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**ANNUAL REPORT 2012**  
**NORTHERN MELBOURNE**  
**INSTITUTE OF TAFE (NMIT)**

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# NMIT STRATEGIC PLAN 2010-2015

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## THE NORTHERN JOURNEY

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First published in 2008, NMIT revised its Strategic Plan, *The Northern Journey*, to reflect the challenges of Victorian Skills Reform and to articulate a vision for its Vocational Education and Training (VET) and Higher Education (HE) programs. The revision also responds to emerging expectations that TAFE institutes identify and report on key performance indicators in addition to those required by legislation, the TAFE Service Agreement and the Public Provider Funding Agreement, with the Higher Education Skills Group (HESG). The responsible Minister during 2012 was The Hon. Peter Hall, MLC, Minister for Higher Education and Skills and Minister Responsible for the Teaching Profession.

As well as articulating the Institute's mission and vision, *The Northern Journey* identifies strategic themes and corresponding high level key performance areas. Together these will provide the basis for planning and operations in the coming years.

The Strategic Plan aims to sustain our presence in Melbourne's north and our obligations to our stakeholders, whilst also maintaining the capacity to respond flexibly to new opportunities as government, industry and community expectations change. The Plan will be reviewed annually as part of the Institute's strategic and operational planning cycle and updated as necessary.

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### Mission

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

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### Vision

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

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### Strategic Themes

#### Learning

NMIT guides students in the acquisition of knowledge, 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.

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# **ANNUAL REPORT 2012 NORTHERN MELBOURNE INSTITUTE OF TAFE (NMIT)**

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**Marketing and Corporate Communications**

**NMIT**

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Enquiries should be directed to the Manager,  
Marketing and Corporate Communications at the above address.

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# REPORT OF OPERATIONS

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## BOARD PRESIDENT'S REPORT

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In my first year as President of the NMIT Board, I am pleased to present the 2012 Annual Report.

2012 marked 100 years since NMIT's original predecessor, Collingwood Technical School, opened its doors to become the first Victorian technical school to be managed by the Education Department. Since that time, the Vocational Education and Training (VET) sector has become accustomed to regular change, often in response to the changing priorities of governments as they attempt to balance social and economic necessities with political realities. However, 2012 has been a year of extraordinary change for NMIT and the TAFE sector generally.

While recognising the Victorian Government's overall increase in Budget funding to the VET sector as a whole, it was disappointing to have the TAFE funding differential removed in one hit. The removal of \$9 million of community service obligation funding and \$14 million of wage supplementation represents a significant challenge to NMIT.

Despite this sobering reality, NMIT finished 2012 in a relatively sound position – by late 2012, the Institute was 98 per cent to budget (nine per cent up on the previous year) and on track to generate a surplus of over \$5 million. This is a fortunate and necessary position as we anticipate incurring a significant deficit during 2013 as the Institute works through the necessary structural and process reforms to allow it to remain competitive within the new government funding regime and an increasingly crowded VET market.

To achieve these reforms, the Board has committed to supporting a forward-looking strategy that seeks to:

- differentiate NMIT as a high quality VET provider operating within an innovative tertiary model that makes the most of synergies between Higher Education and VET programs;
- enhance the professional skills of our teaching staff and the technology they use;
- build our capacity to increase market share; and
- seek operational efficiencies wherever possible.

Another significant change for NMIT during the early part of 2012 was the departure of longstanding Chief Executive Officer (CEO), Brian MacDonald, and the commencement of Andrew Giddy as the new CEO. Brian's contribution to the growth of NMIT cannot be overstated, and the Board extends its thanks to him and its full support to Andrew, as he takes the reins during a period of unprecedented challenge.

Despite the change and uncertainty that has characterised 2012, the Board was extremely pleased to learn of the seemingly endless achievements of our students and staff, including landscaping students selected for the National WorldSkills team; one of our Commercial Cookery students being invited to work with master gastronomist, Heston Blumenthal; St Georges Restaurant winning Best Restaurant in a Training Institute at the Savour Australia Restaurant and Catering Awards for Excellence; our Higher Education staff winning overseas scholarships and the opening of the new library and fitness centre at Epping campus.

These are just some of the great things that were achieved during the year and the Board has been impressed by the continued resilience demonstrated by our directors, managers, teachers and support staff as they maintain performance levels during times of change and adversity.

Lastly, I would like to acknowledge the commitment and diligence of the NMIT Board and its committees during the year and believe that under their leadership, and that of the senior management team, NMIT is ready to face the challenges and opportunities that lie ahead in 2013.



**Joy Acquaro**

President of Board

Northern Melbourne Institute of TAFE

DATE: 25/02/2013

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# CHIEF EXECUTIVE OFFICER'S REPORT

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It has been an exciting first year as Chief Executive Officer at NMIT – there is an even greater sense now of the strength and depth of the Institute and the many wonderful people who work here. The year has brought some significant challenges, in particular, the obvious impact of the Budget cuts and the resulting additional workload imposed in planning for the future.

The reality of the funding cuts for NMIT is a further decrease in differential funding of TAFE institutes to support community service obligations – this amounts to a loss of funding of around \$9 million, compared to 2011 rates. NMIT has also lost funding support for wages of up to \$14 million. The main impact will be felt in 2013 when we will need to reduce costs and increase student fees.

In response to the TAFE sector funding cuts, NMIT has chosen to follow a slightly different path to other institutes, with a focus on building towards a strategy based on **quality**, and **teaching** and **learning**. The NMIT Board has shown its support by agreeing to re-invest some previous earnings to allow the Institute space to transition to a new competitive model. In 2013, the Institute needs to accomplish a lot to improve productivity and attract students in a competitive marketplace. To do this, NMIT has chosen to invest in freeing up teaching time through process change and technology – this is fundamental to creating an environment where it is fair to ask for more teaching hours as other burdens are lowered.

In the coming year, the Institute will negotiate new Enterprise Bargaining Agreements that it hopes will be fair and rewarding to staff, whilst also achieving productivity gains. Achieving these gains progressively will limit adverse impacts on individuals and will support a positive environment that is crucial to being a quality educational provider and employer.

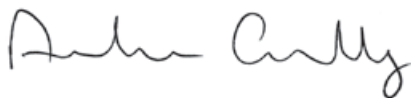
In 2013, NMIT has an extensive range of change projects to undertake, including: the Teaching and Learning initiative; process re-engineering; and technology enhancement. To support these and other initiatives, the Institute will develop a project and change management capability.

NMIT also has an opportunity to create the first polytechnic university in Australia. NMIT Polytechnic University would be operated by NMIT and would collaborate closely with La Trobe University. This opportunity is progressing well, although there are many hurdles to yet overcome. The important part of this initiative is that the Institute does not aspire to becoming a traditional university - NMIT remains committed to its vocational roots and VET delivery.

If NMIT meets its enrolment targets for 2013, the Institute will make a substantial loss – however, by remaining disciplined and focused, it will return to profitability in 2014-15 with a stronger competitive footprint and stronger offering for students. NMIT can sustain a year of loss to allow for transformation, but the Institute will need to accomplish the changes in 2013 as it cannot afford or expect the Board to support a second year of loss.

It is important to acknowledge that NMIT would not be in a position to cope with this transformation without the 24 years of good stewardship of my predecessor, Brian MacDonald. Brian oversaw the formation and growth of NMIT for almost a quarter of its 100-year history. He leaves an impressive legacy of a high-performing Institute with quality assets and a healthy balance sheet. I wish to thank him for this legacy and his mentorship throughout my first year.

I am very excited about what 2013 will bring, and would like to acknowledge the support of all staff throughout 2012 in meeting the challenges presented to the Institute. I would also like to thank the NMIT Board for its strong support and guidance in preparing NMIT for the future.



**Dr Andrew Giddy**

Chief Executive Officer

Northern Melbourne Institute of TAFE

DATE: 25/02/2013

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# NMIT HISTORY

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NMIT began as Collingwood Technical School in 1912, and was formed with the current structure in 1989 through the amalgamation of Preston and Collingwood Colleges of TAFE. The new entity, called Northern Metropolitan College of TAFE, developed campuses at Heidelberg, Greensborough and Epping to add to those existing at Preston, Collingwood and Parkville.

In 1996, the Institute changed its name to Northern Melbourne Institute of TAFE and in 1999, the acronym NMIT was adopted. There are also training centres at Eden Park and Yan Yean, and during 2002, a new training centre was opened at Yarra Glen in the Yarra Valley, as well as a new campus in Ararat. In 2004, NMIT opened another new campus at Fairfield after the Parkville campus was closed.

In 2012, NMIT celebrated its centenary year through a series of events commemorating its legacy as one of Melbourne's longest continuing TAFE providers. A dedicated website, *100 Years 1 Million Stories* ([www.nmit.edu.au/centenary](http://www.nmit.edu.au/centenary)), provided a virtual window through which to explore the past 100 years of NMIT's history.

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# CORPORATE GOVERNANCE

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The NMIT Board is the governing body of NMIT. Twelve Directors of the Board are appointed by the Victorian Minister for Higher Education and Skills or co-opted because of their specialist knowledge, skills and experience. The Chief Executive Officer (CEO) is appointed ex-officio and there is one elected staff representative, as well as one elected student representative.

The responsible Minister during 2012 was The Hon. Peter Hall, MLC, Minister for Higher Education and Skills and Minister Responsible for the Teaching Profession.

The NMIT Board Governance Charter provides guidance for Board Directors in decision making. NMIT's mission is to provide vocational education, training and higher education qualifications for a global workforce in accordance with national and state government legislation, priorities, policies and management frameworks.

In undertaking to meet NMIT's mission, the Board and the Directorate adhere to the following principles of good governance:

- recognise the relative roles and responsibilities of the Board and executive staff
- structure the Board's membership to add value to the Institute within appointment restrictions
- promote ethical and responsible decision-making
- safeguard integrity in financial reporting
- make timely and balanced disclosure according to statutory requirements
- respect the rights of stakeholders by providing ready access to information about the Institute via our website and mechanisms deemed to be appropriate by the Board
- identify and manage risk
- encourage enhanced performance of the Board and executive staff by facilitating appropriate information, induction and performance reviews
- remunerate fairly and responsibly
- recognise legal and other obligations to all stakeholders including employees, students, industry partners, government and the community.

The Board's 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's 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 all assistance and information that the Minister, the Secretary of the Department of Education and Early Childhood Development or the Deputy Secretary for Higher Education and Skills Group (HESG) may reasonably require from the Board
- ensure the safe custody and proper use of the common seal of the Board.

The NMIT Board met six times during 2012 with meetings scheduled at the end of February, April, June, August and October, and in early December.

## PROFESSIONAL DEVELOPMENT

Joy Acquaro attended the VTA Conference on 17 May 2012.

David Makris, Jenny Stephens and Bruno Tassone were given a tour of NMIT's metropolitan campuses with expert commentary on a range of facilities as part of their induction.

## 2012 NMIT BOARD MEMBERSHIP

Board Director	Nature of Appointment	Key Areas of Knowledge, Skill and Experience	Current Employment /Position	Meetings Attended
<b>President</b> Joy Acquaro B Econ, LLB, MBA, Grad Cert Barrister/ Solicitor of Supreme Court, Cert in Mediation	Ministerial	Administration and the law	General Manager Advocacy and Practice, Law Institute of Victoria	6 of 6
<b>Director</b> Prof David Finlay BSc, MSc, PhD	Ministerial	Extensive experience in higher education science, technology and engineering fields and academic governance	Chair of Human Ethics Committee and Director, La Trobe University Foundation	5 of 6
<b>Director</b> (Past President) Elaine Forde	Co-opted	Knowledge and skills in local retail and property management	Consultant	5 of 6
<b>Director</b> Christopher Watson Dip Tchg	Ministerial	State and national level senior management in racing industry and education	Consultant	6 of 6
<b>Director</b> Dr Jennifer Wajsenberg PhD, LLB, B Social Work, TESOL, Dip Ed (Hons), BA (Hons)	Ministerial	Educational administration and leadership, education Kindergarten-Tertiary, international education, governance and compliance	Senior Consultant Education and Governance, Slade Partners	4 of 6
<b>Director</b> Brian Motz BBA, CA (Canada and Australia)	Co-opted	Broad finance, commercial and corporate governance experience working for private and public companies in Australia and Canada	Consultant	5 of 6



## 2012 NMIT BOARD MEMBERSHIP CONTINUED

Board Director	Nature of Appointment	Key Areas of Knowledge, Skill and Experience	Current Employment /Position	Meetings Attended
<b>Director</b> Anthony Monley FCPA, GAICD, MBA (Acctg)	Ministerial	Extensive experience in financial control and corporate governance in major energy corporations in Australia and South-East Asia, and board leadership roles, as well as involvement in not-for-profit organisations	Financial Controller (Internal Control), Origin Energy and Non-Executive Director, Dental Health Services Victoria	4 of 6
<b>Director</b> Heather Campbell B Eng (Agricultural) (Hons), Master Eng Sci – Environmental Eng, Grad Dip Occupational Hygiene, GAICD	Ministerial	Extensive experience managing locally and internationally risk issues such as sustainability, environmental policy and safety in corporations and the not-for-profit sector	CEO LandCare Australia Limited	6 of 6
<b>Director</b> David Makris B Laws, B Architecture (Hons), B Planning and Design	Ministerial	Skills in business development, project management, contract management and administration and risk management	Technical Manager, Major Projects Victoria – Department of Business and Innovation	5 of 5 from April 2012
<b>Director</b> Jenny Stephens BA, MA	Ministerial	Extensive experience as a Higher Education executive in the areas of leadership, policy and strategic planning, Board governance and research	Consultant	5 of 5 from April 2012
<b>Director</b> Bruno Tassone BA (Psychology)	Ministerial	Extensive experience in contract management and the delivery of Commonwealth Government Employment and Disability Services	General Manager, Employment and Disability Services, BEST Community Development	5 of 5 from April 2012
<b>Student Director</b> Antony Kuypers Adv Dip Acctg	Elected	Part-time teaching in design drafting/building fields	Currently studying at NMIT	6 of 6
<b>Staff Director</b> Trent Losonn-Wilkins Dip Qual Mgt, Cert IV T&A, Cert IV Bus Mgt	Elected	Experience in the VET, public and private sectors, RTOs, knowledge in areas of QA and audit processes	NMIT staff member – Quality Assurance Unit	6 of 6
<b>Director</b> Dr Andrew Giddy B VSc, Grad Dip Bioethics, MAICD	Ministerial	Senior management and strategic consultancy	CEO, NMIT	6 of 6

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# 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.

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## **BOARD EXECUTIVE COMMITTEE**

Members were Joy Acquaro (Chair), Elaine Forde, Dr Jennifer Wajsenberg, Prof David Finlay and Andrew Giddy (CEO). 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.

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## **AUDIT AND RISK MANAGEMENT COMMITTEE (A&RMC)**

Board Directors on the A&RMC were Brian Motz (Chair), Josephine 'Joy' Acquaro, Elaine Forde, Christopher Watson, Heather Campbell and Anthony Monley. Dr Andrew Giddy (CEO), Peter Christie (Director Corporate Services) and Leigh Pike (Chief Finance Officer) were in attendance at these meetings.

The A&RMC is appointed to provide independent assurance to the Board and the CEO in fulfilling their oversight responsibilities for 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.

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## **RESOURCES COMMITTEE**

Board Directors on the Resources Committee were Elaine Forde (Chair), Joy Acquaro, Brian Motz, Christopher Watson, Heather Campbell, Anthony Monley and Andrew Giddy (CEO). The Resources Committee provides advice to the Board on finances, facilities, human resources and student services.

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## **HIGHER EDUCATION ACADEMIC COMMITTEE (HEAC)**

Board Director Dr Jenny Wajsenberg chaired meetings of the HEAC which is responsible for assisting the Board to ensure appropriate supervision of Higher Education programs and maintenance of high standards in teaching and academic performance. Other Board Directors on the HEAC were Prof David Finlay, Bruno Tassone and Dr Andrew Giddy (CEO).

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## **VOCATIONAL EDUCATION AND TRAINING (VET) PROGRAMS COMMITTEE**

Board Directors on the VET Programs Committee were Dr Jenny Wajsenberg (Chair), Elaine Forde, Prof David Finlay and Dr Andrew Giddy (CEO). 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.

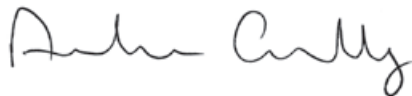
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# ATTESTATION ON COMPLIANCE WITH THE AUSTRALIAN/NEW ZEALAND RISK MANAGEMENT STANDARD

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I, Andrew Giddy, certify that as at the 31st December 2012, 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 designated standard) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The Audit and Risk Management Committee verifies this assurance and that the risk profile of the Institute has been formally reviewed within the last 12 months.



**Andrew Giddy**

Chief Executive Officer

Northern Melbourne Institute of TAFE

DATE: 25/2/2013

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# SENIOR MANAGEMENT

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## CHIEF EXECUTIVE OFFICER

### **Dr Andrew Giddy**

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

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## DEPUTY CHIEF EXECUTIVE OFFICER AND DIRECTOR PROGRAMS

### **Mr David Draper**

The Deputy Chief Executive Officer and 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, and Quality Assurance.

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### Deputy Director Programs Higher Education

#### **Dr Christine Spratt**

The Deputy Director Programs Higher Education is responsible for the development of Higher Education policy and programs across the Institute.

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### Associate Directors

Faculty of Arts and Social Sciences

#### **Mr Peter Lamburd**

Faculty of Building and Construction

#### **Mr David Delaney**

Faculty of Business

#### **Ms Melissa Giffard**

Faculty of Earth Sciences

#### **Ms Melissa Giffard**

**Mr Wayne Pappin** (retired)

Faculty of Engineering

#### **Mr Bruce Burns**

Faculty of Further Education

#### **Ms Frances Coppolillo**

Faculty of Hospitality, Tourism and Personal Services

#### **Mr Philip Javier**

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### Managers

International Office

#### **Mr Dino Bettiol**

Quality Assurance

#### **Ms Fay Bellis**

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## **DIRECTOR CORPORATE SERVICES**

### **Mr Peter Christie**

The Director Corporate Services is responsible for the delivery of services through Buildings and Properties (including Capital Works Projects), Finance, Human Resources and ICT Services.

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#### **Managers**

Buildings and Properties

### **Mr Warrick Smith**

Capital Works Projects

### **Mr Dom Valeri**

Finance

### **Mr Leigh Pike**

Human Resources

### **Mr Peter Christie**

ICT Services

### **Mr Robert Hagan**

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## **DIRECTOR CLIENT SERVICES**

### **Ms Anne Bambrook**

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

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#### **Managers**

Academic Registry

### **Mr Marin Radobuljac**

Information Services

### **Ms Anne Callahan**

Marketing and Corporate Communications

### **Ms Jude Whelan**

Student Services

### **Ms Cathy O'Connor**

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# NMIT CAMPUSES AND TRAINING CENTRES

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## CAMPUSES

### **Ararat**

Grano Street  
Ararat VIC 3377

### **Collingwood**

20 Otter Street  
Collingwood VIC 3066

### **Epping**

Corner Cooper Street and Dalton Road  
Epping VIC 3076

### **Fairfield**

Yarra Bend Road  
Fairfield VIC 3078

### **Greensborough**

Civic Drive  
Greensborough VIC 3088

### **Heidelberg**

Corner Waterdale Road and Bell Street  
Heidelberg VIC 3081

### **Preston**

77-91 St Georges Road  
Preston VIC 3072

NMIT Campus and Training Centre  
enquiry switchboard:

**p: 03 9269 1200**

## TRAINING CENTRES

### **Growling Frog Vineyard**

1910 Donnybrook Road  
Yan Yean VIC 3755

### **NMIT Kyneton Park**

Campaspe Place  
Kyneton VIC 3444

### **Northern AMEP Centre**

Corner Belfast and Blair Street  
Broadmeadows VIC 3047

### **Northern Lodge, Eden Park**

Glen Robin Court  
Eden Park VIC 3757

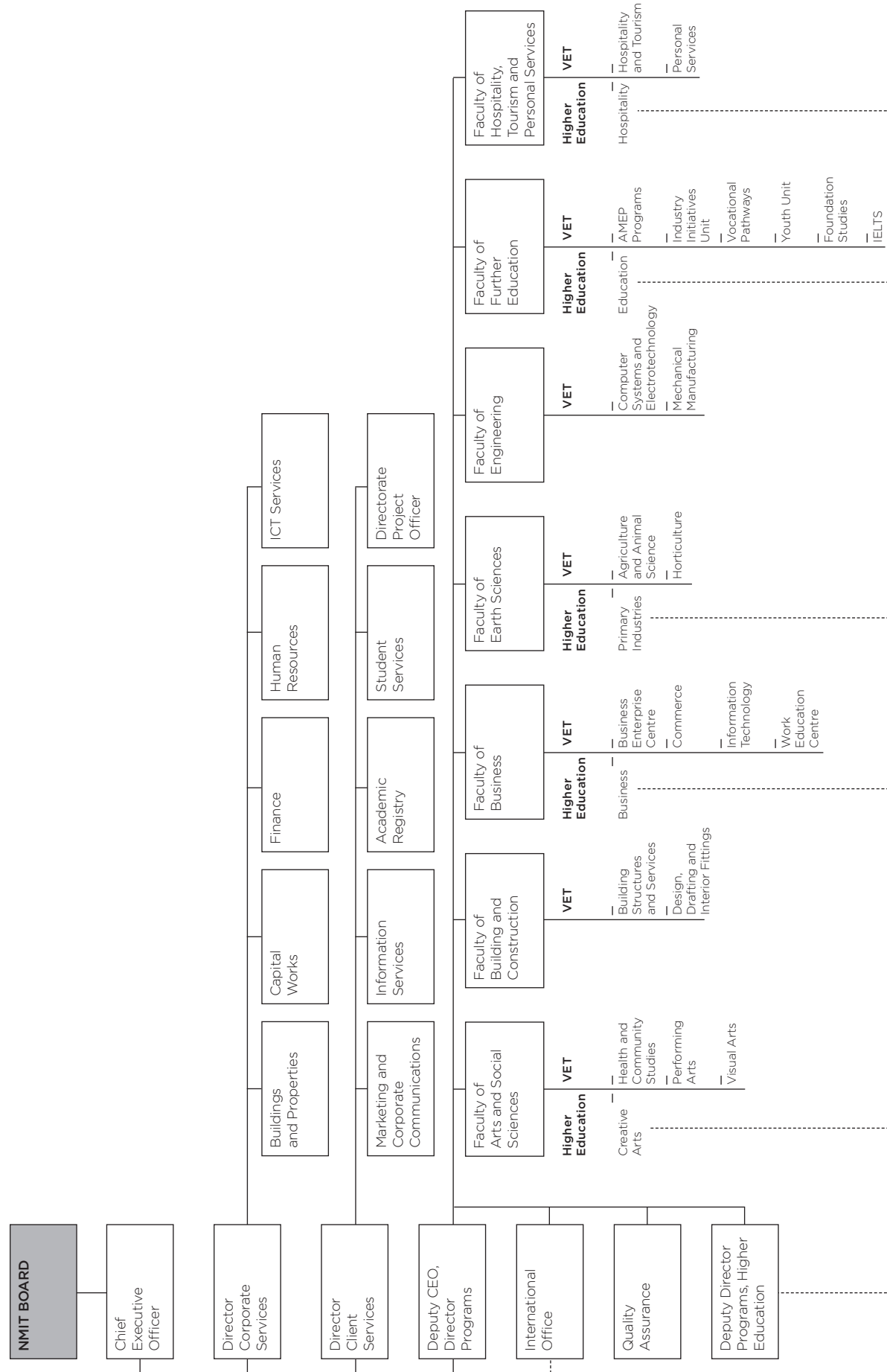
### **Northern Lodge, Yan Yean**

2005 Plenty Road  
Yan Yean VIC 3755

### **Yarra Valley Racing Centre**

Armstrong Grove  
Yarra Glen VIC 3775

# NMIT ORGANISATIONAL STRUCTURE 2012



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# THE YEAR IN REVIEW 2012

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In 2012 NMIT offered an extensive range of Vocational Education and Training (VET) and support programs to a diverse cohort of metropolitan, regional and international students.

