

2007

NORTHERN MELBOURNE INSTITUTE OF TAFE

ANNUAL REPORT 2007



NMIT STRATEGIC PLAN 2007-2010

NMIT Mission

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

NMIT Vision

NMIT is a leader in vocational education in the provision of accessible, responsive and diverse opportunities for students to achieve their goals by obtaining vocational and higher education qualifications in key priority areas.

NMIT continues to maintain its reputation as an institution that demonstrates integrity and professionalism through achieving high standards in training products and services, financial and infrastructure management, workforce performance and customer service.

NMIT provide facilities, equipment and infrastructure that will continue to contribute to outstanding vocational education delivery by the matching of standards and scale with industry, meeting current pedagogical and operational requirements, and providing a safe and accessible environment for work and study.

NMIT is a valued member of the community, contributing to business prosperity and social wellbeing through educational opportunity and community participation, and expanding students' academic and vocational opportunities through strategic alliances with sponsors, industry partners and higher education institutions in Australia and overseas.

ANNUAL REPORT 2007
NORTHERN MELBOURNE INSTITUTE OF TAFE





Collingwood Campus

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CONTENTS

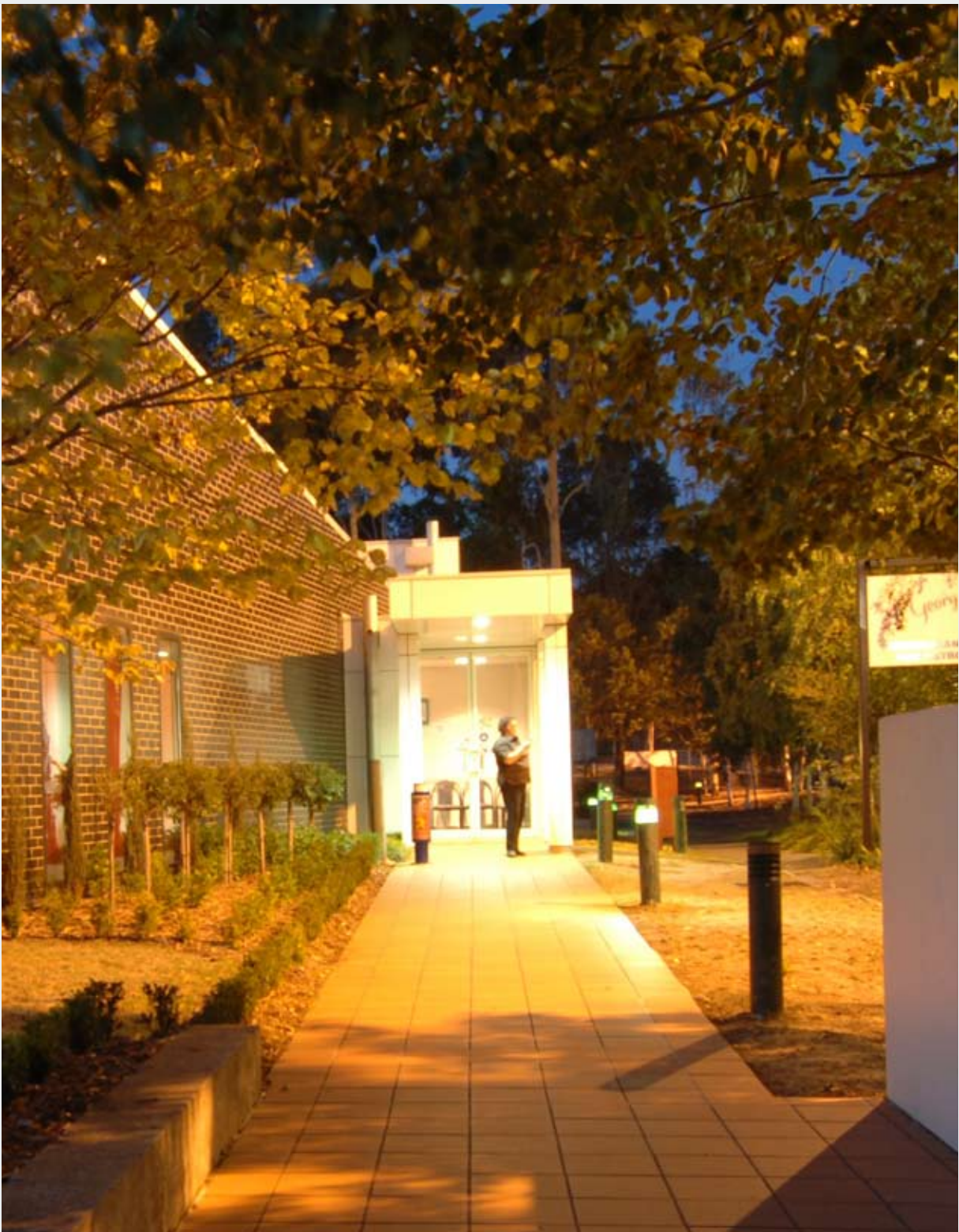
Contents	Page
Report of Operations	7
Board President's Report	8
Corporate Governance	10
Senior Management	14
NMIT Campuses and Training Centres	16
Organisational Structure	17
The Year in Review	18
2007 Highlights	26
Statutory and Financial Information	49
Environmental Performance	50
Workforce Data	51
Employment and Conduct Principles	52
Industrial Relations	52
Application of the Freedom of Information Act	52
Occupational Health and Safety	53
Compliance with Whistleblowers Protection Act 2001	53
Compliance with Building Act 1993	53
Compliance with National Competition Policy	53
International Education	54
Transnational Education	55
International Consultancy	57
Performance Measures, Targets and Outcomes	57
Auditor General Report on Statement of Performance	58
Statement of Performance Management	59
Statement of Performance for Year ended 31 December 2006	60
Key Performance Indicators	66
Information about NMIT	67
Summary of Financial Results	67
Summary of Significant Changes in Financial Position	67

CONTENTS

Events Subsequent to Balance Date	67
Consultancies	67
Additional Information	68
2007 Fees and Charges	69
Activity Table	70
Financial Statements	75
Compliance Index	140



Graduation 2007



St Georges Restaurant

A photograph of a restaurant entrance. In the foreground, a paved walkway leads towards a building. To the right, a white wall features the word '← RESTAURANT' in large, raised, brown letters. The background shows a brick building with a glass entrance, surrounded by trees and a clear sky.

REPORT OF OPERATIONS

BOARD PRESIDENT'S REPORT

As President of the NMIT Board I am pleased to present the Annual Report 2007. The report focuses on the strategic, operational and financial initiatives undertaken in 2007 and reviews the significant events and achievements of the Institute, its staff and students.

2007 was an extremely successful year. The NMIT Strategic Plan 2007-2010 was implemented with a newly framed vision, mission and key goals that will become the foundation of NMIT's approach to strategic and operational planning.

NMIT met all performance targets set by the Victorian Learning and Employment Skills Commission (VLESC), including the targets for delivery of student contact hours. A significant budget surplus has been generated with the delivery for the first time of over 10 million student contact hours. The All Funds budget exceeded \$100 million for the first time. The Institute generated over \$30 million in extraneous earnings, with fee for service activity contributing almost \$26 million.

Major reviews were conducted during the year in the Programs Division and the Corporate Services Division. The recommendations arising from these reviews will be progressively implemented to ensure our structure and processes meet the current and foreseeable needs of NMIT. New policies were developed and approved, including risk management, fraud awareness and pandemic planning.

With the successful completion of an external audit NMIT has now achieved 12 years of ISO accreditation, which is longer than any other Victorian TAFE Institute. The Quality Assurance Unit provided representation on behalf of the Victorian TAFE providers to the DEST National Quality Council regarding the Australian Quality Training Framework Standards for Registered Training Organisations (2007).

Extensive minor and capital works have been either completed or are in progress, costing over \$3.7 million, of which NMIT contributed \$3.1 million. During the year planning was either completed or



NMIT Graduation Band

significantly advanced for the capital works projects for the Technical Education Centre at Heidelberg campus, the Preston, Epping and Fairfield campus redevelopments, and the Library and Yarra House, Fairfield.

1,211 teaching and support staff delivered approximately 500 nationally accredited vocational education and training and higher education courses. NMIT had approximately 28,000 domestic enrolments and approximately 13,000 international enrolments. NMIT is expanding as a global vocational education and training provider and offered qualifications in partnership with institutions in China, Hong Kong, Bangladesh, Sri Lanka, The Republic of Korea, India, Pakistan, Columbia and New Zealand.

2007 was the first year of delivery of the Bachelor of Australian Popular Music and accreditation was received for the Bachelor of Hospitality Management and the Bachelor of Illustration. The Bachelor of Writing and Publishing Degree was well advanced in the accreditation process, while seven other degree proposals were in various stages of development. Most NMIT degrees have embedded associate degrees, allowing students more flexible options for attaining their vocational goals.

