b>Note 2.4 - OTHER INCOME</b>			
Donations & contributions		161	117
Investment income		2,820	1,916
Rent		72	67
Other		1,491	1,512
		<u>4,544</u>	<u>3,612</u>
<b>Note 2.5 - STUDENT FEES AND CHARGES</b>			
Student Fees and Charges		5,835	5,263
<b>Note 2.6 - SALE OF GOODS</b>			
Sale of goods		2,723	2,463
<b>Total revenue from continuing activities</b>		<u>125,559</u>	<u>113,720</u>

## NOTE 3 - EXPENSES FROM CONTINUING OPERATIONS

	Note	2008 \$000	2007 \$000
<b>Note 3.1 - EMPLOYEE BENEFITS</b>			
Salaries, wages, overtime and allowances		67,823	60,205
Superannuation		5,555	5,057
Payroll tax		3,400	3,108
Movement in provision for long service leave		(273)	(18)
Movement in provision for annual leave		174	75
Other salary related costs		1,488	912
<b>Total employee benefits</b>		<u><b>78,167</b></u>	<u><b>69,339</b></u>
<b>Note 3.2 - OTHER EXPENSES</b>			
Auditors' remuneration	18	106	78
Bad and doubtful debts		39	10
Communication expenses		754	753
Consumables		5,363	4,892
Contract and other services		3,054	2,988
Cost of sale of goods including ancillary trading		2,087	1,651
Equipment (below capitalisation threshold - non Government contribution)		1,392	1,574
Fees & charges		3,340	3,266
Foreign currency translation losses		118	170
Impairment of non current assets		-	-
Grants & subsidies		72	80
Promotional expenses		1,317	1,188
Rent/leasing charges		485	566
Building repairs and maintenance		4,040	3,387
Staff development		1,001	538
Travel and motor vehicle expenses		1,753	1,922
Utilities		1,511	1,301
Loss on disposal of non-current assets	9	217	9
Write-down of inventories to net realisable value		147	-
Other expenses		7,523	4,642
<b>Total other expenses</b>		<u><b>34,319</b></u>	<u><b>29,015</b></u>
<b>Total expenses from continuing activities</b>		<u><b>112,486</b></u>	<u><b>98,354</b></u>
<b>Note 3.3 - GOVERNMENT CONTRIBUTIONS EXPENDITURE</b>			
Plant & Equipment		1,079	1,429
Other		308	1,284
<b>Total expensed using Government contributions - capital</b>		<u><b>1,387</b></u>	<u><b>2,713</b></u>

## NOTE 4 - CASH AND CASH EQUIVALENTS

	Note	2008 \$000	2007 \$000
Cash at bank and on hand	1.3, 22	1,913	1,178
Deposits at call		35,322	27,806
<b>Total cash and cash equivalents</b>		<u><b>37,235</b></u>	<u><b>28,984</b></u>

a) The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balances as above	37,235	28,984
<b>Balance as per cash flow statement</b>	<u><b>37,235</b></u>	<u><b>28,984</b></u>

b) Refer to Note 22.1 for information on cash at bank and on hand.

c) Refer to Note 22.1 for information on the effective interest rate on short term deposits at call.

These deposits have an average maturity of 45 days.

## NOTE 5 - RECEIVABLES

		2008 \$000	2007 \$000
Current	1.4,22		
Trade receivables		2,264	4,133
Allowance for doubtful debts		(24)	(42)
Revenue receivable		1,408	664
GST receivable from ATO		387	340
		<u><b>4,035</b></u>	<u><b>5,095</b></u>

## NOTE 6 – INVENTORIES

	<b>Note</b>	<b>2008</b>	<b>2007</b>
		<i>\$000</i>	<i>\$000</i>
<b>Current</b>	1.5		
Supplies and consumables - at cost			
Printroom supplies		13	14
Hairdressing and beauty products		60	54
Hospitality supplies		42	31
Inventories held for sale - at the lower of cost and the net realisable value			
Nursery		59	60
Wine stock		1,108	1,357
Bookshop stock		125	129
		<u><b>1,407</b></u>	<u><b>1,645</b></u>

## NOTE 7 – OTHER FINANCIAL ASSETS

		<b>2008</b>	<b>2007</b>
		<i>\$000</i>	<i>\$000</i>
<b>Non-current</b>	1.6,22		
Available for sale financial assets			
Unlisted shares			
International Training Australia Pty Ltd (ITA)		1	1
English International Pty Ltd (EI)		200	200
International Education Network Pty Ltd (IEN)		100	100
		<u><b>301</b></u>	<u><b>301</b></u>

## NOTE 8 – OTHER ASSETS

		<b>2008</b>	<b>2007</b>
		<i>\$000</i>	<i>\$000</i>
<b>Current</b>			
Prepayments		1,068	652
		<u><b>1,068</b></u>	<u><b>652</b></u>

## NOTE 9 - NON-CURRENT ASSETS: PROPERTY, PLANT AND EQUIPMENT

	Note	2008	2007
	1.9	\$000	\$000
<b>Land</b>			
At Fair Value 31 December, 2007		64,546	64,547
		<u>64,546</u>	<u>64,547</u>
<b>Buildings</b>			
Buildings at Cost		2,247	-
Accumulated Depreciation		(22)	-
Plant & Major Building Components at Cost		2,078	2,078
Accumulated Depreciation		(476)	(309)
Buildings at Valuation 31 December, 2007		128,885	129,032
Accumulated Depreciation		(2,628)	-
<b>Net Buildings at fair value</b>		<u>130,084</u>	<u>130,801</u>
<b>Leasehold Improvements</b>			
At Cost		479	479
Accumulated Amortisation		(120)	(96)
		<u>359</u>	<u>383</u>
<b>Work in Progress</b>			
At Cost		<u>1,968</u>	<u>568</u>
<b>Plant &amp; Equipment</b>			
At Cost		16,707	14,904
Accumulated Depreciation		(8,556)	(7,155)
<b>Net Plant &amp; Equipment</b>		<u>8,151</u>	<u>7,749</u>
<b>Leased Plant &amp; Equipment</b>			
At Cost		1,739	1,739
Accumulated Amortisation		(1,126)	(884)
<b>Net Leased Plant &amp; Equipment</b>		<u>613</u>	<u>855</u>
<b>Motor Vehicles</b>	1.9		
At Cost		2,756	2,576
Accumulated Depreciation		(1,249)	(1,090)
<b>Net Motor Vehicles</b>		<u>1,507</u>	<u>1,486</u>
<b>Library Collections</b>	1.9		
At Cost		3,902	3,747
Accumulated Depreciation		(3,508)	(3,351)
<b>Net Library Collections</b>		<u>394</u>	<u>396</u>
<b>Total Property, Plant and Equipment</b>		<u>207,622</u>	<u>206,785</u>

## Restrictive Assets

Freehold land and buildings carried at fair value.

