



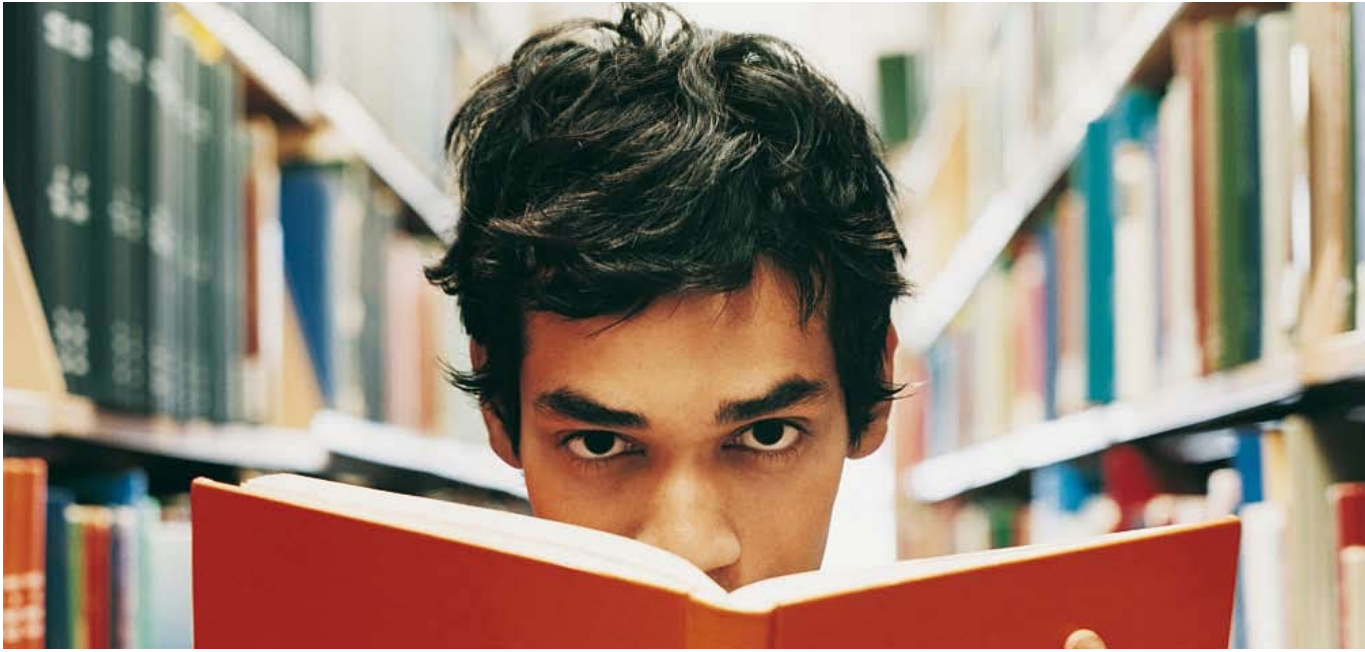
Annual Report
2005

Northern Melbourne Institute of TAFE



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General Information



COUNCIL PRESIDENT'S REPORT

President's Report

2005 has been a year of challenges, achievements and success. I am proud to announce that NMIT has again fully achieved all Performance Agreement Targets set for NMIT by the Victorian Learning and Employment Skills Commission. NMIT produced a budget surplus and generated significant extraneous income. These pleasing results have been achieved, in a very competitive environment, by paying detailed attention to all aspects of our operations.

The Victorian State Government's recurrently funded vocational education and training programs is the core business of NMIT and NMIT has as its primary aim the delivery of first class education to students in a supportive learning environment. Providing a first class education to a diverse group of students requires continuous innovation and improvement in teaching and improvement to infrastructure and services. In order to support innovation, improvement, growth and expansion NMIT undertook the following initiatives in 2005.

Infrastructure Maintenance and Development

Providing first class programs requires constant attention to the state of buildings, equipment and information technology. In 2005, NMIT completed an extensive program of maintenance and development at all campuses. This program included landscaping, refurbishment and extensions. NMIT invested nearly \$4 million in new equipment to support program delivery and completed a program of server and computer laboratory upgrades.

Program Development: Vocational Education and Training

In 2005 NMIT designed, developed and accredited an extensive range of short courses. In addition, NMIT designed and developed for accreditation by the Victorian Qualifications Authority courses in sustainable agriculture, sustainable water and ornamental horticulture.

Higher Education

NMIT became the first Victorian TAFE institute to become a Higher Education Provider under the Commonwealth Government's Higher Education Support Act. As an approved higher education provider students are eligible to apply for loans to support study in NMIT's higher education programs.

In 2005 NMIT received Ministerial approval to offer the Bachelor of Equine Studies and an Associate Degree in Accounting. In addition, the Bachelor of Australian Popular Music and two associate degrees in International Business are in the final stages of the approval process.

Student Achievements

I am pleased to report that NMIT students were successful in state and national competitions. In addition, students successfully exhibited art works and published texts including poetry, fiction and non-fiction.

Students in the Faculties of Engineering, Building and Construction, Earth Sciences and Tourism and Hospitality won awards in national and state competitions. Further, 40 sponsors awarded 88 scholarships to NMIT students to support them in their studies.

Staff Achievements

Staff at NMIT are distinguished by their commitment to high quality vocational education and training. Staff awards included a TAFE Development Centre TAFE Teaching Fellowship and a Locksmithing Award for Excellence.

Product development

NMIT's applied research program includes wine production and an equine breeding program. NMIT has continued to win awards for its wine production. In 2005, gold medals were received at the Perth Royal Show, the Royal Hobart Show and the Boutique Wines of Australia Show.

Governance and Quality Assurance

Increasing attention is being paid to corporate governance by the Victorian state government. NMIT Councillors attended Good Governance training sessions offered through the Office of Training and Tertiary Education.

NMIT continues its commitment to quality in teaching, learning and in the conduct of support services. In 2005, NMIT celebrated the achievement of 10 years of ISO 9001 certification.

International Operations

NMIT continued its partnership arrangements with a range of universities in China. An agreement was finalised between NMIT and the Genesis Education Centre based in Hong Kong to deliver business programs.

NMIT continued its relationship with the Hong Kong Jockey Club and developed a close working relationship with the Malaysian Equine Council.

Partnership arrangements have been established with three private post secondary colleges in South Korea to deliver a range of business, hospitality and welfare programs.

NMIT expanded its international operation from a total of 4,000 students in 2004 to a total of 4,500 students in 2005.



Acknowledgements

NMIT has successfully achieved its performance targets due to the good work of all staff. This good work is evidenced by the manner in which staff approach and perform their roles in dealing with students, in developing and maintaining an appropriate learning environment for every student, in dealing with clients, in dealing with colleagues and in dealing with suppliers.

On behalf of this Institute I wish to thank all staff for their hard work and commitment. NMIT is well placed to meet the challenges we face in 2006 and we look forward to building an even stronger NMIT for the communities that we serve.

William Freeman
Council President 2006

ABOUT NMIT

NMIT was formed in 1988 through the amalgamation of Preston College of TAFE and Collingwood College of TAFE, to which was attached the Parkville horticulture campus. The new entity, called Northern Metropolitan College of TAFE, developed campuses at Heidelberg, Greensborough and Epping adding to those existing at Preston, Collingwood and Parkville. In 1996, the name was changed to Northern Melbourne Institute of TAFE and in 1999, the acronym NMIT was adopted. From its origins as a technical school nearly one hundred years ago NMIT has developed into a multi-campus TAFE Institute that provides a comprehensive range of accredited programs locally, regionally and internationally.

The main campus is located at Preston in northern Melbourne with other metropolitan campus locations at Collingwood, Epping, Fairfield, Greensborough, and Heidelberg. NMIT's regional campus is located at Ararat. Additional training centres are located at Yarra Glen, Eden Park, Yan Yean, Whittlesea, Strathbogie Ranges and Broadmeadows.

Internationally, NMIT is well respected and offers its qualifications in partnership with a growing number of institutions in China, Hong Kong, Bangladesh, Sri Lanka, Korea and New Zealand.

In accordance with demand, NMIT provides a diverse and comprehensive portfolio of qualifications across a broad spectrum of disciplines from certificate to bachelor degree level. The diversity of programs and support services provided attracts students from Victoria, other states of Australia and internationally.

The 2005 Annual Report documents a year of consolidation and growth in which NMIT continued to meet the needs of its clients. More than 28,000 students from Australia and 42 countries were enrolled, and NMIT employed more than 1,300 teaching and support staff. In excess of 450 vocational education and training courses were delivered in the Faculties of Arts and Social Sciences, Engineering, Business, Building and Construction, Earth Sciences, Further Education, and Tourism and Hospitality.

NMIT is primarily a teaching institution. However, it is committed to undertaking applied research to support teaching and learning and to assist industry and economic development in its areas of operation. NMIT is accredited to offer three specialist bachelor degrees in Applied Aquaculture, Viticulture & Winemaking and Equine Studies. In addition, NMIT is accredited to offer an Associate Degree in Accounting.

In 2005 NMIT met all performance targets agreed with the Victorian Learning and Employment Skills Commission including its student contact hour targets. Additionally NMIT produced a budget surplus and generated income of almost \$28 million in extraneous earnings.

The 2005 Annual Report complies with the requirements of the Financial Management Act 1994. The report provides an overview of NMIT's achievements and performance for the Minister for Education and Training, and for NMIT's clients, partners and staff.

NMIT'S AIMS AND OBJECTIVES

NMIT's charter is to provide vocational education, training and higher education qualifications in accordance with national and state government legislation, priorities, policies and management frameworks.

NMIT is committed to providing a comprehensive range of courses as well as qualifications in niche areas. Such programs are consistent with government priorities, regional development and NMIT's capability. They are supported by applied research that informs teaching and learning at the institute, which is linked closely to industry and economic development.

In this context, NMIT's aim is to be a distinctive provider of high quality vocationally oriented programs from certificate to degree level, producing graduates who are ready for work and employable.

Specifically, NMIT aims to:

- provide a wide range of programs that are applied, vocational and multidisciplinary, that are underpinned by applied research, strong industry support and are delivered in a high quality learning environment to metropolitan and regional communities and to international clients
- promote growth and participation in tertiary education by developing and offering applied and specialised programs at associate and bachelor degree levels and qualifications at bachelor and masters levels in partnership with the university sector
- expand and consolidate its metropolitan, regional and international profile as a leading provider of high quality applied, vocational and professional qualifications
- work in partnership with schools, industries, businesses, other educational providers and community agencies in the development of programs that are relevant and accessible to students
- provide a wide range of services and amenities to ensure that students' learning needs are met and that barriers to educational progress are minimised.

NMIT achieves these aims by:

- operating a financially sound budget that enables both strategic expansion and consolidation with high quality administration and delivery of its programs

- providing a comprehensive range of programs from certificate to degree level
- supporting applied research and development activities that serve government and institute educational and economic goals
- providing programs that are responsive to the changing needs of learners and industry with a focus on student centred teaching and learning
- providing programs that are accessible with provision for articulation and credit transfer
- developing specialist programs in primary industries that combine theory, on site practice and employability skills
- expanding its international program profile by offering programs in high quality articulated courses of study
- developing programs in close association with industry and other stake holder groups
- encouraging initiative, innovation, improvement, team work and creativity in the design, development and delivery of programs
- attracting international students from a wide range of countries thereby contributing to their educational development and employment prospects
- expanding its consultancy profile in industry, business and with community organisations
- investing in equipment replacement and infrastructure for the future.

In 2005 NMIT's operational objectives were to:

- manage a financially sound and responsible organisation with a balanced budget
- achieve all Performance Agreement targets and advance NMIT's position as a leading provider of vocational education and training
- expand the regional and international profile of NMIT
- deliver high quality programs to students and assure the quality and relevance of these programs through the quality management system
- provide access to high quality equipment and facilities
- support the ongoing professional development of staff through participation in externally funded and in-house professional development programs
- expand the range of innovative products and services offered by NMIT and undertake applied research.



NMIT'S SERVICES

Significant campus-based student services were offered to support and enrich the students' learning. Services included: course information, financial assistance, accommodation assistance, campus orientation and induction, bookshop facilities, disability support, personal counselling, childcare, computer facilities, careers advice, library resources and first aid certification.

Services offered on a commercial basis to industry and individual clients included the delivery of customised training and institute accredited programs, the production of training manuals, flexible delivery and online training.

NMIT expanded its international profile, particularly in China, by offering courses in English language, business services, information technology, hospitality, equine studies and music.

Vocational education and training

In 2005, NMIT provided a wide range of recurrently funded and fee-for-service educational and vocational training programs to metropolitan, regional and international students.

NMIT offered certificates, diplomas and advanced diplomas in accordance with the Australian Qualifications Framework and National Training Packages. In addition, NMIT offered a comprehensive range of pre-apprenticeship, VET in Schools, VCAL (Victorian Certificate in Applied Learning) and short courses.

Higher education

NMIT is an approved higher education provider under the Commonwealth Government Higher Education Support Act 2003. Accordingly NMIT is eligible to offer FEE-HELP financial assistance to students enrolled in NMIT's higher education programs.

In 2005, NMIT was accredited to offer the Bachelor of Equine Studies and the Associate Degree in Accounting in addition to the previously accredited Bachelor of Applied Aquaculture and the Bachelor of Viticulture and Winemaking.



CORPORATE GOVERNANCE

NMIT Council Members

The Council is the governing body of NMIT. All members of Council were appointed or elected because of their specialist knowledge, skills and experience. During 2005 members of Council were:

Ministerial Appointments

Mr William Freeman (*President*) MA, B Sci,
Extensive industrial and senior administrative experience with 18 years as a TAFE College/Institute Council member.

Ms Pam McCulloch (*to August 2005*)
B Ed, Grad, Dip Ind Rel and HRD
High-level experience in education, curriculum development and business management.

Mr Ronald Mackay (*Vice President*)
Senior tourism industry and business development experience.

Ms Antoinette Braybrook *B Laws*
Experienced legal practitioner with knowledge of educational issues faced by Aboriginal and Torres Straits Islanders.

Ms Elaine Forde (*Deputy Vice President*)
Local retail and property management knowledge and skills.

Ms Anne Judd
Extensive experience in employment operations.

Ms Catherine Lamble *LLB*
Experienced legal practitioner and Magistrate with an interest in education, the local community and disadvantaged groups.

Ms Marianna Pettolino *B Sci Ed*
Local community and tertiary education knowledge.

Co-opted Appointments

Mr Bryant Ham *Dip Mech Eng, Dip Elec Eng.*
Senior business and management experience in manufacturing.

Mr Gerry Maynard *B. App Science. Dip Public Admin FACS. Honorary ACS and Honorary Doctorate Informatics.*
Information technology and significant tertiary education administration experience at a senior level.

Mr Anthony Ray
Extensive small business operational experience.

Mr Norman Shearer *B Bus (Acctg), B Ed, TPTC, MBA*
Experience in TAFE administration at a senior level in statewide and Institute environments.