In 2007 the quality of NMIT programs and student performance was recognised in a number of industry, state and national competitions. Highlights included the IELTS Test Centre receiving the Best New Centre award for the achievement of outstanding international success. The Test Centre is accredited by IDP Australia in partnership with The British Council and the University of Cambridge. The Tourism Department won the prestigious 2007 Victorian Tourism Awards in the category of Tourism Training and Education.

NMIT students continued to excel, winning awards and recognition at industry, State and National levels. Three NMIT students performed well at the Worldskills International Competition in Japan, gaining second, fourth, and sixth places in their respective categories. NMIT wine received medals at the Royal Melbourne Wine Show, Australian Small Winemakers Show, Royal Hobart Wine Show, Royal Adelaide Show and the Victorian Wines Show.

Over the course of the year the NMIT Board members discharged their duties with diligence and care and I thank them for their valuable contributions. Particular thanks go to Mr Bill Freeman and Mr Bryant Ham, who both retired from the Board in August 2007.

I would also like to sincerely thank the Institute management and staff, who have worked extremely hard in a challenging and competitive marketplace. Their tireless commitment to innovation in education and training and to Institute stakeholders and industry partners makes NMIT what it is today.



Elaine Forde
Board President 2007
18 February 2008

CORPORATE GOVERNANCE

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

2007 NMIT Board

Ministerial Appointments

Ms Elaine Forde (President)

Knowledge and skills in local retail and property management

Mr Ron Mackay (Vice President)

Business development experience in tourism at a senior level

Ms Antoinette Braybrook, B Laws

Legal practitioner with knowledge and experience of educational issues faced by Aboriginal and Torres Straits Islanders

Mr Peter Grist, B Eng (Mech) Hons

Experience in agriculture, engineering and business management

Ms Catherine Lamble, LLB

Experienced magistrate and legal practitioner with an interest in education, the local community and disadvantaged groups

Ms Marianna Pettolino, B Sci Ed

Skills and knowledge in tertiary education and local community issues

Mr Andrew Giddy, B V Sci, Grad Dip Bioethics, MAICD

Senior management and strategic consultancy experience and knowledge

Mr Chris Watson, Dip Teaching

State and national level senior management experience in racing and education

Co-opted appointments

Mr Norm Shearer (Deputy Vice President), B Bus (Acctg), B Ed, TPTC, MBA

ISO: 9000 Series Lead Auditor. Experience in State and Institute TAFE administration at a senior level

Mr William Freeman, (retired August 07) MA, B Sci

Extensive industrial and senior administrative experience with 19 years as a TAFE College/Institute Council member

Mr Bryant Ham, (retired August 07) Dip Mech Eng, Dip Elec Eng

Senior business and management experience in manufacturing

Mr Anthony Ray

Small business operational knowledge and experience

Staff Representative

Ms Lois Carlton, B Ed

16 years experience at NMIT

Student Representative

Ms Tara Shannon (appointed March 07)

NMIT Chief Executive Officer

Mr Brian MacDonald B Econ, Dip Ed Ex officio

The Board objectives are to:

- Provide quality Vocational Education and Training and Adult and Community Education programs and services efficiently and effectively
- Manage and control the Institute efficiently and effectively and to maximise the use of resources

- Provide assistance and information that the Minister, Secretary of the Department of Education and the Minister for Skills and Workforce Participation may reasonably require
- Ensure safe custody and proper use of the Common Seal of the Board

The NMIT Board Governance Manual (2007) provides guidance for Board Directors in decision making.

The Board duties are to:

- Advance the strategic objectives of NMIT
- Operate in accord with economic and social objectives and public sector management policies



Fairfield Campus

COMMITTEES

The Board established the following Committees under Clause 15 of the NMIT Constitution. Each Committee made recommendations to the Board and ensured compliance with appropriate statutory requirements.

Board of Studies

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

- Content and standard of programs
- Accreditation of programs
- Students who satisfied the requirements of awards
- Vocational education policies

Resources Committee

The Board Directors on the Resources Committee were Mr William Freeman, Ms Catherine Lambie, Ms Marianna Pettolino and Mr Ron Mackay. The responsibilities of the Resources Committee are to provide advice to the Board on finances, facilities, human resources and student services.

Audit Committee

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

- Report to Board 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

The relevant Minister for the operation of NMIT was the Honourable Jacinta Allan, Minister for Skills and Workforce Participation.



Office Administration

Professional Development

Professional development activities were not undertaken by any Board members in 2007.

Board Meetings Attended

Member	Attendance
Elaine Forde (President)	5 of 6
Mr Ron Mackay (Vice President)	4 of 6
Mr Norm Shearer (Deputy Vice President)	6 of 6
Antoinette Braybrook	2 of 6
Lois Carlton	5 of 6
William Freeman (retired August 07)	3 of 4
Peter Grist	4 of 6
Andrew Giddy	6 of 6
Bryant Ham (retired August 07)	2 of 4
Catherine Lamble	4 of 6
Brian MacDonald (Chief Executive Officer)	6 of 6
Marianna Pettolino	4 of 6
Anthony Ray	3 of 6
Tara Shannon (appointed March 07)	4 of 5
Christopher Watson	4 of 6



Professional Development

SENIOR MANAGEMENT

Chief Executive Officer

Mr Brian MacDonald

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

Director Programs

Mr Bruce Filcock

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

Faculty of Business

Mr Vic Harris (retired December 2007)

Faculty of Earth Sciences

Mr David Draper

Faculty of Engineering

Mr Bruce Burns

Faculty of Further Education

Ms Frances Coppolillo
(on leave from October 2007)

Ms Fran O'Neill

Faculty of Hospitality, Tourism and Personal Services

Mr Greg Purton

Academic Head Higher Education

Dr Meeuwis Boelen

Academic Registrar

Mr John Mitchell

Managers

International Office

Mr Dino Bettiol

Quality Assurance

Ms Fay Bellis

Research and Development

Mr Chris Corbel

Policy Development and Analysis

Ms Jennifer Nation



Music Concert 2007

Director Corporate Services

Mr Peter Christie

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

Managers

Buildings and Properties

Mr David Delaney

Chief Finance Officer

Ms Frances Meiklejohn
(leave from August 2007
and retired December 2007)