The Institute holds \$ 9,336,000 worth of properties listed as heritage assets. These heritage assets cannot be modified or disposed of without Ministerial approval.

## Reconciliations

Reconciliations of the carrying amounts of each class of land, buildings, leasehold improvements, plant and equipment, motor vehicles and other classes of assets at the beginning and end of the current financial year are set out below.

	Land	Buildings	Leasehold Improvements	WIP	Plant & Equipment	Leased Plant & Equipment	Motor Vehicle	Other	Total
2008	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Carrying amount at 1 January	64,546	130,801	383	568	7,751	855	1,485	396	206,785
Additions		1,679		1,968	2,047		632	155	6,481
Disposals		(147)			(29)		(282)		(458)
Transfers		569		(568)					1
Depreciation/ amortisation expense		(2,818)	(24)		(1,618)	(242)	(328)	(157)	(5187)
<b>Carrying amount at 31 December</b>	<b>64,546</b>	<b>130,084</b>	<b>359</b>	<b>1,968</b>	<b>8,151</b>	<b>613</b>	<b>1,507</b>	<b>394</b>	<b>207,622</b>

	Land	Buildings	Leasehold Improvements	WIP	Plant & Equipment	Leased Plant & Equipment	Motor Vehicle	Other	Total
2007	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Carrying amount at 1 January	49,565	118,200	407	1,514	5,263	861	1,080	393	177,283
Additions		683		568	3,799	255	1,098	163	6,566
Disposals					(10)		(426)		(436)
Revaluation increments (decrements)	14,981	13,105							28,086
Transfers		1,514		(1,514)					-
Depreciation/ amortisation expense		(2,701)	(24)		(1,301)	(261)	(267)	(160)	(4714)
<b>Carrying amount at 31 December</b>	<b>64,546</b>	<b>130,801</b>	<b>383</b>	<b>568</b>	<b>7,751</b>	<b>855</b>	<b>1,485</b>	<b>396</b>	<b>206,785</b>

	Note	2008 \$000	2007 \$000
<b>Depreciation and amortisation expense for the year</b>			
<b>Depreciation</b>	1.18.1		
Buildings		2,818	2,701
Plant & equipment		1,618	1,301
Motor Vehicles		328	267
Library collections		157	160
		<u>4,921</u>	<u>4,429</u>
<b>Amortisation</b>			
Leasehold improvements		24	24
Plant and equipment under finance leases		242	261
	1.18.2	<u>266</u>	<u>285</u>
<b>Total Depreciation and Amortisation</b>		<u><u>5,187</u></u>	<u><u>4,714</u></u>
Profit and/or Loss on Sale of Non Current Assets			
Proceeds on sale of property, plant & equip.		239	427
Less written down value		456	436
<b>Net profit/(loss) on disposal</b>	3.2	<u><u>(217)</u></u>	<u><u>(9)</u></u>

## NOTE 10 - BIOLOGICAL ASSETS

	Note	2008 \$000	2007 \$000
<b>10.1 PLANTS</b>			
<b>Nature</b>			
Vines	1.11.2		
<b>Activities</b>			
Grape production and harvesting vineyard establishment involving design, construction and management of vineyards for educational purposes			
<b>Bearer assets</b>			
<b>Immature assets</b>			
Vine plantings		-	-
<b>Mature assets</b>			
Aged vines		1,032	1,032
<b>Total bearer assets</b>		<u>1,032</u>	<u>1,032</u>
<b>Quantities</b>			
		<b>2008 Qty</b>	<b>2007 Qty</b>
Ararat (hectares)		29	29
Eden Park (hectares)		8	8
Yarra Glen (hectares)		2	2
Whittlesea (hectares)		1.5	1.5
<b>Total hectares</b>		<u>40.5</u>	<u>40.5</u>
<b>Output</b>			
Tonnes harvested		<u>64.8</u>	<u>11.5</u>
		<b>2008 \$000</b>	<b>2007 \$000</b>
Fair value of output was determined at current expected market rates			
Wine grape harvest valued at \$900 per tonne		<u>58</u>	<u>10</u>

	Note	2008	2007
		\$000	\$000
<b>10.2 ANIMALS</b>	1.11.1		
<b>Nature</b>			
Bloodstock horses, riding horses, cattle, sheep, deer, goats, fish fingerlings.			
<b>Activities</b>			
Equine studies, aquaculture studies and agriculture studies			
		2008	2007
		\$000	\$000
<b>Consumable assets</b>			
<b>Immature assets</b>			
Value of natural increases and purchases			
Fish fingerlings		8	8
Horses		22	20
Cattle		2	1
		<u>32</u>	<u>29</u>
		2008	2007
		\$000	\$000
<b>Mature assets</b>			
Biologically transformed and marketable assets			
Horses		14	14
Cattle		2	2
Sheep		12	2
		<u>28</u>	<u>18</u>
<b>Total consumable assets</b>		<u><b>60</b></u>	<u><b>47</b></u>
		2008	2007
<b>Quantities</b>		No.	No.
Fish fingerlings		4,450	4,450
Horses		81	78
Cattle		222	143
Sheep		195	75
<b>Total quantity of consumable assets</b>		<u><b>4,948</b></u>	<u><b>4,746</b></u>
		2008	2007
<b>Output</b>		No.	No.
Natural increase			
Cattle		109	141
Sheep		97	86
Deer		-	-
Goats		-	-
<b>Total quantity of output</b>		<u><b>206</b></u>	<u><b>227</b></u>
		2008	2007
		\$000	\$000
<b>Fair value of output was determined using a nominal amount at birth</b>		<u><b>3</b></u>	<u><b>3</b></u>