Staff Representative

Mr Lionel Bramich *Dip Tech Teach*
Elected by staff to represent staff members

Student Representative

Ms Kate Pasinati
Elected by students to represent student body.

NMIT Chief Executive Officer

Mr Brian MacDonald *B Econ, Dip Ed*
Ex officio.

The relevant Minister for the operation of NMIT was The Honourable Lynne Kosky, Minister for Education and Training.

Council met six times and operated in accordance with the constitution, rules and committee arrangements designated by Council.

Council Objectives

The objectives of the Council, within the context of national and state policies and management frameworks, were to:

- provide quality vocational education and training, and adult and community education programs and services
- manage and control the Institute efficiently and effectively and to maximise the use of resources.

Council Duties

The duties of the Council were to:

- advance the strategic objectives of NMIT
- operate in accord with economic and social objectives and public sector management policies
- provide assistance and information as the Minister, Secretary of the Department of Education and Training and the Director of the Office of Training and Tertiary Education may reasonably require
- ensure safe custody and proper use of the Common Seal of the Council.

Committees

The Council established the following Committees under Clause 13 of NMIT's Constitution. Each Committee makes recommendations to Council and ensures compliance with appropriate statutory requirements. The responsibilities of each Committee are summarised below:

Board of Studies

The Council members of the Board of Studies were Ms Elaine Forde and Mr Norman Shearer (Chair). The responsibilities of the Board of Studies were to provide recommendations to Council on:

- content and standard of programs
- accreditation of programs
- students who satisfied the requirements of awards
- vocational education policies.

Resources Committee

The Council members of the Resources Committee were Marianna Pettolino (Chair), Ron Mackay, Anne Judd and Anthony Ray. The responsibilities of the Resources Committee were to provide advice to Council on finances, facilities, human resources and student services.

Audit Committee

The members of the Audit Committee were and Mr Ron Mackay (Chair), Mr William Freeman and Elaine Forde. The responsibilities of the Audit Committee, established in compliance with the Financial Management Act 1994, were to:

- report to Council on the accuracy of financial information systems and records
- ensure compliance with statutory responsibilities relating to financial disclosure, the effective operations of the accounting system and related internal controls.

Council Operations

Council performed effectively and efficiently during 2005 and activities included the preparation and adoption of an Audit Committee Charter and the adoption of a policy on Fraud Prevention. All new Council members completed induction training and individual members undertook professional education relevant to the skills, knowledge and experience they brought to Council. In addition the following members attended the OTTE Good Governance Workshop 1:

- William Freeman (President)
- Elaine Forde (Deputy Vice President)
- Catherine Lamble
- Marianna Pettolino
- Anne Judd
- Bryant Ham

Council Meetings Attended

Member	Attendance
William Freeman (President)	6 of 6
Pam McCulloch (until August 2005)	3 of 3
Ron Mackay (Vice President)	4 of 6
Anne Judd	6 of 6
Marianna Pettolino	6 of 6
Antoinette Braybrook	3 of 6
Bryant Ham	5 of 6
Gerry Maynard	6 of 6
Norm Shearer	3 of 6
Tony Ray	4 of 6
Elaine Forde (Deputy Vice President)	6 of 6
Cathy Lamble	5 of 6
Brian MacDonald (CEO)	6 of 6
Lionel Bramich (Staff Representative)	4 of 6
Kate Pasinati (Appt March 05) (Student Representative)	4 of 5

SENIOR MANAGEMENT

Chief Executive Officer

Mr Brian MacDonald

The Chief Executive Officer was responsible for the operational management of NMIT. This responsibility was delegated by Council.

Director Programs

Mr Bruce Filcock

The Director Programs was responsible for the Faculties of: Arts and Social Sciences, Building and Construction, Business, Earth Sciences, Engineering, Further Education, Tourism and Hospitality, and Higher Education programs. He was also responsible for the: International Office, Quality Assurance Unit, and the Research and Development Department.

Associate Directors

Faculty of Arts and Social Sciences
Mr Peter Lamburd

Faculty of Building and Construction
Mr Lionel Bramich

Faculty of Business
Mr Vic Harris

Faculty of Earth Sciences
Mr David Draper

Faculty of Engineering
Mr Bruce Burns

Faculty of Further Education
Ms Frances Coppolillo

Faculty of Tourism and Hospitality
Mr Greg Purton

Higher Education

Academic Head of Higher Education
Dr Les Kilmartin

Managers

International Office
Mr Dino Bettiol

Quality Assurance Unit
Ms Fay Bellis

Research and Development
Ms Glen Villiers

Director Corporate Services

Mr Peter Christie

The Director Corporate Services was responsible for the provision and maintenance of corporate services through the Buildings and Properties, Information Technology Services, Finance, Corporate Communications, Personnel and Student Services Departments.

Managers

Buildings and Properties
Mr David Delaney

Information Technology Services
Ms Mary Waterhouse

Finance
Ms Frances Meiklejohn - Chief Finance Officer

Corporate Communications
Ms Elizabeth Koehne

Personnel
Mr Peter Christie

Student Services
Ms Anne Bambrcock

NMIT CAMPUSES AND TRAINING FACILITIES

Campuses

Ararat
Grano Street
Ararat 3377
Telephone (03) 5355 3555

Collingwood
20 Otter Street
Collingwood 3066
Telephone (03) 9269 1200

Epping
Cnr Cooper Street and Dalton Road
Epping 3076
Telephone (03) 9269 1200

Fairfield
Yarra Bend Road
Fairfield 3078
Telephone (03) 9269 1200

Greensborough
Civic Drive
Greensborough 3088
Telephone (03) 9269 1200

Heidelberg
Cnr Waterdale Road and Bell Street
Heidelberg West 3081
Telephone (03) 9269 1200

Preston
77-91 St Georges Road
Preston 3072
Telephone (03) 9269 1200



Training Centres

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

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

Strathbogie Ranges
Laming Gully Road
Avenel 3664
Telephone (03) 9269 1025

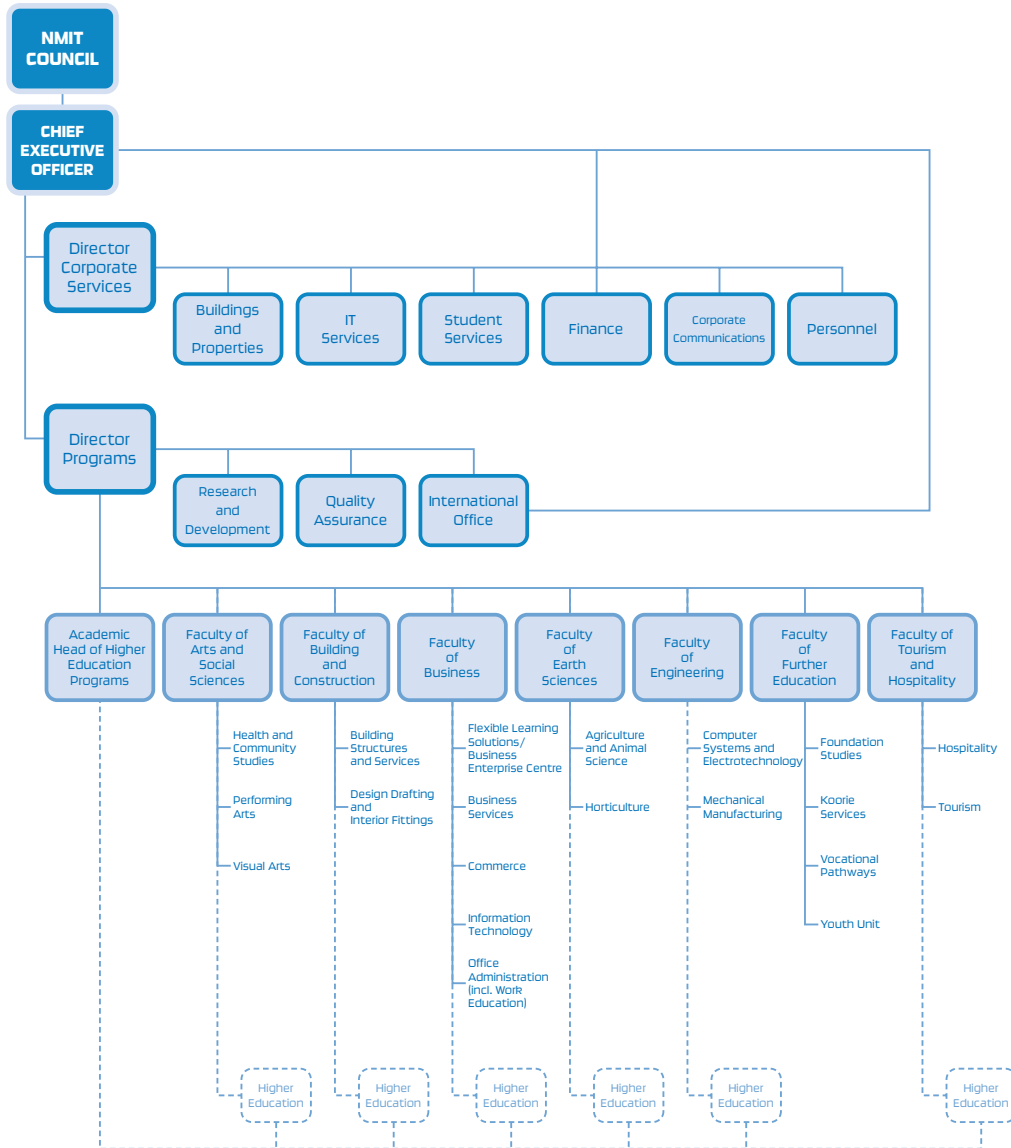
Whittlesea
Braemore Place
Whittlesea 3757
Telephone (03) 9715 1130

Yan Yean
2005 Plenty Road
Telephone (03) 9716 2354

Yarra Glen
Armstrong Grove
Yarra Glen 3775

Website
www.nmit.vic.edu.au

ORGANISATIONAL STRUCTURE



WORKFORCE DATA

The total number of staff employed at NMIT on the 30 June 2005 was 1303 compared with 1,249 on the 30 June 2004. The following statistics have been prepared in accordance with the reporting requirements of the Public Sector Management and Employment Act. The statistics reflect staff numbers (not equivalent full-time numbers) and provide a gender analysis.



	Male	Female	Total	PWD	NESB	ATSI
Managers	30	19	49	-	2	-
Professionals	484	460	944	19	38	1
Associate Professionals	36	27	63	2	8	1
Tradespersons and Related Workers	18	4	22	-	3	-
Advanced Clerical	129	27	156	-	24	-
Intermediate Clerical and Service Workers						
Intermediate Production and Transport Workers	10	-	10	-	-	-
Elementary Clerical, Sales and Service, Security Guards	10	13	23	-	3	-
Labourers/Cleaners/Trade Assistants	28	8	36	-	-	-
TOTAL	745	558	1303	21	78	2

Definitions:

- PWD People with a disability
- NESB Non English Speaking Background
- ATSI Aboriginal and Torres Strait Islander

MERIT AND EQUITY

Year	Male	Female	Total
2005	745	558	1303
2004	589	660	1249
2003	621	622	1243

NMIT's personnel policies and practices are underpinned by the principles of merit and equity. Selection decisions were based on key selection criteria in position descriptions available to all applicants. NMIT had a range of policies that promoted fairness and equity in the workplace and were designed to discourage discrimination and harassment against staff, students and visitors.

These policies were:

- Institute Code of Practice
- Anti-Discrimination Policy
- Prevention of Bullying, Harassment and Sexual Harassment Policy and associated procedures
- Policy and Procedures for Employee Grievances
- Selection Policy



APPLICATION AND OPERATION OF FREEDOM OF INFORMATION (FOI) ACT 1982

Freedom of Information Part 2: Statements

Statement 1 - Organisation and Function

For information about the organisation and functions of NMIT see page 3 to 13 of this Annual Report,

Consultative Arrangements

Chief Executive Officer's Advisory Committee
The CEO administers NMIT through this committee, comprising the CEO and the Directors of Corporate Services and Programs.

Advisory Committees

The following advisory committees also function at NMIT:

- Programs Advisory Committee
- Corporate Services Advisory Committee
- Occupational Health and Safety Committee
- Senior Management Committee
- Other committees as required

The following Faculty Boards and Advisory Committees functioned at NMIT:

- Arts and Social Sciences
- Building and Construction
- Business
- Earth Sciences
- Engineering
- Further Education
- Tourism and Hospitality

Statement 2 - Categories of Documents

The following categories of documents were maintained:

Subject Files

A central registry filing system holding inward correspondence for the CEO was maintained. Files were arranged chronologically. A decentralised filing system in the office of each Director, Associate Director and Manager was maintained as well as local filing systems in departments.

Personal Files - Staff

A file for each member of staff employed in either an ongoing or fixed contract capacity was held in the Personnel Department documenting NMIT's employment relationship with the staff member concerned. These files were arranged alphabetically.

Departments engaging casual staff housed the details of those employees.

Personal Files - Student

A computer file for each student was held by the Corporate Communications Department documenting NMIT's academic relationship with the student concerned.

Computer Records

Corporate Communications, Finance and IT Services Departments held information on data files relating to NMIT's administrative and teaching functions.

Statement 3 - Published Information on FOI

Copies of the Part II Publication Statements may be inspected, obtained or purchased at 20 cents per page from:

Personnel Department
NMIT
77-91 St Georges Road
Preston 3072

Other materials prepared for public inspection or purchases are listed under Statement 4 of this section.

FOI Access Arrangements

All formal FOI enquiries were directed in writing to:

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

Requests for access to records under the FOI Act had to be made in writing and contain sufficient detail concerning the record to enable the FOI Officer to identify the document required. Requests for information had to be accompanied by a \$20.50 application fee for requests made up to 30 June 2005 and \$21.00 for requests made from 1 July 2005.

Office Hours and Charges

In 2005 the hours available to access, inspect, obtain or purchase materials were Monday to Friday from 9.00am to 4.00 pm. Charges for access to documents accorded with the Freedom of Information (Access Charges) Regulations 2005. Charges were based on cost recovery for time spent in conducting a routine search for documents, the cost of supervising the inspection of a document and the cost of supplying copies of a document.

NMIT Library Network Hours

Core hours of opening for all NMIT libraries during semesters in 2005 were:

Monday:	8.30 am to 6.00 pm
Tuesday to Thursday:	8.30 am to 8.00 pm
Friday:	8.30 am to 5.00 pm

Extended hours operated at some campuses when needed.

Borrowing from the Library Network was restricted to registered borrowers.

The Library Catalogue was available on the Internet. Registered borrowers could search the database and access items online.