This included:

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

In Higher Education, the implementation of the Higher Education Strategy 2010-2015 continued, with the Higher Education Office overseeing the educational design and development of several new undergraduate programs to accreditation. NMIT is re-registered as a Higher Education provider until 2014, and a new e-learning strategy across all programs continues to be implemented.

New degree programs in Information Technology, Business and Music Industry, with relevant associate degrees received accreditation and commenced delivery in 2012. Bachelor programs continued to be conducted in Agriculture and Land Management, Accounting, Aquaculture, Music, Equine Studies, Hospitality Management, Illustration, Viticulture and Winemaking, and Writing and Publishing.

NMIT spent or committed \$2.2 million for teaching and other equipment. NMIT also completed \$2.6 million worth of minor works.

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## SUMMARY OF PERFORMANCE

The Institute has over-delivered on its training targets by approximately 3.5 per cent.

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

NMIT generated a budget surplus in 2012 of \$5.1 million. The Institute's income exceeded \$153 million and generated over \$67 million in extraneous income.

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### 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:

- 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.



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

NMIT expanded its regional and international profile by:

- generating revenue totalling \$14.92 million for the Institute from all international related activities. Of this revenue, more than \$200,000 was invested in customised training, involving study tours and workshops, both in Melbourne and overseas
- achieving higher numbers of enrolments in Higher Education programs, increasing to 326 international student enrolments (from 221 students in 2011 and 150 students in 2010)
- delivering programs outside Australia with 25 partner institutions in countries such as China, South Korea and Singapore
- enrolling more than 22,000 offshore students in the last full academic year including diplomas and English language development courses
- signing new agreements with 10 partners in China, five of which will be aiming to recruit students in 2013
- recruiting from a broad base of countries including Vietnam, India, China, Colombia, Philippines, Pakistan and Sri Lanka
- promoting NMIT as an affordable provider, and raising a marketing strategy to focus on emerging and under-represented markets in Asia, South America and parts of Europe.

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## **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 Assurance Management System. NMIT's quality assurance system covers the design, development and provision of training programs and services provided by all teaching and non-teaching departments within NMIT.

In 2012 NMIT completed the external quality re-certification audit. The Quality Assurance unit has undertaken a number of quality audits of NMIT partner programs overseas. NMIT has now achieved 17 years of ISO accreditation – the longest period of any Victorian TAFE institute. The Institute's Risk Management Framework has been fully implemented and is undergoing scheduled ongoing review and revision.

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

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

This included:

- re-roofing the administrative towers at Ararat campus
- progressing with construction of Building F at Preston campus, ready for occupation in mid-2013
- renovating the façade of Building A and installing new landscaping at Preston campus
- renovating garden areas at Collingwood, Epping, Greensborough and Heidelberg campuses
- upgrading firefighting equipment to current standards on all campuses
- obtaining proposals for energy and water reductions under the Greener Government Buildings program
- re-keying all external doors at all campuses
- commencing a new student ID card system in combination with access to electronic doors
- continuing to extend the evaluation and monitoring of utility consumption across all campuses
- expanding and upgrading existing security systems
- completing a sustainability strategy action plan for 2012-2013.

Further examples of equipment purchase, refurbishment of campuses and capital works can be found under highlights for the Buildings and Properties department on page 36 - 37.

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

During the year, 827 NMIT staff undertook 2,329 professional development activities. The aggregate amount of Institute funding of \$1,781,872 for staff time, registration fees, travel, accommodation and replacement costs represents the continual investment and priority placed on staff professional development. A \$500,000 fund for overseas study tours and attendance at major seminars established in 2011 funded many of the professional development activities occurring in 2012.

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

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

Developments included:

- expanding the development of the STRATA Student Management System, Course Information System, International Student Management System and implementing the Graduation and Awards module to ensure reporting guidelines are maintained to meet the requirements of the Victorian Training Guarantee and full contestability, and to ensure information remains aligned for both print and online media in 2013
- continuing to develop modules for online delivery or online supported learning using the Moodle platform
- re-launching the Library's catalogue, FindIt@, which introduced a Web Discovery layer over the Library's existing management system. This technology provided access to a seamless search option of local and global library resources and databases. NMIT is the first TAFE institute in Australia to introduce this system
- developing processes for the production of the new ID cards at campus information centres, and implementing ID cameras at campus libraries to meet students' access demands
- establishing an enhanced, dedicated and centralised Course Enquiry Centre to provide improved reporting and statistical data on enquiry rates, demographic data, and program area trends to the Institute and to streamline the enquiries services offered to prospective students. The Centre is currently funded to operate through to July 2013
- launching the NMIT website redevelopment project in conjunction with ICT Services and Studio Moso. The project will include functional and technical improvements towards a more interactive user interface, and an extensive content review across more than 14,000 pages contained on the website.

Further examples of innovative products and applied research activities are provided in the individual faculty and department reports.

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# AWARDS

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## FACULTY OF ARTS AND SOCIAL SCIENCES

### AIPP (Australian Institute of Professional Photography) Epson Victorian Professional Photography Awards 2012

<b>Janet (Arrayah) Loynd</b>	Winner, Student Photographer of the Year
<b>Manickam Balasundaram</b>	Runner-Up, Student Photographer of the Year

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### Epson International Photographic Pano Awards 2012

<b>Mehrzad Mosalehe</b>	Bronze Award
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### Melbourne - My Beautiful City Photography Prize 2012

<b>Craig George</b>	Winner, 1st Prize
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### Photonet Gallery Open Prize for Photography 2012

<b>David Apostol</b>	Winner, 1st Prize
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### Silk Cut Award 2012

<b>Louise Anthony</b>	Winner, Tertiary Section
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### Illustre 2012 Diploma of Illustration Graduate Exhibition Awards

<b>Laura Tronchi</b>	Winner, Best Book Illustration - Industry Award Winner, Best Body of Work - Industry Award Recipient, Illustre Award
<b>Dylan Leslie</b>	Winner, Best Digital Illustration 1
<b>Elizabeth Braid</b>	Winner, Best Digital Illustration 2 Recipient, Illustre Award
<b>Joshua Fradley</b>	Winner, Best Traditional Illustration Recipient, Illustre Award
<b>Obi Haldane</b>	Winner, Cutting Edge Illustration 1
<b>Dionne Anand</b>	Most Outstanding Individual Work
<b>Donna Sadler</b>	Recipient, Illustre Award
<b>Cassandra King</b>	Recipient, Illustre Award
<b>Angus Nuttull</b>	Recipient, Illustre Award
<b>Damien Pitcon</b>	Recipient, Illustre Award
<b>Robin Taylor</b>	Recipient, Illustre Award

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### NMIT 2012 Outstanding Student of the Year Awards

<b>Sydney Levin</b>	Winner, NMIT Outstanding Student of the Year (Arts and Social Sciences)
<b>Zero Scar</b>	Winner, NMIT Outstanding Student of the Year (Higher Education)

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## STAFF AWARDS

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### AIPP (Australian Institute of Professional Photography) Epson Victorian Professional Photography Awards 2012

**Keren Dobia**                                      Winner, Victorian Portrait Photographer of the Year  
Winner, Victorian Creative Photographer of the Year  
Runner-Up, Photographer of the Year  
Runner-Up, Illustrative Photographer of the Year

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### Australian Jazz Bell Awards 2012

**Allan Brown**                                      Winner, Best Australian Traditional Jazz Album  
**Eugene Ball**                                      Winner, Best Australian Jazz Ensemble (Member of Andrea Keller Quartet)  
**Ian Whitehurst**                                      Winner, Best Australian Jazz Ensemble (Member of Andrea Keller Quartet)  
**Peter Knight**                                      Winner, Most Original Jazz Album (Peter Knight Ensemble)

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### Country Music Awards of Australia 2012

**Dobe Newton**                                      Winner, Golden Guitar Award  
Winner, Toyota Heritage Song of the Year Award

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### Freedman Scholarship for Jazz 2012

**Christopher Hale**                                      Winner

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### Melbourne Blues Appreciation Society Awards (Victoria and Tasmania) 2012

**Gerry Pantazis**                                      Winner, Producer of the Year

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### Higher Education and Skills Group Overseas Fellowship

**Nick Lovett and Eugene Ball**                      Recipients, Screen and Media (Joint Application)

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## FACULTY OF BUILDING AND CONSTRUCTION

### Ballan Hospital Interior Design Competition

**Alison Lewis**                                      Overall Winner

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### Master Builders Association of Victoria (MBAV) Awards 2012

**Paul Tran**    Winner, Employer Nominated Apprentice of the Year  
**Jayden DeZilwa**                                      Winner, Best 3rd Year Apprentice - Wall and Ceiling Lining  
Winner, Apprentice of the Year - Wall and Ceiling Lining  
**Vince Ascone**                                      Winner, Best 4th Year Apprentice - Wall and Floor Tiling  
Winner, Apprentice of the Year - Wall and Floor Tiling

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Master Plumbers and Mechanical Services Association of Australia Gold Medal and Training Awards 2012

**Eleri Dear** Winner, Rose Curtis Award

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Watsonia Traders Association Window Design Competition

**Paula Caratelli** 1st Place, Best Window by a Designer

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WorldSkills Australia Competition 2012 - Victoria

**Jack Reade** Winner, Joinery

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NMIT 2012 Outstanding Student of the Year Award

**Gojko Mitrovic** Winner, NMIT Outstanding Student of the Year  
(Building and Construction)

STAFF AWARDS

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Higher Education and Skills Group Overseas Fellowship

**Craig Clayton** Recipient, Brickwork Education

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**FACULTY OF BUSINESS**

NMIT Work Education Centre Presentation Evening

**Jarrod Nelson** Winner, Outstanding Community Participation Award  
- NorthStar Specialist Employment Services

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NMIT 2012 Outstanding Student of the Year Award

**Li Chen** Winner, NMIT Outstanding Student of the Year (Business)  
Winner, NMIT Outstanding Student of the Year (Overall)

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**FACULTY OF EARTH SCIENCES**

Australian Institute of Landscape Designers and Managers National Student Design Competition 2011

**Paula Matthews** 1st Place

**Kristine Galea** 2nd Place

**Esther Sugihto** Winner, Allan Correy Award

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Concord School aPlus Apprentice and Trainee Services Awards 2012

**Clair McDonagh** Winner, Education Support Trainee of the Year Award

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#### Jerusalem Botanical Gardens (JBG) Scholarship

<b>Natalie Simmons</b>	Winner, 6 Month Working Scholarship
<b>Trevor Seppings</b>	Winner, 6 Month Working Scholarship

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#### Melbourne International Flower and Garden Show (MIFGS)

<b>Naomi Paterson</b>	1st Place, Intermediate Student Floral Design Competition
<b>Celestine James</b>	2nd Place, Intermediate Student Floral Design Competition
<b>Jennifer Allen-Mentiplay</b>	3rd Place, Intermediate Student Floral Design Competition
<b>Hien Huynh</b>	2nd Place, Advanced Student Floral Design Competition
<b>Cara Hinsley</b>	2nd Place, Achievable Gardens Competition
<b>Tamara Koelmeyer</b>	Winner, Lysaght Landscaper of the Year - Achievable Gardens Competition

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#### Victorian Curriculum and Assessment Authority VCAL Achievement Awards 2012

<b>Jordan Crick</b>	Winner, VCAL Achievement Award - Retail Butcher
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#### Victorian Master Farriers Association Shoeing Competition 2012

<b>Toby Collins</b>	Winner, Apprentice High Point Competition
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#### WorldSkills Australia Competition 2012 - Victoria

<b>Alden Meale</b>	Winner, Landscape Construction
<b>Ryan Dahlblom</b>	Winner, Landscape Construction (Country/Regional)

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#### WorldSkills Australia Competition 2012 - National

<b>Alden Meale</b>	Gold Medal, Landscape Construction
<b>Ryan Dahlblom</b>	Silver Medal, Landscape Construction

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#### NMIT 2012 Outstanding Student of the Year Awards

<b>Martin Webb</b>	Winner, NMIT Outstanding Student of the Year (Earth Sciences)
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#### STAFF AWARDS

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#### Melbourne International Flower and Garden Show (MIFGS)

<b>Jan Williams</b>	3rd Place, Indoor Floral Display Stand
<b>Renaë Monument</b>	3rd Place, Indoor Floral Display Stand

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## FACULTY OF ENGINEERING

### Manufacturing Jewellers' Apprentice of the Year 2012

**Brooke Haab** Winner, Nathan Cameron Perpetual Trophy

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### Master Locksmiths Association of Australasia Awards 2012

**David Monahu** Winner, MLAA National Apprentice of the Year Award

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### WorldSkills Australia Competition 2012 - Victoria

**Robert Occhipinti** Winner, Jewellery

**Amy Kennedy** Silver Medal, Jewellery

Winner, Jewellery (Country/Regional)

Winner, Most Outstanding Competitor in the WorldSkills Country

Victorian Team

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### NMIT 2012 Outstanding Student of the Year Awards

**Asha Nicholas** Winner, NMIT Outstanding Student of the Year (Engineering)

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### STAFF AWARDS

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### Higher Education and Skills Group Overseas Fellowship

**Robert Wain** Recipient, Electrical Trades

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## FACULTY OF FURTHER EDUCATION

### Department of Education and Early Childhood Development Scholarships

**Alicia Noonan-Batey** Winner, \$1,200 Scholarship

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### Victorian Curriculum and Assessment Authority VCAL Achievement Awards 2012

**Team consisting of:** VCAL Team Achievement Award - Foundation Team Achievement

**Chloe Crapper**

**Jack Healy**

**Daniel Munro**

**James Sykes**

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### NMIT 2012 Outstanding Student of the Year Awards

**Rajika Agampodi** Winner, NMIT Outstanding Student of the Year (Further Education)

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### INSTITUTE AWARDS

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### IELTS Australia Conference Awards 2012

**NMIT IELTS Test Centre** Nominee, Performance Excellence Award

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## FACULTY OF HOSPITALITY, TOURISM AND PERSONAL SERVICES

### AusTAFE Culinary Trophy Regional Finals 2012

<b>Kylie Spratling</b>	Silver Medal and Overall Winner, Section 1
<b>Miyuki Kurakata</b>	Silver Medal and Overall Runner-Up, Section 1
<b>Brittany Welsh</b>	Bronze Medal, Section 1
<b>Yousif Shaaya</b>	Bronze Medal, Section 1
<b>Jillian Keiller</b>	Bronze Medal, Section 1
<b>Jacqueline Mitchell</b>	Silver Medal and Overall Winner, Section 2
<b>Dollaya McGinn</b>	Silver Medal and Overall Runner-Up, Section 2
<b>Adam Racina</b>	Silver Medal, Section 2
<b>Larina Smith</b>	Gold Medal and Overall Winner, Section 3
<b>Daniel Challis</b>	Silver Medal and Overall Runner-Up, Section 3

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### AusTAFE Culinary Trophy State Finals 2012

<b>Kylie Spratling</b>	Gold Medal and Overall Winner, Section 1
<b>Miyuki Kurakata</b>	Bronze Medal, Section 2
<b>Daniel Challis</b>	Bronze Medal, Section 3

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### Australian Culinary Challenge Victoria 2012

<b>Gordon (Gao) Liu</b>	Winner and Gold Medal, Veal and Lamb Main Course Live Challenge Winner and Gold Medal with Distinction, Tabasco Seafood Main Course Live Challenge
<b>Adam Khazaal</b>	Winner, Nestle Professional Young Chef of the Year (awarded for most points accumulated) Bronze Medal, Veal and Lamb Main Course Challenge Certificate of Merit, Poultry Palace Main Course Live Poultry Challenge Certificate of Merit, Kitchen Aid Dessert Live Challenge

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### City of Whittlesea International Women's Day Awards 2012

<b>Suzanne Waghorn</b>	Winner, Whittlesea Community Connections Award for Personal Achievement
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### Developing Tourism Leaders Awards 2012

<b>Harry Cadle</b>	Winner, Business Planning Award for Tourism Overall Winner
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### La Dolce Italia Festival Awards 2012

<b>Adam Khazaal</b>	Silver Medal, Open Chef
<b>Gordon (Gao) Liu</b>	Silver Medal, Open Chef
<b>Tanya Nikolovski</b>	Silver Medal, Junior Pastry Chef



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## Les Toques Blanches Victoria Awards for Excellence 2012

**Beth Candy** Winner, Gold Medal  
(Prize included a \$6,000 International Culinary Package)  
Winner, Most Innovative Dessert

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## Thierry Marx Career Development Award 2012

**Beth Candy** Winner (Prize included a chance to work at the Mandarin Oriental Hotel, Paris)

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## VicTAFE Cookery Challenge 2012

**Team consisting of:** Bronze Medal (Team)  
**Keelan Gallogly**  
**Tom Carew-Reid**  
**Beth Candy**  
**Larina Smith**

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## WorldSkills Australia Competition 2012 - Victoria

**Gordon (Gao) Liu** Winner, Cookery

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## NMIT 2012 Outstanding Student of the Year Awards

**Constantina Tsiounis** Winner, NMIT Outstanding Student of the Year  
(Hospitality, Tourism and Personal Services)  
**Brittany McKeon** Winner, NMIT Outstanding Apprentice/Trainee of the Year  
**Wazana Maza** Winner, NMIT Outstanding Indigenous Student of the Year

## STAFF AWARDS

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## Australian Culinary Challenge Victoria 2012

**Andrew Shepherd** Tabasco Seafood Main Course Live Challenge  
Bronze Medal

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## Australian Culinary Federation Chef of the Year Competition 2012

**Andrew Shepherd** Silver Medal  
Bronze Medal  
Winner, Best Use of Spices Award

## INSTITUTE AWARDS

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## Savour Australia Restaurant and Catering Awards for Excellence 2012

**Mel Riel and John Hand** Restaurant of the Year Award (Restaurant in a Training Institute)  
Metropolitan Category for St Georges Restaurant, NMIT Preston

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# 2012 HIGHLIGHTS

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## PROGRAMS DIVISION

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### Faculty of Arts and Social Sciences

The faculty comprises the departments of Health and Community Studies, Performing Arts, Visual Arts, and Creative Arts which delivered a suite of Higher Education programs.

#### Health and Community Studies

The department delivered programs in Aged Care, Health, Children's Services, Disability Studies, Alcohol and Other Drugs Work, Welfare and Mental Health.

Highlights included:

- delivering Aged Care programs in Chengdu, China as part of an ongoing and expanding delivery into the South-East Asian region
- securing the delivery of Children's Services in Zhongshan Province in China, and achieving robust enrolments prior to 2013 delivery
- winning the tender and successfully delivering a range of programs for the Department of Human Services in Eastern Metropolitan, North and West Metropolitan and Barwon South Western regions.

#### Performing Arts

The department delivered programs in Music Performance, Music Business, Sound Production, Screen and Media and Live Production for Theatre and Events.

Highlights included:

- student band The Ivory Elephant winning the state final of 'Battle of the Bands' and representing Victoria in the National Finals
- producing sports programs with McGuire Media and developing three new programs for Channel 31 - *Melbourne 22*, *Mash-up* and the *Victoria and Sasha Talk Show*.
- developing multiple partnership arrangements with Nillumbik Shire Council and Darebin City Council for the provision of various Arts events
- presenting the Yarra Edge Music Festival 2012 over five days, offering a range of musical performances
- recognising staff with a range of awards and commissions, including: Enio Pozzebon, who was invited to compose the score for a documentary on the Djilpin Arts Aboriginal Corporation, based in the Northern Territory; Gerry Pantazis, who was awarded Producer of the Year by the Australian Blues Appreciation Society for the album *Guitars Across the Bay* by Jeff Achison, and; Dobe Newton, who won a Golden Guitar Award at the Country Music Awards of Australia 2012 with his band, The Bushwackers.

#### Visual Arts

The department delivered programs in Fine Art, Illustration, Applied Photography, Graphic Design and Photomedia.

Highlights included:

- students and graduates winning prizes in local and interstate creative arts competitions
  - Northland Shopping Centre Gift Card Competition
  - AIPP (Australian Institute of Professional Photography) Epon Victorian Professional Photography Awards 2012
  - Silk Cut Printmaking Award
  - Photonet Gallery Competition
  - Melbourne - My Beautiful City Photographic Competition and Exhibition
- developing partnerships with Darebin City Council to present exhibitions of student work
- staff successfully exhibiting their personal exhibitions in venues across Melbourne.

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## Higher Education

The faculty's Higher Education Creative Arts department offered bachelor and associate degree courses in Music, Music Industry, Writing and Publishing, and Illustration.

Highlights included:

- four Bachelor of Music staff members winning awards at the 2012 Australian Jazz Bell Awards, and Christopher Hale receiving the 2012 Freedman Scholarship for Jazz
- Bachelor of Illustration staff member Amy Espeseth publishing her first novel, *Sufficient Grace*, to exemplary reviews
- Bachelor of Illustration students producing two murals: one to celebrate NMIT's centenary year at the Preston campus; the other for Darebin Childcare and Kindergarten at their Reservoir centre
- hosting musician and academic Jon Damien for two weeks of workshops, performances and benchmarking sessions between NMIT and Berklee College of Music, California USA
- international collaborations between the Bachelor of Illustration program and Manchester Metropolitan University to produce *Visual Discourse Part 2 - A Conceptual Journey*, which was launched during the Melbourne Fringe Festival 2012
- students winning a range of awards, and participating in successful performances, presentations and collaborations including:
  - Bachelor of Music students presenting the program, *The Gig Bag*, on Channel 31
  - Bachelor of Music and Bachelor of Music Industry students receiving recording grants from Arts Victoria and Darebin City Council's Decibels Records label
  - Bachelor of Music and Bachelor of Illustration students producing poster and music for various public performances.

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## Faculty of Building and Construction

The faculty comprises the departments of Building Structures and Services, and Design, Drafting and Interior Fittings.

### Building Structures and Services

The department delivered courses in Bricklaying, Carpentry, Construction Waterproofing, Fibrous Plastering (Wall and Ceiling Lining), Painting and Decorating, Plumbing, Roof Tiling, and Wall and Floor Tiling.

Highlights included:

- adding the Certificate III in Construction Waterproofing to NMIT's scope of registration, with the first intake commencing in March. The course has continued to grow rapidly, with the expectation of increased student intakes in 2013
- signing a Memorandum of Understanding with OzCourseHub to undertake a pilot project on behalf of the painting and decorating industry. The project was operated through the Skills Recognition program and generated approximately 55,000 student contact hours
- developing a pre-vocational roof tiling course with the Victorian Roofing Tiling Association, with intakes commencing in 2013
- increasing online assessment capability for students, affording greater flexibility to employers for assessments within their apprenticeships. Staff will continue to develop and maintain relationships with industry contacts to improve the system
- Bricklaying program staff member Craig Clayton being awarded a Higher Education and Skills Group Overseas Fellowship. He will visit five colleges in the UK to investigate different e-learning tools currently being used to teach bricklaying. The department hope to use this information to develop e-learning methods within the trade programs.

### Design, Drafting and Interior Fittings

The department delivered courses in Civil Engineering, Building Design, Building, Interior Decoration and Design, Furniture Design, Cabinet Making, Joinery, Shopfitting and Stair Building.

Highlights included:

- increasing delivery at Greensborough in diploma and advanced diploma level courses, with enrolments exceeding 2011 delivery
- renewing the partnership with Master Builders Association of Victoria (MBAV) to deliver the Certificate IV in Building and Construction (Building) to 30 June 2013

- continuing to use an integrated approach to deliver classes to local students as well as delivering high quality programs to international students in China
- forming a partnership with the Building and Construction Management and Environment Centre at Canberra Institute of Technology, which will enable cooperation to develop teaching and learning resources, as well as improving methods to moderate and validate assessments
- developing and commencing two short courses in ArchiCAD, designed for practitioners interested in extending their skills to Building Information Modelling
- four staff members being seconded over two semesters to the Sichuan Vocational College of Architectural Technology, China to teach two intakes of the Diploma of Building and Construction (Building), totalling up to 696 students
- continuing to develop two proposals for Higher Education programs including a Bachelor of Engineering Technology (Civil), and the Bachelor of the Built Environment (Architecture). The department has consulted with stakeholders and proposals and evaluations were completed and submitted for approval to the Tertiary Education Quality Standards Agency (TEQSA) in December 2012 for the Bachelor of Engineering Technology (Civil), with a proposed commencement date of 2014. A submission to TEQSA for the Bachelor of the Built Environment (Architecture) will be made in early 2013, with a proposed commencement date for 2014.