	Note	2008 \$000	2007 \$000
<b>Bearer assets</b>			
<b>Mature assets</b>			
Mares, stallions, charolais and angus bull		3,017	2,190
<b>Total bearer assets</b>		<b>3,017</b>	<b>2,190</b>
		2008 No.	2007 No.
<b>Quantities</b>			
Bloodstock horses		47	46
Angus bull		2	2
Charolais bull		1	1
		<b>50</b>	<b>49</b>
		2008 No.	2007 No.
<b>Output</b>			
Foals natural increase		<b>34</b>	<b>32</b>
		2008 \$000	2007 \$000
<b>Fair value of output was determined at cost to produce</b>			
Natural increase		<b>10</b>	<b>10</b>
<b>Reconciliation of changes in carrying amount of biological assets</b>			
		2008 \$000	2007 \$000
Carrying amount at 1 January 2008			
Mature Assets		1,032	1,080
Current Asset - Livestock		51	51
Non Current - Bloodstock		2,186	2,093
		<b>3,269</b>	<b>3,224</b>
Increases due to:			
Purchases - Current		13	20
Purchases - Non Current		962	360
Births - Current		13	13
Births - Non Current		-	-
Decreases attributable to:			
Sales - Current		(12)	(24)
Sales - Non Current		(135)	(200)
Deaths - Current		(1)	(2)
Deaths - Non Current		-	(75)
Other IFRS impairment		-	-
Aged vine devaluation		-	(47)
<b>Carrying amount at 31 December 2008</b>		<b>4,109</b>	<b>3,269</b>
Balance as at 31 December 2008 represented by:			
Mature Assets		1,032	1,032
Current Asset - Livestock		71	51
Non Current - Bloodstock		3,006	2,186
<b>Carrying amount at 31 December 2008</b>		<b>4,109</b>	<b>3,269</b>

## NOTE 11 - PAYABLES

	Note	2008 \$000	2007 \$000
<b>Current</b>	1.13,22		
Creditors and accruals		4,190	4,950
Revenue in advance		8,020	4,511
		<u>12,210</u>	<u>9,461</u>

## NOTE 12 - INTEREST BEARING LIABILITIES

	Note	2008 \$000	2007 \$000
<b>Current</b>	1.14,22		
<b>Secured</b>			
Finance lease liability	16	95	88
		<u>95</u>	<u>88</u>
<b>Non-current</b>	1.14,22		
<b>Secured</b>			
Finance lease liability	16	140	235
		<u>140</u>	<u>235</u>
<b>Total current and non-current Finance lease liability</b>		<u>235</u>	<u>323</u>

Secured by the assets leased

## NOTE 13 - EMPLOYEE BENEFITS

	<b>Note</b>	<b>2008</b>	<b>2007</b>
	1.15	<i>\$000</i>	<i>\$000</i>
<b>Current</b>			
Employee benefits:			
• Long service leave		8,326	8,738
• Annual leave		3,320	3,146
• Sick leave		37	33
• Performance payments		288	251
		<u>11,971</u>	<u>12,168</u>
<b>Non-current</b>			
Employee benefits:			
• Long service leave		962	822
		<u>962</u>	<u>822</u>
<b>Total employee benefits</b>		<u>12,933</u>	<u>12,990</u>
Balance at 1 January		12,990	12,924
Additional provisions raised during the year		181	316
Amounts used		(238)	(250)
<b>Balance at 31 December</b>		<u>12,933</u>	<u>12,990</u>
<b>Classification of employee benefits as current or non-current</b>		<b>2008</b>	<b>2007</b>
		<i>\$000</i>	<i>\$000</i>
<b>Current</b>			
All annual leave and long service leave entitlements, representing 7 years of continuous service:			
- Short term employee benefits that fall due within 12 months after the end of the period, measured at nominal value		4,093	4,286
- Other long term employee benefits that do not fall due within 12 months after the end of the period, measured at present value		7,878	7,882
		<u>11,971</u>	<u>12,168</u>
<b>Non-current</b>			
Long service leave representing less than 7 years of continuous service measured at present value		962	822
		<u>962</u>	<u>822</u>

## NOTE 14 - EQUITY AND MOVEMENTS IN EQUITY

### 14.1 Reserves

	2008	2007
	\$000	\$000
<b>Composition of Reserves</b>		
Asset revaluation reserve		
Land	69,979	69,979
Buildings	85,713	85,713
	<u>155,692</u>	<u>155,692</u>
<b>Asset Revaluation Reserve - Land</b>		
Balance 1 January, 2008	69,979	55,046
Revaluation increment on non-current assets	-	14,980
Revaluation decrement on non-current assets	-	(47)
<b>Balance 31 December, 2008</b>	<u>69,979</u>	<u>69,979</u>
<b>Asset Revaluation Reserve - Buildings</b>		
Balance 1 January, 2008	85,713	72,607
Revaluation increment on non-current assets	-	13,106
<b>Balance 31 December, 2008</b>	<u>85,713</u>	<u>85,713</u>
<b>14.2 Contributed Capital</b>		
Balance 1 January, 2008	31,681	31,681
Capital contributions	-	-
Transfer to Government Department	-	-
<b>Balance 31 December, 2008</b>	<u>31,681</u>	<u>31,681</u>
<b>14.3 Accumulated Surplus/(deficit)</b>		
Balance 1 January, 2008	36,584	28,645
Net result for the year	6,442	7,939
<b>Balance 31 December, 2008</b>	<u>43,026</u>	<u>36,584</u>
<b>Total equity</b>	<u>230,399</u>	<u>223,957</u>

## NOTE 15 - CASH FLOW INFORMATION

### Reconciliation of operating result to net cash flows provided by/(used in) operating activities

	2008	2007
	\$000	\$000
<b>Operating result for the year</b>	6,442	7,939
Depreciation & amortisation of non-current assets	5,187	4,714
Net loss on disposal of non-current assets	217	9
Write-down of inventories	147	-
Change in operating assets and liabilities		
Decrease (increase) in trade receivables	1,060	(564)
Decrease (increase) in inventories	226	421
Decrease (increase) in other assets	(416)	137
Increase (decrease) in payables	2,749	2,731
Increase (decrease) in other provisions	(57)	68
<b>Net cash provided by/(used in) operating activities</b>	<u>15,555</u>	<u>15,455</u>