Mr Leigh Pike

Corporate Communications

Ms Liz Koehne

IT Services

Ms Mary Waterhouse

Personnel

Mr Peter Christie

Deputy Director Corporate Services and Manager Student Services

Ms Anne Bambrook



Music Concert 2007

NMIT CAMPUSES AND TRAINING CENTRES

Campuses

Ararat

Grano Street
Ararat 3377
Telephone (03) 5355 3555

Collingwood

20 Otter Street
Collingwood 3066

Epping

Cnr Cooper Street and Dalton Road
Epping 3076

Fairfield

Yarra Bend Road
Fairfield 3078

Greensborough

Civic Drive
Greensborough 3088

Heidelberg

Cnr Waterdale Road and Bell Street
Heidelberg 3081

Preston

77-91 St Georges Road
Preston 3072

Telephone (03) 9269 1200 for all
metropolitan campuses

Training Centres

Eden Park

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

Northern AMEP

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

Growling Frog Golf Course

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

Whittlesea

Braemore Place
Whittlesea 3757
Telephone (03) 9715 1130

Yan Yean

2005 Plenty Road
Yan Yean
Telephone (03) 9716 2354

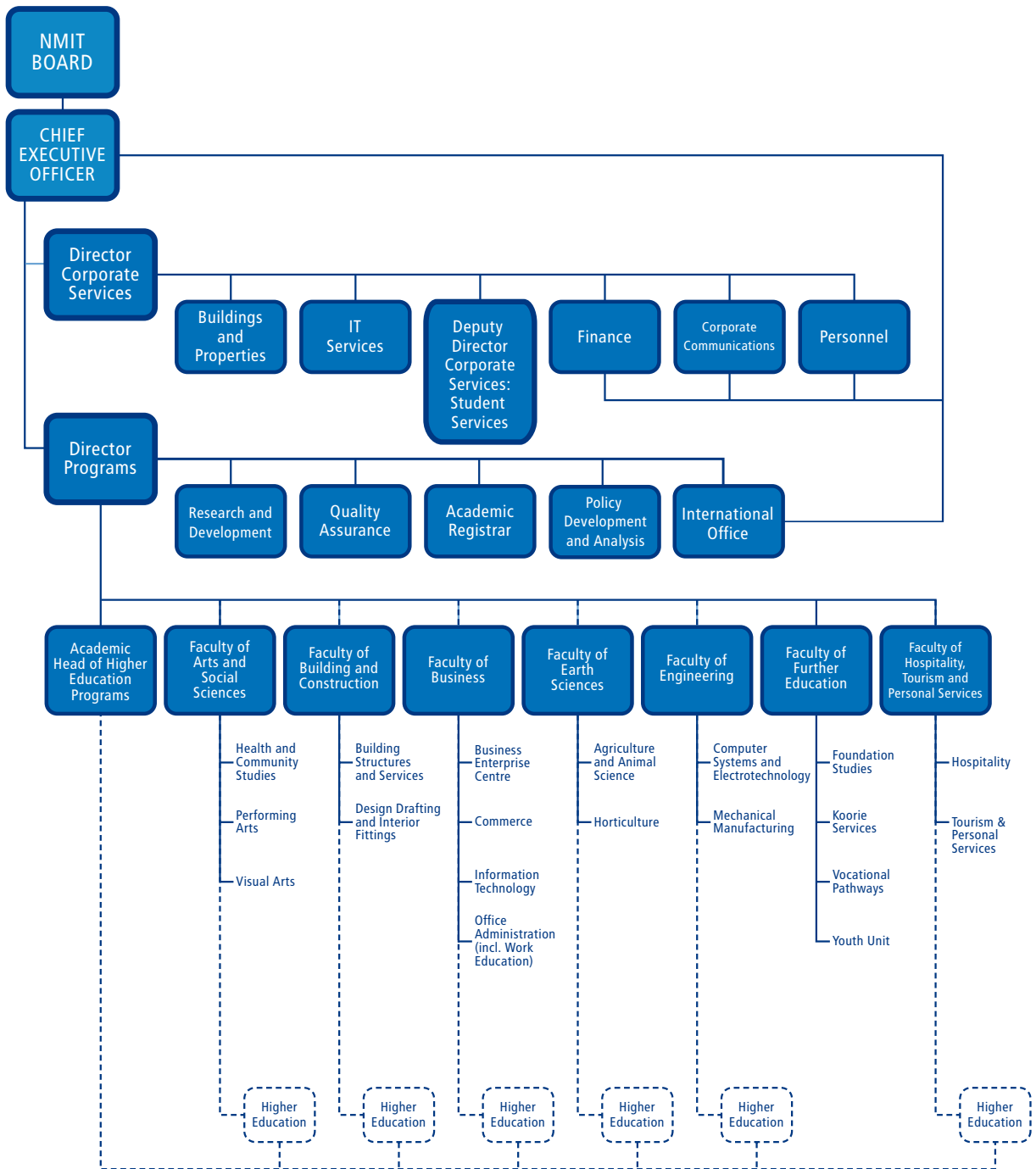
Yarra Glen

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



Fairfield Campus

ORGANISATIONAL STRUCTURE



THE YEAR IN REVIEW

In 2007, NMIT offered an extensive range of Vocational Education and Training and support programs to metropolitan, regional and international students including:

- Nationally recognised certificates, diplomas and advanced diplomas as well as pre-apprenticeships, apprenticeships, traineeships, VET in Schools, Victorian Certificate in Applied Learning (VCAL). Programs are delivered in accordance with the Australian Quality Training Framework (AQTF)
- Institute accredited short courses
- Higher Education programs submitted an accreditation application for the Bachelor of Writing and Publishing, and received accreditation for the Bachelor of Hospitality Management and the Bachelor of Illustration. The delivery in the Bachelor of Australian Popular Music commenced and second year delivery for the Bachelors of Aquaculture, Viticulture and Equine Studies
- Offshore courses in English language, business services, information technology, hospitality, event management, horticulture and building studies
- Commercial services such as customised training, flexible delivery, online training and the production of training resources

NMIT and Chisholm Institutes, along with industry organizations, have considerably advanced STRATA, the replacement student management system for SHAPE.

NMIT spent or committed \$6.6million for teaching and other equipment.

NMIT has made significant progress across an extremely wide and ever expanding range of developments and initiatives.

Summary of Performance

All Performance Agreement targets were fully achieved as documented in the performance agreement with the Victorian Learning and Employment Skills Commission.

Manage a financially sound organisation with a balanced budget.

NMIT generated a significant budget surplus in 2007.

Achieve all Performance Agreement targets and advance NMIT's position as a leading provider of vocational education and training.

NMIT maintained its position as a leading provider of vocational education and training in Victoria by:

- Delivering all agreed program profile student contact hours
- Complying with all audit requirements
- Maintaining all quality assurance processes
- Being below the threshold invalid module enrolment requirement
- Providing statistical reports on enrolments by industry, sector, qualification level, student contact hours and staffing

NMIT reported on:

- Total student hours of training undertaken in the workplace
- Usage of Victorian Crown Copyright curriculum, interstate or overseas, where it was used as the basis of commercial delivery

- Capital works
- Finances
- Indigenous programs
- Regulated apprenticeship training agreements
- Meeting obligations in relation to tagged items

Expand the regional and international profile.

NMIT expanded its regional and international profile by:

- Developing robust practices for approval and management of offshore projects ensuring NMIT and host country requirements and risk management are consistently addressed
- Routine audits of offshore programs
- New courses for inbound International students in locksmithing, cabinetmaking and mechanical engineering
- Increased enrolments in hairdressing, welfare, horticulture and mechanical engineering
- Marketing visits to South America and China
- Increasing student enrolments in 2007 ELICOS programs to the second highest on record
- Developing relationships with key education agents based in Melbourne
- Successfully hosting a wide range of delegations and visits
- Sending approximately 62 English language and 77 specialist teachers to

China to deliver NMIT programs in 2007

- Establishing arrangements with five Korean Colleges in the key focus areas of Hospitality and Welfare
- Hosting a Korean college study tour to examine NMIT hospitality courses
- Establishing an agreement to deliver NMIT courses in Vietnam through a new local institution

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 2007 external quality audits resulted in the achievement of certification to the new ISO 9001:2000 standard. The Quality Assurance unit has undertaken a number of quality audits of NMIT partner programs overseas.

THE YEAR IN REVIEW



TV Studio

Provide access to high quality equipment and facilities.

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

- An extensive program of maintenance and development at all campuses
- New pastry kitchen at Preston
- Refurbishment of auditorium at Collingwood campus
- New Hairdressing facility at Collingwood
- Landscape works at Epping and Greensborough
- Installation of water tanks, including pipe and dripping systems, at Collingwood, Greensborough, Epping and Preston
- Replacement of cooling towers at Collingwood and Epping
- New café at Fairfield campus
- Refurbishment of directorate, Preston campus

NMIT invested nearly \$3.1 million in minor and capital works to support program delivery.

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

Major external funded activities included:

- Ten Learnscope Projects
- Four e-learning grants (including Sharepoint) and one e-Learning (Youth) project
- Three TAFE Development Centre projects, including TAFE Fellowships, Teaching and Learning Excellence projects and a Leadership course developed in conjunction with the University of Melbourne School of Enterprise
- The OTTE Staff Development Grant that allows NMIT staff to access interstate or overseas study tours, industry release and major conferences
- One building and construction staff member became an RPL change agent

NMIT funded programs included:

- The development and implementation of the Diploma of VET Practice
- Delivery of the Certificate IV in Assessment and Workplace Training to NMIT teaching staff
- Administration and management of Recognition of Prior Learning (RPL) for Certificate IV in Assessment and Workplace Training for NMIT teaching staff
- Faculty seminars, workshops and conferences

- Teaching and learning excellence project
- Special professional development fund

The value of professional development funded by NMIT including registration, fees, travel and accommodation, replacement costs and staff time was \$1,355,335.00.

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 including:

- Introduction of *vodcasts* (video presentations) on NMIT websites
- Expansion of the library webpage to provide comprehensive copyright information
- Redevelopment of the student induction DVD for the deaf and hard of hearing students, which includes split screen interpreting and captions
- Accredited short course development to meet the needs of the local community
- Pilot of four online competencies and an online course in Health and Community Studies
- International English Language Testing System (IELTS) delivery
- A Learning Resources Standards Project initiated by Research and Development

Products developed and sold included:

- Books published by Flat Chat Press
- Thoroughbred yearlings from Northern Lodge

- Primary Industries accredited courses (on behalf of PICMM)
- NMIT wine exports

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



St Georges Restaurant

AWARDS

Student Awards

National World Skills

Silver Medal (jewellery)

Joel Drew

Medal of Excellence (landscape apprentice)

Simon Buchanan

Sixth Place (painting and decorating)

Shareena Sloan

Housing Industry of Australia

Outstanding Apprentice (painting and decorating)

Shareena Sloan

Bricklayer of the Year (bricklaying)

Jarrod Brewer

Building Designers Association of Victoria

Best Response to a Brief (design and technology)

Igor Nikolovski

Australian Shop and Office Fitting

Industry Association

Apprentice of the Year (design drafting and interior fittings)

Leigh Scully

Master Builders Association of Victoria

Best Apprentice (roof tiling)

Troy Minnitt

Furnishing Industry Association of Australia

Pre Apprentice of the Year (cabinet making)

Samuel Much

Student of the Year (furniture design)

Nick Pearce

Australian Vocational Student Prize

First Prize (hospitality- school based apprenticeship)

Fifi Fisipuna

Association of Massage Therapists

Student Therapist of the Year (myotherapy)

Tiffany Gill

Australian Institute of Landscape Designers and Managers National Student Design Competition

First Prize (applied design-landscape)

Denise Smallwood

Highly Recommended (applied design-landscape)