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## Faculty of Business

The faculty comprises the departments of Commerce and Information Technology, the Work Education Centre, and Business, which delivered a suite of Higher Education programs.

### Commerce

The department offered courses in Financial Services, Financial Planning, Accounting, Bookkeeping, Marketing, International Business, Justice, Legal Practice, Small Business Management, Business Sales and Sports Development.

Highlights included:

- hosting two groups (totalling 30) visiting teachers from China, of which four observed Accounting classes and teaching practices, and two observed International Trade and Marketing classes and teaching practices
- two groups of international students from Hong Kong visiting NMIT to study units from the Advanced Diploma of Marketing. The students attended classes at the Preston campus over five days. The Advanced Diploma continues to be successfully delivered offshore to a group of 53 students from Hong Kong via face-to-face learning, and online platforms, including Moodle and Eluminate
- Advanced Diploma of Marketing students participating in industry projects organised through the City of Darebin and ex-NMIT graduates with local small to medium organisations, including La Trobe Golf Park, Coffee Automatico, Palace Westgarth Cinemas and Exposure Print and Digital Displays
- Certificate IV in Sports Development students attending three-day camps at Anglesea to develop team building, leadership, self-confidence and initiative skills, and improve communication
- Diploma of Justice students visiting Barwon Prison and interviewing inmates as part of their curriculum.
- students organising and hosting the annual Career Ready Conference including workshops, which were aimed at graduates transitioning from VET study to further Higher Education or into the workplace.

### Information Technology

The department offered courses in Software Development, Multimedia, Digital Media, Interactive Games, Computer Systems and Network Security.

Highlights included:

- introducing a range of new courses designed to appeal to a wider audience of students in the areas of Digital Media, Interactive Games, Computer Systems and Software Development. Online material was introduced to complement the face-to-face delivery of units, and provided a flexible learning environment
- integrating new industry certifications into programs from global certification providers including Microsoft and Windows Technologies, CISCO, Adobe, Flash, Dreamweaver and Photoshop
- engaging in a number of industry-based activities to complement the delivery of programs with organisations including Resolve Software, Dimension Data, The Mastermind Group and UXC Professional Solutions.

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### **Work Education Centre (WEC)**

The centre offered courses in Transition, Work Education, Hospitality and Performing Arts to students with specialised individual learning needs and styles.

Highlights included:

- hosting the Employment, Community and LifeSkills Expo at the NMIT Conference Centre at Preston campus, which was attended by 150 people and featured 35 stall holders. The expo aimed to provide people with disabilities and their families information about services that may assist them to participate in work and society
- students contributing to *My Amazing Life*, a project in conjunction with Housing Resource and Support Service Inc. The project included the launch of a website and facebook page featuring videos, animations, fact sheets, podcasts, graphics and other multimedia tools aimed at assisting people with disabilities to find the information they need to live independently
- commencing the *Families as Transition Planners* project, which aimed to present sessions from a disability employment service, local employers, the Banyule and Nillumbik Local Learning and Employment Network (LLEN), the National Disability Coordination Officer, and disability liaison staff
- students participating in work placements with local and community organisations, in industries including retail, hospitality, manufacturing and trades, horticulture, agriculture and government offices
- staff attending a business breakfast held by Banyule and Nillumbik LLEN, as well as participating in a presentations by lawyers working in the area of disability discrimination
- establishing industry relationships with the Oakleigh Centre, which may lead to the WEC providing mentoring on disability services and training to its staff, the ACE Disability Network and a Career Teachers Network meeting.

### **Higher Education**

The Faculty of Business Higher Education programs have experienced further growth in 2012. Student numbers increased by 30 per cent and are expected to grow further in 2013.

The Business department delivers degrees in the areas of Accounting, Business and Information Technology.

Highlights included:

- delivering the new Bachelor of Information Technology, with enrolments exceeding expectations
- delivering the new Bachelor of Business with solid enrolments.

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### **Faculty of Earth Sciences**

The faculty comprises the departments of Agriculture and Animal Science, Horticulture, Business Enterprise Centre, and Primary Industries which includes a suite of Higher Education programs.

#### **Agriculture and Animal Science**

The department offered courses in Animal Studies, Natural Resource Management, Agriculture and Land Management, 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 Operations, Olive Production and Veterinary Nursing.

Highlights included:

- success at the Royal Melbourne Show, with cattle prepared and paraded by Diploma of Agriculture students, winning awards in the Led Steer Competition and Beef Carcase Competition
- a continuing presence at the Seymour Alternative Farming Expo to provide visitors with a range of experiences available for study at NMIT, with participation in three activity zones that also encompassed the Hospitality, Tourism and Personal Services department
- hosting the Victorian leg of the Mustad Australia lecture series for farriers, veterinarians and students, as well as the Farriers Association Shoeing Competition at the Epping campus. Both events attracted a large number of participants nationally
- hosting Professor Tom Losordo from North Carolina State University, USA and Dennis DeLong from the Aquaculture division of Pentair for a two-day short course titled *Aquaculture Recirculation Technology* at the Epping campus.

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### **Business Enterprise Centre**

The Business Enterprise Centre (BEC) manages and coordinates a range of national qualifications, Institute Accredited Courses (IACs) and industry projects both statewide, nationally and internationally. For industry clients, the BEC offers a range of custom designed programs. The BEC was transferred across from the Faculty of Business to the Faculty of Earth Sciences in late 2012.

Highlights included:

- delivering several programs successfully overseas, including: the Diploma of Management at Shandong Economics University, China; the Certificate IV in Training and Assessment in Hong Kong, Shanghai and Melbourne for Chinese educators teaching nationally recognised qualifications; and delivering the Specialist Introduction to Professional Skills Education in Australia IAC, which was designed for delivery to several international tour groups
- delivering customised training, including: project management training to the Department of Primary Industries (Fisheries) and Victoria Police; Certificate IV in Training and Assessment to Metro Trains, Victorian School of Languages and Victoria Police
- collaborating with a number of Institute faculties to create and develop business opportunities, including establishing a hospitality-focused Diploma of Management program with the Faculty of Hospitality, Tourism and Personal Services
- instigating new business opportunities with the Faculty of Engineering and tendering for Institute-wide business, including PA Procurement and networking.

### **Horticulture**

The department offered courses in Arboriculture, Amenity Horticulture, Landscaping, Nursery, Parks and Gardens, Turf Management, Floristry and Pest Management.

Highlights included:

- reaffirming NMIT's reputation as a provider of quality horticultural training, through the success of its students at many prestigious events including the Melbourne International Flower and Garden Show and WorldSkills Australia competitions, with numerous awards and prizes won
- Certificate IV in Applied Design (Landscape) students Renee Visentin and Meghan Geary entering designs in the Landscaping Victoria Student Awards, and were selected to have their gardens built at the Melbourne International Flower and Garden Show in 2013
- Diploma of Ornamental Horticulture graduates Natalie Simmons and Trevor Seppings winning the two inaugural scholarships to work at the Jerusalem Botanic Gardens, Israel. The Jerusalem Botanic Gardens comprises 30 acres in the centre of Jerusalem, adjacent to the Hebrew University's Givat Ram campus, and has over 10,000 plant species, including 200 Australian species.

### **Higher Education**

The faculty's Higher Education Primary Industries department offered bachelor and associate degrees in Agriculture and Land Management, Aquaculture and Environmental Management, Equine Studies, as well as Viticulture and Winemaking.

Highlights included:

- inviting Bachelor of Equine Studies lecturer Dr Lesley Hawson to speak at the International Society of Equitation Science (ISES) conference in the UK. Lesley is also completing her PhD in Equine Behaviour with the University of Sydney
- Bachelor of Viticulture and Winemaking graduate Sam Cook being employed at Theatre of Wine, a boutique wine merchant in London, UK which is involved in all aspects of the European wine industry.

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## Faculty of Engineering

The faculty comprises the departments of Computer Systems and Electrotechnology, and Mechanical Manufacturing.

### Computer Systems and Electrotechnology

The department offered programs in Computer Systems, Electrical Technology, Data and Communications, Electronic Engineering, Power Industry, Information Technologies, Renewable Energy and Telecommunications.

Highlights included:

- recognising the outstanding achievement of 45 award recipients at the 10th anniversary of the Faculty Awards Night
- being selected to participate in a project with the ElectroComms and Energy Utilities Industry Skills Council (E-Oz Energy Skills Australia)
- Acting Head of Department David DelleVirgin attending the Institute of Electrical and Electronics Engineers Transmission and Distribution Conference and Exposition in Orlando, USA as part of NMIT's Professional Development program. David also attended industry, educational facilities and conferences that addressed electrotechnology and high voltage servicing and training
- teaming with EnergySafe Victoria (ESV) to conduct a statewide forum addressing significant changes to electrical licensing and assessment. NMIT was also the first RTO to initiate a protocol with ESV for Licensed Electrical ESV assessment training
- introducing an online Business Management course for electrotechnology industry employers and employees seeing to develop their knowledge and skills, to enhance opportunities for further leadership and management positions
- expanding the Electrical pre-apprenticeship program to be delivered at Heidelberg campus, with the intakes now available at three campus locations
- introducing sustainability practices within all program qualifications
- staff member Robert Wain successfully applying for a Higher Education and Skills Group Overseas Fellowship, where he will visit international institutions to explore how they afford greater flexibility within their training of apprentices to increase retention and completion rates
- students and staff attending field trips to various construction and power generator sites, along with participating in guest lectures and forums conducted by relevant industry experts.

### Mechanical Manufacturing

The department offered programs in Design and Construction techniques, basic Engineering, Engineering Technology, Jewellery, Manufacturing Engineering, Metal Fabrication and Welding, Security Technology and Locksmithing.

Highlights included:

- signing new contracts with the state governments of South Australia, Tasmania and Northern Territory, endorsing NMIT as their provider of training within Locksmithing and Jewellery disciplines
- linking with NORTHLink and related industry sectors to attain government funding for the development of a training program to link employers with NMIT graduates
- conducting an annual graduate exhibition for Advanced Diploma of Engineering Technology Jewellery students at the Northcote Town Hall, which was strongly supported by local industry, employer and community groups with over 1,000 people attending across the 10-day exhibition
- hosting international delegations including: the University of Bremer, Germany; Shandong Trade Union University, China; Silca Technologies Europe (Italy/France); Australia Vocational Training and Employment Group, India; University College, Denmark; Shanghai Information Technology College, China; Shanghai Business and Information College, China
- continuing to focus and expand online resources within two post-trade programs to afford greater flexibility in studies to local and regional students
- students and graduates achieving in various local and interstate industry, community and government competitions, exhibitions and awards
- establishing Memoranda of Understanding with two Australian Apprenticeship Centres (MEGT and CVGT Australia)
- students and staff participating in Engineering training expositions, career advisory events and taster programs initiated by NMIT, local government and industry

- Engineering staff linking with Safety Care to develop four training videos for educational and industry use both locally, and internationally in Singapore, UK and other Commonwealth countries
- continuing to work closely with the Institute's International Office on exploring and expanding on and offshore delivery opportunities
- linking with Manufacturing Skills Australia (MSA) to conduct a two-day workshop for industry trainers focusing on practical strategies to address language, literacy and numeracy under the theme, *Making the Connection*.

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## Faculty of Further Education

The faculty comprises the Adult Migrant English Program, Foundation Studies and Vocational Pathways departments, the Further Education Industry and Initiatives Unit, the Youth Unit, the International English Language Testing System (IELTS) Test Centre, as well as a suite of Higher Education programs.

### Adult Migrant English Program (AMEP)

The department oversees AMEP delivery across the Preston and Epping campuses, and the Broadmeadows training centre as well as a number of outposted community venue delivered programs. In 2012, this new department facilitated a significant increase in student attendance compared to previous years. The 2011-2014 AMEP business model established by the Department of Immigration and Citizenship (DIAC) incorporated changes and requirements including improved retention and increased usage by students of their free 510 hour English tuition entitlement. The growth in NMIT's AMEP student attendance seems to indicate that through better meeting student needs, the changes are working.

Highlights included:

- implementing and developing effective settlement themed curriculum
- holding settlement expos at all three AMEP sites where government, essential service and community agencies with interpreters, presented information and skills essential to functional life in Australia
- increasing numbers in the youth cohort and Young Adult Migrant Education Course programs
- significant growth in business levels above target and above 2011 revenue
- increasing the number of post-AMEP, high level students accessing employment and further training following their participation in the additional 200 hour Settlement Language for Pathways into Education and Training program
- delivering DIAC-funded English as a Second Language (ESL) classes for asylum seekers at the Broadmeadows training centre and Epping campus.

### Foundation Studies

The department offered courses in English as a Second Language (ESL), Adult Literacy and Basic Education (ALBE), the Language, Literacy and Numeracy Program (LLNP). These programs provided students with opportunities to develop their English literacy and numeracy skills and employability skills for work, further education and/or training. The department also manages the Centre of Excellence for students who are deaf and hard of hearing.

Highlights included:

- moving into the third and final year of the Language, Literacy and Numeracy Program (LLNP) contract 2010-2013 in the Northern Business Service Area at Epping and Preston campuses and the North-west Business Service Area at the Broadmeadows training centre. The program is achieving record numbers of enrolments at sites
- collaborating with other departments to facilitate pathways for students into mainstream courses
- relocating the Centre of Excellence for Students who are Deaf and Hard of Hearing to Cooke House, on the premises of Deaf Children Australia, Melbourne
- conducting an Auslan training and delivery review for the Victorian Department of Education and Early Childhood Development
- receiving funding for the Central Auslan Booking Service for a seventh year to book interpreters for the deaf and hard of hearing in the VET sector across the state, and fulfilling 85 per cent of requests.



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### **IELTS Test Centre**

The centre oversees the delivery and administration of the International English Language Testing Systems (IELTS), which is designed to assess the language ability of candidates who wish to study or work where English is the language of communication. IELTS is recognised by more than 7,000 organisations worldwide, including universities, employers, professional bodies, immigration authorities and other government agencies. IELTS is jointly owned and managed by British Council, IDP:IELTS Australia and University of Cambridge ESOL Examinations (Cambridge ESOL).

Highlights included:

- NMIT being nominated as the only Australian contender for the Performance Excellence Award among 140 test centres at the annual IELTS Australia conference in Bangkok, Thailand
- winning the contract to deliver the IELTS Masterclass on a regular basis, which provides support for IELTS candidates. The inaugural Masterclass was held with 80 participants
- conducting 54 tests in 2012 at Preston and Collingwood campuses
- face-to-face testing of 13,200 candidates in 2012, maintaining NMIT's position as a preferred testing centre in a slowing market.

### **Industry and Initiatives Unit**

The unit coordinated the faculty's business activities and provided project management services. The focus of the unit's work has been to manage major government contracts and the development and delivery of customised training programs and innovative solutions for enterprises and communities with employees or members with low levels of literacy, numeracy and English language skills.

Highlights included:

- achieving more than 10 per cent growth in AMEP participation across 13 sites in the northern Melbourne region, in conjunction with six Northern AMEP Consortium partner organisations
- increasing the services that provide vocational counselling to all AMEP clients to include six bilingual staff
- implementing seven new 2012-2013 Department of Innovation, Industry, Science, Research and Tertiary Education Workplace Language and Literacy program contracts, in partnership with four aged care and childcare businesses
- increasing NMIT's presence into two new primary school hub locations under the City of Hume and the Scanlon Foundation-funded Mother and Child English Language program
- training more than 70 volunteer tutors to be placed with newly arrived migrants in weekly home visits to assist with learning English for settlement in Australia.

### **Vocational Pathways**

The department offered courses in Liberal Arts, Bridging Science, English as a Second Language (ESL), English Language Intensive Courses for Overseas Students (ELICOS) and the Overseas Qualified Professionals program. It was responsible for organising practical placements for student undertaking undergraduate and postgraduate studies in Teaching English as a Second Language (TESOL).

The department managed the staffing of offshore delivery of the Certificate in Business and Global Communication. The department also established the Learning Skills and Assessment (LSA) unit, which was responsible for the introduction of online Literacy and Numeracy assessment, now mandatory for all NMIT VET students enrolled in a government subsidised place. The LSA unit also continued to offer study skills support and VET team teaching in VET departments to ensure appropriate learning skills support for all students.

Highlights included:

- increasing the literacy and numeracy assessment and learning skills services through the LSA unit resulting in formation of a separate department
- conducting the Language Literacy and Numeracy Champions project awarded by the VET Development Centre to successfully integrate literacy and numeracy core skills teaching strategies into VET program delivery with seven NMIT departments. This will be the future model of professional development for VET teachers
- conducting a VET Development Centre funded project with the Health and Community Services department around teaching strategies for students with diverse learning needs and the correlation of improved engagement and retention rates

- delivering Childcare, Hospitality and Education Support (Teacher Aide) programs with associated departments by providing industry related English tuition
- developing strategies with La Trobe University Health Sciences academic staff to improve pathways for students of NMIT's Certificate III and IV in Science who want careers in health science professions.

### **Youth Unit**

The unit offered the Young Adult Migrant Education Course (YAMEC) at Preston, Collingwood and Epping campuses and the Victorian Certificate of Applied Learning (VCAL) at Epping, Preston, Collingwood, Greensborough, Heidelberg and in partnership with the Salvation Army at Brunswick. Other programs in the unit include NMIT's role as lead agent and the delivery of Youth Connections, and lead agent for Springboards and Student Pathways programs.

Highlights included:

- VCAL staff and students winning the Foundation VCAL Team Achievement Award 2011 for their outstanding initiative, teamwork and problem solving skills while organising a driver education project
- VCAL Carpentry group building a cubby house that was donated to the Charles La Trobe Junior School in Heidelberg West
- the Preston branch of Bendigo Bank donating \$1,000 to the Breakfast Club at Heidelberg campus, and supporting a larger number of students participating in the program
- partnering with Mission Australia's Work for the Dole program to provide 24 refurbished computers to YAMEC students and a commitment to provide YAMEC students with computers on an ongoing basis
- winning an award from the Department of Human Services for the Springboards Program, which is delivered in partnership with Melbourne City Mission, Salvation Army (Crossroads) and Mission Australia. The program assists 16–21 year-olds to transition from left residential care to re-engage with education, training or supported employment opportunities
- past VCAL Carpentry and Ticket to a Trade students receiving awards from the Faculty of Building and Construction Awards, demonstrating the success of the program a pathway to other NMIT programs.

### **Higher Education**

The faculty's Higher Education programs again attracted strong interest from students in the north of Melbourne. It grew in its second year to include the Bachelor of Education (Early Years) and a new course in Tertiary Studies, offering an articulation pathway (with credits) into various degree programs at NMIT and the Bachelor of Arts at La Trobe University.

Highlights included:

- offering a second group of Bachelor of Education (Early Years) students up to 30 Commonwealth Supported Places
- Early Years students engaging in more than 2,428 days of supervised placements with 130 active placement partners, including childcare centres, kindergartens, and primary schools
- staff and students presenting at the CEIEC Early Childhood international conference at the University of Melbourne
- staff presenting at the *Mixed Sector Symposium - Showcasing Higher Education in TAFE* held at Holmesglen Institute of TAFE
- Tertiary Studies focusing on academic skills acquisition and development, especially in language and writing, quantitative reasoning and research methods.

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

The faculty comprises the departments of Hospitality and Tourism, Personal Services and a Higher Education program.

### **Hospitality and Tourism**

The department offered courses in Hospitality, Cookery, as well as Tourism and Events. Courses offered included Food and Beverage, Accommodation, cookery, Patisserie, Bakery, Venue Management and Front of House, Holiday Parks and Resorts, Tourism, Retail Travel Sales and Event Management. Training programs incorporated partnerships with industry, local councils and community groups, schools and the general community.

The department delivered cookery apprenticeships and traineeships, hospitality traineeships, school-based apprenticeships and traineeships, and a VET in Schools program. Institute-based students utilised external events and NMIT facilities for hospitality industry experiences. The successful ongoing mentor program for Tourism and Events courses continued to provide benefits for mentors, students and related industries.

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Highlights included:

- St Georges Restaurant at Preston campus winning the Best Restaurant in a Training Institute Award at the Savour Australia Restaurant and Catering Awards for Excellence
- securing a scholarship to the value of \$21,500 for the VET Outbound Mobility Program, which will be used to take Diploma of Tourism students on a study tour to Shanghai, China in 2013
- establishing a Memorandum of Understanding valid for five years with La Trobe University's School of Allied Health, Department of Dietics for the rental of NMIT's kitchen facilities and hiring of NMIT staff for some coursework units within their Dietics and Nutrition programs
- staff member receiving a TDC fellowship to visit the Champagne region of France
- Certificate III in Hospitality (Commercial Cookery) student Beth Candy winning the Thierry Marx Development Award, which included a scholarship to work with both Thierry Marx at the Mandarin Oriental in Paris, France and Heston Blumenthal at The Fat Duck, UK.
- students participating in and winning various competitions including the VicTAFE Challenge, Nestle Golden Chef Competition, Melbourne Fine Foods and the Student Barista Competition
- students and volunteer chef trainers organising the Pink Breakfast fundraising event at the Queen Victoria Market, which raised more than \$10,000 for the McGrath Foundation
- Event Management students organising the Victorian TAFE Administrators Conference held at the NMIT Conference Centre, as well as the Tourism Employment seminar, which attracts industry professionals as guest speakers and student employment opportunities
- students participating in many local food and wine festivals and events, including the Melbourne Food and Wine Festival, Darebin City Council Homemade Beer and Wine Festival
- working with the Business Enterprise Centre to develop and deliver retail and hospitality traineeships for IKEA and designing a Diploma of Management course specifically for the hospitality industry
- students organising themed events at St Georges Restaurant throughout the year
- hosting MasterChef events and Food and Wine Dinners throughout the year, featuring top industry experts from respected local and regional eateries and wineries
- partnering with the Work Education Centre to develop and run a regular produce shop at St Georges Restaurant.

#### **Personal Services**

The department offered courses in Relaxation Massage, Remedial Massage, Myotherapy, Aromatherapy, Hairdressing, Beauty Therapy, Salon Management, Fitness, Pathology and a suite of Institute Accredited Courses in First Aid, Food and Beverage, Massage, Hairdressing, Hospitality, Tourism, Cookery and Medical Administration.

Highlights included:

- staff member being accepted as a presenter for the FILEX Fitness Convention 2013, which attracts key international industry experts
- Massage students volunteering to provide post-event massages to participants completing the Round the Bay bicycle ride, and treating residents at local aged care facilities on a weekly basis as part of their assessment requirements
- developing the Diploma of Salon Management for online delivery. This program is designed for salon managers or experienced hairdressers wishing to start their own business
- forming a partnership with Sahmyook Health College University, Korea to deliver the Diploma of Salon Management offshore. The project involved customising a blended delivery model for all units of competency
- forming a partnership with Chengdu Modern Vocational and Technological School, China to deliver the Certificate II in Hairdressing offshore. The project involved developing all teaching and assessment resources necessary to program delivery
- winning a contract to run a series of intensive professional development sessions focusing on fantasy make-up and hairdressing trends to staff in Daegu, Korea
- continuing to develop a part-time Remedial Massage course, as well as an evening remedial massage clinic
- exploring further work placement opportunities for Beauty trainees in beauty spas affiliated with five-star Melbourne hotels
- Hairdressing and Beauty students collaborating with NMIT Events students to showcase their skills by organising the annual NMIT Hairdressing and Beauty competition, featuring local industry expert judges
- Hairdressing staff and students attending the International Hairstylists Society Australia Battle of Colleges held at Crown Casino, with a view to entering the competition in 2013.

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## Higher Education

The faculty's Higher Education program is continuing to grow with delivery commencing in 2012 for the Associate Degree of Hospitality Management, which offers a direct pathway qualification to the Bachelor of Hospitality Management.

Highlights included:

- hosting the Dean of NMIT's exchange partner institute, Centennial College, Canada on a tour of campuses and facilities. Six-month student and staff exchanges have been agreed to commence in 2013
- staff member delivering a conference paper at the 10th Annual Asia-Pacific Council on Hotel, Restaurant and Institutional Education (APac CHRIE) conference in Manila, Philippines on *Work Life Balance and Work Family Conflict in the Hospitality Industry*. The Higher Education program is now a member of APac CHRIE
- Head of Program and Course Coordinator attending the Council for Australasian University Tourism and Hospitality Education conference in Melbourne, as well as separate workshops on benchmarking run by the International Centre of Excellence for Tourism and Hospitality Education (THE-ICE). The Higher Education program is an observer member of THE-ICE
- Head of Program attending the 24th Annual European Association for International Education conference in Dublin, Ireland, as well as visiting exchange partners Institute of Technology Tallaght, in Dublin, Ireland and Haaga-Hella University of Applied Sciences in Helsinki, Finland. Staff and student MOU agreements are in place with both institutions.