## NOTE 16 - LEASES

	Note	2008 \$000	2007 \$000
<b>LEASE COMMITMENTS</b>	12,22		
<b>Finance lease liabilities</b>			
Finance lease commitments are payable as follows:			
<b>Minimum future lease payments</b>			
Not later than one year		111	111
Later than one year but not later than five years		145	256
Later than five years		-	-
Minimum future lease payment		<u>256</u>	<u>367</u>
Less: Future interest charge provided for in the accounts		<u>21</u>	<u>44</u>
<b>Present value of minimum future lease payments</b>		<u><b>235</b></u>	<u><b>323</b></u>
Payments due			
Not later than one year		95	88
Later than one year but not later than five years		140	235
Later than five years		-	-
		<u><b>235</b></u>	<u><b>323</b></u>
Included in the financial statements as:			
Current interest bearing liabilities		95	88
Non-current interest bearing liabilities		<u>140</u>	<u>235</u>
		<u><b>235</b></u>	<u><b>323</b></u>
<b>Operating lease commitment</b>			
<b>Non cancellable operating leases</b>			
Payments due			
Not later than one year		574	250
Later than one year but not later than five years		1,973	54
Later than five years		17	-
		<u><b>2,564</b></u>	<u><b>304</b></u>
<b>LEASED ASSETS</b>			
As at the reporting date NMIT leased out the following assets:			
Collingwood - roof space		208	34
Epping - roof space		5	453
Greensborough - roof space		743	578
Residence - Collingwood		14	11
Childcare centre - Epping		127	146
Canteen operations		<u>295</u>	<u>434</u>
<b>Gross amount of leased assets</b>		<u><b>1,392</b></u>	<u><b>1,656</b></u>
<b>Operating Lease Receivables</b>			
Non cancellable operating lease receivables			
Not later than one year		300	296
Later than one year but not later than five years		665	760
Later than five years		427	600
		<u><b>1,392</b></u>	<u><b>1,656</b></u>

NMIT leases out certain land, buildings and equipment, which are excess to current requirements, at current market rates.

## NOTE 17 - COMMITMENTS FOR EXPENDITURE

	<b>Note</b>	<b>2008</b>	<b>2007</b>
	1.26	\$000	\$000
<b>Capital Commitments</b>			
As at the reporting date NMIT had the following outstanding Capital Commitments:			
Technical Education Centre - Heidelberg		6,808	-
Building Q & S - Fairfield		5,813	-
Plastering and painting development - Epping		-	1,357
Yarra House project - Fairfield		7,331	8,700
		<u>19,952</u>	<u>10,057</u>
Outstanding Capital Commitments are payable as follows:			
Payments due			
Not later than one year		19,481	4,557
Later than one year but not later than five years		471	5,500
		<u>19,952</u>	<u>10,057</u>
<b>Other Significant Operating Commitments</b>			
As at the reporting date NMIT had the following outstanding Significant Operating Commitments:			
Contract cleaning		1,135	1,290
Student system development		290	1,092
		<u>1,425</u>	<u>2,382</u>
Outstanding Significant Operating Commitments are payable as follows:			
Payments due			
Not later than one year		1,425	2,276
Later than one year but not later than five years		-	106
		<u>1,425</u>	<u>2,382</u>

## NOTE 18 - AUDITORS' REMUNERATION

	<b>2008</b>	<b>2007</b>
	\$000	\$000
Victorian Auditor General's Office		
Audit of the financial report	29	24
Other Auditors	77	54
	<u>106</u>	<u>78</u>

## NOTE 19 - CONTINGENT LIABILITIES AND ASSETS

There are no contingent liabilities or assets.

## NOTE 20 - SUPERANNUATION

NMIT contributes to both defined benefit and defined contribution plans. Contributions are included as part of employee benefits in the Operating Statement. The name and details of the major superannuation funds and contributions made by the Institute are as follows:

	Note	2008 \$000	2007 \$000
<b>State Superannuation Fund of Victoria</b>			
SERB Scheme 12.6%		16	16
Revised Scheme 17.3%		540	613
New Scheme 7.3% - 10.2%		816	913
<b>Victorian Superannuation Fund</b>			
Vic Super Scheme 9%		3,395	3,066
<b>Other Superannuation Schemes</b>			
National Mutual 9%		23	22
Hesta 9%		112	84
Uni Super 9%		69	57
Other Funds 9%		493	291
<b>Total Contributions to all Funds</b>		<b>5,464</b>	<b>5,062</b>

In accordance with the accounting policy (1.15.7) NMIT does not recognise any defined benefits liabilities.

As at the reporting date there was \$161,852 outstanding contributions payable to the above funds.

As at the reporting date there were no loans to NMIT from any fund.

## NOTE 21 - RESPONSIBLE PERSONS RELATED DISCLOSURES

The names of persons who were Responsible Persons at anytime during the financial year, were:

The Hon. Jacinta Allan MP, Minister for Skills and Workforce Participation.

E. Forde (President)	M. Pettolino
N. Shearer (Vice President)	A. Ray
A. Giddy (Deputy Vice President)	C. Lamble
B. MacDonald (NMIT Chief Executive Officer)	C. Watson
L. Carlton (staff representative to April 2008)	P. Grist
A. Budge (staff representative from June 2008)	Dr. L. Kilmartin
A. Kuypers (student representative)	M. Said
A. Braybrook (to September 2008)	J. Acquaro
R. Mackay	M. Carfax-Foster

### Remuneration of Responsible Persons

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

Other relevant interests are declared in the Register of Members' Interests which each member of the Parliament completes.

Remuneration received, or due and receivable from NMIT in connection with the management of NMIT, includes termination payments and bonuses paid at end of contracts.

Total Remuneration	
2008	2007
\$000	\$000
<b>303</b>	<b>304</b>

Remuneration received, or due and receivable from NMIT in connection with the management of any related party entity.