Yen Ong

Craft Australia 2007 Fresh Awards

Top Selection Award (product design)

Motoko Okada

Casella Art Prize

Best Emerging Talent (visual arts)

Warren Lane

Victorian Training Awards

Koori Trainee of the Year (community services)

Nicole Waddel

VicTAFE Cookery Challenge

Silver Medal (commercial cookery)

Bronze Medal (commercial cookery)

Bronze Medal (commercial cookery)

Dusty Treweek

Anna Roland

Amy Berton

Royal Melbourne Show

First Prize (earth science)

Second Prize (earth science)

Kellett McDonell

Naomi Stewart

Staff Awards

International Film and Video Festival, USA

First Prize 'Gold Camera' Award (visual arts)

Phillipe Charluet

Crichton Award

Australian Children's Book Illustration (visual arts)

Vince Agostino

AWARDS

Institute Awards

Best New Centre Award

IELTS Test Centre

2007 Victorian Tourism Awards

Winner of Tourism Education and Training Award
Faculty of Hospitality, Tourism and Personal Services

Australian Small Winemakers Show

(Viticulture and Winemaking)

Bronze medal, 2003 Mulwala Shiraz
Bronze medal, 2004 Strathbogie Shiraz Reserve
Bronze medal, 2007 Eden Park Chardonnay

Royal Hobart Wine Show

Bronze medal, 2003 Strathbogie Shiraz
Bronze medal, 2003 Strathbogie Shiraz Reserve (B)

Royal Melbourne Wine Show

Bronze medal, 2003 Strathbogie Shiraz
Bronze Medal, 2004 Strathbogie Cabernet Sauvignon
Bronze medal, 2004 Strathbogie Shiraz Reserve

Victorian Wines Show

Bronze medal, 2004 Strathbogie Cabernet Sauvignon
Bronze medal, 2004 Strathbogie Shiraz Reserve

Royal Adelaide Show

Bronze medal, 2004 Strathbogie Shiraz Reserve



Victorian Tourism Award



Ararat Vineyard



From left: Gary Greening, Morgana Chantagit, Stuart Christelow

2007 HIGHLIGHTS

PROGRAMS DIVISION

The Programs Division includes the faculties of:

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

And the following functional areas:

Higher Education
International Office
Quality Assurance
Research and Development

Faculty of Arts and Social Sciences

The Faculty has three Departments: Health and Community Studies, Performing Arts and Visual Arts.

Health and Community Studies

The Health and Community Studies Department (H&CS) offered courses in aged care, health, childcare, disability, alcohol and other drugs work, welfare and mental health.

Highlights included:

- Delivery of the Diploma in Welfare Studies in Korea to over 150 students

- The delivery of four online competencies in the Alcohol and Other Drugs area and an online course in Home and Community Care which was piloted for over 30 participants
- The successful delivery of Community Rehabilitation Support Worker Orientation Training for Neami staff, a community provider of mental health rehabilitation and support services, resulted in the award of a tender to develop and deliver a management training program to their managers in South Australia and New South Wales
- Administration of medication and manual handling training to Melbourne Specialised Support Agency (MSSA) and Department of Human Services (DHS); delivery of Health Support Service training to Alfred Hospital staff
- Tailoring an accredited Recognition of Current Competence assessment process to promote senior workers in Hanover Welfare Services to Advanced Skills Practitioner class
- Tender to conduct a State-wide review of all induction training delivered by Department of Human Services. The review will involve assessment of current competencies, workplace audit, consultation of staff, trainers and managers
- Development of a partnership with property developer Delfin Lend Lease to provide a range of training and child studies workshops to both staff and residents

Performing Arts

The Department offered courses in music performance, music industry - business, music industry - technical production and television production.

Highlights included:

- The 2007 Annual Music Showcase held at the Darebin Arts Centre in September
- The TV unit at Collingwood campus received a special grant of \$2.1 million
- Two new online courses titled 'Songwriting' and 'Copyright for Musicians' were developed and delivered
- The department held its inaugural song writing competition which was well subscribed with the top six contestants recording their songs onto a compilation CD and the final winner presenting a performance at the Annual Music Showcase
- The TV unit produced a number of DVD's for NMIT departments including a new Performing Arts promotional DVD as well as providing a range of services to public clients

Visual Arts

The Department offered courses in fine art, illustration, applied photography, graphic arts, photo media and product design/ jewellery.

Highlights included:

- A number of student and graduate awards for recognition of excellence by industry
- Two graduates of the Diploma of Arts – Illustration have had children's picture books published while a third student presented his illustrated work to children as part of the 'Meet the Illustrator' program on Anzac Day
- Approval of the Bachelor of Illustration degree
- Diploma of Arts – Illustration students exhibited in the annual Illustre Show at Chapel off Chapel gallery in South Yarra
- 'Picturesque' presented by the department at the Fringe Festival with students from the Diploma of Arts - Illustration and their industry associates

2007 HIGHLIGHTS

Faculty of Building and Construction

The faculty consists of two departments - Building Structures and Services and Design Drafting and Interior Fittings.

Building Structures and Services

The department offered courses in carpentry, bricklaying, plumbing, painting, plastering, wall and floor tiling and roof tiling.

Highlights included:

- Apprentice achievements at the Master Builders Association Victoria, Housing Industry Association and Worldskills Training Awards
- Development and implementation of a very successful skills recognition and RPL process for existing construction industry workers, in response to the Council of Australian Governments (COAG) agenda on skill shortages

Design Drafting and Interior Fittings

The department offered courses in civil engineering, building design, building, interior decoration and design, furniture design, cabinet making, joinery, shop fitting, stair building and recreational vehicle manufacture and servicing.

Highlights included:

- Student achievements at Victorian Furnishing Industry Awards, Building Designers Association of Victoria Awards and Australian Shop and Office Fitting Industry Association
- Introduction of state of the art CNC technology to the joinery, furnishing and caravan manufacture training programs through the purchase of a BIESSE CNC Machining Centre
- Successful expansion of diploma programs to include delivery at the NMIT Greensborough campus
- Successful delivery of two diploma programs, Building Design and Technology and Interior Decoration and Design at Sichuan College of Architectural Technology in China



Caravan Building

Faculty of Business

The faculty has three departments - Commerce, Information Technology and Office Administration, the Business Enterprise Centre (BEC) and the Work Education Centre.

Business Enterprise Centre (BEC)

The BEC provided consultancy and training services to community, state, national and international clients in the private and government sectors.

Highlights included:

- Traineeship delivery extended into new areas of Employment Services and Government
- A Short Course Conveyancing Certificate that articulates to the Diploma of Financial Services
- Growth of industry consulting and training projects, with a number of current clients extending contracts for further work into 2008

The major project achievements were:

- Successful delivery of Certificate II and III in Information Technology for the Victorian Police, achieving over 1,300 completions
- Customised training for Department of Human Services in Certificate IV and Diploma of Government has now achieved over 300 successful completions
- The New Enterprise Incentive Scheme (NEIS) met all performance milestones

- NMIT Skills Store was opened in July, to provide skills assessment to people across the northern region of Melbourne
- The BEC was a finalist in the Australian TAFE Marketing Association (ATMA) for the category of Business Innovation and Entrepreneurship

Commerce

The department offered courses in financial services, accounting, marketing, international business, small business management, e-business and sports development.

Highlights included:

- Increased teaching commitments to China with 42 individual teaching placements over 16 locations
- The Department hosted a study tour group from Hong Kong in April. As part of their studies, the students attended classes for one week in the Advanced Diploma of Business (Marketing). Further study tours are planned in 2008
- Second year sports students attended a four day sports training camp at Milgrove. The camp program has been integrated into their studies to enhance and extend their range of experiences in the course
- A new industry relationship with the Association of Accounting Technicians (AAT)

2007 HIGHLIGHTS

Information Technology

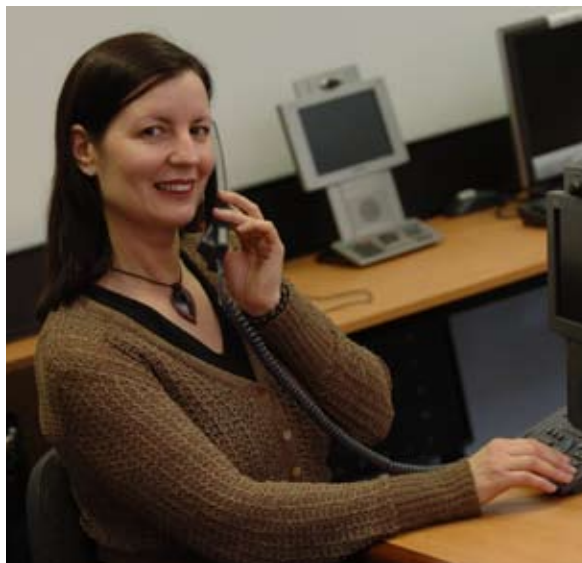
The department offered courses in information technology and multimedia.