## Higher Education Office

In 2012, the Higher Education Office continued to implement the NMIT Higher Education Strategy 2010–2015. Activities included overseeing the educational design and development of new undergraduate programs to satisfactory accreditation, the successful re-registration of NMIT as a higher education provider until 2014, and the implementation of an e-learning strategy across the Higher Education portfolio.

Highlights included:

- completing the roll out of the Moodle implementation project to all Higher Education programs, the progression of the flexible delivery strategy, and establishing a major project to analyse the status of e-learning in VET programs, as an extension of the Moodle project from Higher Education to VET program areas in 2013
- hosting a delegation of academics from University Tun Hussein Onn, Malaysia, in conjunction with the International Office. The delegation were interested in pursuing cooperative relationships to establish a student and staff exchange program
- implementing new internal quality assurance process and procedures to manage NMIT's relationship with the Tertiary Education, Quality and Standards Authority (TEQSA) including all degree accreditation and re-accreditation processes
- commencing project with the Quality Assurance Unit to manage NMIT's TEQSA Re-registration as a Higher Education Provider (due 2014)
- commencing delivery of three new degrees, five associate degrees and one Higher Education diploma, including Diploma of Tertiary Studies; Associate Degree of Business; Associate Degree of Information Technology; Associate Degree of Music Industry; Associate Degree of Tertiary Studies; Associate Degree of Viticulture and Winemaking; Bachelor of Business; Bachelor of Information Technology; and Bachelor of Music Industry
- progressing new degree development including Bachelor of Enterprise Learning; Bachelor of the Built Environment (Architecture); Bachelor of Technology (Civil Engineering); and Bachelor of Veterinary Nursing
- commencing development of a suite of coursework Masters programs including Master of Business Intelligence; Master of Business Security; Master of Professional and Practice Accounting; Master of Creative Industries; and Master of Teaching (Secondary)
- providing opportunities for more than half of NMIT's full-time academic staff to present refereed conference papers at national and international conferences, or publishing articles in refereed journals
- with support from the CEO 2011 Special Professional Development Funds, Deputy Director Programs – Higher Education, Dr Christine Spratt, and Senior Lecturer – Flexible Learning, Dr Charlotte Brack, presenting refereed conference papers at international learning and educational technology conferences in London and Manchester, and undertaking student tours to the University of Cork, Ireland, Open University United Kingdom, and the University of East Anglia, UK. Dr Brack was also an invited scholar to the University of Cork to present on NMIT's Moodle implementation project and workshop e-learning strategies with academic staff

- with support from the CEO 2011 Special Professional Development Funds, collaborating as lead partner with Holmesglen Institute of TAFE for a conference with Box Hill Institute of TAFE, Chisholm Institute of TAFE and William Angliss Institute of TAFE, titled *Mixed Sector Symposium – Higher Education in TAFE*, which was held at Holmesglen, with more than 100 attendees. Seventeen staff members presented papers and contributed to panel discussions
- establishing the first Summer School pilot program with the Faculty of Business, to be undertaken for Higher Education students at NMIT over the December – January break
- supporting the Higher Education Creative Arts department in hosting a visiting scholar from Berklee College of Music, USA
- managing the accreditation of the Bachelor of Business by CPA Australia and the Institute of Chartered Accountants Australia (ICAA), with the Higher Education Business department.

### **International Office**

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

Highlights included:

- generating revenue totalling \$14.92 million for the Institute from all international related activities. Of this revenue, more than \$200,000 was invested in customised training, involving study tours and workshops, both in Melbourne and overseas
- continuing to increase the numbers of overseas students in Higher Education programs with a significant increase from 221 students in 2011 to 326 in 2012
- delivering education and training programs to 25 partner institutions in China, Korea and Singapore with 22,000 course enrolments in English language, diploma programs and other accredited courses
- signing new agreements with 10 partners in China, five of which will be aiming to recruit students in 2013
- conducting training for English and diploma-level teaching in Melbourne, Shanghai and Hong Kong for more than 90 staff from partner institutions
- launching and implementing the Transnational Education Manual across all partner institutions involved in offshore delivery
- strengthening the quality of all offshore delivery programs through collaborative validation panels, teacher training, peer exchange and professional development, site visits, supervision and a regular schedule of offshore internal audits.

### **Quality Assurance**

NMIT has been certified to international standard ISO 9001 since 1994. The quality system covers the design, development and provision of training programs, including Higher Education, and services provided by all teaching and non-teaching departments within the Institute. NMIT has now achieved 17 years of ISO certification, which is longer than any other Victorian TAFE institute.

The Quality Assurance unit was directly involved in a number of external audits:

- ISO 9001:2008:
  - external quality audit undertaken by SAI-Global Assurance Services
  - certification to standard ISO 9001:2008 authorised to continue
- 2012 Performance Agreement audit
- Tertiary Education Quality and Standards Authority (TEQSA):
  - external audit of NMIT's applications for qualifications:

Accreditation:

- Bachelor of Business
- Bachelor of Information Technology
- Associate Degree of Information Technology
- Associate Degree of Hospitality Management

Re-accreditation:

- Bachelor of Hospitality Management
- Associate Degree of Business

External Accreditation:

- Bachelor of Accounting CPA Accreditation
- Bachelor of Accounting ICAA Accreditation
- Cattlecare – Meat and Livestock Australia accreditation:
  - external audit undertaken in September by AusMeat
  - continued accreditation achieved for activities on Yan Yean farm

- Meat Processing Facility:
  - external HACCP audits in February, May, August and November by SGS Pty Ltd
- Aquaculture Training and Research Centre:
  - external audit undertaken in November by PrimeSafe Victoria
  - licence renewed
- Transport Safety Victoria:
  - external audit undertaken in December by TSV
  - bus accreditation continued
- WorkSafe:
  - external audit undertaken in June by WorkSafe
  - high risk work licence delivery audited
  - permission to deliver continues
- Skills Tasmania:
  - user choice audit
- National ELT Accreditation Scheme:
  - accrediting body for AMEP providers for DIAC.

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## CORPORATE SERVICES DIVISION

### Buildings and Properties

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

Highlights included:

#### Ararat Campus

- completing fire service testing
- isolating power supply to disused areas
- re-roofing the old administrative towers

#### Collingwood Campus

- renovating garden areas
- upgrading fire fighting equipment to current standards

#### Epping Campus

- repairing the damaged fire service and roadway
- replacing the leaking water service
- renovating garden areas
- removing trip hazards from walkways
- upgrading fire fighting equipment to current standards

#### Fairfield Campus

- replacing damaged sewer mains from the guardhouse
- upgrading fire fighting equipment to current standards
- upgrading disabled access doors between buildings P and R
- renovating the foyer in Building A for new office area

#### Greensborough Campus

- renovating garden areas
- repainting the canteen and student lounge area
- upgrading fire fighting equipment to current standards
- improving the acoustics of the auditorium bio-box

#### Heidelberg Campus

- repairing the roof and external painting for Building A
- renovating the male and female toilets Building A
- installing air conditioning in Locksmithing area
- renovating garden areas
- installing the emergency warning and intercommunication (EWIS) system in Building C and E
- upgrading fire fighting equipment to current standards

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### **Preston Campus**

- constructing a new student courtyard with permanent shade umbrellas
- renovating the entry area to Marketing and Corporate Communications Building G
- remodelling and upgrading the Academic Registry area
- constructing the new Course Enquiry Centre in Building D
- installing air conditioning to offices in Building Q
- installing a new automatic entrance door in Building E to improve disabled access
- renovating the facade of Building A and installed new landscaping
- progressing with the construction of Building F, which will be ready for occupation in May 2013
- preparing the basement car park for the installation of a new generator
- constructing two new offices in Building W
- upgrading fire fighting equipment to current standards
- providing six new interview rooms in Building Q
- providing air conditioning to four offices and a classroom in Building Q

### **Northern AMEP Centre, Broadmeadows**

- renovating Buildings A and B, and providing an additional portable classroom
- renovating the landscaped area and installing a community garden area

### **General**

- preparing a car parking proposal for all campuses
- engaging a new plumbing coordinator
- obtaining proposals for energy and water reductions under the Greener Government Buildings Program
- re-keying all external doors at all campuses
- activating new student ID cards in combination with the electronic door access system
- continuing to extend the evaluation and monitoring of utility consumption
- expanding and upgrading existing security systems.

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## **Finance**

The 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 legislation through the Financial Management Compliance Framework and Ministerial Directions.

Highlights included:

- preparing and submitting the 2011 annual financial reports, 2011 whole of government financial reports and 2011 commercial activities financial reports
- preparing the 2013 budgets
- upgrading Printroom equipment and supporting software
- certifying financial management compliance, tax compliance, credit card compliance and irregularities and losses compliance
- upgrading the Finance operating system and associated staff training
- reviewing and implementing policies and procedures to improve department efficiency and delivery.

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## **Human Resources**

The department provided all faculties, departments and staff at NMIT with human resource services encompassing anti-discrimination, recruitment, induction, leave, industrial relations, employee welfare and occupational health and safety, which includes the provision of first aid supplies and arranging first aid training for interested staff. The department also has responsibility for the Freedom of Information, Information Privacy and Whistleblower Protection Acts.

Highlights included:

- the approval of the Miscellaneous Workers Agreement and the PACCT Staff Agreement by Fair Work Australia
- providing information sessions on retirement and superannuation for staff involved in the Emergency Services and State Superannuation, VicSuper and National Seniors Australia
- providing first aid training for 124 staff
- participating in the State Services Authority People Matter Survey, achieving a response rate of 53.1 per cent, which was higher than comparative organisations whose average response rate was 29 per cent.

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## ICT Services

The department is responsible for the development and delivery of all Information and Communication Technology (ICT) services used by NMIT. ICT Services responded to more than 14,000 end user requests for assistance during 2012 (up significantly from 9,850 requests in 2011).

Highlights included:

- introducing the ICT Portfolio Management Group to provide senior management governance over all ICT Projects, and strengthen the methodologies and capabilities of the ICT Project Office
- upgrading 124 computer laboratories (2,326 computers) across all campuses with the latest application software packages
- upgrading hardware for five computer laboratories (180 computers) with new or recycled computers
- collaborating with other TAFE institutes through the Information Technology Systems and Services Association to gain educational discount rates on the purchase of Kaspersky Anti-virus and Adobe products
- revamping the wi-fi network with an improved login system, which removes the need for daily re-authentication for staff and students
- implementing resource monitoring to provide data on student computer laboratory utilisation across the Institute. This information is used to decide on refreshing existing student computer laboratories
- establishing computing and telecommunications for Faculty and Course Enquiry centres to support an integrated response management environment for all course enquiries
- implementing new technology and software so staff can receive electronic payslips
- implementing FrontRange, a new IT Infrastructure Library (ITIL) – a system that provides problem management, change management and service catalogue management – to augment processes on the existing service management system. The Marketing and Corporate Communications department has continued to develop its use of the ITIL system, and the Print Room has also adopted the technology as part of its service management process
- establishing the Optus TAS service, which allows the redirection of inbound calls to pre-assigned numbers
- replacing the failing IDWorks system with CardExchange to produce student and staff identity cards, including extending the system scope to include ID cards for all NMIT contractors and volunteers. A new card technology system was implemented to deliver future additional functionality, including the integration of door access management and cost recovery functionality
- consulting on and providing ICT equipment for:
  - NMIT staff members at the Cooke Centre, Deaf Children Australia, Melbourne
  - the new Library at Epping campus
  - a major telephony upgrade for the Faculty of Building and Construction at Heidelberg campus, and the conversion of classroom CA614 into a student PC laboratory with full AV functionality
- upgrading the computer laboratory, network and internet facilities for the Northern AMEP Centre, Broadmeadows
- upgrading the infrastructure to deliver a more stable environment for the Human Resources department system
- planning for the delivery of infrastructure improvements to the Finance department system in early 2013
- implementing the STRATA Graduation and Awards Management module, which included the migration of 79,000 student completions records into the system, and revising Academic Registry business processes to deliver an integrated administration environment, as well as all local and offshore completions records
- developing a single login interface for the Language, Literacy and Numeracy (LLN) assessment site for students
- providing infrastructure and support for the Victorian Electoral Commission ballot counting after the Victorian local council elections held in late October.

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## CLIENT SERVICES DIVISION

### Academic Registry

The Academic Registry provides a range of administrative services, and the development of policy and procedures to support teaching programs across NMIT to meet compliance and reporting requirements. These services include VTAC selection, awards management, enrolment processes, maintenance of academic records, curriculum, offshore delivery management and the reporting of student enrolment data – internally and externally. Skills Reform and the Victorian Training Guarantee and Refocusing VET government initiatives have impacted greatly on Institute processes with respect to systems administration, enrolment processes,



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internal and external reporting and fee scheduling. Through continual development of the STRATA Student Management System (SMS) and the redevelopment of QA procedures, the Academic Registry is successfully meeting these challenges and is well positioned to respond to future changes and growth.

Highlights included:

- the successful accommodation of the STRATA SMS to changed recording and reporting requirements in response to the implementation of the Refocusing VET initiative and its impact across NMIT
- implementing a new fee structure across all programs in accordance with new rules introduced as part of the Refocusing VET initiative
- working with Information Services and Finance to develop and implement a pre-enrolment process to assist students to meet their tuition fee obligations
- implementing the new Graduation and Awards Module in the STRATA SMS to increase efficiency and support the new completion compliance requirements.

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## Information Services

The department is responsible for Library Services and Information Operations. The NMIT Library Service comprises six campus libraries, a technology unit, a centralised resources unit and a Research and Scholarly Information team. The Library provides a range of services to students and staff including reference and effective research advice; access to relevant resources in various formats, including an increasing amount of electronic content that can be made available remotely and anytime; information literacy training; bookshops; information and training relating to the Institute's copyright obligations; and ongoing support for teaching and learning across VET and Higher Education.

The Information Operations area manages the Institute switchboard; enrolment payments and refunds; ID cards; student records; Instalment Payment Plans and Recognition of Prior Learning applications. It assists in the organisation of the information and enrolment evenings at all campuses, provides specialised assistance to the Academic Registry and the annual NMIT graduation ceremony in association with the Marketing and Corporate Communications department.

Highlights included:

- establishing an Archive Centre at Fairfield campus as part of NMIT's centenary celebrations, which was officially recognised at a launch with 100 staff and ex-NMIT students and associates in attendance
- re-launching the Library's catalogue, FindIt@, which introduced a Web Discovery layer over the Library's existing management system. This technology provided access to a seamless search option of local and global library resources and databases. NMIT is the first TAFE institute in Australia to introduce this system
- developing processes for the production of the new ID cards at campus information centres, and implementing ID cameras at campus libraries to meet students' access demands
- improving business processes with the introduction of forms pre-populated with student details, pre-enrolments with BPay option and the introduction of deposits for Instalment Payment Plans
- relocating Library and Information Operations services to the new Student Centre at Epping campus, a modern space designed to improve facilities available to students
- introducing e-books to the Library catalogue to expand students' options and access of information available. Teaching staff can now embed these resources into their Learning Management Systems including the student portal and Moodle
- staff creating YouTube video tutorials to support student learning on and off campus, enabling students to become more self-reliant when learning to use Library technology and resources
- establishing a student engagement program at all campus libraries at the commencement of each semester. Roving staff and ambassadors were employed to proactively assist students.

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## Marketing and Corporate Communications (M&CC)

The department promotes NMIT as a major tertiary institution that services the educational needs of a diverse group of stakeholders and communities. The department also provides a range of services designed to attract, engage and interact with potential students, as well as aiming to retain existing students. The department is responsible for developing a consistent and memorable Institute brand, and ensures the NMIT website evolves to meet the needs and expectations of potential students. The department also prepares and publishes major publications including the *Course and Career Guide* and the *International Course Guide*.

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Highlights included:

- establishing an enhanced, dedicated and centralised Course Enquiry Centre to provide improved reporting and statistical data on enquiry rates, demographic data, and program area trends to the Institute and to streamline the course enquiries services offered to prospective students
- the NMIT website experiencing significant increase of traffic throughout the year. A number of new blogs were also created to engage with specific student groups. A 'Call Me Back' feature was added to all course pages, and eight micro-sites were created for the International Office to showcase NMIT at overseas events.
- producing series five of *Our People, Our Stories* for display on NMIT's YouTube channel, NMITYou ([www.youtube.com/user/NMITYou](http://www.youtube.com/user/NMITYou))
- implementing the new Frontrange ITSM job request system to better facilitate the provision of M&CC services
- continuing to visit schools, and establishing a presence at the annual *Herald Sun* and *The Age* Career and Trade expos which are targeted at recruiting VCE students looking at further education
- facilitating and hosting the Career Education Association of Victoria's (CEAV) annual First Year Careers Advisors Conference at the NMIT Conference Centre, Preston campus. This was the first time the CEAV has held the conference at a TAFE Institute - previously the event had always been hosted by a university
- organising the annual Career Advisors Day, which provided workshops and sessions on VET and further education opportunities offered by NMIT, for career development practitioners. M&CC are in discussion with the CEAV with the aim to achieving accreditation for the event so practitioners are able to register their attendance as part of their ongoing professional development strategies
- organising major Institute events, including the NMIT Graduation Ceremony at Melbourne Town Hall, launching the new Student Centre at Epping campus, and the launch of NMIT's centenary celebrations. M&CC also organised functions to honour retiring senior management including Chief Executive Officer Brian MacDonald, and Director Client Services, Anne Bambrook
- organising the annual Study Grants Night, where NMIT offered 113 study grants with a total value of \$143,000 and five study tours with a total value of \$35,200 to its outstanding students
- continuing to improve email communications through increasing the level of sophistication in the targeting and segmentation of messages, with clear calls to action and stronger, highly recognisable campaign branding
- continuing to streamline the processes to capture prospective student enquiries in the Connect database
- staff attending conferences interstate and overseas as part of professional development, in order to investigate the latest marketing trends and strategies to better promote the Institute.

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## Student Services

The department provides a comprehensive range of services designed to support the educational achievements of students and enhance their participation in Institute life. The department comprises the Student Support unit, Student Facilities and Services unit, the Koorie Services centre and an administrative team. The department provides services including counselling and disability support, recreational and sporting activities, orientation and transition services, housing assistance, student support services and opportunities for student engagement.

Highlights included:

- launching a rebranded Student Life and Media (SLAM) activities unit to focus on the student experience
- implementing strategies designed to grow student participation at organised on-campus events to approximately 8,745 attendees during the academic year
- using facebook as a major communication tool to reach out to, and engage with students
- upgrading on-campus recreational spaces and facilities for students as part of a campus betterment program
- providing a range of free support services to students to maximise academic opportunities and social success
- providing students with a vibrant *Campus Rap* magazine each term, which includes key information, competitions, as well as book and CD reviews
- Yarra House student on-campus accommodation reaching full occupancy during term time for the first time since its opening in 2010.

# STATUTORY AND FINANCIAL INFORMATION

## ENVIRONMENTAL PERFORMANCE

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 2012 NMIT:

- prepared tenders for proposals towards the Greener Government Buildings program
- adjusted the ICT server room to 25°C to reduce energy consumption at Preston
- installed new power metering for mechanical services at Collingwood
- installed an ionised water unit at Collingwood to reduce the consumption of cleaning chemicals
- continued to replace inefficient R22 window air conditioners with inverter type R410A split systems
- continued to expand waste recycling across all campuses.

## WORKFORCE AND COMPLIANCE

### WORKFORCE

The following statistics apply as at the last pay in November of 2012. They reflect staff numbers and not equivalent full-time positions.

#### 2011 - 2012 Staffing Gender Analysis

Year	Male	Female	TOTAL
2012	786	949	1735
2011	775	934	1709

#### 2011 - 2012 Workforce Profile

##### 2011 - 2012 Executives

Year	Gender	Full-time	Part-time	TOTAL
2012	Female	6	-	6
2012	Male	14	1	15
			<b>Total</b>	<b>21</b>

Year	Gender	Full-time	Part-time	TOTAL
2011	Female	6	-	6
2011	Male	13	1	14
			<b>Total</b>	<b>20</b>

## 2011 - 2012 Teaching Staff - Ongoing

Year	Gender	Full-time	Part-time	TOTAL
2012	Female	111	75	186
2012	Male	214	30	244
			<b>Total</b>	<b>430</b>

Year	Gender	Full-time	Part-time	TOTAL
2011	Female	101	70	171
2011	Male	219	28	247
			<b>Total</b>	<b>418</b>

## 2011 - 2012 Teaching Staff - Contract

Year	Gender	Full-time	Part-time	TOTAL
2012	Female	25	23	48
2012	Male	15	6	21
			<b>Total</b>	<b>69</b>

Year	Gender	Full-time	Part-time	TOTAL
2011	Female	30	30	60
2011	Male	17	5	22
			<b>Total</b>	<b>82</b>

## 2011 - 2012 Teaching Staff - Casual

Year	Gender	TOTAL	
2012	Female	193	
2012	Male	174	
		<b>Total</b>	<b>367</b>

Year	Gender	TOTAL	
2011	Female	192	
2011	Male	195	
		<b>Total</b>	<b>387</b>

## 2011 - 2012 Higher Education Lecturers - Ongoing

Year	Gender	Full-time	Part-time	TOTAL
2012	Female	13	3	16
2012	Male	18	2	20
			<b>Total</b>	<b>36</b>

Year	Gender	Full-time	Part-time	TOTAL
2011	Female	11	3	14
2011	Male	19	2	21
			<b>Total</b>	<b>35</b>

## 2011 - 2012 Higher Education Lecturers - Contract

Year	Gender	Full-time	Part-time	TOTAL
2012	Female	2	2	4
2012	Male	2	1	3
			<b>Total</b>	<b>7</b>

Year	Gender	Full-time	Part-time	TOTAL
2011	Female	-	1	1
2011	Male	-	-	-
			<b>Total</b>	<b>1</b>

## 2011 - 2012 Higher Education Lecturers - Casual

Year	Gender	TOTAL
2012	Female	36
2012	Male	74
		<b>Total</b>
		<b>110</b>

Year	Gender	TOTAL
2011	Female	46
2011	Male	54
		<b>Total</b>
		<b>100</b>

## 2011 - 2012 Non-teaching Staff - Ongoing

Year	Gender	Full-time	Part-time	TOTAL
2012	Female	145	65	210
2012	Male	108	8	116
			<b>Total</b>	<b>326</b>

Year	Gender	Full-time	Part-time	TOTAL
2011	Female	155	56	211
2011	Male	105	7	112
			<b>Total</b>	<b>323</b>

## 2011 - 2012 Non-teaching Staff - Contract

Year	Gender	Full-time	Part-time	TOTAL
2012	Female	17	31	48
2012	Male	16	7	23
			<b>Total</b>	<b>71</b>

Year	Gender	Full-time	Part-time	TOTAL
2011	Female	12	23	35
2011	Male	14	2	16
			<b>Total</b>	<b>51</b>

## 2011 - 2012 Non-teaching Staff - Casual

Year	Gender	TOTAL
2012	Female	182
2012	Male	90
	<b>Total</b>	<b>272</b>

Year	Gender	TOTAL
2011	Female	187
2011	Male	89
	<b>Total</b>	<b>276</b>

## 2011 - 2012 Higher Education Non-teaching Staff - Ongoing

Year	Gender	Full-time	Part-time	TOTAL
2012	Female	11	-	11
2012	Male	3	2	5
			<b>Total</b>	<b>16</b>

Year	Gender	Full-time	Part-time	TOTAL
2011	Female	7	1	8
2011	Male	3	1	4
			<b>Total</b>	<b>12</b>

## 2011 - 2012 Higher Education Non-teaching Staff - Contract

Year	Gender	Full-time	Part-time	TOTAL
2012	Female	1	-	1
2012	Male	-	-	-
			<b>Total</b>	<b>1</b>

Year	Gender	Full-time	Part-time	TOTAL
2011	Female	-	-	-
2011	Male	-	-	-
			<b>Total</b>	<b>-</b>

## 2011 - 2012 Higher Education Non-teaching Staff - Casual

Year	Gender	TOTAL
2012	Female	8
2012	Male	1
	<b>Total</b>	<b>9</b>

Year	Gender	TOTAL
2011	Female	3
2011	Male	1
	<b>Total</b>	<b>4</b>

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## Termination of Employment

81 employees ceased employment with NMIT during 2012, for the reasons shown.