Statement 4 - Publicity Services

Materials prepared for inspection, availability or sale included:

- Annual Report - 1990 to 2004
- NMIT Handbook 2006 at a charge of \$20.00 per copy
- Staff News published fortnightly
- Course brochures for 2006
- Course and Career Guide for 2006
- Student Diary published annually
- Vocational Vision - NMIT Prospectus
- Partners In Progress - Sponsorship publication
- TAFE Triumphs, The NMIT Experience - a book about NMIT's past, present and future.
- Internet Website
- Editorial and publicity copy for media

All documents listed above were available for public viewing either in the Library, Preston campus, or by contacting the Corporate Communications Manager.

Manager
Corporate Communications Department
NMIT
77-91 St Georges Road
Preston 3072

Statement 5 - Rules, Policies and Procedures

Manuals, Rules of Procedure

In 2005, the rules, policies and procedures of NMIT were documented in the:

- Constitution, Rules and Committees of Council
- Institute Quality Manual
- Corporate Services Quality Manual
- Programs Quality Manual
- Health and Safety Manual
- Emergency Procedures Manual

These documents were available for inspection at NMIT's libraries.

2005 Claims Under Freedom of Information

Two claims were made under the Freedom of Information Act in 2005.



INDUSTRIAL RELATIONS

During 2005 15 staff participated in an industrial dispute. The action taken was in response to the Work Choices legislation introduced into the Federal Parliament. Excellent relationships were maintained with all unions with coverage at NMIT

Enterprise bargaining negotiations were successfully completed with the National Tertiary Education Union - Professional Administrative Clerical Computing and Technical (PACCT) staff for a three-year comprehensive agreement.

ENVIRONMENTAL PERFORMANCE

In support of NMIT's commitment to Environmental Performance the following strategies continued:

- Implementation of energy efficiency measures in building refurbishment and use.
- Institute-wide management of waste and recycling.
- Incorporation of environmentally sustainable principles in the design of new buildings and training facilities.
- Implementation of demand management systems enabling plant to shut down in times of low demand from a central location.

Specific new measures included:

- Rebuilding of operable dampers in the plant room at Collingwood campus resulting in major energy saving for heating and cooling and a drop of energy consumption of approximately 15%.
- The completion of plans and designs to install a return air system to building M at the Fairfield campus. This will include a variable speed drive on supply system to allow for an economy mode and a much smaller, and more efficient chiller to be installed with an estimated 40% energy reduction. Plans and designs have also been completed for building L at this campus.
- A major upgrade of the cooling control system in building A, at the Epping campus, resulting in the reduction of energy use at that campus.
- Trialling of alternative cooling for the rack room in building B, at the Heidelberg campus, was completed and commencement of modifications are imminent. It is anticipated that energy consumption will be reduced by up to 60% in this facility and will be duplicated in all Institute rack rooms in the future.
- An upgrade to the heating/cooling system to the training centre at Ararat.

HIGHLIGHTS OF THE ACHIEVEMENTS OF THE PROGRAMS DIVISION

The Program Division consists of the following faculties:

- Arts and Social Sciences
- Building and Construction
- Business
- Earth Sciences
- Engineering
- Further Education
- Tourism and Hospitality

and the:

- International Office
- Quality Assurance Unit
- Research and Development Department

Faculty of Arts and Social Sciences

The Faculty of Arts and Social Sciences comprises three departments namely Performing Arts, Health and Community Studies, Visual Arts and the Online Flexible Delivery Team.

Performing Arts

In 2005 the Performing Arts Department delivered programs in small companies and community theatre, music business management, music performance in jazz and contemporary music, sound production, video production and specialised training for disabled students in drama.

Highlights included:

- More than 150 student performances at venues across Melbourne.
- Staff and students working along-side international musicians and educators at the World Music Day held at the Greensborough and Fairfield campuses of NMIT.
- The annual Performing Arts showcase to a near capacity audience at the ABC Iwaki Auditorium involving students and staff from music performance, live production and the TV unit.
- The writing and production of a show, "Fallen Sky", for the Melbourne Fringe Festival and the successful presentation of this show to a number of metropolitan schools.

Health and Community Studies

The Health and Community Studies Department provided training in aged care, child care, disability support services, youth work, alcohol and other drugs work, health and community services.

Highlights included:

- An increase in the department's client base with successful tenders for:
 - Induction Training North West Region DHS
 - Induction Training Eastern Region DHS
 - Social Housing DHS in conjunction with Business Enterprise Centre
 - Sexual Diversity Project for Central Region DHS
- Commencement in 2005 of a number of special projects including:
 - Training of workers in the homeless/housing sector
 - Induction training for new residential support workers and
 - Volunteer telephone counsellors course.
- Collaboration between Health and Community Studies and the online team to produce an online course, 'Orientation to Alcohol and Other Drugs', which was successfully piloted from July to October 2005. A further three units of the Diploma of Alcohol and other Drugs will be delivered online in 2006.



Visual Arts

In 2005 the Visual Arts Department offered training in illustration, graphic arts, photography, applied design, jewellery and painting.

Highlights included:

- Eight final year exhibitions successfully organised, sponsored and held in the second half of 2005.
- 95% of graduating Graphic Arts students found employment in the Industry.
- Collaboration continued between Northern Hospital and NMIT Visual Art Department.

Online Team

In 2005 the online team continued to manage and facilitate the following:

- six innovation grants,
- eleven "Australian Flexible Learning Framework Learnscope" projects and
- an E-learning grant in support of teaching and learning at NMIT.

The Team continued to deliver ICT professional development training mandated by OTTE and ensured that NMIT successfully met its target of 80% ICT competency as required by our Performance Agreement.

In addition the Online Team showcased projects at the Eureka - Evolutions in E- learning - the Victorian E-learning Showcase at University of Ballarat in October.

The Team also collated demographic data for the 125 Learnscope projects across Victoria and will be collating the final reporting data for the state.

Faculty of Building and Construction

The Faculty of Building and Construction comprises the Building Structures and Services Department and the Design Drafting and Interior Fittings Department.

Building Structures and Services

In 2005 the department delivered training programs in carpentry, fibrous plastering, plumbing, bricklaying, painting, wall and floor tiling, roof tiling and slating. Short courses were also delivered for a number of clients.

Highlights included:

- The participation of staff and students from painting and decorating in three community jobs projects.
- The completion of a new painting and decorating facility at the Heidelberg campus that became operational during the year.
- Staff organisational contribution to and participation in a successful national conference for building and construction industry and educators.
- Outstanding student success with the following Master Builders Association of Victoria Apprentice Awards won:
 - Victorian Apprentice of the Year -across all trades
 - Apprentice of the Year - Wall and Floor Tiling
 - Apprentice of the Year - Painting and Decorating
- The success of students in the regional "WorldSkills" competition.
- An award evening and trade display providing an opportunity to showcase student achievements and further enhance the department's links with industry.



Design Drafting and Interior Fittings Department

In 2005 the Design Drafting and Interior Fittings Department continued to provide a broad spectrum of training in certificate and Diploma level courses. Certificate level courses included pre-vocational and apprenticeship training in off-site construction, (joinery, shop-fitting and stair-building) furniture manufacture, cabinet making, recreational vehicle manufacture and servicing (caravans). Diploma level courses included building, civil engineering, building design, and technology, interior design and decoration and furniture design.

The department further offered short courses and customised programs.

Highlights included:

- The design, organization and management by students of a furniture design exhibition held at the Telstra building.
- A design exhibition award evening well supported by industry.
- Melbourne Fringe Festival award for best lighting to a furniture design student.
- A teaching fellowship awarded to a teacher in Furniture studies.
- Gold medal achievement in World Skills regional competition



Faculty of Business

The Faculty of Business comprises four departments: Business Services, Commerce, Information Technology and Office Administration. Additionally there are two units within the Faculty: the Work Education Unit, and the Flexible Learning Solutions Business Enterprise Centre Inc.

Business Services Department

In 2005 the Business Services Department delivered courses on a fee-for-service basis as well as profile programs in hairdressing.

Highlights included:

- Conversion of a number of short courses to nationally accredited training.
- Successful completion of contract with NEIS resulting in a new contract for the three years (2006-2009).
- Commencement of training in special purpose-built rooms with state of the art fit-outs for Pathology, Beauty and Massage at the Collingwood campus.
- Increased cohort of hairdressing apprentices.

Commerce Department

In 2005 the Commerce Department delivered a wide range of courses in accounting, international business, marketing, massage, small business management, sport development and sport and recreation. The department also delivered courses in China.

Highlights included:

- Accreditation of an Associate Degree in Accounting and the development of two further Associate Degrees.
- Increase in student numbers in the massage course and the publication of a research paper by a student entitled "Massage Therapy and Cancer".
- The success of students in the Sports course in qualifying as "Community Coaches" allowing them to assist with the planning and delivery of after-school programs in primary schools in the northern region.



Information Technology

In 2005 the Information Technology Department delivered courses in Information Technology and Multi media qualifications from Basic Certificate to Advanced Diploma levels.

Highlights included:

- Completion of a project to develop a dual Diploma in E-Business and Website Development to be offered in 2006.
- The delivery of two new Diploma courses: Diploma in Internetworking and a Diploma in Website Development.
- The consolidation of links with industry and the establishment of new relationships with the Australian Tax Office, Whittlesea Shire Council and the Migrant Women's Resource Centre.

Office Administration

In 2005 the Office Administration department delivered certificate and diploma courses in Business (Office Administration), Retail Operations, Business (Legal Practice), Human Resource Operations and Management.

Highlights included:

- A careers conference for students enrolled in 2005 with speakers from industry and former NMIT students held at the City of Darebin Shire Hall.
- The expansion of online programs.
- Expansion of articulation arrangements for graduates of the Legal Practice course into university study.

Work Education Unit

In 2005 the Work Education Unit delivered training in work education, hospitality, transition education, and theatre training to students with special needs.

Highlights included:

- Success in assisting students to gain work in hospitality, retail and the service sector.
- The completion of an "Exit Plan" for work education students' to ensure all relevant needs are systematically considered when students leave the course.
- Attendance of more than 70 students and their families at a presentation ceremony held in St Georges Restaurant in June.
- Representation on a course advisory committee for the reaccreditation of Certificates 1 in Work Education and Transition Education and provision of training to Tasmania TAFE on the features of the reaccredited Certificate 1 in Work Education and Transition Education.
- Provision of support to eight schools with their part-delivery of Certificates 1 in Transition and Hospitality (Kitchen Operations).
- The successful tour of schools of the Ignition Theatre Training students.

Flexible Learning Solutions/Business Enterprise Centre (FLS/BEC)

In 2005 the Centre provided consulting and training to community, state, national and international clients in the private and government sectors.

Highlights included:

- The completion of training to more than 800 Victorian police in Information Technology.
- Successful tender submissions for training to:
 - Melbourne Fire and Emergency Services Board
 - Country Fire Authority
 - Department of Human Services
 - OTTE.
- Successful implementation of the new Certificate IV in Training and Assessment.
- Delivery of customised Diploma in Business (Frontline Management) courses to the City of Banyule, Vise Industries and the Department of Human Services.

Faculty of Earth Sciences

The Faculty of Earth Sciences comprises the Agriculture and Animal Science Department and the Horticulture Department. In 2005 NMIT's applied research program included wine production and an equine breeding program. NMIT continued to win awards for its wine production. Gold medals were received at the Perth Royal Show, the Royal Hobart Show and the Boutique Wines of Australia Show.

Agriculture and Animal Science Department

In 2005 the Agriculture and Animal Science Department offered programs in animal technology, natural resource management, agriculture, wool handling and classing, beef cattle production, goat production, farriery, natural resource management, farm management and operations, viticulture, aquaculture, equine studies, horse breeding and horse racing, civil construction (plant operators), warehousing and storage, veterinary nursing, herb production and processing and organic farming.

Highlights included:

- Expansion of specialised training to the Hong Kong Jockey Club.
- Attendance at the 30th Asian Racing Conference in Seoul, South Korea where NMIT was commended for its training to the Hong Kong Jockey Club.
- Visit to NMIT by the secretary of the Malaysian Equine Council highlighting the importance of NMIT as their provider for Farrier up-grading and assessment.
- Increased export of wine including 144 cases of Cabernet and Shiraz to the United Kingdom and 16 cases of Pinot Noir to Ireland.
- The acquisition of a wine export licence.
- The first vintage of Shiraz and Riesling grapes from the Ararat vineyard.
- The first harvest of Lavender from the Ararat herb garden.
- The successful research and trailing of a recirculating indoor saltwater fish farm resulting in the production of the first crop of snapper from that facility.
- The completion of a 250 tonne winery at the Ararat campus.
- Expansion of the program at the Ararat campus to include Transport and Distribution, Civil Construction, Traffic Management and Farm Chemical User programs.
- The accreditation of a Bachelor Degree program in Equine Studies.
- Success with the horse- breeding program.



Faculty of Engineering

The Faculty of Engineering comprises the Computer Systems and Electrotechnology Department and the Mechanical Manufacturing Department. In 2005 the Faculty conducted state accredited courses, undertook consultancies and customised programs for specific industries and expanded its fee-for-service programs.

Computer Systems and Electrotechnology Department

In 2005 the Computer Systems and Electrotechnology Department delivered Certificate, Diploma and Advanced Diploma courses in Electrical Engineering, Electronics, Renewable Energy Technology and Computer Systems.

Highlights included:

- Gaining additional funding from OTTE to address apprenticeship demand within the electrical field of work.
- Expansion of the Power Industry training program to include training for interstate students.
- New courses in No Go Zone, Safe Working at Heights, Working in a Confined Space and Microsoft Certified Professional.
- The delivery of short courses in Electrical Testing and Tagging, ACA Cabling, Inspectors and Licensing to cater for specific industry needs.
- Continued provision of flexible training programs for the Electrical Power Industry, Fitting and Armature Winding apprentices and on-line modules for participants in the Renewable Energy Courses.
- Expansion of the on-line IT test centre.
- Student success in winning awards at the State and National levels.

Horticulture Department

In 2005 the Horticulture Department offered programs in conservation and land management, arboriculture, general horticulture, horticultural operations, landscaping, parks and gardens, turf management and floristry.

Highlights included:

- Involvement by conservation and land management students in the rescue and relocation of rare species of Dianella.
- Successfully retaining a contract for maintenance with the Altona and Riverside golf courses.
- The presentation of a research paper on the biological control of turf insect pests using Entomopathogenic Nematodes to the International Turf Grass Society quadrennial Conference in NSW.
- The selection of a student from the Diploma in Turf Management to work at the St Andrews Golf Club during the British Open.



Mechanical Manufacturing Department

In 2005 the Mechanical Manufacturing Department provided programs ranging from New Apprenticeships to Advanced Diplomas in Basic Engineering, Engineering Production, Engineering, Mechanical Engineering, Electroplating, Fabrication, Jewellery, Locksmithing, Maintenance, Numerical Control, Fluid Power and Tool Making.