Highlights included:

- Development of new Advanced Diploma in the Network Security and Process Improvement Streams
- Continued development and expansion of industry projects for final year students
- Development of new courses for the overseas market in line with the new version of the IT Training Package
- Seminar for students held in April with the theme 'Your Future Directions in IT'
- Special Multimedia Gallery evenings showcasing students' completed work
- Presentation of industry projects by final year students to industry partners



Information Technology



Office Administration

Office Administration

The department offered courses in business administration, human resources, management, legal practice and retail operations.

Highlights included:

- A successful management and human resources network meeting with the participation of metropolitan and regional TAFE Institutes. Guest speakers covered topics including assessing RPL applications and how to assess employability skills
- Delivered first online unit in the Diploma in Business Management
- The department played a leading role in planning and coordinating the State Legal Practice Network as well as participation in office administration, management, retail and human resources networks
- The department successfully obtained Reframing the Future funding for the Legal Practice Network

Work Education Centre

The Work Education Centre offered courses in work education, hospitality and performing arts to students with disabilities.

Highlights included:

- Working with Local Learning and Employment Networks to strengthen and develop internal and external partnerships to improve student outcomes
- Supported six schools to deliver courses in Certificates I in Transition Education and Hospitality (Kitchen Operations)
- Successfully achieved a space grant (use of a facility) through City of Darebin's community grant scheme. This ensured the major performance, ('Ignition Theatre'), was well received and provided mentoring and support opportunities for students
- Funding received from Australian Flexible Learning Framework to research whether M-Learning (electronic and mobile phone learning) suits the needs of our learners to improve their employability skills. This work was showcased at the 2007 International M-Learning conference



Hospitality

2007 HIGHLIGHTS

Faculty of Earth Sciences

The faculty has two departments - Agriculture and Animal Science and Horticulture.

Agriculture and Animal Science

The department offered courses in animal technology, natural resource management, agriculture, wool handling and classing, beef cattle production, farriery, farm management and operations, viticulture and winemaking, aquaculture, equine studies, thoroughbred breeding, horse racing, civil construction (plant operators), transport and distribution, veterinary nursing, organic farming and olive production.

Highlights included:

- World Farriery Champion, Grant Moon, conducted a two day farriery workshop, demonstrating the latest trends in international farrier practices for farriery apprentices and industry at Epping campus
- Use of the Yarra Glen Racing Club facilities for students undertaking the Thoroughbred Racing programs to further their riding and horse handling skills
- Successful completion of the first international viticulture and winemaking program in Yunnan Province, China, which provided training in viticulture practices to forty Chinese Agriculture Degree graduates

- The Aquaculture and Training Research Centre established a successful fin fish hatchery. The hatchery has been specifically developed to research fish hatchery techniques and equipment design. The hatchery has successfully achieved a 100% hatch rate in its first season of operation
- Continued success at various wine shows throughout Australia bringing the combined medal tally to seven gold, eight silver and fifty five bronze

Horticulture

The department offered courses in arboriculture, general horticulture, horticulture operations, landscaping, parks and gardens, turf management, floristry and pest control.

Highlights included:

- Successful expansion of Fee for Service operations into New South Wales and Queensland
- Simon Buchanan, past NMIT Landscape Apprentice, travelled to Shizuoka, Japan, to compete in the 2007 World Skills Competition. In partnership with an apprentice from Holmesglen Institute, they came fourth, winning a medal of excellence with a score of 524, thirteen points behind first place
- Certificate IV in Applied Design (landscape) students, Denise Smallwood, won First Prize and Yen Ong was awarded Highly Recommended in the Australian Institute of Landscape Designers and Managers National Student Design Competition

Faculty of Engineering

The faculty has two departments - Computer Systems and Electrotechnology and Mechanical Manufacturing.

Computer Systems and Electrotechnology

The department offered courses in computer systems, electrical technology, electronic engineering, power industry and renewable energy.

Highlights included:

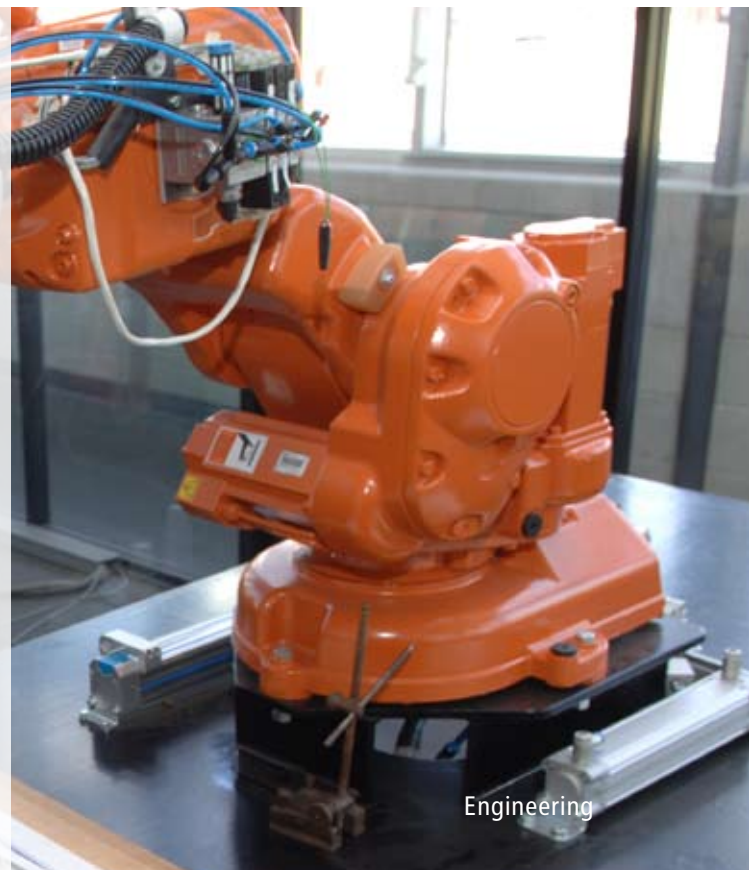
- Establishment of formal training agreements with Tasmanian employer groups identifying NMIT as the preferred provider of Power Industry and Electrical Fitter Armature Winding training to their employees
- Industry release for two departmental staff within the Power, Electrical and Renewable Energy sectors for periods of up to four weeks
- Establishment of specialist training facilities for growth within existing programs and the pursuit of new niche areas including Electrical License Assessment, Power Industry - Substations and Renewable/Sustainable Energy sectors
- Membership of newly established state and national committees including the Licensed Electrical Assessment (LEA) Advisory, Victorian Electrical Supply Industry (VESI) Council, Sustainable Energy Training Network, National Training Advisory Commission - Electrical Supply Industry

Mechanical Manufacturing

The department offered courses in basic engineering, engineering technology, jewellery, manufacturing engineering, metal fabrication and welding and security technology and locksmithing.

Highlights included:

- Jewellery student Joel Drew won a Silver Medal at the 39th Worldskills International competition held in Shizuoka, Japan
- Initiative to use vodcasts on faculty webpage has proven extremely successful with large numbers of viewers accessing the site and associated information
- Graduate Exhibition of Advanced Diploma Jewellery held at The Convent in Abbotsford with the opening night attended by 400 people



2007 HIGHLIGHTS

Faculty of Further Education

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

Foundation Studies

The department offered courses in English as a Second Language (ESL), Adult Literacy and Basic Education (ALBE), the Adult Migrant English Program (AMEP) and the Language Literacy and Numeracy Program (LLNP). The department also provided literacy and numeracy support to Apprentices and Trainees.

Highlights included:

- Participation of staff in AMEP national research projects, which included interstate trials with the National Centre for English Language Teaching and Research (NCELTR) of the National Assessment Task Bank
- Faculty and student participation in a range of community activities to assist refugees and recent arrivals with settlement in Australia
- Staff attended and presented at the AMEP national conference and forums

Vocational Pathways

The department offered courses in professional writing and editing, liberal arts, science, ESL, English Language Intensive Courses for Overseas Students (ELICOS) and the Overseas Qualified Professionals Program (OQPP). The department offered courses to deaf and hearing-impaired students through the Centre of Excellence for students who are deaf and hard of hearing. The department also provided study skills support services to students in other faculties.

Highlights include:

- Delivery of 36 Overseas Qualified Professionals Program (OQPP) programs to a total of 718 participants
- Publication of ten books by Flat Chat Press in the areas of poetry, fiction and educational texts
- Production of a DVD by the Centre of Excellence for students who are deaf and hard of hearing on information about support services for deaf students
- Delivery of 58 ELICOS programs through eight intakes
- Provision of new programs in hospitality, horticulture and welfare
- Study skills assistance to over 250 students through workshops, tutorials, classroom delivery and one to one support

Youth Unit

The Youth Unit offered the Young Adult Migrant Education Course (YAMEC) and the Academic English Program for Young Adults (AEPYA) to newly arrived migrants and refugees as well as a range of Victorian Certificate of Applied Learning (VCAL) programs both themed and general. Transition programs include Youth Pathways, TAFE Pathways and Managed Individual Pathways (MIPs).