Reason for Ceasing Employment	Female	Male	TOTAL
Redundancy	6	4	10
Retirement	4	2	6
Resignation	34	27	61
Performance/Misconduct	2	1	3
Ill health	-	-	-
Death	-	1	1
	<b>Total</b>		<b>81</b>

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## COMPLIANCE

### Professional Development

During 2012, 827 staff undertook 2,329 professional development activities at a total cost of \$1,781,872.

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### Employment and Conduct Principles

NMIT's Human Resources policies and practices are underpinned by the public sector employment principles set out in Section 8 of the *Public 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 equality 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.

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### Industrial Relations

Excellent relationships were maintained with all unions with coverage at NMIT. There was no industrial action during 2012.

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### 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.

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### 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 VIC 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 \$24.40 until 30 June 2012 and \$25.10 from 1 July 2012 onwards.

### FOI Access Claims 2012

There was one request for access to records pursuant to the Act during 2012.

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### Occupational Health and Safety (OH&S)

The Occupational Health and Safety Committee met four times during the year. The Committee considered staff and student incident reports at each meeting.

Three staff members were trained as OH&S Representatives, and 116 staff undertook first aid training.

Statistics for reported accidents and incidents are tabulated below.

Staff	TOTAL
Total number employed as at the last pay in November 2012	1,735
Number of incidents reported	52
Number of compensable claims	7
Time lost (hours)	858.80

Students	TOTAL
Total number of enrolments effective November 2012	58,762
Number of incidents reported	116

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### Compliance with the *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.

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### Compliance with the *Building Act 1993*

NMIT ensured that all works requiring building approval had plans certified; works in progress were inspected and occupancy permits were issued by independent building surveyors engaged on a job-by-job basis. All works were overseen by a registered building practitioner.

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 2012, 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
Certificate of final inspection/occupancy issued	2

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### Compliance with National Competition Policy

NMIT has developed a costing model to ensure compliance with competitive neutrality principles. 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.



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# INTERNATIONAL EDUCATION

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## **GROWTH AND ACHIEVEMENTS**

International student enrolment numbers were down compared to the previous year, for both inbound students and those enrolled in our offshore partner programs:

- offshore enrolments have decreased – from 23,000 to 22,200. This mostly reflects the passing of a peak in the China market, but also results from changes to Chinese government policy, which have forced NMIT to give up some of its successful Chinese university partnerships
- for the inbound market, higher numbers of enrolments were achieved in Higher Education programs, with an increase to 326 international student enrolments (from 221 students in 2011).

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## **INTERNATIONAL STUDENTS STUDYING IN AUSTRALIA**

During 2012, NMIT successfully recruited international students from 70 nationalities, with significant numbers of inbound students coming from Vietnam, India, China, Colombia, Pakistan and Sri Lanka. The spread of countries where students are successfully recruited assists in mitigating the risk associated with being over-reliant on a small number of countries from which to source international students.

Despite facing severe competition from providers seeking to maintain their presence in a shrinking market, and universities that gained a significant advantage due to preferential treatment from government policy changes, NMIT managed to maintain viable numbers to sustain a variety of programs and courses.

See Figure 1 Risk Issues and Strategies: Onshore International Student Programs on page 48.

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## **INTERNATIONAL STUDENTS STUDYING OUTSIDE AUSTRALIA**

NMIT delivered programs outside Australia with 25 partner institutions, involving over 22,200 student enrolments. The majority of these students were studying through partner institutions in China and preceded their main study with English language training provided through NMIT or other providers.

Programs in Korea and Hong Kong served several hundred students, and niche programs commenced in Singapore and Malaysia. A number of new agreements were signed with partners seeking to have these programs approved by their national authorities, with a view to recruitment in the next academic year. New models of delivery with vocational high schools in China for the delivery of certificate courses were also developed for the first time.

The Institute continued to pursue cooperative partnerships with institutions in the South-East Asian region, with a special focus on niche programs such as Equine Studies, Childcare and Aged Care training. The International Office has maintained and logged all agreements with foreign institutions to ensure that all ASQA VET Quality Framework and ISO 9001 requirements have been covered.

NMIT has delivered further staff development programs to selected academic staff at partner institutions in China, Hong Kong and in Australia to enhance our capacity, as well as to ensure compliance. The full implementation of the Transnational Education Manual across all offshore partner programs further strengthened the quality management of programs. While a coordinated schedule of internal audits, validation panels and professional development of teaching staff in partner institutions was deployed to ensure a systematic approach to quality assurance of the programs.

See Figure 2 Risk Issues and Strategies: Transnational (Offshore) International Student Programs on pages 48-49.

**FIGURE 1 – RISK ISSUES AND STRATEGIES: ONSHORE INTERNATIONAL STUDENT PROGRAMS**

Risk Issue	Strategies
Changes to government policy around immigration rules had adversely impacted on all VET providers.	NMIT closely monitored government policy changes and actively worked through networks such as Victorian TAFE International Inc to lobby government to highlight issues and practices which make Australia, Victoria and NMIT comparatively less attractive to international students.
The sustained period of a strong dollar (\$AU) continues to affect our competitiveness in the global market for international students.	NMIT marketed and promoted itself as a large government provider offering quality and value for money, and implemented an instalment payment plan for continuing students to alleviate the financial pressure of the high dollar.
Volume and detail of documentation required for CRICOS registration has increased.	NMIT is working closely with senior management to implement improved practices and education around requirements relating to delivery of courses to international students in compliance with the <i>Education Services for Overseas Students (ESOS Act)</i> .
Reliance on international student enrolments from source countries that are subject to stricter assessment and scrutiny by the Department of Immigration and Citizenship.	NMIT continued to lobby government on the implementation of streamlined visa processing for TAFEs and for a fairer and more transparent interpretation and application of the Genuine Temporary Entrant test. The Institute will continue to target countries that are less likely to be subjected to inequitable treatment in visa applications. NMIT will monitor the impact of visa refusals by maintaining records to assist in identification of high risk countries to make better informed decisions on marketing.

**FIGURE 2 – RISK ISSUES AND STRATEGIES: TRANSNATIONAL (OFFSHORE) INTERNATIONAL STUDENT PROGRAMS**

Risk Issue	Strategies
Changes to government policy abroad impact on the ability of overseas partners to recruit into joint programs.	NMIT explored new models with vocational colleges and schools in China to take advantage of new opportunities in line with Chinese domestic policy changes.
<b>Finance:</b>	
Decreasing margins from offshore programs due to exchange rate differentials along with increasing costs associated with service provision.	NMIT reviews agreements and fees prior to each intake to ensure the financial viability of programs, while exploring new models designed to reduce the direct input of teaching and the high associated costs.
Program and project budgets that are not carefully monitored, evaluated and costed jeopardise the financial viability of international activities.	NMIT continues to assign a high priority to project management, especially in relation to budgets.

**FIGURE 2 - RISK ISSUES AND STRATEGIES: TRANSNATIONAL (OFFSHORE) INTERNATIONAL STUDENT PROGRAMS** CONTINUED

Risk Issue	Strategies
<b>Strategic Engagement:</b>	
Entering new agreements in unexplored markets without proper due diligence.	NMIT refers to best practice manuals and other sources of available support and guidance to ensure all projects are carefully and thoroughly evaluated.
Over-reliance on a narrow base of program models and countries for international activities.	Participation in trade missions and information available through government agencies are means by which new opportunities can be identified.
<b>Staffing:</b>	
International security issues can severely impact on the ability to send teaching staff offshore and marketing staff to key source countries for inbound students.	NMIT is widening the range of nations in which our programs are offered to spread the risk. The Institute maintains good working relationships with existing partners to ensure that short term disruptions to travel arrangements can be handled by re-scheduling the teaching provided by NMIT and partner institutions. NMIT also reviews DFAT travel warnings, and gains first-hand information from our network of education agents in countries where our staff intend to travel.
High growth levels in transnational operations can be limited by the availability of suitably qualified staff.	Diversification of program offerings across new courses and qualification levels help spread the burden on departments in relation to staffing offshore activities. The Institute also favours new agreements where NMIT does not provide teaching resources, focusing our involvement on content and quality assurance. NMIT uses highly experienced locally based organisations, where the Institute 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.
<b>Quality Assurance:</b>	
Failure to implement or complacency in the application of established and tested QA procedures can result in a loss of reputation and damage to the NMIT brand.	NMIT maintains ISO 9001 accreditation of all operations. Requirements of the ASQA VET Quality Framework are integrated into our ISO framework and compliance monitored through regular audits. NMIT has implemented improved procedures and documentation systems, including a plain language operations manual.
Increased scrutiny, compliance costs and pressures from the regulators where nationally recognised qualifications are delivered offshore, combined with a lack of consideration of offshore programs in review of Training Packages.	NMIT is engaged in networks and actively contributes to the discussion on appropriate requirements for quality assurance of transnational delivery to ensure that inappropriate propositions are actively debated.

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## **INTERNATIONAL CONSULTANCY**

The International Office provides a consultancy and advisory service to senior management and NMIT faculties on all international activities. This includes hosting delegations, briefing senior staff involved in approved visits and identifying opportunities for further development.

The International Office has advised and assisted in the development of articulation agreements aimed at improved pathways for international students studying in Melbourne.

Opportunities for specialised consulting and training in our areas of specialist expertise are actively pursued in close cooperation with the appropriate Faculty.

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## **PERFORMANCE MEASURES, TARGETS AND OUTCOMES**

### **Finance**

All NMIT international activities are required to cover costs and make a reasonable return in their own right. No international activity is supported on the basis of 'loss leading' or support of another 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.

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### **Quality**

All international NMIT activities which lead to an award are required to produce educational outcomes comparable to those achieved in Melbourne while taking account of the context of delivery.

Comparability of outcomes is monitored through our quality assurance program. Professional development activities were conducted in China and Australia for key personnel in offshore partnerships to improve compliance with ASQA VET Quality Framework requirements and enhance the quality of course delivery.

A regular audit program is in place. NMIT international graduates who choose to articulate to higher education have a high success rate in gaining entry to further study and achieve outstanding success.

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### **Reputation**

NMIT has an established reputation and is a highly regarded Institute that operates ethically and responsibly in the international education environment. Through our continued high level involvement in professional activity in the field and the regular stream of international institutions actively seeking partnerships with NMIT we enhance our reputation and contribute to the wider Australian education sector.

# AUDIT REPORT ON STATEMENT OF PERFORMANCE

## VAGO

Victorian Auditor-General's Office

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)

### INDEPENDENT AUDITOR'S REPORT

#### To the Members of Northern Melbourne Ins of TAFE

##### *The Statement of Performance*

The accompanying statement of performance for the year ended 31 December 2012 of the Northern Melbourne Ins of TAFE which comprises the statement, the relates noted the President of the Board, Chief Executive Officer, and Chief Finance Officers' declaration has been audited.

##### *The Board's' Responsibility for the Statement of Performance*

The Board Members of Northern Melbourne Ins of TAFE are responsible for the preparation and the fair presentation of the statement of performance in accordance with the *Financial Management Act 1994* and for such internal control as the Board Members determine is necessary to enable the preparation 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. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the statement of performance is free from material misstatement.

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

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

##### *Independence*

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

*Auditing in the Public Interest*

# AUDIT REPORT ON STATEMENT OF PERFORMANCE

## VAGO

Victorian Auditor-General's Office

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)

### Independent Auditor's Report (continued)

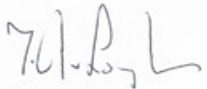
#### *Opinion*

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

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

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

MELBOURNE  
28 February 2013

  
Dr Peter Frost  
Acting Auditor-General

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# STATEMENT OF PERFORMANCE MANAGEMENT

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## **NORTHERN MELBOURNE INSTITUTE OF TAFE PERFORMANCE STATEMENT FOR 2012**

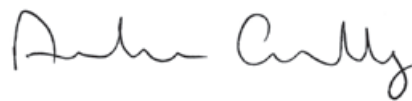
In our opinion, the accompanying Statement of Performance of Northern Melbourne Institute of TAFE in respect of the 2012 financial year is presented fairly in accordance with the Financial Management Act 1994.

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.

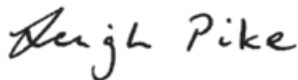
As at the date of signing, we are not aware of any circumstance that would render any particulars in the statement to be misleading or inaccurate.



**Joy Acquaro**  
President of Board  
Northern Melbourne Institute of TAFE  
DATE: 25/02/2013



**Andrew Giddy**  
Chief Executive Officer  
Northern Melbourne Institute of TAFE  
DATE: 25/02/2013



**Leigh Pike**  
Chief Finance Officer  
Northern Melbourne Institute of TAFE  
DATE: 25/02/2013

# STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2012

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 2012 PERFORMANCE

KPI	Definition	Actual Performance	Target Performance	
1. Module load completion rate (MLCR)	Scheduled hours assessed and passed or satisfactorily completed/ total scheduled hours reported less hours recorded with credit transfer and continuing studies outcomes	81.48%	No target advised	
2. Student satisfaction	Proportion of graduates satisfied with the overall quality of training in 2011	89.80%	No target advised	
3. Participation of 15 - 24 year-olds	Number of student course enrolments within the age group	43,761	No target advised	
4. Participation of 25 - 64 year-olds	Number of student course enrolments within the age group	25,905	No target advised	
5. Total cost per student contact hour (SCH)	Total funded expenditure (excluding depreciation) / Total SCH	\$12.16	Targets set for recurrently funded programs only	



KPI	Definition	Actual Performance	Target Performance	
6. Working capital ratio	Current assets/current liabilities (adjusted for long term current long service leave)	1 : 3.35	1 : 1	Target exceeded by 235%
7. Net operating margin	Funded operating surplus (excluding depreciation) / total revenue (excluding capital)	-2.54%	4.67%	Target shortfall by 54.40%
8. Fee for service revenue	Fee for service revenue / total revenue (%)	31.10%	31.05%	Target exceeded by 0.20%
9. Revenue per EFT staff	Total revenue (excluding capital)/average EFT staff	\$124,170	No target advised	
10. Student contact hours	Total number of student contact hours delivered against contracted delivery	11,646,903	No target advised	
11. Energy consumption	Percentage reduction in energy consumption for electricity, gas LPG, green power and heating oil			
	Electricity	10,587,961 (kwhs)	1999 data (for target setting) not available	
	Natural gas	24,309,146 (megajoules)		
	LPG	25,317 (litres)		
	Electricity purchased from green power	3,106,345 (kwhs). 29.34% of total	No target advised	

## STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER, 2012

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 81.48 per cent
- no target was set.

#### Comment

MLCR is considerably lower for some types of programs, especially Further Education programs. The latest information available (2011 statistics) issued by Higher Education and Skills Group indicated that the MLCR across the Victorian VET system was 63 per cent in Adult, Community and Further Education compared to 78 per cent 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.

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## 2. Student satisfaction:

- the actual result was 89.80 per cent in 2011. This KPI is measured every two years
- no target was set.

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## 3. Participation of 15–24 year-olds:

- the actual number of students enrolled in this cohort in government funded places was 43,761
- no target was set by Higher Education and Skills Group in the 2012 Performance Agreement.

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## 4. Participation of 25–64 year-olds:

- the actual number of students enrolled in this cohort in government funded places was 25,905
- no target for student numbers was set by Higher Education and Skills Group in the 2012 Public Performance Agreement.

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## 5. Total cost per student contact hour (SCH):

- NMIT's total cost per student contact hour was \$12.16
- no target was set by Higher Education and Skills Group in the 2012 Performance Agreement.

### Comment

Total cost per student contact hour can be a misleading measure of an institute'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.

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## 6. Working capital ratio:

- the actual was 1:3.35 after adjusting for long term current long service leave
- the target for 2012 was set at 1:1.

Performance was greater than target.

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## 7. Net operating margin:

- the actual percentage was -2.54 per cent (funded operating surplus excluding depreciation and total revenue excluding capital)
- the target for 2012 was set by NMIT at 4.67 per cent. The Victorian Training Guarantee had a significant impact in not meeting this target.

Performance was less than target.

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## 8. Fee for service revenue:

- the actual performance was 31.10 per cent
- the target set for 2012 was 31.05 per cent.

Performance was better than target.

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## 9. Revenue per EFT staff:

- the actual revenue per EFT staff member for NMIT in 2012 was \$24,170
- no target was set.

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## 10. Student contact hours:

- actual student contact hours delivered including fee for service against contracted delivery were 11,646,903
- no target was set.

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## 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 mono-campus institutes
- NMIT has ageing 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
  - the building of the Technical Education Centre at Heidelberg campus
  - the redevelopment and commencement of operation of the Yarra House student accommodation facility at Fairfield campus
  - the addition of the Green Skills Centre of Excellence facility at Epping campus
  - the redevelopment of Building Q and S at Fairfield campus
  - the redevelopment and commencement of operation of Stage 1 facility upgrades at Epping campus.

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

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# SUMMARY OF FINANCIAL RESULTS

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Year	Operating Surplus (Deficit) \$000	Accumulated Surplus (Deficit) \$000
2012	5,107	98,631
2011	13,540	93,524
2010	14,397	79,984
2009	22,561	65,587
2008	6,442	43,026

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# 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 2012.

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## 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.

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## CONSULTANCIES

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### CONSULTANCIES OVER \$10,000 (EXCLUDING GST)

#### Nous Group

Transition planning review	\$	92,214
Polytechnic university project	\$	148,250
<b>Total:</b>	<b>\$</b>	<b>240,464</b>

#### Campus Living Villages

Fairfield campus - Student Accommodation	\$	125,997
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#### R H Consultancies

Other consultancy matters	\$	70,450
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#### Tectura

Preston campus Building U carpark	\$	36,808
Preston campus Building A façade	\$	25,386
<b>Total:</b>	<b>\$</b>	<b>62,194</b>

#### Grant Thornton

Auslan review project	\$	60,115
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#### Verenna P/L

Other consultancy matters	\$	40,000
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#### Deloitte Access Economics

University college project	\$	39,690
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#### Systemwide Technologies P/L

Project and change management	\$	37,500
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#### Lander & Rogers

Intellectual Property	\$	36,328
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#### Wilde and Woollard

Preston campus development - stage 1	\$	30,600
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#### Department of Sustainability

Preston campus development - stage 1	\$	29,000
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**Fairweather Legal**

Fairfield campus Buildings Q	\$	218
Preston campus development - stage 1	\$	11,222
Epping campus development - stage 1	\$	7,411
Heidelberg campus Technical Education Centre development	\$	438
Other legal matters	\$	4,756
<b>Total:</b>	<b>\$</b>	<b>24,045</b>

**Davies Lawyers**

Other legal matters	\$	17,063
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**Bonacci Group**

Fairfield campus new service road	\$	15,765
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**GTA Consultancy**

Epping campus development - stage 1	\$	13,544
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**Paul Morgan Architects**

Epping campus development - stage 1	\$	13,078
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**Waterman AHW**

Epping campus refurbishment Building E	\$	11,500
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**Total Project Fees Approved: \$ 867,333**

NMIT has future commitments relating to these consultants of:

Tectura	\$163,171
Wilde and Woollard	\$30,294
Fairweather Legal	\$10,892
Bonacci Group	\$8,509
GTA Consultancy	\$4,319
Paul Morgan Architects	\$1,502
R H Consultancies	\$1,166
for a total of	\$219,853

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**CONSULTANCIES UNDER \$10,000 (EXCLUDING GST)**

NMIT engaged 12 consultants for a total cost of \$36,922 during 2012.

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**ADDITIONAL INFORMATION**

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.

# 2012 VET FEES AND CHARGES PRESCRIBED BY MINISTERIAL DIRECTION

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

In 2012 the fees and charges included:

- a compulsory tuition fee of \$1.47 per student contact hour for government subsidised programs in accordance with Ministerial Directions on fees and charges.

Minimum/concession \$59 (40 or fewer student contact hours)

Maximum \$939

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

There was no increase in this fee from 2011.

Minimum \$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-subsidised TAFE courses are available to:

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

## VICTORIAN TRAINING GUARANTEE (VTG) FEES AND CHARGES

This table summarises Tuition Fees under the VTG in 2012.

		Rate per Student Contact Hour (AU\$)	Minimum AU\$)	Maximum (AU\$)
Victorian Training Guarantee (VTG)	Foundation Skills	1.00	50	500
	Skills Creation	1.60	105	875
	Apprenticeships	2.00	187	2,200
	Skills Building	2.00	187	1,250
	Skills Deepening	3.70	100*	2,200
	Traineeships	2.00	187	1,250

- Minimum Tuition Contribution (Health Care Card, Pensioner Card, Veteran's Gold Card Holders) is as above (includes LI Health Care Cards)
- \*Minimum Tuition Contribution available for Skills Deepening enrolments who meet additional age criteria effective to 30 June 2012.

## FEE CHANGES UNDER REFOCUSING VET EFFECTIVE FROM 1 JULY 2012

- Concession fees no longer available to Health Care Card holders enrolling in a Diploma or Advanced Diploma with a course commencement date on or after 1 July 2012
- Concession fees for all Certificate I to IV courses with a course commencement date on or after 1 July 2012 were charged at 20 per cent of the tuition fee rate
- Maximum fee for all course categories was set at \$2,200.

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

### Academic Registrar

NMIT

77-91 St Georges Road

Preston VIC 3072

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# 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

	<b>Note</b>	<b>2012</b>	<b>2011</b>
		<b>\$000</b>	<b>\$000</b>
Delivery provision and support activity	A2	101,551	95,973
Admin. and general services activity	A3	31,042	28,738
Property plant and equip. services activity	A4	11,472	11,307
Student and other services activity	A5	3,928	4,042
<b>Total Operating Expenses</b>		<b>147,993</b>	<b>140,060</b>

## NOTE A2 - OPERATING STATEMENT

### Delivery Provision and Support Activity

	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>
Salaries, wages, overtime and allowances	67,333	64,400
Superannuation	5,448	5,154
Payroll tax	3,329	3,113
Other salary related costs	879	1,081
Consumables	4,783	4,878
Travel and motor vehicle expenses	507	663
Depreciation	5,108	5,108
Other direct delivery expenses	14,164	11,606
	<b>101,551</b>	<b>95,973</b>

## NOTE A3 - OPERATING STATEMENT

### Administration and General Services Activity

	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>
Salaries, wages, overtime and allowances	16,320	14,524
Superannuation	1,336	1,189
Payroll tax	817	718
Other salary related costs	216	249
Consumables	259	149
Communication expenses	839	967
Fees	2,507	2,781
Travel and motor vehicle expenses	1,055	1,167
Depreciation	1,253	1,179
Other expenses	6,440	5,815
	<b>31,042</b>	<b>28,738</b>

## NOTE A4 - OPERATING STATEMENT

### Property, Plant and Equipment Services Activity

	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>
Salaries, wages, overtime and allowances	79	0
Superannuation	6	0
Payroll tax	4	0
Other salary related costs	1	0
Consumables	1	0
Depreciation	6	0
Equipment	2,085	2,578
Energy costs	2,111	1,780
Contract services	3,546	3,606
Rent/leasing charges	1,027	960
Repairs and maintenance	2,589	2,383
Other expenses	17	0
	<b>11,472</b>	<b>11,307</b>



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## NOTE A5 - OPERATING STATEMENT

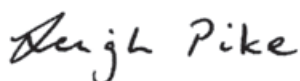
### Student and Other Services Activity

	<b>2012</b>	<b>2011</b>
	<b>\$000</b>	<b>\$000</b>
Salaries, wages, overtime and allowances	370	566
Superannuation	30	46
Payroll tax	19	28
Other salary related costs	5	10
Consumables	27	57
Depreciation	28	46
Equipment	3,449	3,289
Energy costs	2,111	1,780
Contract services	3,546	3,606
	<b>3,928</b>	<b>4,042</b>

# FINANCIAL STATEMENTS

## FEES AND CHARGES STATEMENT

<b>COMPULSORY NON-ACADEMIC FEES AND CHARGES STATEMENT AS AT 31 DECEMBER, 2012</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Compulsory non-academic fees	1,014,853	1,098,563
<b>Total income</b>	<b>1,014,853</b>	<b>1,098,563</b>
<b>Expenditure</b>		
<b>Salaries</b>		
Salaries	747,014	655,267
Salary oncosts	147,301	126,531
<b>Total salary expenditure</b>	<b>894,315</b>	<b>781,798</b>
<b>Non salaries</b>		
Consumables	14,150	10,119
Subscriptions	1,160	1,022
Telephone	2,855	2,917
Equipment purchases	10,465	4,870
ICT equipment	7,018	1,100
Furniture and fittings	44,456	11,542
Equipment lease	557	348
Travel	4,141	4,939
CityLink payments	36	36
Diaries and advertising	35,235	35,483
Staff development	789	825
Advertising - recruitment	1,558	200
Advertising - courses and other	2,312	0
Orientation/recreational activities	85,349	51,052
Building repairs and maintenance	49,709	1,050
Minor works	24,785	19,967
Uniforms	4,241	527
Hospitality	206	275
Security services	1,442	3,947
<b>Total non salary expenditure</b>	<b>290,464</b>	<b>150,219</b>
<b>Total expenditure</b>	<b>1,184,779</b>	<b>932,017</b>
<b>Operating result for the year</b>	<b>-169,926</b>	<b>166,546</b>
Accumulated surplus 1 January	374,875	238,356
Balance b/fwd transfers	0	-30,027
<b>Accumulated surplus/(deficit)</b>	<b>204,949</b>	<b>374,875</b>



**Leigh Pike**

Chief Finance Officer

Northern Melbourne Institute of TAFE

DATE: 25/02/2013

# AUDIT REPORT ON FINANCIAL STATEMENTS

**VAGO**

Victorian Auditor-General's Office

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)

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Northern Melbourne Ins of TAFE

#### *The Financial Report*

The accompanying financial report for the year ended 31 December 2012 of the Northern Melbourne Ins of TAFE which comprises comprehensive 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, notes comprising a summary of significant accounting policies and other explanatory information, and the President of the Board, Chief Executive Officer, and Chief Finance Officers' declaration has been audited.