Highlights included:

- The introduction of the newly accredited Victorian Pre Apprenticeship qualification "Certificate II in Engineering Studies" for both school leavers and VCE students.
- Showcasing of the jewellery courses and the new purpose built facilities at the Fairfield campus to industry groups and employers.
- Continued involvement in the development of the Jewellery and Locksmithing training packages in Certificate III and Diploma/Advanced Diploma level for introduction in 2006.
- The expansion of Jewellery and Locksmith training to interstate apprentices from the Northern Territory, Tasmania and South Australia in 2005 through "User Choice" agreements.
- The delivery of customised locksmithing training programs to industry groups in Queensland, Tasmania, Western Australia and New Zealand.
- The completion of a community project involving the design, construction and installation of stainless steel equipment and its presentation to Binak Park Day Care retirement village in Bundoora.
- Student success in the following national and state awards:
 - Master Locksmiths of Australasia National Apprentice of the Year Award
 - National Workskills Olympics
 - Opal Jewellery Design Awards Association Inc
 - Stainless Steel Industry Award
 - Workplace Connect Annual Victorian Awards
 - Welding Technology Institute of Australia (WTIA)

Faculty of Further Education

The Faculty of Further Education comprises the Foundation Studies Department, the Vocational Pathways Department, the Koorie Services Centre, the Youth Unit, and the Further Education Industry and Initiatives Unit.

In 2005 the Faculty hosted its annual conference around the theme "Embracing Diversity: Emergent Learners, Emergent Skills" and attracted one hundred and forty faculty staff and forty external visitors from the ACE, TAFE and Higher Education sectors. The faculty also held a one-day Office Professionals' Conference that addressed the latest trends in knowledge management and self-development with a focus on the ever-changing role of the office professional.

The Faculty also delivered Certificate IV in e-Business to 34 Administrative Officers across the institute.

Foundation Studies Department

In 2005, the Foundation Studies Department provided courses in the Adult Migrant English Program (AEMP), Certificates 1, 11 and 111 in English as a Second Language and Certificates 1, 11 and 111 in General Education for Adults.

Highlights included:

- Involvement of AEMP staff at Broadmeadows and Preston in national research projects with NCELTR: designing content-based curriculum for young refugees and developing low-level literacy materials.
- Staff presentations at the national AEMP conference in Sydney.
- Development of a generic literacy and numeracy pre training assessment tool for Apprentices and Trainees across the institute.



Vocational Pathways Department

In 2005 the Vocational Pathways Department delivered courses in Liberal Arts, Professional Writing and Editing, English Language Intensive Courses for Overseas Students Program (ELICOS), Certificates III and IV in ESL, Certificate IV ESL (Professional Stream), Certificates III and IV in Science and the Victorian Certificate of Applied Learning (VCAL Senior). The department delivered courses to deaf and hearing-impaired students in the "Centre for Excellence for Students who are Deaf and Hard of Hearing" and programs to clients with special needs for the Department of Human Services. The department also provided study skills support services to the Institute.

Highlights included:

- The development of a range of innovative teaching and learning resources for:
 - low-level literacy students,
 - deaf students and
 - recently arrived migrants
- Training to over 350 overseas qualified professional migrants to prepare them for employment in Australia
- A grant from the National Centre for Vocational and Educational Research (NCVER) to research the transition of deaf students from vocational education and training to employment - and the barriers they encounter in the VET system.
- A twelve-month grant, from OTTE, to research three key areas of service provision to deaf students.
- A Premier's Award for Excellence in Multicultural Affairs in education.
- The establishment of a publishing house, Flat Chat Press, within the Writing and Editing programs and the publication of twenty books.

Koorie Services Centre

In 2005 the Koorie Services Centre at NMIT delivered accredited courses to Indigenous students from around Australia.

Highlights included:

- Participation by staff and students in a three-day cultural camp at Halls Gap, visiting Brambuk Cultural Centre and the "Budja Budja" Aboriginal Co-operative.
- Participation in the National Day of Healing.
- Development of the relationship with 3KND, Melbourne's first Indigenous radio station, resulting in promotion of the Koorie Services Centre.
- Good positive publicity for the Centre in the national newspaper The Koorie Mail.
- Broad consultation with key stakeholders external to and within the Aboriginal community to ensure that the Centre's programs remain responsive and relevant to the community.

Further Education Industry and Initiatives Unit

This Unit coordinated the Faculty's business activities and provided project management and advice.

In 2005 a significant part of the work included consultancy, skills assessment and customisation of training programs for a wide range of enterprises with employees with low levels of literacy, numeracy and English language skills.

The Unit is in its third year managing the Northern AMEP Consortium that is funded by the Australian Government through the Department of Immigration and Multicultural and Indigenous Affairs. This Consortium consists of nine providers spread over 13 sites delivering AMEP (Adult Migrant English Program) services to newly arrived migrants across the northern Melbourne region.

Highlights included:

- Financial assistance from The Victorian Office Of Multicultural Affairs to support training of students as bilingual workers registered as interpreters for rare and emerging languages.
- Extension of the Commonwealth funded WELL (Workplace English Language and Literacy) program with 17 projects worth over \$700,000 being funded by DEST in a range of industries but particularly in aged care, horticultural enterprises and food processing

Youth Unit

In 2005 the Youth Unit delivered the Victorian Certificate of Applied Learning (VCAL) and the Young Adult Migrant Education Course (YAMEC).

Highlights included:

- Selection as a national site of best practice in the delivery of programs and services to young people
- The production of a CD ROM - Youth Pathways Manual for OTTE.
- The writing and performance by Collingwood YAMEC students of a play, 'If I Were In Your Shoes 2005', in conjunction with the Brunswick Women's Theatre.
- The successful tender for the Northern Youth Pathways Program that will replace the Jobs Pathway Program in 2006.
- The relocation of the Crossroads program to a new refurbished location at Tinning St Brunswick.
- The production of a mural by students in the YAMEC program, in collaboration with an artist and funded by the Yarra Council, depicting their migration journeys to Australia.



Faculty of Tourism and Hospitality

The Faculty of Tourism and Hospitality comprises the Tourism Department and the Hospitality Department.

Tourism Department

In 2005 the Tourism Department delivered courses to full and part-time students in Tourism, Tourism Operations, Travel Agency & Tourism Operations Management, Tourism Event & Operations Management, Tourism Marketing & Operations Management. Programs attracted metropolitan, regional, national and international students. The Department also conducted workplace assessment in a variety of tourism streams.

Highlights included:

- Development of training partnerships with the following:
 - International Management Group
 - Caravan and Camping Show
 - Meeting and Events Australia Conference
 - Melbourne L'Oreal International Fashion show
 - Melbourne Airport
 - Sovereign Hill
 - Melbourne Cricket Club
 - Ian Potter Gallery
 - The Immigration Museum
 - Melbourne Aquarium
 - Rod Laver Arena.
- Collaboration by Tourism staff with associations and industry groups including:
 - Melbourne Valley of the Arts Tourism Marketing Board
 - Cultural Tourism Industry Group
 - Nillumbik Tourism Association
 - Australian Institute of Tourism officers
 - Manningham City Council
 - City of Whittlesea
 - In Step Solutions
 - Victorian Tourism and Hospitality Educators Network.

Hospitality Department

In 2005 the Hospitality Department delivered courses in Event and Venue Management, Food and Beverage Management, Hospitality Management, Hospitality, Meetings and Event Management, Hospitality (Operations), Practical Hospitality Work Skills, Catering Operations, Cookery (Pre-Apprenticeship), Cookery (Apprenticeship) and a Certificate course in Patisserie.

Highlights included:

- Continued success of the NMIT Food and Wine Club with a wine dinner series featuring wines from smaller wineries of the Yarra Valley including Allinda Winery, Seville Hill and Badgers Brook Winery; the Geelong wine region including Pettavel Winery and Bellarine Estate, and De Bortoli Wines Hunter Valley range.
- Continued success of a master chef dinner series that provided apprentice cookery students with the experience of working alongside leading Melbourne chefs.
- Success of an NMIT Food and Wine Expo, organised by Event management students and attended by in excess of 500 guests.
- Staff liaison with industry at functions such as A Taste of Victoria, Melbourne Food and Wine Festival, Centre for Environment Research and Education Strategies, Banyule Festival, National Archery Championships and the Darebin Home Made Wine Festival.
- Gold Medal won by a NMIT student in the Victorian TAFE Cookery Challenge.

International Office

In 2005 the International Office continued to build on the success of its offshore programs and attracted international students onshore.

Highlights included:

- Continued relationship with the Hong Kong Jockey Club
- Development of a good working relationship with the Malaysian Equine Council.
- Establishment of partnership arrangements with three private post secondary colleges in South Korea to deliver a range of business, hospitality and welfare programs.
- Continued partnership arrangements with a range of universities in China
- Agreement reached between NMIT and the Genesis Education Centre based in Hong Kong to deliver business programs.
- Partnerships with six new Universities in China.
- Expansion of the international operation in 2005 to a total of 4,500 students from 4,000 students in 2004.
- 10% increase in the number of international students onshore, the increase being most evident in the hospitality course provision.
- 60% increase in the numbers of Japanese students enrolled at NMIT.

Quality Assurance

The quality system ensures compliance in the design, development and provision of training programs and services provided by all teaching and non-teaching departments. NMIT is audited externally by SAI-Global Assurance Services, a subsidiary of Standards Australia.

In 2005 highlights included:

- Gaining ISO 9001:2000 international certification from our external auditors with nil non-conformances.
- Ten-year anniversary, in October 2005, of NMIT obtaining an ISO 9001 certification. This is longer than any other TAFE Institute in Victoria.
- Successful tendering of a \$100,000 grant from DEST to develop an auditor training program and a template of an offshore audit checklist.



Research and Development Department

In 2005 the role of the Research and Development Department was to:

- Undertake applied research that informs curriculum development, teaching and learning and assessment at NMIT.
- Conduct the Primary Industries Curriculum Maintenance Manager function (that supports teaching, learning and assessment in providers of primary industries programs in Victoria).
- Provide professional development for staff.
- Provide audiovisual services to teaching departments and corporate functions.
- Provide support for the NMIT Performance Agreement reporting obligations to the Office of Training and Tertiary Education
- Provide a copyright advisory service and
- Provide support to NMIT through undertaking external consultancies.

Highlights included:

- Development of Accreditation and Authority to Conduct applications to the Higher Education Office for a Bachelor of Australian Popular Music, and three Associate Degrees in the business field.
- Development of Certificate IV in Applied Design (Landscape) Certificate III in Farriery and a Diploma of Sustainable Agriculture
- Production of a teaching and learning guide for VET teachers nationally.
- Development of new policies in support of the degree program at NMIT.
- Development of relevant documentation to support the Institute's successful application for Commonwealth Government "Fee Help".
- Development of support materials for training packages in Amenity Horticulture and Agriculture and Conservation Land Management
- Provision of audiovisual consultancy services to a range of external clients
- Development of policies and procedures for the new Certificate IV in Training and Assessment.

HIGHLIGHTS OF ACHIEVEMENTS OF THE CORPORATE SERVICES DIVISION

The Corporate Services Division consists of the following departments:

- Buildings and Properties
- Corporate Communications
- Finance
- IT Services
- Personnel
- Student Services

Buildings and Properties

The Buildings and Properties Department provides a range of services to NMIT, including maintenance of buildings and grounds, cleaning, security and capital works. In 2005, NMIT completed an extensive program of maintenance and development at all campuses. This program included landscaping, refurbishment and extensions.

Highlights included:

- Completion of the winery at the Ararat campus
- Refurbishment of the training facilities for massage, beauty and pathology at the Collingwood campus
- Completion of the Primary Industries and Production Training Centre at the Epping campus
- The re-commencement of construction of a multi-function training centre at the Preston campus

Corporate Communications

The Corporate Communications Department provides a range of services to prospective and current students, staff and the general public. These include reception, course information and enrolment, coordinating and administering the range of student records and academic registry functions, event management, advertising, publications, developing and maintaining NMIT's Internet and Intranet websites, and managing the Industry Foundation and Student Scholarship program.

Highlights included:

- Improving the usability of the website for prospective students of all short courses at NMIT.
- Receiving an Australian TAFE Marketing Award for the 2005 NMIT Corporate Golf Day.
- The development of marketing plans, advertising and promotional campaigns, brochures and higher education web pages for all new degree programs.
- Hosting a New Apprenticeship Centre (NAC) Information Day.
- Redevelopment of the NMIT International website to match the current NMIT website style.
- Development of an online process for updating short course brochures making the updating process easier and more efficient.



Finance

The Finance Department is responsible for the effective and efficient management of NMIT's financial functions.

Highlights included:

- The Implementation of the International Financial Reporting Standards (IFRS). Completed impairment testing of assets, identified magnitude of changes and re-drafted financial statements to comply with IFRS.
- Development and implementation of the Institute's fraud prevention management plan.
- Preparation of the 2005 annual financial reports, 2005 whole of Government financial reports and 2005 commercial activities financial reports, for submission to OTTE.
- A major upgrade of the finance system in July 2005 and subsequent training for finance staff.
- Implementation of new tax rates from 1 July 2005.
- Financial management compliance completed for the following in accordance with the Standing Directions of the Minister for Finance under the Financial Management Act 1994:
 - Financial management compliance certification
 - Tax compliance certification
 - Credit card compliance certification
 - Irregularities and losses compliance
- Preparation of annual budgets for 2006.

IT Services

IT Services is responsible for the planning, acquisition and support of all information and communication technology used by NMIT.

Highlights included:

- Appointment as lead agent in the deployment of Voice Over Internet Protocol (VOIP) telephony systems to five TAFE Institutes including NMIT. The value of the project was over \$6m.
- Assistance to approximately 5,000 end users of VOIP.
- The deployment of Windows XP in 2005 following extensive testing and configuration.
- A move to Zen imaging to streamline software deployment in classrooms was implemented. (This system is a centralised system that "pushes" upgrades of software to classroom personal computers).
- An extension of the NMIT network to the Eden Park site and backup microwave links at two campuses.
- The expansion of network services (e.g. SHAPE access, access to email and data) to remote sites.

Personnel

The role of the Personnel Department is to provide personnel services to all staff and to develop, implement and review policies in the areas of industrial and employment law, anti-discrimination law and occupational health and safety. The Department is also responsible for Freedom of Information (FOI), Information Privacy and the Whistleblowers Protection legislation

Highlights included:

- Certification of the following agreements:
 - Storage Services Agreement
 - Miscellaneous Workers Agreement
 - PACCT Staff Agreement
- Successful migration to the Computerised Human Resource Information System (CHRIS) 21 from CHRIS 5 with no disruption to services.
- Successful transition to "Choice of Fund" superannuation on 1 July 2005. Procedural changes prior to the date ensured a smooth implementation.
- Corporate membership to Ambulance Victoria offered to staff providing a 10% saving on the membership fee.

Student Services

The Student Services Department comprises personal and career counselling, on campus child-care, sporting and recreational activities, housing assistance and a full range of library services.