Highlights include:

- Participation by the YAMEC students in the Red Cross Leadership Program
- Collingwood YAMEC students ran a Breakfast Program at the community-based restaurant 'Lentil as Anything' at The Convent in Abbotsford
- VCAL Multimedia students were runners up in their section of the RACV Transmission Program
- Participation in the Mission Australia Exchange Program by six students from YAMEC where they are mentored by a senior manager in industry
- Four VCAL students attended a three day Digital Stories workshop at ACMI, Federation Square, that was funded by Mensline Australia. The stories will be part of the permanent digital exhibition at ACMI

Koorie Services Centre

The centre offered courses in learning pathways for Aboriginal and Torres Strait Islander peoples, Aboriginal community radio, multimedia, Aboriginal or Torres Strait Islander cultural arts, alcohol and other drugs work and community services work.

Highlights included:

- Successful delivery of the Certificate II in Aboriginal Community Radio in collaboration with South Eastern Indigenous Media Association (SEIMA) and 3KND Kool and Deadly Radio Station
- Participation in the Shared Responsibility Agreement (SRA) between the Department of Communication, Information Technology and the Arts and SEIMA, through the proposed delivery of the Champions of Success Program to select schools in Victoria
- Koorie Victorian Trainee of the Year awarded to Certificate IV Community Services student Nicole Waddell
- Exhibition of students' work from the Certificate III in Aboriginal or Torres Strait Islander Cultural Arts at NMIT Space Gallery, with a live radio broadcast from 3KND Kool and Deadly Radio Station
- Participation of students from the Certificate III in Aboriginal or Torres Strait Islander Cultural Arts in the Transfield Services Indigenous Art Competition
- Cross cultural workshops undertaken for teaching departments, student bodies and information officers at NMIT

2007 HIGHLIGHTS

Further Education Industry and Initiatives Unit

The unit coordinated the faculty's business activities and provided project management and advice. In 2007 a significant component of the work included consultancy, skills assessment and customisation of training programs for enterprises with employees with low levels of literacy, numeracy and English language skills. The unit provided distance-learning courses in ESL and the AMEP Home Tutor Scheme volunteer training.

Highlights included:

- Management of the AMEP Consortium of nine providers over thirteen sites
- Management of the Northern LLANS Consortium of four providers across six sites
- Training support granted for a second year to bilingual worker students from the Victorian Office of Multicultural Affairs with additional new funding for those wanting to work in the health sector
- Successful management of 22 Workplace English Language and Literacy (WELL) projects
- Eleven volunteer park guides, with fourteen different languages, were awarded the Parks Victoria Kookaburra Award for the Multicultural category to the Bilingual Parks Tour Guide course in recognition of the community involvement and volunteerism
- Volunteer training and support to 42 community service organisations across the northern region

IELTS Test Centre

IELTS is the premier English language test for migrants, students and personnel world-wide. The NMIT Test Centre is accredited by IDP IELTS Australia in partnership with the British Council and the University of Cambridge and in 2007 has conducted its first full year of IELTS test days. The Test Centre has access to seventy five examiners, twelve clerical markers and fifty five invigilators. In 2007 the Centre has conducted separate sessions of Examiner, Invigilator and Instructor Training.

Highlights included:

- Receipt of the Best New Centre Award for the achievement of outstanding international success by the IELTS Test Centre
- Testing a total of 7175 candidates at the IELTS centre conducted over the year



IELTS

Faculty of Hospitality, Tourism and Personal Services

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

Hospitality

The department offered courses in management, supervisory and operational training in hospitality, food and beverage, accommodation, cookery and event management. The training programs include partnerships with industry, local councils, community groups and schools. The department also delivers Australian Apprenticeship training to cookery apprentices, hospitality trainees, and school based apprentices.

Highlights included:

- The opening of a new pastry kitchen at the Preston campus
- Event management students organised and co-ordinated a range of different events, including the fifth annual NMIT Food and Wine Expo, the 2007 Victorian TAFE Administrative Officers' Annual Conference, Banyule festival, Darebin Home Winemakers Show and dance events spin monkeys and pimp my tech
- The continued success of the Food and Wine Dinner series and the Master Chef Dinner series during 2007
- Fifi Fisipuna, a school based apprentice, won School Based Apprenticeship Northern VET High Achievement Award and the Australian Vocational Student Prize for a year 12 student undertaking a school based hospitality traineeship



Hospitality

2007 HIGHLIGHTS

Tourism and Personal Services

The department offered courses in tourism operations, event management, tourism product development, retail, international travel, tour guiding, remedial massage, myotherapy and hairdressing.

Highlights included:

- Winning the 2007 Victorian Tourism Awards in the Tourism Training and Education category
- Working with the Young Tourism Network to launch a mentoring program for first year tourism students
- Event management students undertook work placement and volunteer work at the Victorian Caravan and Camping Leisurefest, Banyule Festival and community programs with the Darebin Council
- The development of industry partnerships including Redken, the Australian Institute of Travel Officers, the Valley of the Arts and The City of Melbourne
- NMIT Advanced Diploma in Myotherapy graduate Tiffany Gill won the Association of Massage Therapists Student Therapist of the Year award

Higher Education

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

Highlights included:

- Ministerial approval to offer the Bachelor of Hospitality Management and the Bachelor of Illustration
- Delivery of the Bachelor of Australian Popular Music
- Second year delivery of the Bachelor of Aquaculture, Bachelor of Viticulture and Bachelor of Equine Studies
- Submission for accreditation of the Bachelor of Writing and Publishing
- Development of six degrees with embedded associate degrees



Tourism

International Office

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

Highlights included:

- Increased growth in student numbers and activities
- Audits of offshore programs conducted on a regular basis. Audits in 2007 have covered operations in China and Korea
- Staff members are office bearers with Victorian TAFE International (VTI), the peak body for the international operations of Victorian TAFE Institutes

Inbound Students:

- Patisserie has been a very popular course amongst International students with new purpose built facilities at Preston full to capacity
- In conjunction with teaching faculties, new courses have been developed to meet the demands of international students in the areas of locksmithing, cabinet making and mechanical engineering
- The number of students enrolled in 2007 ELICOS programs was the second highest on record with 2008 set to significantly surpass previous totals
- Development of significant policies and processes to meet the demands of the new changes to government legislation governing delivery of programs to international students

Other onshore International Activities:

- NMIT has successfully hosted a wide range of delegations from existing partners and also visits referred by other sources including DEST and DFAT



International Office

2007 HIGHLIGHTS

Offshore Projects

China Programs

- Diploma programs are conducted at twenty two partner universities, including four partners serviced through IEN – a consortium between NMIT and four Australian Universities
- Enrolments in 2007 totalled over 10,000 students, including English language development courses
- Pathway programs enable graduates from programs in China to articulate to our Associate Degree programs

Korea programs

- NMIT has agreements with five Korean Colleges to deliver dual diploma programs enabling students to gain diplomas from their home institution and from NMIT
- One Korean college sent a pilot group of students to NMIT for a study tour examining the hospitality industry in Australia in 2007. The Korean college intends to make this tour a standard component for all students from 2008, with the potential for an annual visit by over 100 Korean students

Hong Kong Program

- NMIT has licensed courseware to Hong Kong Universal Education (HKUE) which operates as Asian Management Education Centre to deliver a Business related diploma to over 300 students under the name of a "Professional Diploma". An application for registration by the Hong Kong Education and Manpower Bureau was completed early in 2007. HKUE are also promoting a Melbourne study tour

Certificate IV Training and Assessment

- NMIT is delivering the Certificate IV in Training and Assessment to selected academic staff at partner institutions in Hong Kong and China to enhance our capacity to ensure AQTF compliance



Information Technology

Quality Assurance

This unit manages and monitors the Quality Assurance (QA) systems for the design, development and provision of programs and services. As part of NMIT's continued commitment to quality, the unit worked with inter-faculty project teams to develop and implement QA solutions for improved practices and provision.

NMIT has been certified to international standard ISO 9001 since 1995. The quality system covers the design, development and provision of training programs and services provided by all teaching and non-teaching department within NMIT. NMIT has now achieved 12 years of ISO certification, which is longer than any other Victorian TAFE institute.

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

ISO 9001:2000

- External quality audits were undertaken in March and October by SAI-Global Assurance Services
- Certification to standard ISO 9001:2000 was permitted to continue
- Nil non-conformances were achieved

Cattlecare:

- External audit by Aus-Meat was undertaken in September 2007
- Continued accreditation was achieved for activities on Yan Yean farm
- Nil non-conformances were achieved

AQTF Audit – Fitness Industry

- External audit was undertaken in November 2007

Strategic Industry AQTF Audit – Plumbing

- External audit was undertaken in February 2007
- No issues were identified

Animal Welfare Bureau – Animal Ethics Audit

- External audit was undertaken in March 2007
- Nil non-conformances were achieved

Accumen Alliance Audit – Earth Sciences

- External audit was undertaken in April 2007
- No issues were identified

Higher Education Mid-Term Review

- External review was undertaken in November 2007
- Outcome yet to be received

The Quality Assurance Unit has undertaken a number of quality audits of NMIT partner programs overseas.