Base Remuneration		Total Remuneration	
2008	2007	2008	2007
\$000	\$000	\$000	\$000
-	-	-	-

The number of Responsible Persons whose remuneration from NMIT was within the specified bands are as follows:

Income Range		2008	2007
\$	\$	No.	No.
0	- 9,999	15	13
20,000	- 29,999	1	-
30,000	- 39,999	1	-
70,000	- 79,999	-	1
220,000	- 229,999	-	1
230,000	- 239,999	1	-
		<b>18</b>	<b>15</b>

## Retirement Benefits of Responsible Persons

The retirement benefits paid by the Institute in connection with the retirement of Responsible Persons of the Institute amounted to:

	2008	2007
	<i>\$000</i>	<i>\$000</i>
	-	-
	<u>-</u>	<u>-</u>

## Executive Officers' Remuneration

The number of executive officers, other than Responsible Persons, included under "Remuneration of Responsible Persons" above whose total remuneration exceeded \$100,000 during the financial year are shown in their relevant income bands. The base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

	2008	2007
Income Range	<i>No.</i>	<i>No.</i>
\$            \$		
100,000 - 109,999	-	1
110,000 - 119,999	2	-
120,000 - 129,999	2	-
130,000 - 139,999	-	-
140,000 - 149,999	3	7
150,000 - 159,999	6	6
160,000 - 169,999	2	2
170,000 - 179,999	2	-
	<u>17</u>	<u>16</u>

Total remuneration for the reporting period of executive officers included above amounted to:

Base Remuneration		Total Remuneration	
2008	2007	2008	2007
<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
<u>2,419</u>	<u>2,323</u>	<u>2,534</u>	<u>2,447</u>

## Superannuation

There were no amounts paid by NMIT in connection with the retirement of responsible persons during the financial year.

There were no amounts paid by NMIT in connection with the retirement of responsible persons of any related party during the financial year.

## Loans

There were no loans in existence by NMIT to responsible persons at the date of this report.

## Shares

There were no shares or share options held by responsible persons in related entities.

## Other Transactions

Other transactions between the Institute or a related party with Responsible Persons of the Institute were of the following nature and subject to the terms and conditions shown below.

## Disclosure

Two NMIT Board Directors declared a pecuniary interest in NMIT operations during 2008.

The aggregate amount in respect of the above transactions were :

	<b>2008</b>	<b>2007</b>
	<i>\$000</i>	<i>\$000</i>
Mr A. Ray - Equipment and services provided at commercial rate	9	1
Mr L. Kilmartin - Consultancy on higher education programs	27	-
Mr A. Kuypers - Training services provided	5	14
	<u>41</u>	<u>15</u>

## NOTE 22 - FINANCIAL INSTRUMENTS

### 22.1 TERMS, CONDITIONS AND ACCOUNTING POLICIES

NMIT's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at reporting date, are as follows:

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
<b>FINANCIAL ASSETS</b>			
• Cash and cash equivalents - Cash at bank and on hand	4	Cash at Bank is carried at the nominal amount.	Cash is invested as funds permit at varying interest rates between 6.35% to 4.07% (2007 - 5.45% - 6.35%)
• Cash and cash equivalents - Deposits at call	4	Deposits at call are carried at their nominal amounts. Interest revenue is recognised in the operating statement when it is earned.	Deposits at call have an average maturity of 45 days and effective interest rates of 7.11% to 4.63% (2007 - 6.2% to 7.11% )
• Receivables - Debtors	5	Trade debtors are carried at amortised cost less any allowance for doubtful debts. An allowance for doubtful debts is maintained to recognise that collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms
• Receivables - Other debtors	5	Other debtors are carried at amortised cost less any allowance for doubtful debts. An allowance for doubtful debts is maintained to recognise that collection of the full amount is no longer probable.	
• Other Financial Assets: Long Term Loan	7	Long term loans are stated at their amortised cost or fair value depending on their classification on original recognition. Interest revenue is recognised in the operating statement when it is earned.	
• Other Financial Assets: Unlisted Shares	7	Unlisted shares are carried at nominal value. Dividends, when declared by the investee, will be recognised in the income statement. Shareholdings have been assessed for impairment.	
<b>FINANCIAL LIABILITIES</b>			
• Payables Creditors and Accruals	11	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to NMIT	Trade liabilities are settled on 30 day terms
• Borrowings Finance lease	12	Borrowings are recognised at fair value net of transaction costs, and subsequently measured at amortised cost.	Finance lease term-4 years at an interest rate of 8.29%

## 22.2 INTEREST RATE RISK

Interest rate risk arises from the potential for a change in interest rates to change the expected net interest earnings in the current reporting period and in future years. Similarly, interest rate risk also arises from the potential for a change in interest rates to cause a fluctuation in the fair value of the financial instruments.

The objective is to manage the rate risk to achieve stable and sustainable net interest earnings in the long term. This is managed predominantly through a mixture of short term and longer term investments.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Institutes year end result.

NMIT's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:

FINANCIAL INSTRUMENTS	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURED IN:						Non Interest Bearing	Total Carrying Amount per Balance Sheet
		One year or less	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years		
2008	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>FINANCIAL ASSETS</b>									
• Cash and cash equivalents-Cash at Bank	1,906	-	-	-	-	-	-	7	1,913
• Cash and cash equivalents-Deposits at Call	-	35,322	-	-	-	-	-	-	35,322
• Receivables-Debtors	-	-	-	-	-	-	-	2,240	2,240
• Receivables-Other Debtors	-	-	-	-	-	-	-	1,795	1,795
• Other Financial Assets-Unlisted Shares	-	-	-	-	-	-	-	301	301
<b>Total Financial Assets</b>	<b>1,906</b>	<b>35,322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,343</b>	<b>41,571</b>
<b>FINANCIAL LIABILITIES</b>									
• Payables-Creditors & Accruals	-	-	-	-	-	-	-	4,190	4,190
• Interest Bearing Liabilities-Finance Lease	-	95	140	-	-	-	-	-	235
<b>Total Financial Liabilities</b>	<b>-</b>	<b>95</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,190</b>	<b>4,425</b>