Highlights included:

- Development of NMIT's Inaugural Disability Action Plan 2005 - 2006.
- Development of Disability Support Service (DSS) and Counselling Service websites.
- The provision of direct classroom support, by the Disability Support Service, to 83 students amounting to over 6200 hours of direct learning support.
- Revision of equal opportunity policies and procedures and training to teaching departments on the updated policies.
- Development of 'plain English' versions of Equal Opportunity, Sexual Harassment and Student Complaint and Grievance policies and procedures for students.
- Marked increase in student campus activities and an increase in the numbers of students attending campus activities.
- Increased Gym membership and usage.
- Increased library resources including subscriptions to electronic books and academic journals and improved communication systems to assist staff to keep abreast of new library acquisitions.



Financial and Other Information

SUMMARY OF FINANCIAL RESULTS

NMIT's 2005 Financial Statements were prepared in accord with applicable Australian equivalents of International Financial Reporting Standards (A-IFRS) and other mandatory professional reporting requirements and complies with the Financial Management Act 1994.

Year	Operating Surplus (Deficit) \$000's	Accumulated Surplus (Deficit) \$000's
2005	5,570	26,591
2004	1,987	21,021*
2003	15,395	19,105
2002	3,716	3,716
2001	9,026	37,230

* The change in accumulated surplus for 2004 from 21,092 to 21,021 is the result of change brought by implementing Australian equivalents of International Financial Reporting Standards (A-IFRS).

SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL POSITION

The change in operating surplus from \$1.987 million in 2004 to \$5.57 million in 2005 is largely due to the following:

- approximately \$1.6 million contribution towards fee concessions.
- approximately \$1.2 million increase in extraneous income and an overall reduction in expenditure of approximately \$.4 million.

OPERATIONAL OBJECTIVES AND PERFORMANCE AGAINST OBJECTIVES

In 2005, NMIT achieved the objectives documented in the Performance Agreement negotiated with the Victorian Learning and Employment Skills Commission. The following is a summary of the objectives and performance against objectives.

Manage a financially sound organisation with a balanced budget

NMIT produced a budget with an operational surplus as documented in the Financial Statements of this report.

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. The Performance Agreement requirements were met by:

- delivering all agreed program profile student contact hours.
- complying with all audit requirements.
- maintaining all quality assurance processes.
- being below the threshold invalid module enrolment requirement.
- providing a mailing list for the National Centre for Vocational Education and Research student outcomes survey.
- providing statistical reports on enrolments by industry, sector, and qualification level, student contact hours and staffing.
- reporting on total student hours of training undertaken in the workplace as part of practical placement.
- reporting on usage of Victorian Crown Copyright curriculum, interstate or overseas where it was used as the basis of commercial delivery.
- providing financial statements and reports on capital works.
- reporting on indigenous programs.
- reporting on regulated apprenticeship training agreements.
- meeting obligations in relation to tagged items.

Expand the regional and international profile

NMIT expanded its regional and international

profile as evidenced by the following:

- An agreement between NMIT and HKUE (Genesis Education Centre) based in Hong Kong commenced in September 2005 with NMIT providing curriculum support to deliver the Diploma of Business (Marketing) and Diploma Business (Management).
- New partnerships established with three private post secondary colleges in South Korea. The partnerships involve the delivery of NMIT programs in Hospitality and Tourism, Business and Community Welfare. The colleges will commence enrolments for the start of the academic year in 2006.
- In 2005, NMIT expanded its training in China with the addition of six new Chinese Universities as partners.
- NMIT expanded its specialised training for the Hong Kong Jockey Club.
- In 2005 NMIT also established a close working relationship with the Malaysian Equine Council providing farrier skills up-grades and assessment to farriers employed by that body.

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

NMIT delivered a comprehensive range of high quality programs to students using a variety of delivery methods. These programs met the Australian Quality Training Framework standards and were quality assured through the NMIT Quality Management System. NMIT's quality system covers the design, development and provision of training programs and services provided by all teaching and non-teaching departments within NMIT. In 2005 external quality audits resulted in the achievement of certification to the new ISO 9001:2000 standard with nil non-conformances recorded.

For further information please note the section below headed "snapshot of achievements".

Provide access to high quality equipment and facilities

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

- completion of a winery at the Ararat campus.
- refurbishment at the Collingwood campus to provide training facilities for massage, beauty and pathology.
- completion of the Primary Industries Production and Training Centre at Epping campus.
- Installation of Cisco IP phones for all NMIT staff.
- Continued upgrading of computers and software requirements.

In 2005, NMIT completed an extensive program of maintenance and development at all campuses. This program included landscaping, refurbishment and extensions. NMIT invested nearly \$4 million in new equipment to support program delivery and completed a program of server and computer laboratory upgrades.

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

NMIT was funded by the Office of Training and Tertiary Education and the Australian National Training Authority to deliver a range of staff development programs.

Externally funded programs included:

- Reframing the Future Staff Development projects
- Learning by Design funded eight projects enabling the production of teaching and learning resources
- 13 Learn-Scope projects focussing delivery and development of e-learning resources.
- E Learning grant from OTTE
- Innovation Funds from OTTE to support the development of innovative delivery.
- Implementation of new Training and Assessment project

NMIT funded programs included:

- Annual conference on the theme "Embracing diversity: emergent learners, emergent skills" that attracted 140 NMIT staff as well as 40 interested parties from the wider education community
- Delivery of the Certificate IV in Assessment and Workplace Training to NMIT teaching staff
- Administration and management of recognition of prior learning for Certificate IV in Assessment and Workplace Training for NMIT teaching staff
- Development and delivery of customised programs to teaching and non-teaching staff including a one day conference for office professionals.
- Delivery of faculty seminars and workshops on teaching and learning including online delivery and contextualising teaching and learning.
- teaching and learning projects.
- ICT professional development including designing and developing departmental intranet sites, training in the production of documents meeting QA and NMIT style guidelines for electronic documents, training in the development of interactive multi media resources.

The value of professional development funded by NMIT including registration fees, travel and accommodation, replacement costs and staff time was \$714,155.

During 2005 NMIT participated in the Human Resources Effectiveness Monitor conducted by Mercer Human Resources Consulting. The outcome demonstrated that NMIT provided an average 50.01 hours of training per employee. This compares to the public sector average of 20.88 hours of training per employee and the overall average of 19.51 hours.

MAJOR CHANGES OR FACTORS AFFECTING ACHIEVEMENT OF OBJECTIVES

There were no major changes or factors affecting the achievement of NMIT objectives.

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

NMIT expanded its range of specialist programs and diversified the products and services offered. Examples of this expansion includes:

- AMEP staff members at NMIT were involved in a national research project designing content-based curriculum for young refugees and developing low literacy skills material.
- NMIT became the first Victorian TAFE Institute to be awarded Fee Help status as a Higher Education Provider.
- NMIT developed a teaching guide for VET teachers focusing on how to contextualise teaching and learning.
- A higher education bachelor degree program was accredited in Equine Studies in 2005 in addition to an associate Degree in Accounting. A bachelor degree in music field and three business associate degrees are at the final stages of approval and accreditation.
- NMIT accredited short courses developed to meet the needs of the local community.

The range of diversified products developed and sold included:

- cut lavender from the Aradale campus,
- books published by the publishing arm supporting the professional writing and editing course at the Greensborough campus,
- thoroughbred yearlings from Northern Lodge and
- wine exported to the United Kingdom, Canada and Japan using Eden Park and Australian College of Wine labels.

Further, the Australian Wine and Brandy Corporation have approved an NMIT application for an export licence that will enable this Institute to export wine under its own licence.

EVENTS SUBSEQUENT TO BALANCE DATE

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

EX GRATIA PAYMENTS

There were no ex gratia payments made in 2005.

CONSULTANCIES

Consultancies Over \$100,000

There were no consultants over \$100,000.

Consultancies Under \$100,000

NMIT engaged sixteen consultants for a total cost of \$125,702 during 2005.

STATEMENT OF PERFORMANCE FOR YEAR ENDED 31 DECEMBER 2005

Performance Indicators	2005 Target	2005 Actual	Variance	Note
Financial/Resource Management				
Operating Surplus (Revenue less capital and expenses before depreciation)	\$'000 6,546	\$'000 (38)	\$'000 6,584	1
Working capital (liquidity) ratio	>1:1	1:2.25	1:25	2
Total Cost per SCH (including depreciation)	\$11.70 (State Avge)	\$11.44	\$0.26	3
Students				
Module Load Completion Rate	77.4% (State Avge)	71.06%	(6.3%)	4
Student Contact Hours (SCH) - Recurrent	5,208,670 SCH	5,213,801 SCH	5,131 SCH	5
- Total	-	7,592,895 SCH		
Operations				
Teaching: Non-Teaching Staff Ratio	1.43:1 (State Avge)	1.79:1	0.36	6

Explanation of significant variances:

NOTE:

1. Capital grant income decreased by approximately \$2.9 million
Contribution towards fee concessions increased by approximately \$1.6 million due to a catch up payment from OTTE
Extraneous income increased by approximately \$1.2 million
and overall expenditure decreased by approximately \$0.4 million
2. Considerable increase in cash and cash equivalents, largely investments which increased by approximately \$4.5 million.
3. Not significant, however targets for fee for service activities are not measured in SCH.
4. This measure is skewed because there are rolling enrolments which are classified as incomplete at year end.
5. Total SCH includes recurrent, fee for service and offshore. The only comparison for target/actual is for recurrent SCH.
6. This performance indicator is limited to staff on the institute's payroll system. It does not include teaching by outside consultants for specialised courses or contracted out services such as cleaning and security. It does include non-teaching staff in a range of activities not associated with teaching, eg commercial activities.

COMPLIANCE WITH THE BUILDING ACT 1993

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

A register of building surveyors and the jobs they certified was 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 required the maintenance of registration for the duration of the contract. All practitioners engaged by NMIT maintained their registered status throughout the year. During 2005, the following works and maintenance were undertaken to ensure conformity with the relevant standards:

Building Works	Number
Work is constructed and the subject of mandatory inspections	6
Occupancy Permits Issued	2
Notices issued for rectification of substandard building requiring urgent attention	0
Involving major expenditure and requiring urgent attention	0
Number of buildings conforming with standards	122
Brought into conformity this year	0

ADDITIONAL INFORMATION

Consistent with the requirements of the Financial Management Act 1994, NMIT has prepared material on the following items, details which are available on request:

- statement regarding declarations of 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
- details of major promotional, public relations and marketing activities
- Occupational Health and Safety assessments and measures
- industrial relations issues
- major committees sponsored by NMIT.

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 these principles.

FEES AND CHARGES

Tuition Fees

Tuition fees are set by the Government on advice from the Victorian Learning and Skills Commission and in 2005 were calculated on the basis of \$1.28 for each subject hour of the course, or part of the course, in which the student was enrolled.

A minimum tuition fee of \$51 applied. Students with less than 40 student contact hours were still required to pay this minimum fee. The maximum tuition fee paid by any student per calendar year was \$819.00

Student Services & Amenities Fee

All students were required to pay a Student Services and Amenities Fee as follows:

1. Full Fee paying students paid \$0.25 per subject hour enrolled, with a minimum charge of \$40.00 and a maximum charge of \$130.00
2. Students who enrolled with a concession card (Health Care Card, Pensioner Card or Veteran's Gold Card) paid 25% less than the Full Fee charge, with a minimum charge of \$40.00 and a maximum charge of \$97.50

Materials Fee

Class materials fees were charged on all classes.

Minimum Fee

In 2005, the minimum fee applied to the following categories:

- students who were receiving government benefits, pensions or allowances
- students who were the dependant spouse of a person who was receiving government benefits, pensions or allowances
- students who were the dependant child of parents who were receiving government benefits, pensions or allowances.

The relevant person from a category above must have been in receipt one of the following benefits:

- Commonwealth Health Care Card
- Pensioner Card
- Veteran's Gold Card

Prisoners and Koories enrolled in TAFE courses paid no fees.

INTERNATIONAL OPERATIONS

NMIT conducted programs offshore and enrolled overseas students in a range of countries. Its largest international operation was in China. The institute maintained a fully staffed international office at the Collingwood campus to undertake marketing, liaison, contract and partner management. As part of annual planning and business operations, strategic and operational risks were identified and strategies established to manage risks.

In 2005 the following strategic and operational risks were identified and managed:

- legal risks, such as in China the release of new laws relating to joint venture operations by the Ministry of Education
- currency fluctuations and receipt of monies
- staffing, to ensure a pool of qualified and experienced teachers available from NMIT, industry and other tertiary organisations
- customer requirements whilst maintaining vocational education quality compliance
- health and safety and insurance considerations, covered in the NMIT Teacher Information Booklet for teachers undertaking overseas work
- compliance with internal and external audits, including the Commonwealth government audits
- NMIT assets held overseas, kept to a minimum and generally only including stocks of teaching materials and stationery
- supporting students studying in Australia and regular liaising with Commonwealth departments to ensure a stable study environment
- Chinese student results entered onto a database which was used to validate Chinese issued Statement of Results when requested by Australian or overseas educational institutions.

Performance targets are formulated annually and for 2005 included:

- ensuring agreements entered into were only with highly ranked and respected overseas universities and vocational institutes/colleges
- ensuring that joint venture arrangements met a minimum enrolment target of 100 students to ensure viability

Performance measures and targets were monitored regularly through official visits by specialist and management staff who negotiated contractual arrangements, advised on curricula, advised on pedagogical issues, performed audits and engaged in marketing activities. All 2005 targets were achieved.

Additional information relating to international operations is located on page 27.

OCCUPATIONAL HEALTH AND SAFETY

Most amendments to the Accident Compensation Act 1985 and the Occupational Health and Safety Act 2004 came into affect from 1 July 2005. NMIT policies and procedures were updated accordingly. Two additional Rehabilitation Providers were included as NMIT's preferred providers to comply with the Accident Compensation Act.

Thirteen staff undertook training in Electrical Lead Testing. Testing equipment has been provided.

Training was provided to five new OH & S representatives.

Staff and student incident reporting continues to play a major role in the monitoring of incidents and ensuring corrective action is put in place.

The WorkCover premium for 2005/2006 reduced by 11.9% from the 2004/2005 premium.

Statistics for accidents/incidents reported by employees and students were:

Employees	
- total number employed 31/12/05	1,192
Number of incidents reported	53
Number of compensable claims	5
Time lost (hours)	1,559.20
Students - total number enrolled	29,424
Number of incidents reported	91

WHISTLEBLOWERS PROTECTION ACT 2001

No disclosures were made to NMIT during 2005. No disclosures were referred to NMIT by the Ombudsman. There were no requests made to the Ombudsman to investigate any matters. Finally, the Ombudsman did not make any recommendations relating to NMIT.