#### *The Boards' Responsibility for the Financial Report*

The Board Members of the Northern Melbourne Ins of TAFE are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on 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 the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

*Auditing in the Public Interest*

# AUDIT REPORT ON FINANCIAL STATEMENTS

## VAGO

Victorian Auditor-General's Office

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)

### Independent Auditor's Report (continued)

#### *Independence*

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

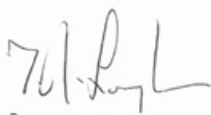
#### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Northern Melbourne Ins of TAFE as at 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

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

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

MELBOURNE  
28 February 2013

  
Dr Peter Frost  
Acting Auditor-General

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# INSTITUTE DECLARATION

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## FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER 2012

Declaration By President of the Board,  
Chief Executive Officer and  
Chief Finance Officer

We certify that the attached financial statements 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.

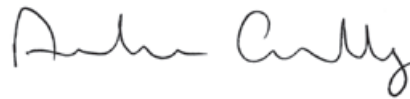
We further state that, in our opinion, the information set out in the comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2012 and financial position of the Institute as at 31 December 2012.

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.

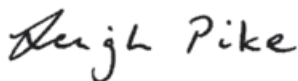
The President of the Board, the Chief Executive Officer and the Chief Finance Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of Northern Melbourne Institute of TAFE.



**Joy Acquaro**  
President of Board  
Northern Melbourne Institute of TAFE  
DATE: 25/02/2013  
PLACE: Preston, Victoria



**Andrew Giddy**  
Chief Executive Officer  
Northern Melbourne Institute of TAFE  
DATE: 25/02/2013  
PLACE: Preston, Victoria



**Leigh Pike**  
Chief Finance Officer  
Northern Melbourne Institute of TAFE  
DATE: 25/02/2013  
PLACE: Preston, Victoria

# COMPREHENSIVE OPERATING STATEMENT

## FOR THE YEAR ENDED 31 DECEMBER 2012

		INSTITUTE	
		2012	2011
		\$'000	\$'000
	Note		
<b>Continuing operations</b>			
Income from transactions			
Government contributions - operating	2(a)(i)	70,231	77,843
Government contributions - capital	2(a)(ii)	15,013	11,229
Sale of goods and services	2(b)	60,177	56,928
Interest	2(c)	2,188	2,344
Other income	2(d)	5,491	5,256
<b>Total income from transactions</b>		<b>153,100</b>	<b>153,600</b>
Expenses from transactions			
Employee benefits	3(a)	96,193	91,078
Depreciation and amortisation	3(b)	6,394	6,333
Grants and other transfers	3(c)	37	42
Supplies and services	3(d)	17,695	17,817
Other operating expenses	3(e)	26,011	23,796
Expenditure using government contributions - capital		1,154	858
<b>Total expenses from transactions</b>		<b>147,484</b>	<b>139,924</b>
<b>Net result from transactions (net operating balance)</b>		<b>5,616</b>	<b>13,676</b>
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4(a)	(488)	(104)
Other gains/(losses) from other economic flows	4(b)	(21)	(32)
<b>Total other economic flows included in net result</b>		<b>(509)</b>	<b>(136)</b>
<b>Net result from continuing operations</b>		<b>5,107</b>	<b>13,540</b>
<b>Other economic flows - other non-owner changes in equity</b>			
Changes in asset revaluation reserve - land and buildings	13	37,519	-
<b>Total other economic flows - other non-owner changes in equity</b>		<b>37,519</b>	<b>-</b>
<b>Comprehensive result</b>		<b>42,626</b>	<b>13,540</b>

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

# BALANCE SHEET

## AS AT 31 DECEMBER 2012

	Note	INSTITUTE	
		2012	2011
		\$'000	\$'000
<b>Assets</b>			
Financial assets			
Cash and deposits	5	47,596	47,568
Receivables	6	9,968	10,387
<b>Total financial assets</b>		<b>57,564</b>	<b>57,955</b>
Non-financial assets			
Inventories	7	995	1,103
Property, plant and equipment	8	289,183	244,645
Biological assets	9	3,366	4,540
Other non-financial assets	10	1,109	791
<b>Total non-financial assets</b>		<b>294,653</b>	<b>251,079</b>
<b>Total assets</b>		<b>352,217</b>	<b>309,034</b>
<b>Liabilities</b>			
Payables	11	11,455	11,735
Provisions	12	17,359	16,522
<b>Total liabilities</b>		<b>28,814</b>	<b>28,257</b>
<b>Net assets</b>		<b>323,403</b>	<b>280,777</b>
<b>Equity</b>			
Accumulated surplus/(deficit)	13(b)	98,631	93,524
Reserves	13(c)	193,091	155,572
Contributed capital	13(a)	31,681	31,681
<b>Net worth</b>		<b>323,403</b>	<b>280,777</b>
Commitments for expenditure	15	<b>16,383</b>	<b>33,410</b>
Contingent assets and contingent liabilities	17	<b>975</b>	<b>5</b>

The above balance sheet should be read in conjunction with the accompanying notes.

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	CHANGES DUE TO:			Equity at 31 Dec 2012
		Equity at 1 Jan 2012	Total Compre- hensive result	Transactions with owners in their capacity as owners	
		\$'000	\$'000	\$'000	\$'000
Accumulated surplus/(deficit)		93,524	5,107	-	98,631
Adjustment due to change in accounting policy		-	-	-	-
<b>Accumulated surplus/(deficit) at the end of the year</b>		<b>93,524</b>	<b>5,107</b>	<b>-</b>	<b>98,631</b>
Contribution by owners	13(a)	31,681	-	-	31,681
Contributed capital		-	-	-	-
Withdrawal of equity		-	-	-	-
<b>Contribution by owners at the end of the year</b>		<b>31,681</b>	<b>-</b>	<b>-</b>	<b>31,681</b>
Assets revaluation reserve - land and buildings		155,572	37,519	-	193,091
		155,572	37,519	-	193,091
<b>Total equity at the end of the year</b>		<b>280,777</b>	<b>42,626</b>	<b>-</b>	<b>323,403</b>

	Note	CHANGES DUE TO:			Equity at 31 Dec 2011
		Equity at 1 Jan 2011	Total Compre- hensive result	Transactions with owners in their capacity as owners	
		\$'000	\$'000	\$'000	\$'000
Accumulated surplus/(deficit)		79,984	13,540	-	93,524
Adjustment due to change in accounting policy		-	-	-	-
<b>Accumulated surplus/(deficit) at the end of the year</b>		<b>79,984</b>	<b>13,540</b>	<b>-</b>	<b>93,524</b>
Contribution by owners	13(a)	31,681	-	-	31,681
Contributed capital		-	-	-	-
Withdrawal of equity		-	-	-	-
<b>Contribution by owners at the end of the year</b>		<b>31,681</b>	<b>-</b>	<b>-</b>	<b>31,681</b>
Assets revaluation reserve - land and buildings		155,572	-	-	155,572
		155,572	-	-	155,572
<b>Total equity at the end of the year</b>		<b>267,237</b>	<b>13,540</b>	<b>-</b>	<b>280,777</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.



# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	INSTITUTE	
		2012	2011
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Receipts			
Government contributions - operating (including Govt FFS)	2(a)(i)(b)	91,782	95,061
Government contributions - capital	2(a)(ii)	15,013	11,229
User fees and charges received (Inclusive of GST)		51,717	44,971
Interest received		2,241	2,355
Other receipts		165	165
<b>Total receipts</b>		<b>160,918</b>	<b>153,781</b>
Payments			
Payments to suppliers (inclusive of GST) and employees		(146,137)	(133,082)
Goods and services tax paid to the ATO		(1,336)	(1,730)
Other payments		(438)	(380)
<b>Total payments</b>		<b>(147,911)</b>	<b>(135,192)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>14(a)</b>	<b>13,007</b>	<b>18,589</b>
<b>Cash flows from investing activities</b>			
Payments for non-financial assets		(13,237)	(13,367)
Proceeds from sale of non-financial assets		288	202
Payments for biological assets	9	(30)	(751)
<b>Net cash provided by/(used in) investing activities</b>		<b>(12,979)</b>	<b>(13,916)</b>
<b>Cash flows from financing activities</b>			
Repayment of finance leases		-	(34)
<b>Net cash provided by/used in financing activities</b>		<b>-</b>	<b>(34)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>28</b>	<b>4,639</b>
Cash and cash equivalents at the beginning of the financial year		47,568	42,929
<b>Cash and cash equivalents at the end of the financial year</b>		<b>47,596</b>	<b>47,568</b>

The above cash flow statement should be read in conjunction with the accompanying notes.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2012

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### NOTE 1

#### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements represent the audited general purpose financial statements for Northern Melbourne Institute of TAFE.

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##### 1.01 Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. 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.

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##### 1.02 Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid. These financial statements are presented in Australian dollars, the functional and presentation currency of the Institute.

In the application of AAS, judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the next year, are disclosed throughout the notes to the financial statements.

These financial statement have been prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets.

Exceptions to the historical cost convention include:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- the fair value of an asset other than land is generally based on its depreciated replacement value;
- available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2012 and the comparative information presented for the year ended 31 December 2011.

The following is a summary of the material accounting policies adopted by the Institute in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

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### 1.03 Reporting entity

The financial statements cover the Northern Melbourne Institute of TAFE as an individual reporting entity. The Institute is a statutory body corporate, established pursuant to an act/order made by the Victorian Government under the Education and Training Reform Act 2006 No.24/2006 3.1.12(4).

Its principal address is:

Northern Melbourne Institute of TAFE  
77-91 St Georges Road  
Preston VIC 3072

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### 1.04 Basis of consolidation

The financial statements include all the activities of the Institute.

The Institute has one controlled entity, NMIT International Ltd, which is dormant and has never traded, therefore consolidation is not warranted.

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### 1.05 Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Institute and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

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### 1.06 Goods and Services Tax (GST)

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

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

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.

Commitments and contingent assets or liabilities are presented on a gross basis.

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### 1.07 Income from transactions

Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of the Institute's major activities as follows:

#### **Government contributions**

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.

#### **Sale of goods and services**

##### **(i) 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.

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**(ii) 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.

**(iii) 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 managerial 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.

**Interest**

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

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains and losses taken direct to equity, forming part of the total change in net worth in the comprehensive result.

**Other income****(ii) 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.

**Fair value of assets and services received free of charge or for nominal consideration**

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions. 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.

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**1.08 Expenses from transactions****Employee benefits**

Expenses for employee benefits are recognised when incurred, except for contributions in respect of defined benefit plans.

**Retirement benefit obligations****(i) Defined contribution plan**

Contributions to defined contribution plans are expensed when they become payable.

**(ii) Defined benefit plans**

The amount charged to the comprehensive operating statement income in respect of superannuation represents the contributions made by the Institute to the superannuation plan 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 plan(s) 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 finance report.

## Depreciation and amortisation

### 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.

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

Class of asset	Method	Total
Buildings	Straight	2% to 4%
Major components - buildings	Straight	5% to 10%
Plant and equipment	Straight	6.67% to 50%
Motor vehicles	Straight	10% to 20%
Library collections	Straight	20%

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis. There has been no change in the methodology and rates for 2012.

Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

### Interest expense

Interest expense is recognised as expenses in the period in which they are incurred.

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

### Grants and other transfers

Grants and other transfers to third parties are recognised as an expense in the reporting period in which they are paid or payable.

### Other operating expenses

#### Supplies and services

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held-for-distribution are expensed when distributed.

#### Fair value of assets and services provided free of charge or for nominal consideration

Resources provided free of charge or for nominal consideration are recognised at their fair value.

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## 1.09 Expenses from transactions

### Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

### Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses from revaluations, impairments, and disposals of all physical assets and intangible assets.

### Disposal of non-financial assets

Any gain or loss on disposal of non-financial assets 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.

### Gain/(loss) arising from fair value changes of biological assets

Biological assets are measured at fair value, and the resultant gain/(loss) is reported as an other economic flow.

### **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 possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the statement of comprehensive income, except to the extent that the write down can be debited to an asset revaluation reserve amount applicable to that class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction 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.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash flows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. 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.

### **Net gain/(loss) on financial instruments**

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

### **Revaluations of financial instruments at fair value**

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

### **Impairment of financial assets**

Financial assets have been assessed for impairment in accordance with Australian Account Standards.

### **Other gains/(losses) from other economic flows**

Other gains/(losses) from other economic flows include the gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

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## **1.10 Financial assets**

### **Cash and deposits**

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as borrowings on the balance sheet. At the reporting date there are no bank overdrafts (2011 - nil).

### **Receivables**

Receivables consist of:

- statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable; and
- contractual receivables, which include mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables

Receivables that are contractual are classified as financial instruments.

Statutory receivables are not classified as financial instruments.

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Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

### **Investments and other financial assets**

Investments are classified in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables, and
- available for sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Any dividend or interest earned on the financial asset is recognised in the consolidated comprehensive operating statement as a transaction.

### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Institute retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Institute has transferred its rights to receive cash flows from the asset and either:
  - (a) has transferred substantially all the risks and rewards of the asset, or
  - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Institute has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Institute's continuing involvement in the asset.

At the end of each reporting period, the Institute assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 90 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as 'other economic flows' in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

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## **1.11 Leases**

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

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## **Finance leases**

### **Institute as lessor**

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

### **Institute as lessee**

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, 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 finance lease payments are apportioned between reduction of the outstanding lease liability, and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

At the reporting date there are no finance leases (2011 - Nil ).

## **Operating leases**

### **Institute as lessor**

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

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are given to the lessee, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term, on a straight-line basis unless another systematic basis is more representative of the time pattern over which the economic benefit of the leased asset is diminished.

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## **1.12 Non-Financial Assets**

### **Inventories**

Inventories include goods and other property held either for sale or for distribution at no or nominal cost in the ordinary course of business operations. It includes land held-for-sale and excludes depreciable assets.

Inventories held-for-distribution are measured at cost, adjusted for any loss of service potential.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value.

The basis used in assessing loss of service potential for inventories held-for-distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Cost for all other inventory is measured on the basis of weighted average cost.

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

### **Non-current physical assets classified as held-for-sale, including disposal group assets**

Non-financial physical assets (including disposal group assets) are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition; and
- the sale is highly probable and the asset's sale is expected to be completed within twelve months from the date of classification.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.



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### **Property, plant and equipment**

All non-financial physical assets, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

Non-financial physical assets such as national parks, other Crown land and heritage assets are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. 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.

The fair value of cultural assets and collections, heritage assets and other non-financial physical assets that the State intends to preserve because of their unique historical, cultural or environmental attributes, is measured at the replacement cost of the asset less, where applicable, accumulated depreciation (calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset) and any accumulated impairment. These policies and any legislative limitations and restrictions imposed on their use and/or disposal may impact their fair value.

The fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost, or where the infrastructure is held by a for profit entity, the fair value may be derived from estimates of the present value of future cash flows. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Certain assets are acquired under finance leases, which may form part of a service concession arrangement.

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

Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

### **Library collections**

Library collections are measured at cost less accumulated depreciation.

### **Leasehold improvements**

The cost of a leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

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

Certain agencies hold cultural assets, heritage assets, Crown land and infrastructure, which are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. Consequently, there are certain limitations and restrictions imposed on their use and/or disposal.

### **Revaluations of non-current physical assets**

Non-current physical assets measured at fair value are revalued in accordance with FRDs issued by the Minister for Finance. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Revaluation increases are credited directly to equity in the revaluation reserve, except to the extent that an increase reverses a revaluation decrease in respect of that class of property, plant and equipment, previously recognised as an expense (other economic flows) in the net result, the increase is recognised as income (other economic flows) in determining the net result.

Revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except to the extent that a credit balance exists in the revaluation reserve in respect of the same class of property, plant and equipment, they are debited to the revaluation reserve.

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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 normally transferred to accumulated funds on de-recognition of the relevant asset.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

#### **Non-current physical assets constructed by the Institute**

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.

#### **Biological assets**

##### **Bloodstock**

Bloodstock used for breeding purposes is measured at fair value based on self assessment conducted in 2012.

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.

##### **Vineyard and winery**

Land under vine is measured at fair value and stated at valuations conducted at 31 December 2012 by the Valuer-General Victoria; and assessed against indexation annually based on Valuer General indexation movements for subsequent years.

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

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

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## **1.13 Liabilities**

### **Payables**

Payables consist of:

- contractual payables, such as accounts payable, and unearned income including deferred income from concession arrangements. Accounts payable 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 those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

### **Provisions**

Provisions are recognised when the Institute has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

### **Employee benefits**

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

#### **(i) Wages and salaries, and annual leave**

Liabilities for wages and salaries, including non-monetary benefits and annual 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.

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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.

#### **(ii) Long service leave**

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

Current Liability - unconditional LSL representing (7 years service) 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 service) 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.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

#### **(iii) Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Institute recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

#### **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 separately from provision for employee benefits.

#### **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.

#### **Onerous contracts**

An onerous contract is considered to exist where the Institute has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

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### **1.14 Commitments**

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

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### **1.15 Contingent assets and contingent liabilities**

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer Note 17) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

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## 1.16 Equity

### **Contributed capital**

Funding that are in the nature of contributions by the State government are 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.

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## 1.17 Foreign currency translations

### **Functional and presentation currency**

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The Institute's financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

### **Transactions and balances**

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. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

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## 1.18 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 entity.

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## 1.19 Rounding of amounts

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

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## 1.20 Comparative information

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

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## 1.21 Change in accounting policy

There was no change in accounting policy for the financial year ending 31 December 2012.

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## 1.22 New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2012 reporting period.

As at 31 December 2012 the following standards and interpretations (applicable to the Institute), had been issued but were not mandatory for financial year ending 31 December 2012. The Institute has not, and does not intend to, adopt these standards early.

Amending Pronouncements and Errata	Standards Affected	Outline of Amendment	Application date of standard	Impact on financial statements
AASB 9 Financial Instruments	AASB 139 Financial Instruments: Recognition and Measurement	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement	Reporting periods beginning on 1 January 2015	Detail of impact is still being assessed
AASB 1053 Application of Tiers of Australian Accounting Standards	-	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements	Reporting periods beginning on 1 July 2013	The Victorian Government is currently considering the impacts of reduced disclosure requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector
AASB 2010 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	-	These amendments introduce reduced disclosure requirements for application by certain types of entities	Reporting periods beginning on 1 July 2013	The amendments do not affect financial measurement or recognition and are not expected to have any impact on financial result or position
AASB 2010 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19 and 127	This relates to the introduction of AASB 9 Financial instruments	Reporting periods beginning on 1 January 2013	Detail of impact is still being assessed
AASB 2011 2 Amendments to Australian Accounting Standards arising from the Trans Tasman Convergence Project - Reduced Disclosure Requirements	AASB 101 and AASB 1054	The objective of this amendment is to include some additional disclosure from the Trans Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards - Reduced Disclosure Requirements (RDRs)	Reporting periods beginning on 1 January 2013.	The Victorian Government is currently considering the impacts of RDRs and has not decided if they will be implemented in the Victorian public sector

**NOTE 2**  
**INCOME FROM TRANSACTIONS**

		<b>INSTITUTE</b>	
		2012	2011
		\$'000	\$'000
<b>2</b>	<b>Income from transactions</b>		
<b>(a)</b>	<b>Grants and other transfers</b> (other than contributions by owners)		
	<b>Government financial assistance</b>		
	(i) Government contributions - operating		
	State government recurrent	70,231	77,843
	<b>Total government contributions - operating</b>	<b>70,231</b>	<b>77,843</b>
	(ii) Government contributions - capital		
	Commonwealth capital	1,300	2,104
	State capital	13,713	9,125
	<b>Total government contributions - capital</b>	<b>15,013</b>	<b>11,229</b>
	<b>Total government financial assistance</b>	<b>85,244</b>	<b>89,072</b>
<b>(b)</b>	<b>Sales of goods and services</b>		
	Student fees and charges	9,981	9,448
	<b>Rendering of services</b>		
	Fee for service - Government	21,551	17,218
	Fee for service - International operations - onshore	8,948	10,452
	Fee for service - International operations - offshore	5,976	7,025
	Fee for service - other	11,143	10,064
	<b>Total rendering of services</b>	<b>47,618</b>	<b>44,759</b>
	<b>Other non-course fees and charges</b>		
	Sale of goods	2,578	2,721
	<b>Total other fees and charges</b>	<b>2,578</b>	<b>2,721</b>
	<b>Total revenue from sale of goods and services</b>	<b>60,177</b>	<b>56,928</b>
<b>(c)</b>	<b>Interest</b>		
	Interest from financial assets not at fair value through P/L:		
	Interest on bank deposits	2,188	2,344
	<b>Total interest revenue from financial assets not at fair value through P/L</b>	<b>2,188</b>	<b>2,344</b>
	<b>Net interest income</b>	<b>2,188</b>	<b>2,344</b>
<b>(d)</b>	<b>Other income</b>		
	Rental revenue:		
	Rent	84	81
	<b>Total rental revenue</b>	<b>84</b>	<b>81</b>
	Accommodation income	1,307	1,172
	Donations, bequests and contributions	165	165
	Childcare income	65	723
	Other revenue	3,870	3,115
	<b>Total other income</b>	<b>5,491</b>	<b>5,256</b>
<b>(e)</b>	TAFE Institutes are reimbursed for income foregone as a result of providing Fee Concessions rather than full fees to eligible students in accordance with the TAFE Service Agreement. In 2012, NMIT claimed \$4,419,087 in funding from HESG for Fee Concessions and only received \$3,112,979 representing 70 per cent of the total claim.		