FINANCIAL INSTRUMENTS	FLOATING INTEREST RATE	FIXED INTEREST RATE MATURED IN:						Non Interest Bearing	Total Carrying Amount per Balance Sheet
		One year or less	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years		
		\$000	\$000	\$000	\$000	\$000	\$000		
<b>2007</b>									
<b>FINANCIAL ASSETS</b>									
• Cash and cash equivalents-Cash at Bank	1,178	-	-	-	-	-	-	-	1,178
• Cash and cash equivalents-Deposits at Call	-	27,806	-	-	-	-	-	-	27,806
• Receivables-Debtors	-	-	-	-	-	-	-	4,091	4,091
• Receivables-Other Debtors	-	-	-	-	-	-	-	1,004	1,004
• Other Financial Assets-Unlisted Shares	-	-	-	-	-	-	-	301	301
<b>Total Financial Assets</b>	<b>1,178</b>	<b>27,806</b>	-	-	-	-	-	<b>5,396</b>	<b>34,380</b>
<b>FINANCIAL LIABILITIES</b>									
• Payables-Creditors & Accruals	-	-	-	-	-	-	-	4,950	4,950
• Interest Bearing Liabilities-Finance Lease	-	88	95	140	-	-	-	-	323
<b>Total Financial Liabilities</b>	-	<b>88</b>	<b>95</b>	<b>140</b>	-	-	-	<b>4,950</b>	<b>5,273</b>

## 22.2.1 MARKET RISK ON FINANCIAL INSTRUMENTS

### Interest Risk on Financial Instruments

NMIT has determined their exposure to interest rate risk, as the possibility that the fair value or future cash flows of their financial instruments could fluctuate as a result of changes in market interest rates.

The following table quantifies NMIT's exposure to interest rate risk at the reporting date:

	Notes	Weighted average effective interest rate (%)		Floating interest rate (\$'000s)		Non-interest bearing (\$'000s)		Fixed interest within 1 year (\$'000s)		Total (\$'000s)	
		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<b>FINANCIAL ASSETS</b>											
Cash and cash equivalents - Cash at bank	4	5.2	5.9	1,906	1,178	7	-	-	-	1,913	1,178
Cash equivalents - Deposit at Call	4	5.9	6.7	-	-	-	-	35,322	27,806	35,322	27,806
Receivables - Debtors	5	-	-	-	-	2,240	4,091	-	-	2,240	4,091
Receivables - Other Debtors	5	-	-	-	-	1,795	1,004	-	-	1,795	1,004
Other Financial Assets - Long Term Loan	7	-	-	-	-	-	-	-	-	-	-
Other Financial Assets - Unlisted Shares	7	-	-	-	-	301	301	-	-	301	301
<b>Total Financial Assets</b>	-	-	-	<b>1,906</b>	<b>1,178</b>	<b>4,343</b>	<b>5,396</b>	<b>35,322</b>	<b>27,806</b>	<b>41,571</b>	<b>34,380</b>
<b>FINANCIAL LIABILITIES</b>											
Payables	-	-	-	-	-	4,190	4,950	-	-	4,190	4,950
Interest Bearing Liabilities	-	-	-	-	-	235	323	-	-	235	323
<b>Total Financial Liabilities</b>	-	-	-	-	-	<b>4,425</b>	<b>5,273</b>	-	-	<b>4,425</b>	<b>5,273</b>

The objective of managing interest risk is to minimise and control the risks of losses due to interest rate changes and to take advantage of potential profits.

**Policy in managing the interest risk:**

Interest risk is managed by monitoring the outlook for interest rates and holding cash in cheque and cash management accounts at two banking institutions.

**Sensitivity analysis on interest risk:**

2008				Rates move by:		
	Current rate (%)	Amount (\$'000s)	Annual return at current rate (\$'000s)	+ 1% Possible effect / Profit or (loss) (\$'000s)	- 1% Possible effect / Profit or (loss) (\$'000s)	- 2% Possible effect / Profit or (loss) (\$'000s)
Interest rate exposure						
Cheque & cash management accounts	4.07	1,906	78	+ 19	- 19	- 38
Bank Deposits - At Call	4.63	35,322	1,635	+ 354	- 354	- 707
<b>Possible effect movement in interest income in profit or loss</b>				<b>+ 373</b>	<b>- 373</b>	<b>- 745</b>

The sensitivity analysis has been prepared for the next 12 months. NMIT's management does not believe that it is possible to reasonably estimate the variables used (interest rates) further than for 12 months.

2007				1%	2%	3%
	Current rate (%)	Amount (\$'000s)	Annual return at current rate (\$'000s)	Possible effect/ Profit or (loss) (\$'000s)	Possible effect/ Profit or (loss) (\$'000s)	Possible effect/ Profit or (loss) (\$'000s)
Interest rate exposure						
Cheque & cash management accounts	6.35	1,178	75	+/- 12	+/- 23	+/- 35
Bank Deposits - At Call	7.11	27,806	1,977	+/- 278	+/- 556	+/- 834
<b>Possible effect movement in interest income in profit or loss</b>				<b>+/- 290</b>	<b>+/- 579</b>	<b>+/- 869</b>

## 22.3 FAIR VALUE DISCLOSURES

The carrying amount of short term trade receivables and payables is a reasonable approximation of fair value therefore fair value is not required to be disclosed.

### 22.3.1 NET FAIR VALUES

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date, are as follows:

	Total carrying amount as per the Balance Sheet		Aggregate net fair value	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000
<b>FINANCIAL ASSETS</b>				
• Cash and cash equivalents - Cash at Bank	1,913	1,178	1,913	1,178
• Cash and cash equivalents - Deposits at Call	35,322	27,806	35,322	27,806
• Receivables - Debtors	2,240	4,091	2,240	4,091
• Receivables - Other Debtors	1,795	1,004	1,795	1,004
• Other Financial Assets-Unlisted Shares	301	301	301	301
<b>Total Financial Assets</b>	<b>41,571</b>	<b>34,380</b>	<b>41,571</b>	<b>34,380</b>
<b>FINANCIAL LIABILITIES</b>				
• Payables-Creditors & Accruals	4,190	4,950	4,190	4,950
• Interest Bearing Liabilities-Finance Lease	235	323	235	323
<b>Total Financial Liabilities</b>	<b>4,425</b>	<b>5,273</b>	<b>4,425</b>	<b>5,273</b>

The following methods and assumptions have been applied to determine the net fair values of financial assets and liabilities:

<b>Recognised Financial Instruments</b> Cash at Bank, Deposits at call, Receivables, Creditors & Accruals.	These financial instruments have a short term to maturity. Accordingly, it is considered that their carrying amounts reflect fair values.
<b>Unlisted Shares</b>	Shareholdings are assessed annually and are carried at nominal value, which in the opinion of management also reflect the fair value.
<b>Loans</b> Long term and short term loans	These loans are expected to be fully repaid within two years. The carrying amount reflects fair value.