ACTIVITY TABLE

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

NOTE A1 - INCOME STATEMENT

Total Operating Expenses

	Note	2005 \$000	2004 \$000
Delivery provision and support activity	A2	60,574	60,278
Admin. and general services activity	A3	12,481	13,128
Property plant and equip. services activity	A4	8,816	8,691
Student and other services activity	A5	5,016	5,133
Total Operating Expenses		<u>86,887</u>	<u>87,230</u>

NOTE A2 - INCOME STATEMENT

Delivery Provision and Support Activity

	2005 \$000	2004 \$000
Salaries, wages, overtime & allowances	41,872	40,735
Superannuation	3,627	3,570
Payroll tax	2,290	2,179
Other salary related costs	1,244	1,153
Consumables	2,646	3,610
Travel and motor vehicle expenses	417	265
Depreciation	4,907	4,800
Other direct delivery expenses	3,571	3,966
	<u>60,574</u>	<u>60,278</u>

NOTE A3 - INCOME STATEMENT

Administration and General Services Activity

	2005 \$000	2004 \$000
Salaries, wages, overtime & allowances	6,015	6,057
Superannuation	520	531
Payroll tax	328	324
Other salary related costs	168	174
Consumables	64	204
Communication expenses	788	1,001
Fees	543	926
Travel and motor vehicle expenses	1,104	1,329
Depreciation	704	714
Other expenses	2,247	1,868
	<u>12,481</u>	<u>13,128</u>

ACTIVITY TABLE (CONT.)

NOTE A4 - INCOME STATEMENT

Property, Plant and Equipment Services Activity

	2005 \$000	2004 \$000
Salaries, wages, overtime & allowances	1,587	1,569
Superannuation	138	137
Payroll tax	87	84
Other salary related costs	47	43
Consumables	19	24
Depreciation	186	185
Equipment	182	573
Energy costs	1,341	1,293
Contract services	2,653	2,269
Rent/leasing charges	528	775
Repairs and maintenance	1,913	1,587
Other expenses	135	152
	<u>8,816</u>	<u>8,691</u>

NOTE A5 - INCOME STATEMENT

Student and Other Services Activity

	2005 \$000	2004 \$000
Salaries, wages, overtime & allowances	2,390	2,531
Superannuation	207	222
Payroll tax	131	135
Other salary related costs	71	70
Consumables	126	151
Depreciation	280	298
Other expenses	1,811	1,726
	<u>5,016</u>	<u>5,133</u>



Financial Statements

COMPULSORY NON-ACADEMIC FEES AND CHARGES STATEMENT AS AT 31 DECEMBER, 2005

	2005	2004
	\$	\$
Income		
Compulsory Non- Academic Fees	977,734	856,202
Total Income	977,734	856,202
Expenditure		
Salaries		
Salaries	568,599	508,642
Salary Oncosts	89,944	93,971
Total Salary Expenditure	658,542	602,613
Non Salaries		
Consumables	10,175	8,241
Subscriptions	636	500
Telephone	740	151
EDP Equipment Purchases	9,030	35,896
Equipment Purchases	28,321	15,045
Furniture & Fittings	40,819	17,544
Equipment Lease	432	0
Contract Cleaning	0	409
Travel	1,166	1,110
Citylink Payments	907	1,892
Equipment Repairs	198	4,565
Diaries & Advertising	34,841	36,399
Staff Development	0	688
Advertising - Recruitment	0	1,235
Computer Software Development	192	3,077
Orientation/Recreational Activities	39,813	37,683
Minor Works	15,000	0
Building Repairs & Maintenance	27,925	0
Uniforms	1,293	0
Total Non Salary Expenditure	211,490	164,435
Total Expenditure	870,032	767,048
Operating Result for the year	107,702	89,154
Accumulated Surplus 1 January	160,496	71,342
Accumulated Surplus 31 December	268,198	160,496

Frances Meiklejohn

Frances Meiklejohn
Chief Finance Officer
16/2/2006



AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Northern Melbourne Institute of Technical and Further Education

To the Members of the Parliament of Victoria and Members of the Council of the Institute

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the financial year ended 31 December 2005 relates to the financial report of Northern Melbourne Institute of Technical and Further Education included on its web site. The Members of the Council of Northern Melbourne Institute of Technical and Further Education are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

The Financial Report

The accompanying financial report for the year ended 31 December 2005 of Northern Melbourne Institute of Technical and Further Education consists income statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report, and the supporting declaration.

Members' Responsibility

The Members of the Council of Northern Melbourne Institute of Technical and Further Education are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act 1994*, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

These procedures have been undertaken to form an opinion as to whether the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, so as to present a view which is consistent with my understanding of the Institute's financial position, and its financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

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 are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of Northern Melbourne Institute of Technical and Further Education as at 31 December 2005 and its financial performance and cash flows for the year then ended.

MELBOURNE
17 March 2006


JW CAMERON
Auditor-General

NORTHERN MELBOURNE INSTITUTE OF TECHNICAL AND FURTHER EDUCATION

Financial Report for Year Ended 31 December, 2005

*Declaration By President of Council,
Chief Executive Officer And
Chief Finance and Accounting Officer*

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

We further state that, in our opinion, the information set out in the income statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2005 and financial position of the Institute as at 31 December 2005.

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



President of Council
DATE: 20/02/2006



Chief Executive Officer
DATE: 20/02/2006



Chief Finance & Accounting Officer
DATE: 20/02/2006

INCOME STATEMENT FOR
THE YEAR ENDED 31
DECEMBER, 2005

	Note	2005 \$000	2004 \$000
Revenues from continuing operations	2		
Operating activities			
-Government contributions - operating	2.1	59,609	54,620
-Government contributions - capital	2.2	5,101	8,022
-Fee for service	2.3	17,901	16,760
-Student fees and charges		5,019	5,127
-Sale of goods		2,426	2,225
Non operating activities			
-Capital grants		0	0
-Other income	2.4	2,401	2,463
		<u>92,457</u>	<u>89,217</u>
Expenses from continuing operations	3		
Employee benefits	3.1	60,722	59,514
Depreciation and amortisation	10	6,077	5,997
Finance costs		71	92
Other	3.2	20,017	21,627
		<u>86,887</u>	<u>87,230</u>
Operating result from continuing operations		<u>5,570</u>	<u>1,987</u>
Operating result from discontinued operations		<u>0</u>	<u>0</u>
Net operating result for the year		<u>5,570</u>	<u>1,987</u>

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

BALANCE SHEET AS AT
31 DECEMBER, 2005

	Note	2005 \$000	2004 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	4, 29	16,625	11,959
Trade and other receivables	5, 29	2,550	2,011
Inventories	6	1,626	508
Biological assets	11	60	78
Other financial assets	7, 29	112	112
Other assets	9	480	365
Total Current Assets		<u>21,453</u>	<u>15,033</u>
Non-Current Assets			
Other financial assets	7, 29	301	340
Property, plant and equipment	10	180,033	179,640
Biological assets	11	2,840	2,511
Total Non-Current Assets		<u>183,174</u>	<u>182,491</u>
TOTAL ASSETS		<u>204,627</u>	<u>197,524</u>
LIABILITIES			
Current Liabilities			
Payables	15, 29	5,631	5,175
Short term borrowings	16, 29	356	334
Employee benefits	17	3,567	3,316
Total Current Liabilities		<u>9,554</u>	<u>8,825</u>
Non-Current Liabilities			
Long term borrowings	16, 29	471	827
Employee benefits	17	9,205	8,696
Total Non-Current Liabilities		<u>9,676</u>	<u>9,523</u>
TOTAL LIABILITIES		<u>19,230</u>	<u>18,348</u>
NET ASSETS		<u>185,397</u>	<u>179,176</u>
EQUITY			
Reserves	20	127,125	126,474
Contributed capital	20, 1.1, 1.22	31,681	31,681
Accumulated surplus	20	26,591	21,021
TOTAL EQUITY		<u>185,397</u>	<u>179,176</u>

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

STATEMENT OF CHANGES
IN EQUITY FOR THE YEAR
ENDED 31 DECEMBER, 2005

	Note	2005 \$000	2004 \$000
Total equity at the beginning of the year	20	179,176	183,780
Gain on revaluation of land and buildings	10	651	3,566
Net income recognised directly in equity		651	3,566
Net operating result for the year		5,570	1,987
Total recognised income and expense for the year		6221	5553
Contributed capital		0	(10,157)
Total equity at the end of the financial year	20	185,397	179,176

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED
31 DECEMBER, 2005

	Note	2005 \$000	2004 \$000
Cash Flows from Operating Activities			
Payments			
Wages and Salaries		(59,396)	(58,285)
Suppliers (inclusive of GST)		(22,976)	(24,311)
Goods and Services Tax paid			
Other payments		(685)	(448)
Receipts			
User fees and charges (inclusive of GST)		19,626	22,534
Interest received		888	698
Goods and Services Tax recovered		707	552
Other receipts		150	63
Cash flows from government			
Receipts from appropriations/grants		67,990	62,115
Government contributions - capital	2.2	5,101	8,022
Net cash provided by operating activities	21	11,405	10,940
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(6,409)	(9,212)
Payments for biological assets	11	(335)	(306)
Proceeds from sale of property, plant and equipment	10	339	288
Net Cash used in Investing Activities		(6,405)	(9,230)
Cash Flows from Financing Activities			
Repayment of lease liability		(334)	(323)
Net Cash used in Financing Activities		(334)	(323)
Net increase (decrease) in cash held		4,666	1,387
Cash at the beginning of the financial year		11,959	10,572
Cash at the end of the financial year	4	16,625	11,959

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2005

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Report is a general purpose Financial Report prepared in accordance with Australian equivalents to International Financial Reporting Standards (A-IFRS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group (UIG) and AASB Interpretations, the Financial Management Act 1994 and applicable Financial Reporting Directions issued under that legislation.

The Financial Report consists of the Financial Statements of the Northern Melbourne Institute of TAFE (NMIT). The following is a summary of the accounting policies adopted by the Institute in the preparation of the Financial Report. The accounting policies have been consistently applied unless otherwise stated.

1.1 BASIS OF PREPARATION

First time Adoption of Australian Equivalents to International Financial Reporting Standards

The Institute has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (A-IFRS) from 1 January 2004.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the Institute accounts resulting from the introduction of A-IFRS have been applied retrospectively to 2004 comparative figures excluding cases where optional exemptions available under AASB 1 have been adopted. These accounts are the first financial statements of the Institute to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented. The Institute has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer Note 29 for further details.

Reconciliations and descriptions of the effect of the transition from previous Australian Generally Accepted Accounting Principles (A-GAAP) to A-IFRS have been included in Note 32 to this report.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected classes of non-current assets and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Critical accounting estimates and judgments

The preparation of the financial statements in conformity with A-IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Institute's accounting policies.

Key estimates – Impairment

The Institute assesses impairment at each reporting date by evaluating conditions specific to the Institute that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

Key judgments - Allowance for doubtful debts

Included in accounts receivable at 31 December 2005 are amounts which have been outstanding beyond the normal trading terms. The likelihood of the recovery of these amounts has been assessed and an estimated allowance made for non recovery of particular amounts outstanding.

1.2 PRINCIPLES OF CONSOLIDATION

Not applicable.

1.3 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

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

1.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash equivalents i.e. highly liquid investments with short periods to maturity which are readily convertible to cash on hand at the Institute's option.

1.5 RECEIVABLES

Trade receivables are carried at nominal amounts due less any allowance for doubtful debts. An allowance for doubtful debts is maintained to recognise that collection of the full nominal amount is no longer probable.

1.6 FINANCIAL INSTRUMENTS

Recognition

Financial instruments are initially measured at fair value, plus in the case of a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or the issue of the financial asset or liability. Subsequent to initial recognition, the financial instruments are measured as set out below.

1.6.1 *Financial assets at fair value through profit and loss*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirement of AASB 139: Recognition and Measurement of Financial Instruments.

1.6.2 *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

1.6.3 *Held-to-maturity investments*

These investments have fixed maturities and it is the Institute's intention to hold these investments to maturity. Any held-to-maturity investments held by the Institute are stated at amortised cost using the effective interest rate method.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

1.6.4 Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity. Refer to note 7.

1.6.5 Financial liabilities

Non-derivative financial liabilities are recognised at amortised costs, comprising original debt less principal payments and amortisation.

1.6.6 Derivative instruments

There are no derivative instruments.

1.6.7 Fair value

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

1.6.8 Impairment

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

1.7 INVESTMENTS IN ASSOCIATES

There are no investments in Associates.

1.8 INTEREST IN JOINT VENTURES

There are no interests in joint venture.

1.9 INVENTORIES

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

Cost is measured on the basis of weighted average cost.

1.9.1 Wine

The addition of two wineries at the Ararat and Epping Campuses has resulted in additional storage for wine held in barrels and tanks. 2005 is the first year that this has been included in the stocktake, significantly increasing the value of wine stocks from that of previous years.

1.10 BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

1.10 BORROWINGS (cont)

Borrowing costs

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

Borrowing costs include amortisation and finance lease charges.

1.11 EMPLOYEE BENEFITS

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

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

1.11.1 Wages and Salaries, Annual Leave and Sick 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 at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities in respect of employee benefits which are not expected to be settled within 12 months are measured at their present value of the estimated future cash outflows to be made by the Institute in respect of services provided by employees up to reporting date. Due to the nature of staffing requirements for the child care centre, sick leave has been provided for and included in provisions as a current liability.

1.11.2 Long Service Leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows. The nominal amount of long service leave expected to be paid in the next financial year is included as a current liability.

1.11.3 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 accrued under the term of the contracts at reporting date and paid out in the next financial year. Other performance payments provided for under contracts of employment are accrued as a current liability.

1.11.4 Superannuation

The amount charged to the income statement in respect of superannuation represents the contributions made by the Institute to the superannuation plans in respect of current services of current Institute staff. Superannuation contributions are made to the plans based on the relevant rules of each plan. (refer notes 3.1; 26)

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

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

1.12 PROVISIONS

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

1.13 LEASES

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives.

Leased payments for operating leases, where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

Leasehold improvements are capitalised and amortised over the term of the lease (\$0, 2005) (\$479,294, 2004).

1.14 PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair values.

1.14.1 Property

Buildings are stated at valuations conducted at 31 December 2003 by Charter Keck Cramer acting on behalf of the Valuer General, subsequent additions to buildings are valued at cost.

Land is stated at valuations conducted at 31 December 2003 by Charter Keck Cramer and indexed annually based on Valuer General indexation movements for subsequent years.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

1.14 PROPERTY, PLANT AND EQUIPMENT (cont)

1.14.2 Plant and Equipment

Plant and equipment are measured at cost basis less depreciation and impairment losses.

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

The cost of fixed assets constructed within the Institute includes the cost of materials, direct labour and an appropriate portion of fixed and variable overheads.

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

1.15 VALUATION OF NON-CURRENT PHYSICAL ASSETS

1.15.1 Property, plant and equipment

Assets other than those that are carried at cost are revalued with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value. This revaluation process normally occurs every three to five years. Revaluation increments or decrements arise from differences between an asset's depreciated cost or deemed cost and fair value.

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

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

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

1.15.2 Capital works in progress

Capital works in progress are valued at cost.

1.15.3 Motor vehicles

Motor vehicles are valued at cost.

1.15.4 Library collections

Library collections are valued at cost.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

1.16 IMPAIRMENT OF ASSETS

Assets are assessed annually for indications of impairment.