The Quality Assurance unit continued to provide support to project teams within faculties and departments to develop and implement solutions that have resulted in improved practices.

The Quality Assurance unit provided representation on behalf of the Victorian TAFE providers to DEST's National Quality Council with respect to the implementation of the Australian Quality Training Framework Standards for Registered Training Organisations (2007).

2007 HIGHLIGHTS

Research and Development

The Department offered services to the Institute in the key areas of curriculum development, staff development and organisational development.

- Teaching and Learning was made prominent in the new Strategic Plan. The Teaching and Learning Excellence projects begun in 2006 were continued into 2007 to ensure that the Teaching and Learning maintained a high profile
- Staff development activities were carried out in Leadership, TAFE Fellowships, Industry Skills and Teaching and Learning Excellence. One Building and Construction staff member was a national RPL change agent. Four Heads of Department Forums were held to support this key staff group
- A course leading to the Diploma in VET Practice was developed and implemented and three Certificate IV TAA courses were completed
- Two new degrees were approved, Hospitality Management and Illustration. Three degree projects progressed well and five new projects began. A major change was made to the Viticulture and Winemaking degree to allow for flexible delivery
- Six Curriculum and four Training Package Implementation projects were carried out by the Primary Industries Curriculum Maintenance Manager and a range of information services were provided
- Ten Learnscope projects were carried out and one Inclusive e-Learning (Youth) project. E-Learning Support Services projects were held with all faculties and R&D. Four e-Learning Grant projects were

carried out, including the SharePoint rollout

- A Learning Resources Standards Project was initiated following the faculty review to develop standards for learning resources across the Institute



Professional Development

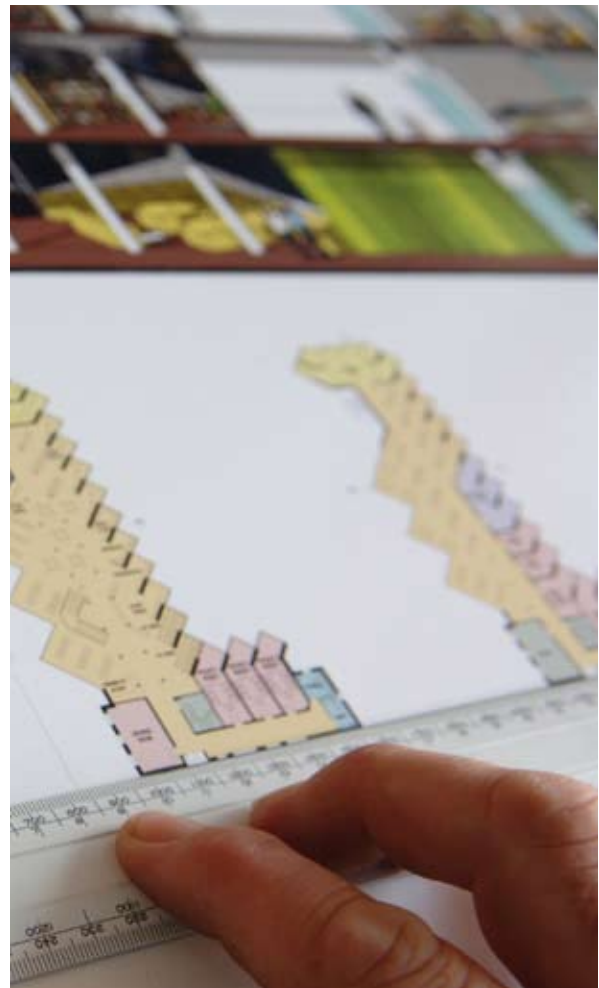
CORPORATE SERVICES DIVISION

Buildings and Properties

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

Major projects completed were:

- Refurbishment of Directorate (stage 2), Preston campus
- New pastry kitchen in Building D, Preston campus
- Resurfaced student car park at Fairfield
- Power upgrade at Epping campus to allow further expansion of campus
- Extensive refurbishment of corridors, canteen and foyer at Collingwood campus
- New Hairdressing facility (stage 2) and state-of-the art TV Studio, Collingwood campus
- Rectification of brick facade, Building A, Collingwood campus
- Refurbishment of Auditorium, Collingwood campus
- Landscaping works at Epping and Greensborough campuses
- Installation of water tanks at Collingwood, Greensborough, Epping and Preston campuses including pipe and dripping systems
- Illustration Design Centre internal fit-out Building F, Fairfield campus
- Refurbishment of offices in Building M, Preston campus



Fairfield Plans

Projects begun in 2007 and continuing:

- External and internal signage completed at Collingwood, Greensborough and Heidelberg, commenced at Fairfield campus with Epping and Preston to follow
- New rack room for IT Services in Building E, Preston campus
- Installing partitions in Finance, Preston campus, to create individual offices
- Re-organising Short Course area at Preston campus

2007 HIGHLIGHTS

Corporate Communications

The department provided a range of services to prospective and current students, staff and the general public. These included reception, course information, administering the enrolment process, coordinating and administering the range of student records functions, event management, media relations, community liaison activities, advertising, publications, graphic design and desktop publishing services, developing and maintaining NMIT's Internet and Intranet websites and managing the Industry Foundation and Student Study Grant program.

Highlights included:

- Development of procedures for the hire of the NMIT Conference Centre, conference rooms and facilities
- The management of media and Institute events including: the NMIT Graduation Ceremony; the Corporate Golf Day, the Study Grant Presentation Ceremony and Taster Week
- The introduction of vodcasts and success stories for the NMIT websites
- Study Grant Review and set up of new process and procedures

Finance

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

Highlights included:

- Introduction of Fraud Awareness Program and Risk Management Compliance
- Successful restructure of the Chart of Accounts to improve on financial reporting across different income streams
- Preparation and submission of the 2007 Annual Financial Reports, 2007 Whole of Government Financial Reports and 2007 Commercial Activities Financial Reports
- NMIT has obtained Australian Taxation Office endorsement as a Deductible Gift recipient

IT Services

The department was responsible for the planning, acquisition and support of all information and communication technology used by NMIT. IT Services responded to approximately 6000 end-user requests for assistance during 2007.

Highlights included:

- The tender for the new STRATA Student Management System to replace SHAPE
- Installation and rollout of a new Intranet portal based on the Microsoft product Sharepoint 2007. Sharepoint provides NMIT departments with an easy to use document management system that ensures increasing compliance with copyright and quality assurance requirements
- Replacement of 22 PC and Mac laboratories
- Tender and installation of the chiller system for the new IT Services Preston rack room
- Testing and implementation of the International Students System to manage inbound students
- Construction of a Microsoft based system to provide parallel functionality to the existing Novell EDir system



2007 HIGHLIGHTS

Student Services

The department provided sporting and recreation activities, general information and course advice, library and bookshop services as well as counselling and welfare-related support to NMIT students. The library serves as the central point of contact for student services at each campus and offered students an easily accessed facility for information, first aid, enrolments and bookshop requirements as well as a comprehensive reference and research service.

Highlights included:

- Completion of the first operational plan (July 06- August 07) linked to the NMIT Library Strategic Statement 2006-2009 including an external review of the library goals by Dr Mary Somerville, Associate Dean Library, San Jose State University
- Expansion of the library webpage to provide a comprehensive copyright information service, including a permissions register that logs the copyright status of documents distributed as part of NMIT course delivery
- Refurbishment of the Preston gymnasium to establish a cardio-weights area for members
- Development of a new purpose-designed student common room on the Preston campus for newly arrived students, many of whom are refugees learning English as the first part of their transition into Australian society
- The Student Induction DVD has been re-developed for deaf and hard-of-hearing students and is now available in formats that include split screen interpreting and captions
- The NMIT Student Housing Service has been expanded to include social and transition support services particularly targeted at the rapidly increasing number of international students



Student Welcome Day

Personnel

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

Highlights included:

- Reduction in the WorkCover Premium from approximately \$482,000 to \$416,000
- Negotiation of enterprise agreements for miscellaneous workers and storage services staff
- Very successful Occupational Health and Safety audits conducted by WorkSafe Victoria with no issues raised
- Implementation of Working With Children Checks policies and procedures to ensure NMIT was compliant on 1 January 2008



Accounting



Wine Bottling



STATUTORY AND FINANCIAL INFORMATION



Ararat

Environmental Performance

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

In 2007 NMIT installed:

- Energy efficient lighting in a number of buildings at each campus
- Alternative cooking appliances in the Institute pastry kitchen at Preston to maximise energy efficiency

In addition NMIT:

- Installed Mueller 3C replacement cooling towers for the Collingwood and Epping campuses. These water storage units provide significant water savings and eradicate the potential for legionnaires disease
- Converted a number of irrigation systems to automated drip irrigation
- Installed water harvesting tanks with holding capacity of 375,000 litres
- Produced a water plan as required by government policy for Epping and Preston campuses

Workforce Data

The total number of staff employed at NMIT as at 30 June 2007 was 1,211 compared with 1,227 as at 30 June 2006. 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 positions) and provide a gender analysis.