## **22.4 FINANCIAL RISK MANAGEMENT**

The Institute's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivables and payables and leases.

The main risks the Institute is exposed to through its financial instruments are market risk, foreign currency risk, price risk, funding risk, interest rate risk, credit risk and liquidity risk.

Additional disclosures are shown separately for: interest rate risk (refer to note 22.2), credit risk (refer to note 22.5, 22.5.1 & 22.5.2) and liquidity risk (refer to note 22.6).

### **22.4.1 MARKET RISK**

The Institute in its daily operations is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse affect on the operating result and/or net worth of the Institute. e.g. an adverse movement in interest rates or foreign currency exchange rates.

The Board ensures that all market risk exposure is consistent with the Institute's business strategy and within the risk tolerance of the Institute. Regular risk reports are presented to the Board.

There has been no significant change in the Institute's exposure, or its objectives, policies and processes for managing market risk or the methods used to measure this risk from the previous reporting period.

### **22.4.2 FOREIGN CURRENCY RISK**

The Institute is exposed to fluctuations in foreign currencies arising from the delivery of services in currencies other than \$A.

There has been no significant change in the Institutes exposure, or its objectives, policies and processes for managing foreign currency risk or the methods used to measure this risk from the previous reporting period.

### **22.4.3 PRICE RISK**

The Institute is exposed to price risk in respect of fee for service and contract services which are subject to open market competition.

There has been no significant change in the Institute's exposure, or its objectives, policies and processes for managing price risk or the methods used to measure this risk from the previous reporting period.

#### 22.4.4 FUNDING RISK

Funding risk is the risk of over reliance on a funding source to the extent that a change in that funding source could impact on the operating result for the current year and future years.

The Institute manages funding risk by continuing to diversify and increase funding from Commercial activities, both domestically and off-shore.

There has been no significant change in the Institutes exposure, or its objectives, policies and processes for managing funding risk or the methods used to measure this risk from the previous reporting period.

#### 22.4.5 CONCENTRATIONS OF CREDIT RISK

The Institute minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers. The majority of customers are concentrated in Australia. The major customers relate to the provision of Vocational Education and Training services to industry and the community. The Institute continues to provide ongoing training, consultancy and other services for these customers who adhere to industry trade terms.

*Credit risk in trade receivables is managed in the following ways:*

- payment terms are 30 days from date of invoice.
- debtors with accounts in excess of 60 days are sent a statement of account, indicating terms of payment.
- debtors with arrears are sent a reminder notice indicating a further 7 days to make payment.
- debtors which represent government departments or agencies are managed by the Institute directly with department or agency contacts.

The Institute minimises concentrations of credit risk in relation to student loans receivable by undertaking transactions with a large number of students, all located in Australia. The Institute is prepared to offer additional loans to those students who adhere to repayment terms and conditions and fully repay their loans.

*Credit risk in student loans is managed in the following ways:*

- specific loan conditions have been established which are applicable to all loans.
- all loan monies are related to the cost of student tuition and amenities fees.
- a schedule of repayment is agreed with the student at the time of making application.
- if a student falls behind in repayments, a process is implemented which includes reminder letters, individual interview, repayment rescheduling and if necessary contacting guarantors.

There has been no significant change in the Institutes exposure, or its objectives, policies and processes for managing credit risk or the methods used to measure this risk from the previous reporting period.

## 22.5 CREDIT RISK

The Institute's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Balance Sheet.

Summary quantitative data about the Institute's credit risk exposure is based on information provided internally by the Board of Directors as follows:

FINANCIAL INSTRUMENTS	Maximum exposure to Credit Risk	
	2008 \$000	2007 \$000
<b>FINANCIAL ASSETS</b>		
• Cash and cash equivalents - Cash at Bank	1,913	1,178
• Cash and cash equivalents - Deposits at Call	35,322	27,806
• Receivables - Debtors	2,240	4,091
• Receivables - Other Debtors	1,795	1,004
• Other Financial Assets-Unlisted Shares	301	301
<b>Total Credit Risk - Financial Assets</b>	<b>41,571</b>	<b>34,380</b>

## 22.5.1 FINANCIAL ASSETS PAST DUE (but not impaired)

Contractual Maturity Analysis	Carrying	No Past Due No Impairment < 30 days	Past Due No Impairment			Impaired
			30-60 days	60-90 days	> 90 days	
2008	\$000	\$000	\$000	\$000	\$000	\$000
<b>FINANCIAL ASSETS</b>						
• Receivables - Debtors	2,240	1,049	569	142	504	(24)
• Other Financial Assets	301	301	-	-	-	-
• Cash & Cash Equivalents	37,235	37,235	-	-	-	-
<b>Total Financial Assets</b>	<b>39,776</b>	<b>38,585</b>	<b>569</b>	<b>142</b>	<b>504</b>	<b>(24)</b>

Contractual Maturity Analysis	Carrying	No Past Due No Impairment < 30 days	Past Due No Impairment			Impaired
			30-60 days	60-90 days	> 90 days	
2007	\$000	\$000	\$000	\$000	\$000	\$000
<b>FINANCIAL ASSETS</b>						
• Receivables - Debtors	4,091	2,786	155	266	926	(42)
• Other Financial Assets	301	301	-	-	-	-
• Cash & Cash Equivalents	28,984	28,984	-	-	-	-
<b>Total Financial Assets</b>	<b>33,376</b>	<b>32,071</b>	<b>155</b>	<b>266</b>	<b>926</b>	<b>(42)</b>

## 22.5.2 FINANCIAL ASSETS IMPAIRED

The Institute did not impair financial Assets in 2008 (2007 - Nil).

## 22.5.3 COLLATERAL

Not applicable.

## 22.6 LIQUIDITY RISK

Liquidity risk is the risk of being unable to meet financial obligations as they fall due.

The Institute manages liquidity risk by monitoring cash flows and ensuring that maximum funds are available for investment and payment of financial liabilities.