**NOTE 3**  
**EXPENSES FROM TRANSACTIONS**

		<b>INSTITUTE</b>	
		<b>2012</b>	<b>2011</b>
<b>3</b>	<b>Expenses from transactions</b>	<b>\$'000</b>	<b>\$'000</b>
<b>(a)</b>	<b>Employee expenses</b>		
	Salaries, wages, overtime and allowances	83,311	78,038
	Superannuation	6,821	6,389
	Payroll tax	4,169	3,859
	Long service leave	483	827
	Annual leave	308	577
	Other	1,101	1,388
	<b>Total employee expenses</b>	<b>96,193</b>	<b>91,078</b>
<b>(b)</b>	<b>Depreciation and amortisation</b>		
	Depreciation of non-current assets		
	Buildings	3,778	3,659
	Plant and equipment	2,074	2,062
	Motor vehicles	358	395
	Library collections	160	160
	<b>Total depreciation</b>	<b>6,370</b>	<b>6,276</b>
	Amortisation of non-current physical and intangible assets		
	Leasehold improvements	24	24
	Plant and equipment under finance leases	-	33
	<b>Total amortisation</b>	<b>24</b>	<b>57</b>
	<b>Total depreciation and amortisation</b>	<b>6,394</b>	<b>6,333</b>
<b>(c)</b>	<b>Grants and other transfers</b> (other than contributions by owners)		
	Grants and subsidies apprentices and trainees	37	42
	<b>Total grants and other payments</b>	<b>37</b>	<b>42</b>
<b>(d)</b>	<b>Supplies and services</b>		
	Purchase of supplies and consumables	5,069	5,084
	Communication expenses	756	954
	Contract and other services	3,546	3,596
	Cost of goods sold/distributed (ancillary trading)	3,332	3,141
	Building repairs and maintenance	2,566	2,365
	Fees and charges	2,426	2,677
	<b>Total grants and other payments</b>	<b>17,695</b>	<b>17,817</b>
<b>(e)</b>	<b>Other expenses</b>		
	General expenses		
	Marketing and promotional expenses	1,766	2,203
	Audit fees and services	76	95
	Staff development	1,043	761
	Travel and motor vehicle expenses	1,562	1,801
	Other expenses	4,464	3,852
	Consortium Disbursements	5,914	5,745
	Student Expenses	6,844	4,728
	Utilities	2,111	1,780
	Foreign currency translation losses	7	17
	<b>Total other expenses</b>	<b>23,787</b>	<b>20,982</b>

		INSTITUTE	
		2012	2011
		\$'000	\$'000
<b>3</b>	<b>Expenses from transactions</b> <i>continued</i>		
(f)	Operating lease rental expenses:		
	Minimum lease payments	1,017	959
	<b>Total operating lease rental expenses</b>	<b>1,017</b>	<b>959</b>
	<b>Subtotal</b>	<b>24,804</b>	<b>21,941</b>
	Equipment below capitalisation threshold	1,207	1,855
	<b>Total other operating expenses</b>	<b>26,011</b>	<b>23,796</b>

## NOTE 4

### OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

		INSTITUTE	
		2012	2011
		\$'000	\$'000
<b>4</b>	<b>Other economic flows included in net result</b>		
(a)	<b>Net gain/(loss) on non-financial assets</b> (including PPE and intangible assets)		
	Net gain/(loss) arising from changes in fair value	(396)	-
	Net gain/(loss) on disposal of physical assets	(92)	(104)
	<b>Total net gain/(loss) on non-financial assets and liabilities</b>	<b>(488)</b>	<b>(104)</b>
(b)	<b>Other gains/(losses) from other economic flows</b>		
	Bad debts	(21)	(32)
	<b>Total other gains/(losses) from other economic flows</b>	<b>(21)</b>	<b>(32)</b>

## NOTE 5

### CASH AND CASH EQUIVALENTS

		INSTITUTE	
		2012	2011
		\$'000	\$'000
<b>5</b>	<b>Cash and deposits</b>		
	Cash at bank and on hand	1,474	726
	Australian currency Deposits - at call	39,122	26,842
	Deposits - at call with TCV	7,000	20,000
	<b>Total cash and cash equivalents</b>	<b>47,596</b>	<b>47,568</b>

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

		INSTITUTE	
		2012	2011
		\$'000	\$'000
(a)	<b>Reconciliation to cash at the end of the year</b>		
	Balances as above	47,596	47,568
	<b>Balance as per cashflow statement</b>	<b>47,596</b>	<b>47,568</b>

**(b) Cash at bank and on hand**

Refer to Note 24 - Part 1 (iii) for information on cash at bank and on hand.

**(c) Deposits at call**

The deposits are bearing floating interest rates between 5.06 per cent and 3.91 per cent (2011 - 5.26 per cent and 5.06 per cent). These deposits have an average maturity of 45 days.

**(d) Refer to Note 15 for capital and other significant operating commitments that will affect cash and cash equivalents balance in 2013.**



## NOTE 6 RECEIVABLES

		INSTITUTE	
		2012	2011
		\$'000	\$'000
<b>6</b>	<b>Receivables</b>		
	<b>Current receivables</b>		
	Trade receivables <sup>1</sup>	2,246	3,293
	Provision for doubtful contractual receivables(a) (See Note 6(a) below)	(60)	(91)
	Revenue receivable	6,567	6,608
	<b>Total contractual</b>	<b>8,753</b>	<b>9,810</b>
	<b>Statutory</b>		
	Amounts owing from Victorian Government	1,215	533
	GST receivable from ATO	-	44
	<b>Total statutory</b>	<b>1,215</b>	<b>577</b>
	<b>Total current receivables</b>	<b>9,968</b>	<b>10,387</b>
	<b>Total receivables</b>	<b>9,968</b>	<b>10,387</b>

Note

1. The average credit period on sales of goods is 30 days. A provision has been made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. The \$60,854 reduction was recognised in the operating result for the current financial year.

		INSTITUTE	
		2012	2011
		\$'000	\$'000
<b>(a)</b>	<b>Movement in the provision for doubtful contractual receivables</b>		
	Balance at beginning of the year	91	87
	Reversal of unused provision recognised in the net result	-	(4)
	Increase/(decrease) in provision recognised in the net result	(31)	8
	Reversal of provision for receivables written off during the year as uncollectible	-	-
	<b>Balance at end of the year</b>	<b>60</b>	<b>91</b>

		INSTITUTE	
		2012	2011
		\$'000	\$'000
<b>(b)</b>	<b>Ageing analysis of contractual receivables</b>		
	Less than 30 days	1,369	1,664
	Greater than 30 days, less than 60 days	296	321
	Greater than 60 days, less than 90 days	51	314
	Greater than 90 days	530	994
	<b>Balance at end of the year</b>	<b>2,246</b>	<b>3,293</b>

**(c) Nature and extent of risk arising from contractual receivables**

A provision for doubtful debts has been recognised. The trade receivables remaining are expected to be paid in 2013.

**2. Maturity analysis of contractual receivables**

Refer to Note 24(3) for maturity analysis of contractual receivables.

**NOTE 7  
INVENTORIES**

		<b>INSTITUTE</b>	
		<b>2012</b>	<b>2011</b>
<b>7 Inventories</b>		<b>\$'000</b>	<b>\$'000</b>
	<b>Current</b>		
	Print room supplies	13	14
	Hairdressing and Beauty products	19	15
	Hospitality supplies	38	55
	<b>Inventories held-for-sale:</b>		
	at cost		
	Nursery	23	37
	Wine	799	871
	Bookshop	103	111
	<b>Total current inventories</b>	<b>995</b>	<b>1,103</b>

**NOTE 8**

**PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	Construction in progress	Plant and Equipment	Motor Vehicles	Leasehold Improvements	Library	Leased Plant and Equipment	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Institute</b>									
<b>As at January 1 2011</b>									
Cost	-	40,233	1,935	-	-	-	-	-	42,168
Valuation	64,546	128,885	-	21,016	2,645	479	4,227	1,739	223,537
Accumulated depreciation	-	(9,330)	-	(11,455)	(1,304)	(168)	(3,827)	(1,705)	(27,789)
<b>Net book amount</b>	<b>64,546</b>	<b>159,788</b>	<b>1,935</b>	<b>9,561</b>	<b>1,341</b>	<b>311</b>	<b>400</b>	<b>34</b>	<b>237,916</b>
<b>Year ended 31 December 2011</b>									
Opening net book amount	64,546	159,788	1,935	9,561	1,341	311	400	34	237,916
Additions	-	8,846	2,555	1,345	457	-	164	-	13,367
Disposals	-	-	-	(131)	(174)	-	-	-	(305)
Transfers	-	1,738	(1,738)	-	-	-	-	-	-
Depreciation/amortisation expense	-	(3,659)	-	(2,062)	(395)	(23)	(160)	(34)	(6,333)
<b>Closing net book amount</b>	<b>64,546</b>	<b>166,713</b>	<b>2,752</b>	<b>8,713</b>	<b>1,229</b>	<b>288</b>	<b>404</b>	<b>-</b>	<b>244,645</b>
<b>As at 31 December 2011</b>									
Cost	-	50,817	2,752	-	-	-	-	-	53,569
Valuation	64,546	128,885	-	21,592	2,751	479	4,391	1,739	224,383
Accumulated depreciation	-	(12,989)	-	(12,879)	(1,522)	(191)	(3,987)	(1,739)	(33,307)
<b>Net book amount</b>	<b>64,546</b>	<b>166,713</b>	<b>2,752</b>	<b>8,713</b>	<b>1,229</b>	<b>288</b>	<b>404</b>	<b>-</b>	<b>244,645</b>
<b>Year ended 31 December 2012</b>									
Opening net book amount	64,546	166,713	2,752	8,713	1,229	288	404	-	244,645
Additions	-	-	12,058	1,021	534	-	179	-	13,792
Disposals	-	(10)	-	(84)	(285)	-	-	-	(379)
Net revaluation increments/decrements	25,458	12,061	-	-	-	-	-	-	37,519
Transfers	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(3,778)	-	(2,074)	(358)	(24)	(160)	-	(6,394)
<b>Net book amount</b>	<b>90,004</b>	<b>174,986</b>	<b>14,810</b>	<b>7,576</b>	<b>1,120</b>	<b>264</b>	<b>423</b>	<b>-</b>	<b>289,183</b>
<b>As at 31 December 2012</b>									
Cost	-	2,106	14,810	-	-	-	-	-	16,916
Valuation	90,004	173,992	-	22,031	2,703	479	4,570	1,739	295,518
Accumulated depreciation	-	(1,112)	-	(14,455)	(1,583)	(215)	(4,147)	(1,739)	(23,251)
<b>Net book value at the end of the financial year</b>	<b>90,004</b>	<b>174,986</b>	<b>14,810</b>	<b>7,576</b>	<b>1,120</b>	<b>264</b>	<b>423</b>	<b>-</b>	<b>289,183</b>

Note

1. The useful lives of assets as stated in Note 1 are used in the calculation of depreciation as shown in Note 3.

2. Property, plant and equipment includes all operational assets.

(a) Valuations of land and buildings. Freehold land and buildings carried at fair value. Valuations conducted at 31 December 2012 by the Valuer-General Victoria were carried out to assess the Fair Value of the subject property, for Financial Reporting purposes; and assessed against indexation movements for subsequent years. These valuations were undertaken to comply with the Victorian Auditor General's Office (VAGO) requirements and in accordance with the Financial Management Act 1994 and the Australian Accounting Standards Board.

The Institute holds \$37,290,000 worth of buildings listed as heritage assets. These heritage assets cannot be modified or disposed of without Ministerial approval.

**NOTE 9**  
**BIOLOGICAL ASSETS**

**9(a) Plants**

Nature

Vines

Activities

Grape production and harvesting vineyard including establishment involving design, construction and management of vineyards for educational purposes.

	INSTITUTE	
	2012	2011
	\$'000	\$'000
<b>Bearer assets</b>		
<b>Immature assets</b>		
Vine planting	-	-
<b>Mature assets</b>		
Aged vines	227	623
<b>Total contractual</b>	<b>227</b>	<b>623</b>
	<b>QTY</b>	<b>QTY</b>
<b>Quantities</b>		
Ararat (hectares)	29	29
Eden Park (hectares)	7	8
Yarra Glen (hectares)	2	2
Whittlesea (hectares)	1.5	1.5
<b>Total hectares</b>	<b>39.5</b>	<b>40.5</b>
<b>Output</b>		
Tonnes harvested	88.6	111.0
<b>Total output</b>	<b>88.6</b>	<b>111.0</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Fair value of output was determined at current expected market rates</b>		
Wine grape harvest valued at \$868.50 per tonne	47	96
<b>Total fair value of output was determined at current expected market rates</b>	<b>47</b>	<b>96</b>

**9(b) Animals**

## Nature

**Immature assets**

Fish, horses (foals), cattle (calves), sheep (lamb)

**Mature assets**

Bloodstock horses, riding horses, cattle, sheep, Charolais and Angus bulls

## Activities

Equine studies, aquaculture studies and agriculture studies

	INSTITUTE	
	2012	2011
	\$'000	\$'000
<b>Consumable assets</b>		
<b>Immature assets</b>		
Value of natural increases and purchases		
Fish Fingerlings	8	8
Horses	18	24
Cattle	3	3
Sheep	1	-
<b>Mature assets</b>		
Biologically transformed and marketable assets		
Horses	7	7
Cattle	3	6
Sheep	24	14
<b>Total consumable assets</b>	<b>64</b>	<b>62</b>
	<b>QTY</b>	<b>QTY</b>
<b>Quantities</b>		
Fish fingerlings	4,450	4,450
Horses	52	61
Cattle	331	339
Sheep	234	223
<b>Total quantity of consumable assets</b>	<b>5,067</b>	<b>5,073</b>
<b>Output</b>		
Natural increase		
Cattle	171	154
Sheep	204	225
<b>Total quantity of output</b>	<b>375</b>	<b>379</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Fair value of output was</b>		
Determined using a nominal amount at birth	4	4
<b>Total fair value of output</b>	<b>4</b>	<b>4</b>

<b>Bearer assets</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Mature assets</b>		
Mares, Stallions, Charolais and Angus bulls	3,075	3,855
<b>Total bearer assets</b>	<b>3,075</b>	<b>3,855</b>
	<b>QTY</b>	<b>QTY</b>
<b>Quantities</b>		
Bloodstock horses	30	47
Angus bulls	3	3
Charolais bulls	1	-
<b>Total quantity of output</b>	<b>34</b>	<b>50</b>
<b>Output</b>		
Foals natural increase	19	29
<b>Total quantity of output</b>	<b>19</b>	<b>29</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Fair value of output was determined at cost to produce</b>		
Natural increase	6	9
<b>Total fair value of output</b>	<b>6</b>	<b>9</b>

#### Biological assets

	<b>INSTITUTE</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Biological assets</b>		
<b>Reconciliation of changes in carrying amount of biological assets</b>		
Carrying amount at 1 January	4,540	4,285
<b>Increases due to:</b>		
Purchases	30	751
Donations	1	1
Births	10	13
<b>Decreases attributable to:</b>		
Sales	(515)	(295)
Deaths	(304)	(215)
Aged vine devaluation	(396)	-
Other IFRS impairment	-	-
<b>Carrying amount at 31 December</b>	<b>3,366</b>	<b>4,540</b>

**NOTE 10  
OTHER NON-FINANCIAL ASSETS**

		INSTITUTE	
		2012	2011
		\$'000	\$'000
<b>10</b>	<b>Other non-financial assets</b>		
	<b>Current other non-financial assets</b>		
	Prepayments	1,109	791
	<b>Total current other non-financial assets</b>	<b>1,109</b>	<b>791</b>
	<b>Total other non-financial assets</b>	<b>1,109</b>	<b>791</b>

**NOTE 11  
PAYABLES**

		INSTITUTE	
		2012	2011
		\$'000	\$'000
<b>11</b>	<b>Payables</b>		
	<b>Current</b>		
	<b>Contractual</b>		
	Supplies and services	5,360	6,187
	Revenue in advance	6,073	5,548
		<b>11,433</b>	<b>11,735</b>
	<b>Statutory</b>		
	Taxes payable	22	-
	<b>Total current payables</b>	<b>11,455</b>	<b>11,735</b>
	<b>Total other non-financial assets</b>	<b>11,455</b>	<b>11,735</b>

Note

- The average credit period is 30 days.  
No interest is charged on the other payables.
- Maturity analysis of contractual payables  
Refer to Note 24(3) for maturity analysis of contractual payables.

## NOTE 12 PROVISIONS

		INSTITUTE	
		2012	2011
12	Provisions	\$'000	\$'000
<b>Current provisions expected to be settled within 12 months</b>			
Employee benefits			
	Annual leave	5,207	4,899
	Long service leave	824	848
	Performance payments	327	281
		<b>6,358</b>	<b>6,028</b>
<b>Current provisions expected to be settled after 12 months</b>			
Employee benefits			
	Long service leave	9,414	9,139
<b>Total current provisions expected to be settled after 12 months</b>		<b>9,414</b>	<b>9,139</b>
<b>Total current provisions</b>		<b>15,772</b>	<b>15,167</b>
<b>Non-current</b>			
Employee benefits			
	Long service leave	1,587	1,355
<b>Total non-current provisions</b>		<b>1,587</b>	<b>1,355</b>
<b>Total provisions</b>		<b>17,359</b>	<b>16,522</b>

### (a) Classification of employee benefits as current or non-current

#### Current

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
- other long term employee benefits that do not fall due within 12 months after the end of the period, measured at present value.

#### Non-current

Long service leave representing less than 7 years of continuous service measured at present value.

		INSTITUTE	
		2012	2011
(b)	Movements in provisions - performance payments	\$'000	\$'000
<b>Movements in each class, other than employee provisions during the financial year are set out below:</b>			
	Carrying amount at start of year	281	320
	Additional provisions recognised	365	396
	Amounts used	(319)	(435)
<b>Carrying amount at end of year</b>		<b>327</b>	<b>281</b>



**NOTE 13**  
**EQUITY**

		<b>INSTITUTE</b>	
		2012	2011
13	Equity	\$'000	\$'000
	<b>(a) Contributed capital</b>		
	Balance at 1 January	31,681	31,681
	Capital contributions	-	-
	Transfer to Government department	-	-
	<b>Balance at 31 December</b>	<b>31,681</b>	<b>31,681</b>
	<b>(b) Accumulated surplus/(deficit)</b>		
	Balance at 1 January	93,524	79,984
	Net result for the year	5,107	13,540
	<b>Balance at 31 December</b>	<b>98,631</b>	<b>93,524</b>
	<b>(c) Reserves</b>		
	<b>Composition of reserves</b>		
	<b>Asset revaluation reserve</b>		
	Land	95,316	69,859
	Buildings	97,775	85,713
	<b>Balance at 31 December</b>	<b>193,091</b>	<b>155,572</b>
	<b>Total equity</b>	<b>323,403</b>	<b>280,777</b>

		<b>INSTITUTE</b>	
		2012	2011
		\$'000	\$'000
	<b>Movements in Reserves</b>		
	<b>Asset revaluation reserve - land</b>		
	Balance at 1 January	69,859	69,859
	Revaluation increment on non-current assets	25,458	-
	<b>Balance at 31 December</b>	<b>95,317</b>	<b>69,859</b>
	<b>Asset revaluation surplus - buildings</b>		
	Balance at 1 January	85,713	85,713
	Revaluation increment on non-current assets	12,061	-
	<b>Balance at 31 December</b>	<b>97,774</b>	<b>85,713</b>

## NOTE 14 EQUITY

		INSTITUTE	
		2012	2011
14	Cash flow information	\$'000	\$'000
<b>(a) Reconciliation of operating result after income tax to net cash operating activities</b>			
	Net result for the year	5,107	13,540
	<b>Non-cash flows in operating result</b>		
	Depreciation and amortisation of non-current assets	6,394	6,333
	Net (gain)/loss on sale of non-current assets	92	104
	Impairment of non-current assets	-	-
	Net (gain)/loss on changes in fair value of vineyard	396	-
	<b>Total non-cash flows in operating result</b>	<b>6,882</b>	<b>6,437</b>
	<b>Movements in operating assets and liabilities</b>		
	Decrease/(increase) in trade receivables	419	(4,436)
	Decrease/(increase) in inventories (including wine)	108	(51)
	Decrease/(increase) in biological assets (excluding wine)	808	496
	Decrease/(increase) in other assets	(328)	(61)
	Increase/(decrease) in payables	(826)	1,299
	Increase/(decrease) in provisions	837	1,365
	<b>Total movement in operating assets and liabilities</b>	<b>1,018</b>	<b>(1,388)</b>
	<b>Net cash flows provided by/(used in) operating activities</b>	<b>13,007</b>	<b>18,589</b>

## NOTE 15 COMMITMENTS

		INSTITUTE	
		2012	2011
15	Commitments for expenditure	\$'000	\$'000
<b>(a) Capital commitments</b>			
<b>Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:</b>			
	Property, plant and equipment		
	Payable:		
	Within one year	8,282	22,964
	Later than one year but not later than five years	3,815	7,685
	Later than five years	-	-
	<b>Total property, plant and equipment</b>	<b>12,097</b>	<b>30,649</b>
	<b>Total capital expenditure commitments</b>	<b>12,097</b>	<b>30,649</b>

The above commitments include capital expenditure commitments of \$12,097,000 (2011 : \$30,649,000) relating to the following:

Redevelopment project - Preston	\$9,179,000
Redevelopment of Building U - Preston	\$1,362,000
New service road project - Fairfield	\$111,000
New pedestrian path - Fairfield	\$269,000
Stage 1 development - Epping	\$1,176,000

## Lease commitments

		INSTITUTE	
		2012	2011
15	Commitments	\$'000	\$'000
<b>(b) Lease commitments</b>			
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:			
	Within one year	835	691
	Later than one year but not later than five years	1,604	510
	Later than five years	324	-
<b>Total lease commitments</b>		<b>2,763</b>	<b>1,201</b>
<b>Net commitments operating leases</b>		<b>2,763</b>	<b>1,201</b>
Representing			
	Non-cancellable operating leases	2,763	1,201
<b>Total lease commitments</b>		<b>2,763</b>	<b>1,201</b>

### Operating leases

NMIT leases certain land, buildings and equipment to meet current teaching requirements, at current market rates.

## Other expenditure commitments

		INSTITUTE	
		2012	2011
15	Commitments	\$'000	\$'000
<b>(c) Other expenditure commitments</b>			
<b>Commitments for contract cleaning in existence at the reporting date but not recognised as liabilities, payable:</b>			
	Within one year	1,523	1,560
	Later than one year but not later than five years	-	-
	Later than five years	-	-
<b>Total other expenditure commitments</b>		<b>1,523</b>	<b>1,560</b>
<b>Net commitments other expenditure commitments</b>		<b>1,523</b>	<b>1,560</b>
<b>Total commitments</b>		<b>16,383</b>	<b>33,410</b>

**NOTE 16**  
**LEASED ASSETS**

		INSTITUTE	
		2012	2011
16	Leased assets	\$'000	\$'000
<b>As at the reporting date the Institute leased out the following assets:</b>			
	Educational facilities	1,078	1,401
<b>Gross amount of leased assets</b>		<b>1,078</b>	<b>1,401</b>
<b>Finance lease receivables</b>			
Non-cancellable operating lease receivables			
Payments due			
	Within one year	423	406
	Later than one year but not later than five years	519	751
	Later than five years	136	244
<b>Total finance lease receivables</b>		<b>1,078</b>	<b>1,401</b>
<b>Net operating leases receivables</b>		<b>1,078</b>	<b>1,401</b>

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

**NOTE 17**  
**CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

		INSTITUTE	
		2012	2011
17	Contingencies assets and contingent liabilities	\$'000	\$'000
<b>Details and estimates of maximum amounts of contingent assets and contingent liabilities, classified in accordance with the party from whom the liability could arise and for which no provisions are included in the accounts, are as follows:</b>			
In respect of organisations			
	Government	-	-
	Legal disputes - capital projects 2012	625	455
	Legal disputes - capital projects 2011	-	(450)
	Legal disputes - commercial 2012	350	-
<b>Total in respect of organisations</b>		<b>975</b>	<b>5</b>
<b>Total estimated contingent assets and (liabilities)</b>		<b>975</b>	<b>5</b>

**NOTE 18  
ECONOMIC DEPENDENCY**

		INSTITUTE	
		2012	2011
18	Economic dependency	\$'000	\$'000
	Government contributions - operating	70,231	77,843
	Government contributions - capital	15,013	11,229
		<b>85,244</b>	<b>89,072</b>

In 2012, 46 per cent of income was generated from government contributions - operating, compared to 51 per cent in 2011.

**NOTE 19  
SUBSEQUENT EVENTS**

**19 Subsequent events**

There were no material subsequent events that occurred after the reporting date.