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

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

1.17 INTANGIBLE ASSETS

1.17.1 Goodwill

Not applicable.

1.17.2 Research and Development

Not applicable.

1.17.3 Internal-use software

Not applicable.

1.18 BIOLOGICAL ASSETS

1.18.1 Vineyard

Land under vine is stated at valuations conducted at 31 December 2003 by Charter Keck Cramer and indexed annually based on Valuer General indexation movements for subsequent years.

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

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

1.18.2 Animals

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

Subsequent purchases are at cost.

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

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

1.19 DEPRECIATION AND AMORTISATION

1.19.1 Depreciation

Non-current physical assets (with the exception of land) with a cost in excess of \$1,000 are capitalised and depreciated on a straight line basis, to write off the cost or revalued amount of each asset over its expected useful life to the Institute.

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

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

Class of asset	Method	Rate/Ranges
Buildings	Straight line	2.5% to 4%
Major components – buildings	Straight line	5% to 10%
Plant & equipment	Straight line	6.67% to 50%
Motor vehicles	Straight line	10% to 20%
Library collections	Straight line	20%

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis. There has been no substantial change in the methodology and rates for 2005.

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

1.19.2 Amortisation

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

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

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

1.20 INVESTMENT PROPERTIES

Not applicable

1.21 GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of GST except where the amount of GST incurred is not recoverable, in which case it is recognised as part of the cost of acquisition of an asset or part of an item of expense. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of receivables or payables in the balance sheet. The GST component of a receipt or payment is recognised on a gross basis in the cash flow statement in accordance with Accounting Standard AASB 107 Cash Flow Statements.

1.22 REVENUE RECOGNITION

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.

Contributed Capital - If the funds source to a TAFE Institute for State Capital Contributions is "output funding" then capital grants are treated as income. Where special funding is made available for capital purposes, Office of Training and Tertiary Education (OTTE) notifies the relevant Institutes that such funding is a "Contribution by the Owner" and should be treated as contributed capital.

Commonwealth capital funds are not affected and are treated as income.

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

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.

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

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

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

1.23 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

1.23.1 Functional and presentation currency

Not applicable.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

1.23.2 Transaction 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.

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

1.23.3 Controlled entity

NMIT International Ltd is a wholly owned company of Northern Melbourne Institute of TAFE. NMIT International Ltd has never traded and as such does not warrant consolidation in the Financial Statements of Northern Melbourne Institute of TAFE.

1.24 ROUNDING OF AMOUNTS

All amounts shown in the Financial Report are expressed to the nearest thousand dollars, where applicable.

1.25 COMPARATIVE INFORMATION

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

1.26 CHANGES IN ACCOUNTING POLICY

There are no material changes in Accounting Policy for the year ending 31 December 2005.

1.27 AUSTRALIAN ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

AASB 7 Financial Instruments: Disclosure

The Australian Accounting Standards Board (AASB) issued AASB 7 Financial Instruments: Disclosures in August 2005 for application to annual reporting periods beginning on or after 1 January 2007 with early adoption permitted for annual reporting periods beginning on or after 1 January 2005. The Institute has decided not to early adopt AASB 7 and will adopt the standard when required.

On the adoption of AASB 7, the Institute will be required to apply the disclosure requirements in relation to financial instruments in accordance with AASB 7, however the presentation requirements of AASB 132 Financial Instruments: Disclosure and Presentation will continue to apply. AASB 7 requires further balance sheet and income statement disclosures about the Institute's exposures to risks arising from financial instruments. In addition, the Institute will not be able to apply the relief from making parent entity disclosures that is currently available under AASB 132.

NOTE 2 - REVENUE FROM CONTINUING ACTIVITIES

	Note	2005 \$000	2004 \$000
Note 2.1 - GOVERNMENT CONTRIBUTIONS - OPERATING			
ANTA/State current C'wealth/ANTA specific funded programs		58,958	54,072
Other contributions		651	548
		<u>59,609</u>	<u>54,620</u>
Note 2.2 - GOVERNMENT CONTRIBUTIONS - CAPITAL			
ANTA capital		3,362	3,502
State capital		1,739	4,520
		<u>5,101</u>	<u>8,022</u>
Note 2.3 - FEE FOR SERVICE			
Fee for service - Government		8,382	7,494
Fee for service - International operations		4,421	4,293
Fee for service - other		5,098	4,973
		<u>17,901</u>	<u>16,760</u>
Note 2.4 - OTHER REVENUE			
Donations & contributions		150	64
Investment income		905	710
Rent		62	73
Other		1,284	1,616
		<u>2,401</u>	<u>2,463</u>
Total revenue from continuing activities		<u>85,012</u>	<u>81,865</u>

NOTE 3 - EXPENSES FROM CONTINUING OPERATIONS

	Note	2005 \$000	2004 \$000
Note 3.1 - EMPLOYEE BENEFITS			
Salaries, wages, overtime and allowances		51,069	49,968
Superannuation		4,492	4,460
Payroll tax		2,836	2,722
Movement in provision for long service leave		453	815
Movement in provision for annual leave		342	109
Other salary related costs		1,530	1,440
Total employee benefits		<u>60,722</u>	<u>59,514</u>
Note 3.2 - OTHER EXPENSES			
Bad and doubtful debts		44	48
Communication expenses		788	1,001
Consumables		2,855	3,989
Contract and other services		2,653	2,269
Cost of sale of goods including ancillary trading		1,558	1,432
Equipment		182	573
Fees & charges		543	926
Foreign currency translation losses		2	0
Impairment of non current assets		39	0
Grants & subsidies		49	48
Promotional expenses		1,091	906
Rent/leasing charges		457	683
Building repairs and maintenance		1,913	1,587
Staff development		348	260
Travel and motor vehicle expenses		1,521	1,594
Utilities		1,341	1,293
Loss on disposal of non current assets	10	252	64
Other expenses		4,381	4,954
Total other expenses		<u>20,017</u>	<u>21,627</u>
Total expenses from continuing activities		<u>80,739</u>	<u>81,141</u>

NOTE 4 - CASH AND CASH EQUIVALENTS

	Note	2005 \$000	2004 \$000
Cash at bank and on hand	1.4, 29	1,300	1,151
Deposits at call		15,325	10,808
		<u>16,625</u>	<u>11,959</u>
(a) The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:			
Balances as above		16,625	11,959
		<u>16,625</u>	<u>11,959</u>

NOTE 5 - RECEIVABLES

		2005 \$000	2004 \$000
Current	29		
Trade receivables		1,959	1,365
Provision for doubtful debts		(48)	(28)
Revenue receivable		456	419
GST receivable		183	255
		<u>2,550</u>	<u>2,011</u>

NOTE 6 - INVENTORIES

		2005 \$000	2004 \$000
Current			
Printroom stock		12	10
Hairdressing and beauty products		38	0
Nursery		46	0
Hospitality stock items		30	29
Wine stock	1.91	1,353	306
Bookshop stock		147	163
		<u>1,626</u>	<u>508</u>

NOTE 7 - OTHER FINANCIAL ASSETS

	Note	2005 \$000	2004 \$000
Available for sale		413	452
Less non current portion		301	340
Current portion		<u>112</u>	<u>112</u>
Current	29		
Available for sale financial assets			
Loans to other parties: English International Pty Ltd		112	112
Non-current	29		
Unlisted shares			
International Training Australia Pty Ltd (ITA)		1	40
English International Pty Ltd (EI)		200	200
International Education Network Pty Ltd (IEN)		100	100
		<u>301</u>	<u>340</u>

NOTE 8 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Not applicable

NOTE 9 - OTHER ASSETS

		2005 \$000	2004 \$000
Current			
Prepayments		480	365
		<u>480</u>	<u>365</u>

NOTE 10 - NON-CURRENT ASSETS: PROPERTY, PLANT AND EQUIPMENT

	Note	2005 \$000	2004 \$000
Land	1.14.1		
At Valuation 31 December 2004		0	48,386
At Valuation 31 December 2005		49,037	0
		<u>49,037</u>	<u>48,386</u>
Buildings	1.14.1		
At Cost		10,164	8,696
Accumulated Depreciation		(341)	(99)
At Valuation 31 December 2003		114,772	114,772
Accumulated Depreciation		(4,610)	(2,310)
Net Buildings		<u>119,985</u>	<u>121,059</u>
Work in Progress	1.15.2		
At Cost		86	257
Plant & Equipment	1.14.2		
At Cost		20,570	17,270
Accumulated Depreciation		(12,152)	(10,026)
Net Plant & Equipment		<u>8,418</u>	<u>7,244</u>
Leased Equipment	1.13		
At Cost		1,484	1,484
Accumulated Amortisation		(411)	(199)
Net Leased Equipment		<u>1,073</u>	<u>1,285</u>
Motor Vehicles	1.15.3		
At Cost		1,998	1,881
Accumulated Depreciation		(968)	(867)
Net Motor Vehicles		<u>1,030</u>	<u>1,014</u>
Library Collections	1.15.4		
At Cost		3,438	3,273
Accumulated Depreciation		(3,034)	(2,878)
Net Library Collections		<u>404</u>	<u>395</u>
Total Property, Plant and Equipment		<u>180,033</u>	<u>179,640</u>

NOTE 10 - NON-CURRENT ASSETS: PROPERTY, PLANT AND EQUIPMENT (cont)

Reconciliations

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

	Land	Buildings	WIP	Plant & Equipment	Leased Equipment	Motor Vehicle	Other	Total 2005	Total 2004
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2005									
Carrying amount at start of year	48,386	121,059	257	7,244	1,285	1,014	395	179,640	181,888
Additions	0	1,211	86	4,266	0	679	165	6,407	10,757
Disposals	0	0	0	(151)	0	(437)	0	(588)	(10,573)
Revaluation increments (decrements)	651	0	0	0	0	0	0	651	3,565
Transfers	0	257	(257)	0	0	0	0	0	0
Depreciation/ amortisation expense	0	(2,542)	0	(2,941)	(212)	(226)	(156)	(6,077)	(5,997)
Carrying amount at end of year	<u>49,037</u>	<u>119,985</u>	<u>86</u>	<u>8,418</u>	<u>1,073</u>	<u>1,030</u>	<u>404</u>	<u>180,033</u>	<u>179,640</u>

	Note	2005 \$000	2004 \$000
Depreciation and amortisation expense for the year			
Depreciation			
Buildings		2,518	2,379
Plant & equipment		2,941	2,997
Motor Vehicles		226	242
Library collections		156	156
		<u>5,841</u>	<u>5,774</u>
Amortisation			
Leasehold improvements		24	24
Plant and equipment under finance leases		212	199
		<u>236</u>	<u>223</u>
Total Depreciation and Amortisation		<u>6,077</u>	<u>5,997</u>
Profit and/or (Loss) on Sale of Non Current Assets			
Proceeds on sale of property, plant & equipment		339	288
Less written down value		591	352
Net profit/(loss) on disposal	3	<u>(252)</u>	<u>(64)</u>

NOTE 11 - BIOLOGICAL ASSETS

	Note	2005 \$000	2004 \$000
11.1 - PLANTS			
Nature			
Vines			
Activities			
Grape production and harvesting vineyard establishment involving design, construction and management of vineyards for educational purposes			
Bearer assets			
Immature assets			
Vine planting 2005		6	0
Vine planting 2004		0	53
Mature assets			
Aged vines		1,074	1,020
Total bearer assets		1,080	1,073
Quantities			
		2005	2004
		Qty	Qty
Ararat (hectares)		38	38
Eden Park (hectares)		8	8
Yarra Glen (hectares)		2	2
Whittlesea (hectares)		1.5	1.5
Total hectares		49.5	49.5
Output			
Tonnes harvested		495	480
		2005	2004
		\$000	\$000
Fair value of output was determined at current expected market rates		495	480
Wine grape harvest valued at \$1,000 per tonne			

11.2 - ANIMALS

Nature			
Bloodstock horses, riding horses, cattle, sheep, deer, goats, fish fingerlings.			
Activities			
Equine studies, aquaculture studies and agriculture studies			

NOTE 11 - BIOLOGICAL ASSETS (cont)

11.2 - ANIMALS (cont)

	Note	2005 \$000	2004 \$000
Consumable assets			
Immature assets			
Value of natural increases and purchases			
Fish fingerlings		8	8
Horses		16	15
Cattle		3	3
Sheep		1	0
Deer		0	1
Goats		0	0
		28	27
Mature assets			
Biologically transformed and marketable assets			
Horses		14	16
Cattle		6	14
Sheep		7	12
Deer		5	8
Goats		0	1
		32	51
Total consumable assets		60	78
Quantities			
		2005	2004
		No.	No.
Fish fingerlings		4,450	4,450
Horses		63	65
Cattle		273	281
Sheep		100	153
Deer		34	61
Goats		18	71
Total quantity of consumable assets		4,938	5,081
Output			
Natural increase			
Cattle		157	158
Sheep		109	0
Deer		6	22
Goats		15	0
Total quantity of output		287	180
		2005	2004
		\$000	\$000
Fair value of output was determined using a nominal amount at birth		4	4

NOTE 11 - BIOLOGICAL ASSETS (cont)

11.2 - ANIMALS (cont)

	2005	2004
	\$000	\$000
Bearer assets		
Mature assets		
Mares, stallions and angus bull	1,760	1,437
Total bearer assets	1,760	1,437
	2005	2004
	No.	No.
Quantities		
Bloodstock horses	41	34
Angus bull	1	2
	42	36
Output		
Foals natural increase	29	18
	2005	2004
	\$000	\$000
Fair value of output was determined at costs to produce		
Natural increase	9	5

Reconciliation of changes in carrying amount of biological assets

	2005	2004
	\$000	\$000
Carrying amount at 1 January 2005	2,588	2,355
Increases due to:		
Purchases	335	306
Births	13	9
Decreases attributable to:		
Sales	(34)	(42)
Deaths	(2)	(32)
Other IFRS impairment	0	(8)
Carrying amount at 31 December 2005	2,900	2,588

NOTE 12 - INVESTMENT PROPERTIES

There are no investment properties.

NOTE 13 - INTANGIBLE ASSETS

There are no intangible assets.

NOTE 14 - NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Not applicable

NOTE 15 - PAYABLES

	Note	2005	2004
		\$000	\$000
Current	29		
Creditors and accruals		3,809	3,488
Revenue in advance		1,822	1,687
		5,631	5,175

NOTE 16 - BORROWINGS

	Note	2005 \$000	2004 \$000
CURRENT	29		
Secured			
Finance leases	23	356	334
		<u>356</u>	<u>334</u>
NON CURRENT	29		
Secured			
Finance leases	23	471	827
		<u>471</u>	<u>827</u>
Total current and non-current			
Finance leases		<u>827</u>	<u>1,161</u>
Assets pledged as security		<u>Nil</u>	<u>Nil</u>
Credit standby arrangements		<u>Nil</u>	<u>Nil</u>

NOTE 17 - EMPLOYEE BENEFITS

	2005 \$000	2004 \$000
Current		
Employee benefits:		
Long service leave	465	491
Annual leave	2,673	2,361
Sick leave	15	14
Performance payments	414	450
	<u>3,567</u>	<u>3,316</u>
Non-current		
Employee benefits:		
Long service leave	9,117	8,638
Annual leave	88	58
	<u>9,205</u>	<u>8,696</u>
Total employee benefits	<u>12,772</u>	<u>12,012</u>
Opening balance at 1 January, 2005	12,012	11,163
Additional provisions raised during the year	1,138	1,232
Amounts used	(378)	(383)
Balance at 31 December, 2005	<u>12,772</u>	<u>12,012</u>

NOTE 18 - PROVISIONS

There are no other provisions.