There has been no significant change in the Institute's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

Contractual Maturity Analysis	No later than one month	> one to 3 months	> 3 months to 6 months	> 6 months to one year	> one year to 5 years
2008	\$000	\$000	\$000	\$000	\$000
<b>FINANCIAL LIABILITIES</b>					
• Payables-Creditors & Accruals	4,190	-	635	-	-
• Interest Bearing Liabilities - Finance Lease	-	-	-	95	140
<b>Total Financial Liabilities</b>	<b>4,190</b>	<b>-</b>	<b>635</b>	<b>95</b>	<b>140</b>

Contractual Maturity Analysis	No later than one month	> one to 3 months	> 3 months to 6 months	> 6 months to one year	> one year to 5 years
2007	\$000	\$000	\$000	\$000	\$000
<b>FINANCIAL LIABILITIES</b>					
• Payables-Creditors & Accruals	4,950	-	-	-	-
• Interest Bearing Liabilities - Finance Lease	-	-	-	88	235
<b>Total Financial Liabilities</b>	<b>4,950</b>	<b>-</b>	<b>-</b>	<b>88</b>	<b>235</b>

## NOTE 23 - SUBSEQUENT EVENTS

There are no material subsequent events.

## NOTE 24 - ECONOMIC DEPENDENCY

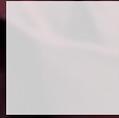
In 2008, NMIT was dependent on 56% of Government Contributions - Operating, compared to 59% in 2007.

## NOTE 25 - EX-GRATIA PAYMENTS

There are no ex-gratia payments in 2008 (2007 - Nil).



Disclosure Index



*NMIT builds human resources, corporate practices and infrastructure to ensure the effective, sustainable and ethical conduct of the core activities of learning and engagement.*

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*Photograph: Floristry*

# Disclosure Index

The Institute's Annual Report is prepared in accordance with the Financial Management Act 1994 and the Directions of the Minister for Finance. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

## REPORT OF OPERATIONS & STATUTORY AND FINANCIAL INFORMATION

Legislation	Requirement	Page	Checklist item/s:
SD 4.2 (g, h); FRD 22	General and financial information relating to the Institute and its operations, in accordance with the requirements of the Financial Reporting Directions	16-51	1, 2
SD 4.5.5	Signature of responsible person - Attestation on compliance with the Australian/New Zealand Risk Management Standard	11	3
SD 4.2 (j); FRD 22	Signature of President of Institute Board	7	4
FRD 22	Manner of establishment and relevant Minister	8-9, 119	5
FRD 22	Objectives, functions, powers and duties	8	6
FRD 22	Services provided and persons or sections of the community served	16-19	7
FRD 22	Organisational structure	15	8
TAFE Governance Review	Board structure and committees	8-10	9
TAFE Governance Review	Names and qualifications of members of the Board and number of meetings attended	9	10
TAFE Governance Review	Summary of training	8	11
TAFE Governance Review	Values, guidelines, performance and activities of the Board	8-10	12
FRD 22	Workforce data	55-56	13
FRD 22	Application of employment and conduct principles	56	14
FRD 22	Occupational health and safety	57	15
FRD 22	Industrial relations	56	16
FRD 10	Disclosure Index identifying relevant clauses of Victorian legislation with statutory disclosure requirements	136-142	17, 18, 19
FRD 11	Ex gratia payments	133	20
FRD 21 (1) (a)	Names of responsible persons	119	21
FRD 21 (1) (b)	Total remuneration of responsible persons	119	22
FRD 21 (1) (c)	Remuneration of responsible persons by bands	119	23
FRD 21 (d)	Related party transactions	121	24
FRD 21 (2) (a)	Total remuneration of executive officers	120	25
FRD 21 (2) (b)	Base remuneration (disclosed separately from actual remuneration)	120	26
FRD 21 (2) (c)	Accrual principles	88, 119, 120	27

Legislation	Requirement	Page	Checklist item/s:
FRD 22	Summary of financial results with comparative information for preceding four years	72	28
FRD 22	Summary of significant changes in financial position	72	29
FRD 22	Operational objectives for the year and performance against those objectives	16-19	30
FRD 22	Events subsequent to balance date	73	31
FRD 22	Consultancies valued in excess of \$100,000; consultancies valued at less than \$100,000; and total expenditure on consultancy engagements	73	32, 33, 34
FRD 22	Financial information consistent with that included in the financial statements	6, 16, 18, 43, 56, 68, 70, 72-77	35
FRD 22	Information complementing the financial report as a whole: providing general and financial information including any additional information the accountable officer or the governing board considers appropriate and/or which has been mandated by other authoritative pronouncements; and outlining and explaining the Institute's operations and activities for the reporting period	6-77	36
FRD 27	Audited Statement of Performance including relevant performance targets and indicators, results, and explanations of any variance between targets and results	66-71	37
FRD 22	Application and operation of FOI Act 1982	56	38
FRD 22	Compliance with Building Act 1993	58	39
FRD 22	Compliance with Whistleblowers Protection Act 2001	58	40
FRD 22	Compliance with National Competition Policy	58	41
FRD 22	Statement of environmental performance	54	42
FRD 22	Statement on availability of information, on request, to the relevant Minister, members of Parliament or the public: declarations of pecuniary interests; details of shares held by senior officers; publications produced and where available; major promotional, public relations and marketing activities; major external reviews; major research and development activities; overseas visits undertaken; major committees sponsored by the Institute	56, 74	43, 44, 45, 46, 47, 49, 50, 51, 52
FRD 22	Fees and charges	75	48
PAEC (Dec 1997)	Financial and other information on initiatives taken or strategies relating to the Institute's international operations	59-62	53
3.110 Auditor General Special Review	Off-shore operations: risks; strategies; performance measures, targets and outcomes	59-62	54
FRD 27	Signed statement of Performance Management Certificate Reporting against Key Performance Indicators	66 67-71	55

## FINANCIAL STATEMENTS

Legislation / Accounting Standard	Requirement	Page (and clause if applicable)	Checklist item/s:	
FMA 1994, 49 (a, b, c, d, e)	The Institute's financial statements contain such information as required by the Minister; are prepared in a manner and form approved by the Minister; fairly present the financial transactions of the Institute during the year to which they relate and its financial position as at the end of that year; and are certified in the manner approved by the Minister	83	56, 57, 58, 59, 60	
SD 4.2 (a)	Compliance with Australian Accounting Standards and other mandatory requirements including financial reporting directions and business rules	83	61, 62, 63	
SD 4.2 (b)	Operating Statement	84	64	
AASB101 (81) (a)	Revenues from continuing operations	84		
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### YAN YEAN

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