**NOTE 20  
REMUNERATION OF AUDITORS**

		INSTITUTE	
		2012	2011
20	Remuneration of auditors	\$'000	\$'000
	<b>Remuneration of Victorian Auditor General's Office for:</b>		
	Audit of the financial statements	30	29
	<b>Total remuneration of Victorian Auditor General's Office</b>	<b>30</b>	<b>29</b>
	<b>Remuneration of internal auditors</b>		
	Internal auditors	46	66
	<b>Total remuneration of other auditors of subsidiaries</b>	<b>46</b>	<b>66</b>
	<b>Total remuneration of auditors</b>	<b>76</b>	<b>95</b>

## NOTE 21 SUPERANNUATION

Employees of the Institute are entitled to receive superannuation benefits and the Institute contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Institute.

The name and details of the major employee superannuation funds and contributions made by the Institute are as follows:

21	Superannuation	INSTITUTE	
		2012	2011
		\$'000	\$'000
	<b>Paid contribution for the year</b>		
	Defined benefit plans:		
	State superannuation fund – revised scheme 17.6%	257	366
	State superannuation fund – new scheme 7.4% - 10.3%	773	763
	SERB Scheme 13.3%	21	20
	<b>Total defined benefit plans</b>	<b>1,051</b>	<b>1,149</b>
	Defined contribution plans:		
	VicSuper 9%	4,138	3,907
	National Mutual 9%	14	20
	Hesta 9%	119	146
	UniSuper 9% - 17%	296	246
	Other Funds 9%	1,235	969
	<b>Total defined contribution plans</b>	<b>5,802</b>	<b>5,288</b>
	<b>Total paid contribution for the year</b>	<b>6,853</b>	<b>6,437</b>
	<b>Contribution outstanding at year end</b>		
	Defined benefit plans:		
	State superannuation fund – revised and new	-	-
	Other	-	-
	<b>Total defined benefit plans</b>	<b>-</b>	<b>-</b>
	Defined contribution plans:		
	VicSuper	30	7
	Other	-	-
	<b>Total defined contribution plans</b>	<b>30</b>	<b>7</b>
	<b>Total</b>	<b>30</b>	<b>7</b>

The Institute does not have any contributions outstanding to the above funds and there have been no loans made from the funds. The bases for contributions are determined by the various schemes.

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## **NOTE 22**

### **KEY MANAGEMENT PERSONNEL DISCLOSURES**

#### Responsible persons related disclosures

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

#### **(i) Minister**

The relevant Minister is The Hon Peter Hall MP, Minister for Higher Education and Skill and Ministers responsible for the Teaching Profession. Remuneration of the Ministers is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members interests which is completed by each member of the Parliament.

#### **(ii) Directors of the Board of Northern Melbourne Institute of TAFE**

##### **Dr A Giddy**

(President until February 2012)

(NMIT Chief Executive Officer from March 2012)

##### **Ms E Forde**

(Past President)

##### **Mr C Watson**

##### **Ms J Acquaro**

(President)

##### **Mr B Motz**

##### **Ms A Ivey**

(Deputy Vice President to March 2012)

##### **Mr D Makris**

(appointed April 2012)

##### **Mr B MacDonald**

(NMIT Chief Executive Officer to February 2012)

##### **Dr J Wajsenberg**

##### **Prof D Finlay**

##### **Ms H Campbell**

##### **Mr A Kuypers**

(student representative)

##### **Ms J Stephens**

(appointed April 2012)

##### **Mr T Losonn-Wilkins**

(staff representative)

##### **Mr A Monley**

##### **Mr B Tassone**

(appointed April 2012)

## Responsible persons

		INSTITUTE	
		2012	2011
		\$'000	\$'000
<b>22</b>	<b>Key management personnel disclosures</b>		
	Executive officers' remuneration		
	Remuneration received, or due and receivable from the Institute in connection with the management of the Institute. Includes termination payments and bonuses paid at end of contracts.	500	447
	Remuneration received, or due and receivable from the Institute in connection with the management of any related party entity.	-	-
		<b>No.</b>	<b>No.</b>
	\$ 0 - \$ 9,999	12	14
	30,000 - 39,999	-	1
	40,000 - 49,999	-	1
	50,000 - 59,999	-	-
	70,000 - 79,999	3	1
	270,000 - 279,000	1	-
	290,000 - 299,000	-	1
	<b>Total number of responsible persons</b>	<b>16</b>	<b>18</b>
		<b>\$'000</b>	<b>\$'000</b>
	Retirement benefits of Board members		
	The retirement benefits paid by the Institute in connection with the Board members of the Institute amounted to:	-	-
	<b>Total retirement benefits of Board members</b>	<b>-</b>	<b>-</b>

## Executive officers

		Base Remuneration		Total Remuneration	
		2012	2011	2012	2011
		\$'000	\$'000	\$'000	\$'000
<b>22</b>	<b>Key management personnel disclosures</b>				
	Executive officers' remuneration				
	The number of executive officers 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.				
	Base remuneration of executive officers	3,136	2,781	-	-
	Total remuneration of executive officers	-	-	3,314	2,951



22 Key management personnel disclosures	No.	No.	No.	No.
Income range				
The number of executive officers whose remuneration from the Institute was within the specified bands are as follows:				
\$				
100,000 - 109,999	1	-	-	-
110,000 - 119,999	-	-	1	-
140,000 - 149,999	1	2	-	-
150,000 - 159,999	-	11	1	3
160,000 - 169,999	14	1	2	10
170,000 - 179,999	-	-	12	1
180,000 - 189,999	-	2	-	-
190,000 - 199,999	2	-	-	-
200,000 - 209,999	-	-	2	2
210,000 - 219,999	1	1	-	-
220,000 - 229,999	-	-	1	1
<b>Total executive officers</b>	<b>19</b>	<b>17</b>	<b>19</b>	<b>17</b>
<b>Total annualised employee equivalent (AEE)<sup>a</sup></b>	<b>18.6</b>	<b>16.8</b>	<b>18.6</b>	<b>16.8</b>

#### Key management personnel

22 Key management personnel disclosures	INSTITUTE	
	2012	2011
	\$'000	\$'000
Executive officers' personnel compensation		
Short-term employee benefits	19	17
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total key management personnel compensation</b>	<b>19</b>	<b>17</b>

- (a) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.
- There were two (2) Executive positions that commenced part way through 2011 and continued into the 2012 year.
- In addition, one executive terminated their employment in 2011 on 30/3/2011.

## NOTE 23 RELATED PARTIES

### Key management personnel

Disclosures relating to directors and specified executives are set out in Note 23.  
There are no ex-gratia payments in 2012 (2011 - nil).

### Transactions with related parties

The following transactions occurred with related parties:

One (2011: Two) Institute Board Directors declared a pecuniary interest in Institute operations during 2012.

		INSTITUTE	
		2012	2011
23	Related parties	\$'000	\$'000
	<b>Total sale of goods and services</b>	<b>19</b>	<b>17</b>
	<b>Purchase of goods</b>		
	Mr A. Ray - equipment and services provided at commercial rate	-	5
	Mr C. Watson - consultant, equine programs	133	131
	<b>Total purchase of goods</b>	<b>133</b>	<b>136</b>

## NOTE 24 - 1 FINANCIAL INSTRUMENTS (PART I)

### 24 Financial instruments

#### Financial risk management

#### (i) Financial risk management objectives

The Institute's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Institute's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Institute.

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

Risk management is carried out by the Chief Finance Officer with the Finance function of the Institute under policies approved by the Board. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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

#### (ii) Financial risk exposures and 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.

(iii) Categorisation of financial instruments

**Carrying amount of financial instruments by category:**

Financial Assets	Note	Category
Cash and deposits	5	Cash
Receivables <sup>(a)</sup>	6	Loans and receivables

INSTITUTE	
2012	2011
\$'000	\$'000
47,596	47,568
8,753	9,810
<b>56,349</b>	<b>57,378</b>

(a) Receivables disclosed here exclude statutory receivables.

**Carrying amount of financial instruments by category:**

Financial Liabilities	Note	Category
Trade and other payables	11	Payables

INSTITUTE	
2012	2011
\$'000	\$'000
5,360	6,187
<b>5,360</b>	<b>6,187</b>

**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.

**Foreign currency risk**

The Institute is exposed to fluctuations in foreign currencies arising from the delivery of services in currencies other than AU\$. There has been no significant change in the Institute's 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.

**Price risk**

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

There has been no significant change in the Institute's objectives, policies and processes for managing price risk or the methods used to measure this risk from the previous reporting period. It should be noted that the Insitute has experienced an increase in price risk as a result of government policies supporting the new VET open market.

**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 predominately through a mixture of short term and longer term investments.

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### **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 Institute's exposure, or its objectives, policies and processes for managing funding risk or the methods used to measure this risk from the previous reporting period.

### **Concentrations of credit risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 31 December 2012.

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 contracts.

The Institute does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Institute.

The Institute minimises 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:

- 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 contracts.

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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 the 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
- results and certificates are withheld until student loans are paid in full.

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

## Liquidity risk

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

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.

## NOTE 24 - 2 FINANCIAL INSTRUMENTS (PART II)

### 24 Financial Instruments

#### (ii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Institute's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

	Carrying amount	Interest rate risk			
		-1%		1%	
		Result	Result	Result	Equity
31 December 2012	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cheque and cash management accounts	1,474	(15)	(15)	15	15
Bank deposits - at call	46,122	(461)	(461)	461	461
<b>Total increase/(decrease)</b>	<b>47,596</b>	<b>(476)</b>	<b>(476)</b>	<b>476</b>	<b>476</b>

	Carrying amount	Interest rate risk			
		-1%		1%	
		Result	Result	Result	Equity
31 December 2011	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cheque and cash management accounts	726	(7)	(7)	7	7
Bank deposits - at call	46,842	(468)	(468)	468	468
<b>Total increase/(decrease)</b>	<b>47,568</b>	<b>(475)</b>	<b>(475)</b>	<b>475</b>	<b>475</b>

## NOTE 24 - 3 FINANCIAL INSTRUMENTS (PART III)

### 24 Financial instruments

#### (iii) Financial instrument composition and interest rate exposure

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

Exposure to interest rate risk is insignificant and may arise primarily through the Institute's borrowings. As at the reporting date, the Institute did not have any borrowings.

The Department's exposure to interest rate risk is set out below:

	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Floating interest rate	Fixed interest rate	Non-Interest Bearing
2012	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash and deposits					
Cash at bank and on hand	3.0	1,474	1,467	-	7
Deposits at call	4.5	46,122	-	46,122	-
Contractual receivables					
Trade receivables	-	2,186	-	-	2,186
Revenue receivables	-	6,567	-	-	6,567
<b>Total financial assets</b>	<b>8</b>	<b>56,349</b>	<b>1,467</b>	<b>46,122</b>	<b>8,760</b>
<b>Consolidated</b>					
Trade and other payables	-	5,360	-	-	5,360
<b>Total financial liabilities</b>	<b>-</b>	<b>5,360</b>	<b>-</b>	<b>-</b>	<b>5,360</b>

	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Floating interest rate	Fixed interest rate	Non-Interest Bearing
2011	%	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash and deposits					
Cash at bank and on hand	3.9	726	719	-	7
Deposits at call	5.2	46,842	-	46,842	-
Contractual receivables					
Trade receivables	-	3,202	-	-	3,202
Revenue receivables	-	7,185	-	-	7,185
<b>Total financial assets</b>	<b>9</b>	<b>57,955</b>	<b>719</b>	<b>46,842</b>	<b>10,394</b>
<b>Financial liabilities</b>					
Trade and other payables	-	6,187	-	-	6,187
<b>Total financial liabilities</b>	<b>-</b>	<b>6,187</b>	<b>-</b>	<b>-</b>	<b>6,187</b>

(iv) Ageing analysis of financial assets

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the contractual maturity analysis for the Institute's financial assets and financial liabilities.

	Carrying amount	Not past due and not impaired	Maturity dates				Impaired financial assets
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	
<b>2012 financial assets</b>							
Contractual receivables							
Trade receivables	2,186	1,369	-	347	530	-	(60)
Revenue receivables	-	-	-	-	-	-	-
<b>Total 2012 financial assets</b>	<b>2,186</b>	<b>1,369</b>	<b>-</b>	<b>347</b>	<b>530</b>	<b>-</b>	<b>(60)</b>
<b>2012 financial liabilities</b>							
Financial liabilities							
Trade and other payables	5,360	-	4,386	974	-	-	-
<b>Total 2012 financial liabilities</b>	<b>5,360</b>	<b>-</b>	<b>4,386</b>	<b>974</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Carrying amount	Not past due and not impaired	Maturity dates				Impaired financial assets
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	
<b>2011 financial assets</b>							
Contractual receivables							
Trade receivables	3,202	1,664	-	635	994	-	(91)
Revenue receivables	-	-	-	-	-	-	-
<b>Total 2011 financial assets</b>	<b>3,202</b>	<b>1,664</b>	<b>-</b>	<b>635</b>	<b>994</b>	<b>-</b>	<b>(91)</b>
<b>2011 financial liabilities</b>							
Financial liabilities							
Trade and other payables	6,187	-	6,187	-	-	-	-
<b>Total 2011 financial liabilities</b>	<b>6,187</b>	<b>-</b>	<b>6,187</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTE 24 - 4 FINANCIAL INSTRUMENTS (PART IV)

### 24 Financial instruments

#### Fair value estimation

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

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

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

For other assets and other liabilities the fair value approximates their carrying value. Financial assets where the carrying amount exceeds fair values have not been written down as the Institute intends to hold these assets to maturity.

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

	2012		2011	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
<b>31 December 2012</b>				
<b>Financial assets</b>				
Cash and cash equivalents				
Cash at bank and on hand	1,474	1,474	726	726
Deposits at call	46,122	46,122	46,842	46,842
Contractual receivables				
Trade receivables	2,186	2,186	3,202	3,202
Revenue receivables	7,782	7,782	7,185	7,185
<b>Total financial assets</b>	<b>57,564</b>	<b>57,564</b>	<b>57,955</b>	<b>57,955</b>
<b>Financial liabilities</b>				
Payables	5,360	5,360	6,187	6,187
<b>Total financial assets</b>	<b>5,360</b>	<b>5,360</b>	<b>6,187</b>	<b>6,187</b>



# 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.

The financial report was authorised for issue by the Board members on 25 February 2013.

The Northern Melbourne Institute of TAFE has the power to amend and reissue the financial report.

## REPORT OF OPERATIONS AND 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	003 - 040	1, 2
SD 4.5.5	Signature of responsible person - Attestation on compliance with the Australian/New Zealand Risk Management Standard	009	3
SD 4.2 (j); FRD 22	Signature of President of Institute Board	003	4
FRD 22	Manner of establishment and relevant Minister	Inside front cover, 005, 101	5
FRD 22	Objectives, functions, powers and duties	005 - 006	6
FRD 22	Services provided and persons or sections of the community served	014 - 016	7
FRD 22	Organisational structure	013	8
TAFE Governance Review	Board structure and committees	005 - 008	9
TAFE Governance Review	Names and qualifications of members of the Board and number of meetings attended	006 - 007	10
TAFE Governance Review	Summary of training of the Board	006	11
TAFE Governance Review	Summary of performance and activities of the Board	005 - 008	12
FRD 22	Workforce data	041 - 045	13
FRD 22	Application of employment and conduct principles	045	14
FRD 22	Occupational health and safety	046	15
FRD 22	Industrial relations	045	16
FRD 10	Disclosure Index identifying relevant clauses of Victorian legislation with statutory disclosure requirements	111 - 115	17, 18, 19
FRD 11	Ex gratia payments	104	20
FRD 21 (1) (a)	Names of responsible persons	101	21
FRD 21 (1) (b)	Total remuneration of responsible persons	102	22
FRD 21 (1) (c)	Remuneration of responsible persons by bands	103	23
FRD 21 (d)	Related party transactions	104	24
FRD 21 (2) (a)	Total remuneration of executive officers	102	25

Legislation	Requirement	Page	Checklist item/s:
FRD 21 (2) (b)	Base remuneration (disclosed separately from actual remuneration)	102	26
FRD 21 (2) (c)	Accrual principles	072	27
FRD 22	Summary of financial results with comparative information for preceding four years	057	28
FRD 22	Summary of significant changes in financial position	058	29
FRD 22	Operational objectives for the year and performance against those objectives	014 - 016	30
FRD 22	Events subsequent to balance date	058	31
FRD 22	Consultancies valued in excess of \$10,000; consultancies valued at less than \$10,000; and total expenditure on consultancy engagements	058 - 059	32, 33, 34
FRD 22	Financial information consistent with that included in the financial statements	003, 014 - 016, 045 - 046, 054 - 057	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 an entity's operations and activities for the reporting period.	001 - 057	36
FRD 27	Audited Statement of Performance including relevant performance targets and indicators, results, and explanations of any variance between targets and results	053 - 058	37
FRD 22	Application and operation of FOI Act 1982 (including amendments of 3 August 2007)	045	38
FRD 22	Compliance with Building Act 1993 (including amendments of 1 July 2007)	046	39
FRD 22	Compliance with Whistleblowers Protection Act 2001 (including amendments of 1 July 2007)	046	40
FRD 22	Compliance with National Competition Policy	046	41
FRD 22	Statement of environmental performance	041	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	059	43, 44, 45, 46, 47, 49, 50, 51, 52
FRD 22	Fees and charges	060	48
PAEC (Dec 1997)	Financial and other information on initiatives taken or strategies relating to the institute's international operations	015, 035, 047 - 050	53
3.110 Auditor General Special Review	Offshore operations: risks; strategies; performance measures, targets and outcomes	047 - 050	54
FRD 27	Signed Statement of Performance Management Certificate	053	55
	Reporting against Key Performance Indicators	054 - 057	

# 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	067	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	067, 072	61, 62, 63
SD 4.2 (b)	Operating Statement	068	64
AASB101 (82) (a)	Income from transactions	068	
AASB101 (89)	Expenses from transactions	068	
AASB1049.32	Net result from transactions	068	
AASB5.33 (a)	Net result from discontinued operations	068	
AASB101 (81) (f)	Net result for the year	068	
SD 4.2 (b)	Balance Sheet	069	
AASB101 (58) (a)	Financial assets	069	
AASB101 (58) (a)	Non-financial assets	069	
AASB101 (54) (58)	Liabilities	069	
AASB101 (54)	Reserves	069	
AASB101 (54)	Contributed capital	069	
SD 4.2 (b)	Recognised income and expenses	070	66
AASB101	Statement of Changes in Equity	070	
AASB101 (106)	Total equity at the beginning of the year	070	
SD 4.2 (b)	Statement of cash flows	071	67
AASB107.10	Cash flows from operating activities	071	
AASB107.10	Cash flows from investing and financing activities	071	
AASB107	Cash at the beginning and end of the year	071	
AASB107	Financing arrangements	071	
SD 4.2 (b)	Notes to financial statements	072 - 110	
AASB101 and 127 (42) (a)	Note 1 Statement of significant accounting policies	072	
AASB101.117 (a) AASB101	Note 1 policies - 1.01 Scope and presentation of financial statements	072	
	1.02 Basis of accounting preparation and measurement	072	
AASB101.138 (a)	Note 1 policies - 1.03 Reporting entity	073	
	1.04 Basis of consolidation	073	
AASB110.3	Note 1 policies - 1.05 Events after reporting date	073	
AASB101.110	Note 1 policies - 1.06 Goods and services tax	073	
AASB118	Note 1 policies - 1.07 Income from transactions	073 - 074	
AASB116	Note 1 policies - 1.08 Expenses from transactions	074 - 075	
AASB136 FRD103A	Note 1 policies - 1.09 Other economic flows included in net results	075 - 076	

Legislation/ Accounting Standard	Requirement	Page (and clause if applicable)	Checklist item/s:
AASB107	Note 1 policies - 1.10 Financial assets	076 - 077	68
AASB117; FRD103	Note 1 policies - 1.11 Leases	077 - 078	
AASB102	Note 1 policies - 1.12 Non-financial assets	078 - 080	
AASB7; 139, 47, FRD106	Note 1 policies - 1.13 Liabilities	080 - 081	
AASB128; 101, 137	Note 1 policies - 1.14 Commitments	081	
AASB101	Note 1 policies - 1.15 Contingent assets and liabilities	081	
FRD119, 2A	Note 1 policies - 1.16 Equity	082	
AASB101, 121, 53, FRD104	Note 1 policies - 1.17 Foreign currency translations	082	
AASB1031.9	Note 1 policies - 1.18 Materiality	082	
AASB101.51 (e), SD4.2 (d)	Note 1 policies - 1.19 Rounding of amounts	082	
AASB108, 132	Note 1 policies - 1.20 Comparative information	082	
AASB108	Note 1 policies - 1.21 Change in accounting policy	082	
AASB108	Note 1 policies - 1.22 New accounting standards and interpretations	082 - 083	
AASB101.97	Note 2 Income from Transactions	084	
AASB101.97	Government contributions (operating)	084	
AASB101.97	Government contributions (capital)	084	
AASB118 (35) (b) (iii)	Other income Fee for Service, Other	084	
AASB118.35	Course fees and charges	084	
AASB118	Sale of goods	084	
AASB101 (97)	Note 3 Expenses from transactions	085 - 086	
AASB101 (97)	Employee Benefits	085	
AASB101.104 AASB7	Depreciation and Amortisation Finance Costs Other Expenses	085 - 086	
AASB101.97	Note 4 Other economic flows included in net result	086	
AASB132.60	Note 5 Cash and cash equivalents	086	
AASB101.61	Note 6 Receivables	087	
AASB101.36	Note 7 Inventories	088	
AASB116	Note 8 Property, Plant and Equipment	089	
AASB101.88	Note 9 Biological Assets	090 - 092	
AASB7.8	Note 10 Other Non-financial Assets	093	
AASB101.61	Note 11 Payables	093	
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AASB101.97	Note 13 Equity	095	
AASB107	Note 14 Cashflow information	096	
AASB101	Note 15 Commitments	096 - 097	
AASB101	Operating lease commitment	097	
AASB101	Note 16 Leased assets	098	
AASB137	Note 17 Contingencies	098	
AASB101	Note 18 Economic dependency	099	

<b>Legislation/ Accounting Standard</b>	<b>Requirement</b>	<b>Page (and clause if applicable)</b>	<b>Checklist item/s:</b>
AASB110	Note 19 Events occurring after the balance sheet date	099	68
AASB101	Note 20 Remuneration of auditors	099	
AASB119	Note 21 Superannuation	100	
AASB124	Note 22 Key management personnel disclosures	101 - 103	
AASB124	Note 23 Related parties	104	
AASB7, FDR11	Note 24 Financial instruments	104 - 110	
AASB7	Note 24.1 - Financial risk management	104 - 107	
AASB7	Note 24.2 - Summarised sensitivity analysis	107	
AASB7	Note 24.3 - Financial instrument composition and maturity analysis	108 - 109	
AASB7	Note 24.4 - Fair value estimation	110	
SD 4.2 (c)	Opinion of fair representation	067	69
SD 4.2 (a, c)	Opinion of accordance with Directions of the Minister for Finance; awareness of circumstances that could result in misleading or inaccurate information	067	
SD 4.2 (e)	Reviewed and recommended by Audit Committee	067	
SD 4.2 (c)	Preparation in accordance with Financial Reporting Directions	067	70
SD 4.2 (c)	Compliance with applicable Australian account standards (AAS and AASB standards) and other mandatory professional reporting requirements	067	71

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## CAMPUSES

### Ararat

Grano Street  
Ararat VIC 3377

### Collingwood

20 Otter Street  
Collingwood VIC 3066

### Epping

Corner Cooper Street and Dalton Road  
Epping VIC 3076

### Fairfield

Yarra Bend Road  
Fairfield VIC 3078

### Greensborough

Civic Drive  
Greensborough VIC 3088

### Heidelberg

Corner Waterdale Road and Bell Street  
Heidelberg VIC 3081

### Preston

77-91 St Georges Road  
Preston VIC 3072

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## TRAINING CENTRES

### Growling Frog Vineyard

1910 Donnybrook Road  
Yan Yean VIC 3755

### NMIT Kyneton Park

Campaspe Place  
Kyneton VIC 3444

### Northern AMEP Centre

Corner Belfast and Blair Street  
Broadmeadows VIC 3047

### Northern Lodge, Eden Park

Glen Robin Court  
Eden Park VIC 3757

### Northern Lodge, Yan Yean

2005 Plenty Road  
Yan Yean VIC 3755

### Yarra Valley Racing Centre

Armstrong Grove  
Yarra Glen VIC 3775

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