NOTE 19 - OTHER LIABILITIES

There are no other liabilities.

NOTE 20 - EQUITY AND MOVEMENTS IN EQUITY

	2005 \$000	2004 \$000
Composition of Reserves		
Asset revaluation reserve:		
Land	54,518	53,867
Buildings	72,607	72,607
	<u>127,125</u>	<u>126,474</u>
Asset Revaluation Reserve - Land		
Balance 1 January 2005	53,867	50,301
Revaluation increment on non-current assets	651	3,566
Balance 31 December, 2005	<u>54,518</u>	<u>53,867</u>
Asset Revaluation Reserve - Buildings		
Balance 1 January 2005	72,607	72,607
Balance 31 December, 2005	<u>72,607</u>	<u>72,607</u>
Contributed Capital		
Balance 1 January 2005	31,681	41,838
Capital contributions	0	0
Transfer to Government Department	0	(10,157)
Balance 31 December 2005	<u>31,681</u>	<u>31,681</u>
Movement in accumulated surplus/(deficit)		
Balance 1 January 2005	21,021	19,034
Net surplus/(deficit) for the reporting period	5,570	1,987
Increase/(decrease) on adoption of accounting standard	0	0
Balance 31 December, 2005	<u>26,591</u>	<u>21,021</u>
Total equity	<u>185,397</u>	<u>179,176</u>

NOTE 24 - COMMITMENTS FOR EXPENDITURE

	2005	2004
	\$000	\$000
Capital Commitments		
As at the reporting date NMIT had the following outstanding Capital Commitments:		
Fairfield refurbishment	46	44
Australian College of Wine - Ararat	0	400
Epping primary industry centre	57	26
Collingwood - commercial cookery facility	416	0
- hairdressing	44	0
Horse float/truck	80	0
Eden Park	90	0
Voice over internet protocol project (VOIP)	67	0
	800	470
Outstanding Capital Commitments are payable as follows:		
Payments due - one year or less	800	470
	800	470

Other Significant Operating Commitments

As at the reporting date NMIT had the following outstanding Significant Operating Commitments:

Contract cleaning	1,159	1,122
Plunketts Winery	0	241
	1,159	1,363

Outstanding Significant Operating Commitments are payable as follows:

Payments due - one year or less	1,159	1,363
	1,159	1,363

NOTE 25 - CONTINGENT LIABILITIES AND ASSETS

There are no contingent liabilities or assets.

NOTE 26 - SUPERANNUATION (REFER 1.11.4)

NMIT made contributions for employees who contribute to the funds, as follows:

	2005	2004
	\$000	\$000
State Superannuation Fund of Victoria		
SERB Scheme 12.8%	23	24
Revised Scheme 17%	808	821
New Scheme 7.5% - 10.5%	1,012	1,056
Victorian Superannuation Fund		
Vic Super Scheme 9%	2,547	2,424
Other Superannuation Schemes		
National Mutual 9%	20	20
Hesta 9%	57	60
Uni Super 9%	12	0
Other Funds 9%	39	26
Total Contributions to all Funds	4,518	4,431

As at the reporting date there were no outstanding contributions payable to the above funds.

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

NOTE 27 - AUDITORS' REMUNERATION

	Note	2005	2004
		\$000	\$000
Auditor General			
Auditing the financial statements		23	23

NOTE 28 - RESPONSIBLE PERSONS RELATED DISCLOSURES

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

The Hon. Lynne Kosky MP, Minister for Education and Training	A. Braybrook
W. Freeman (President)	B. Ham
P. McCulloch (to August 2005)	M. Pettolino
R. Mackay (Vice President)	N. Shearer
B. MacDonald (NMIT Chief Executive Officer)	A. Ray
L. Bramich (staff representative)	A. Judd
K. Pasinati (student representative)	C. Lamble
E. Forde (Deputy Vice President)	

Remuneration of Responsible Persons

Remuneration paid to Ministers is reported in the Annual Report of the Department of Premier and Cabinet.

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

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

	2005	2004
	\$000	\$000
	396	332

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

	2005	2004
	\$000	\$000
	0	0

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

Income Range	2005	2004
\$		
0 - 9,999	12	13
120,000 - 129,999	0	1
170,000 - 179,999	1	0
210,000 - 219,999	0	1
220,000 - 229,999	1	0
	14	15

NOTE 28 - RESPONSIBLE PERSONS RELATED DISCLOSURES (CONT.)

Retirement Benefits of Responsible Persons

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

	2005	2004
	\$000	\$000
	0	0

Executive Officers' Remuneration

The number of executive officers, other than Responsible Persons, included under "Remuneration of Responsible Persons" above whose total remuneration exceeded \$109,999 during the financial year are shown in their relevant income bands. Remuneration includes long service leave, bonus and termination payments made during the year.

Income Range	2005	2004
\$	No.	No.
110,000 - 119,999	1	2
120,000 - 129,999	2	3
130,000 - 139,999	1	2
140,000 - 149,999	8	5
150,000 - 159,999	0	2
160,000 - 169,999	2	0
	14	14

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

	2005	2004
	\$000	\$000
	2,019	1,888

Superannuation

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

Loans

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

Shares

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

Other Transactions

There were no other transactions with responsible persons related entities.

NOTE 29 - FINANCIAL INSTRUMENTS

29.1 TERMS, CONDITIONS AND ACCOUNTING POLICIES

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

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
FINANCIAL ASSETS			
• Cash assets Cash at bank	4	Cash at Bank is carried at the principal amount.	Cash is invested as funds permit at varying interest rates between 4.6% to 5.43% (2004 - 3.55% - 4%)
• Cash assets - Deposits at call	4	Deposits at call are carried at their principal amounts. Interest revenue is recognised in the income statement when it is earned.	Deposits at call have an average maturity of 45 days and effective interest rates of 5.2% to 5.51% (2004 - 4.64% to 5.29%)
• Receivables - Debtors	5	Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is maintained to recognise that collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms
• Receivables - Other debtors	5	Other debtors are carried at the nominal amounts.	
• Other Financial Assets: Short Term Loan	7	Short term loan to English International Pty Ltd is carried at its principal amount of \$112,183 and represents operational and implementation expenses paid by NMIT. Interest revenue is recognised in the income statement when it is received.	Short term loan to English International Pty Ltd is receivable within one year at an interest rate of 8%.
• Other Financial Assets: Unlisted Shares	7	Unlisted shares are carried at cost and valuation. Dividends, when declared by the investee, will be recognised in the income statement. Shareholdings have been assessed for impairment.	
FINANCIAL LIABILITIES			
• Payables Creditors and Accruals	15	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to NMIT	Trade liabilities are settled on 30 day terms
• Payables Revenue in advance	15	Liabilities are recognised for amounts paid in advance for future services to be delivered.	Individual student fees and charges are to be paid prior to commencement of program delivery
• Borrowings Finance lease	16	Borrowings are recognised at fair value net of transaction costs, and subsequently measured at amortised cost.	Finance lease term 4 years at an interest rate of 6.04%

29.2 INTEREST RATE RISK

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

FINANCIAL INSTRUMENTS	FLOATING INTEREST RATE		FIXED INTEREST RATE MATURED IN:						Non Interest Bearing		Total Carrying Amount per Balance Sheet	
	2005 \$000	2004 \$000	One year or less		One to five years		Over 5 years		2004 \$000	2005 \$000	2004 \$000	2005 \$000
			2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000				
FINANCIAL ASSETS												
• Cash assets-Cash at Bank	1,300	1,151	-	-	-	-	-	-	-	1,300	1,151	
• Cash assets-Deposits at Call	15,325	10,808	-	-	-	-	-	-	-	15,325	10,808	
• Receivables-Debtors	-	-	-	-	-	-	-	-	1,911	1,337	1,911	1,337
• Receivables-Other Debtors	-	-	-	-	-	-	-	-	639	674	639	674
• Other Financial Assets: Short Term Loan	-	-	112	112	-	-	-	-	-	-	112	112
• Other Financial Assets: Unlisted Shares	-	-	-	-	-	-	-	-	-	301	340	340
Total Financial Assets	16,625	11,959	112	112	-	-	-	-	2,851	2,351	19,588	14,422
FINANCIAL LIABILITIES												
• Payables: Creditors & Accruals	-	-	-	-	-	-	-	-	-	-	3,488	3,488
• Payables: Revenue in Advance	-	-	-	-	-	-	-	-	-	-	1,687	1,687
• Interest Bearing Liabilities: Finance Lease	-	-	356	334	471	827	-	-	-	-	827	1,161
Total Financial Liabilities	0	0	356	334	471	827	-	-	5,631	5,175	6,458	6,336

29.3 NET FAIR VALUES

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

	Total carrying amount as per the Balance Sheet		Aggregate net fair value	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
FINANCIAL ASSETS				
• Cash assets - Cash at Bank	1,300	1,151	1,300	1,151
• Cash assets - Deposits at Call	15,325	10,808	15,325	10,808
• Receivables - Debtors	1,911	1,337	1,911	1,337
• Receivables - Other Debtors	639	674	639	674
• Other Financial Assets: Short Term Loan	112	112	112	112
• Other Financial Assets: Unlisted Shares	301	340	301	340
Total Financial Assets	19,588	14,422	19,588	14,422
FINANCIAL LIABILITIES				
• Payables: Creditors & Accruals	3,809	3,488	3,809	3,488
• Payables: Revenue in Advance	1,822	1,687	1,822	1,687
• Interest Bearing Liabilities: Finance Lease	827	1,161	827	1,161
Total Financial Liabilities	6,458	6,336	6,458	6,336

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Recognised Financial Instruments Cash at Bank, Deposits at call, Receivables, Creditors & Accruals.	These financial instruments have a short term to maturity. Accordingly, it is considered that their carrying amounts reflect fair values.
Unlisted Shares	Shareholdings are assessed annually and are carried at nominal value.
Loans Long term and short term loans	As loans were made during the current reporting period their carrying amounts reflect fair values.

29.4 FINANCIAL RISK MANAGEMENT

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

Concentrations of credit risk

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

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

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

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

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

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

NOTE 30 - EVENTS OCCURRING AFTER REPORTING DATE

There are no material events occurring after reporting date.

NOTE 31 - ECONOMIC DEPENDENCY

Not applicable.

NOTE 32 - EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS

(a) Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRSs (A-IFRS)

(i) At the date of transition to A-IFRS 1 January 2004

Note	Previous AGAAP \$000	Effect of transition to A-IFRS \$000	A-IFRS \$000
ASSETS			
Current Assets			
Cash and cash equivalents	10,572		10,572
Trade and other receivables	4,184		4,184
Inventories	360		360
Biological assets	75		75
Other financial assets	112		112
Other assets	763		763
Total Current Assets	16,066	0	16,066
Non-Current Assets			
Other financial assets	340		340
Property, plant and equipment	181,880		181,880
Biological assets	2,280		2,280
Total Non-Current Assets	184,500	0	184,500
TOTAL ASSETS	200,566	0	200,566
LIABILITIES			
Current Liabilities			
Payables	5,600		5,600
Short term borrowings	0		0
Employee benefits	3,268		3,268
Total Current Liabilities	8,868	0	8,868
Non-Current Liabilities			
Long term borrowings	0		0
Employee benefits	7,847		7,847
Total Non-Current Liabilities	7,847	0	7,847
TOTAL LIABILITIES	16,715	0	16,715
NET ASSETS	183,851	0	183,851
EQUITY			
Reserves	122,908		122,908
Contributed capital	41,838		41,838
Accumulated surplus	19,105		19,105
TOTAL EQUITY	183,851	0	183,851

NOTE 32 - EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (Cont)

(a) Reconciliation of equity reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to equity under Australian equivalents to IFRSs (A-IFRS)

(ii) At the end of the last reporting period under previous AGAAP 31 December 2004

Note	Previous AGAAP \$000	Effect of transition to A-IFRS \$000	A-IFRS \$000
ASSETS			
Current Assets			
Cash and cash equivalents	11,959		11,959
Trade and other receivables	2,011		2,011
Inventories	508		508
Biological assets	78		78
Other financial assets	112		112
Other assets	365		365
Total Current Assets	15,033	0	15,033
Non-Current Assets			
Other financial assets	340		340
Property, plant and equipment	179,703	(63)	179,640
Biological assets	2,519	(8)	2,511
Total Non-Current Assets	182,562	(71)	182,491
TOTAL ASSETS	197,595	(71)	197,524
LIABILITIES			
Current Liabilities			
Payables	5,175		5,175
Short term borrowings	334		334
Employee benefits	3,316		3,316
Total Current Liabilities	8,825	0	8,825
Non-Current Liabilities			
Long term borrowings	827		827
Employee benefits	8,696		8,696
Total Non-Current Liabilities	9,523	0	9,523
TOTAL LIABILITIES	18,348	0	18,348
NET ASSETS	179,247	(71)	179,176
EQUITY			
Reserves	126,474		126,474
Contributed capital	31,681		31,681
Accumulated surplus	21,092	(71)	21,021
TOTAL EQUITY	179,247	(71)	179,176

NOTE 32 - EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS (Cont)

(b) Reconciliation of net operating result for the year ended 31 December 2004

Note	Previous AGAAP \$000	Effect of transition to A-IFRS \$000	A-IFRS \$000
Revenue			
Government contributions - operating	54,620		54,620
Government contributions - capital	8,022		8,022
Fee for service	16,760		16,760
Student fees and charges	5,127		5,127
Sale of goods	2,225		2,225
Other income	2,751	(288)	2,463
	89,505	(288)	89,217
Expenses			
Employee benefits	59,514		59,514
Depreciation and amortisation	5,997		5,997
Finance costs	92		92
Other	21,915	(288)	21,627
	87,518	(288)	87,230
Operating result from continuing operations	1,987		1,987
Operating result from discontinued operations	0	0	0
Net operating result for the year	1,987	0	1,987

(c) Reconciliation of cash flow statement for the year ended 31 December 2004

There are no material differences between the cash flow statement presented under A-IFRS and the cash flow statement presented under previous AGAAP.

COMPLIANCE INDEX

NMIT's Annual Report was prepared in accordance with the Financial Management Act 1994, applicable Australian equivalents to International Financial Reporting Standards and the Directions of the Minister for Finance. This index has been prepared to facilitate identification of compliance with statutory requirements.

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