Refer to Table 2 Staffing categories.

Definitions:

ASCO Australian Standard Classification of Occupations

PWD Person with a disability

NESB Person from a Non-English Speaking Background

ATSI Aboriginal and Torres Strait Islander

Table 2: Staffing categories

ASCO Category	Male	Female	Total	PWD	NESB	ATSI
Managers	27	16	43	-	3	-
Professionals	464	392	856	8	42	-
Associate professionals	42	24	66	2	5	-
Tradespersons and related workers	12	4	16	-	-	-
Advanced clerical and service workers	16	157	173	1	28	-
Intermediate production and transport workers	10	1	11	-	1	-
Elementary clerical, sales and service, security guards	5	3	8	-	-	-
Labourers/cleaners/trade assistants	32	6	38	-	-	-
TOTAL	608	603	1211	11	79	-

STATUTORY AND FINANCIAL INFORMATION

Employment and Conduct Principles

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

These policies are:

Institute Code of Practice

Anti-Discrimination Policy

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

Policy and Procedures for Employee Grievances

Selection Policy

Table 3: Staffing gender analysis

Year	Male	Female	TOTAL
2007	608	603	1,211
2006	600	627	1,227
2005	745	558	1,303

Industrial Relations

During 2007, no staff participated in industrial disputation. Excellent relationships were maintained with all unions with coverage at NMIT.

Application of the Freedom of Information Act 1982

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

FOI Access Arrangements

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

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

FOI Access Charges

Charges for access to documents were in accordance with the Freedom of Information [Access Charges] Regulations 2004. Charges covered costs incurred in conducting routine searches for documents, supervising document inspections and supplying document copies. The application fee for FOI requests was \$21.50 until 30 June 2007 and \$22.00 from 1 July 2007 onwards.

FOI Access Claims 2007

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

Occupational Health and Safety

The Occupational Health and Safety (OH&S) Committee met four times during the year. An initiative from management to establish a network of Health and Safety representatives was endorsed and the representatives had two meetings in the latter part of the year.

Table 4: Statistics for reported accidents and incidents

Staff	
Total number employed 31/12/07	1,130
Number of incidents reported	57
Number of compensable claims	7
Time lost (hours)	741.24
Students	
Total number of enrolments	52,229
Number of incidents reported	99

Compliance with Whistleblowers Protection Act 2001

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

Compliance with Building Act 1993

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

A register of building surveyors and the jobs they certified is maintained. NMIT required all building practitioners engaged on its works to show evidence of current registration upon their engagement.

A condition of contracts between NMIT and building contractors requires the maintenance of registration for the duration of the contract. All practitioners engaged by NMIT maintained their registered status throughout the year.

During 2007, the following works and maintenance were undertaken to ensure conformity with the relevant standards:

Building works	Number
Work under construction and the subject of mandatory inspections	4
Occupancy permits issued	4

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.

International Education

Onshore delivery of NMIT programs to international students

NMIT successfully recruited almost 1000 International students into a range of courses in 2007. The largest source countries were India, Sri Lanka, Colombia and Pakistan and the most popular courses were hospitality/commercial cookery, horticulture, ELICOS, accounting and engineering.

NMIT has a well established team supporting the recruitment, placement and orientation of international students and the attendant risks are well understood and managed. The International Office reviewed its procedures for international student recruitment and management in 2007 to ensure compliance with the revised ESOS Act and updated all procedures.

Risk Issue	Strategies
<p>Some students are selecting courses based on the perceived Permanent Residency outcomes. Strong enrolments in hospitality could drop dramatically if the residency outcomes are diminished through a change of status with the Department of Immigration and Citizenship.</p>	<p>NMIT has proactively promoted a broad range of courses. Marketing for 2008 aimed for higher numbers of students in courses such as hairdressing, community welfare, patisserie and engineering. Higher Education courses are being actively marketed, many for the first time.</p>
<p>A high percentage of enrolments are coming from a limited number of source countries, especially India.</p>	<p>Marketing strategies have been implemented for Thailand, Vietnam, Malaysia, Mauritius, Colombia and China.</p>
<p>Demand for some courses is greater than current facilities can accommodate.</p>	<p>As well as progressive roll-out of new facilities, marketing efforts are being focussed on new or increased enrolments in courses with available capacity.</p>

Transnational Education

Offshore delivery of NMIT programs

In 2007 NMIT delivered programs to over 10,000 students in programs outside Australia with 28 partner institutions. The majority of these students were studying through partner institutions in China and preceded their main study with English language training provided by NMIT or others. Programs in Korea and Hong Kong served several hundred students.

Delivery of Australian award courses in foreign jurisdictions carries an element of risk. One of the prime functions of the International Office is to identify risk factors and strategies to ameliorate those risks. This has continued as a major focus in 2007. The International Office has focussed on review and overhaul of agreements with foreign institutions and has a process for continuous improvement of management processes.

Risk Issue	Strategies
Finance	
Adequate fees may not be recovered due to cost increases and fluctuations in foreign exchange rates.	NMIT reviewed the financial viability of all offshore agreements in 2006. During 2007 the fee has been increased for all on-going China programs and cost cutting measures applied to program delivery – largely through more efficient travel arrangements.
Expenditure that is not closely monitored can lead to budgeted expenses being exceeded.	Each instance of offshore teaching by NMIT appointed staff is subject to completion of a teaching plan that addresses all cost elements. Increases in travel expenses have been offset by integration of teaching delivery programs.
Strategic Engagement	
Foreign national policies can change giving rise to new opportunities and new risks.	NMIT actively monitors advice on policy development, both through the Australian Government (Australian Education International) and through our network of agents and consultants in various countries.
Activity focussed on too few foreign destinations leaves the program vulnerable to changes in one host country.	NMIT has actively pursued new partnerships beyond the existing large involvement in China. New programs in Korea and Hong Kong have grown. An agreement for new programs in Vietnam has been signed and will be implemented in 2008.

STATUTORY AND FINANCIAL INFORMATION

Risk Issue	Strategies
Staffing	
<p>International security issues can severely impact on the ability to send teaching staff offshore.</p>	<p>As noted above, NMIT is widening the range of nations in which our programs are offered to spread the risk. We also maintain good working relationships with our existing partners to ensure that short-term disruptions to travel arrangements can be handled by re-scheduling the teaching provided by NMIT and partner institutions. Some new programs have fewer and more flexible requirements for services from NMIT staff in the host country. Some programs are delivered in part through on-line strategies.</p>
<p>High growth levels in transnational operations can be limited by the availability of suitably qualified staff.</p>	<p>NMIT maintains an active list of available staff, both within and beyond the institution. NMIT uses highly experienced locally based organisations where NMIT has a high level of control to source suitably qualified and experienced staff who are already in the host country. This strategy is subject to strict compliance with NMIT staffing standards.</p>
Quality Assurance	
<p>If suitable quality assurance procedures are not in place and implemented the reputation of the program can be adversely affected either offshore or in Australia.</p>	<p>NMIT maintains ISO 9001 accreditation of all operations. Requirements of the Australian Quality Training Framework are integrated into the ISO framework and compliance monitored through regular audits. During 2007, NMIT conducted audits of transnational programs at nine locations. A schedule of regular audits has been put in place to ensure systematic audit of all offshore operations over a three-year cycle.</p>

International Consultancy

The International Office provides a consultancy and advisory service to senior management and NMIT faculties on all international opportunities. This includes management of requests for visits by delegations, briefing of senior staff involved in approved visits and filtering out delegations where there is no discernable strategic outcome for either party. The International Office has produced and maintains a protocol guide to ensure NMIT is an efficient and professional international host.

NMIT has been requested to submit proposals for several vocational training exercises offshore. Discussions continue.

Performance Measures, Targets and Outcomes

Finance

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

Quality

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

Reputation

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

Auditor General Independent Audit Report

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

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

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2007 of Northern Melbourne Institute of Technical and Further Education comprises the statement, the related notes and the statement of performance management.

The Members of the Board Responsibility for the Statement of Performance

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

Auditor's Responsibility

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

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

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


Independence

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

Auditor's Opinion

In my opinion, the statement of performance of Northern Melbourne Institute of Technical and Further Education in respect of the 31 December 2007 financial year presents fairly, in all material respects, and in accordance with the *Financial Management Act 1994*.

MELBOURNE
9 March 2008


D.D.R. Pearson
Auditor-General

Statement of Performance Management

Statement of Performance Management

Northern Melbourne Institute of TAFE Performance Statement for 2007

In our opinion, the accompanying Statement of Performance of Northern Melbourne Institute of TAFE in respect of the 2007 financial year is presented fairly in accordance with the *Financial Management Act 1994*.

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

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



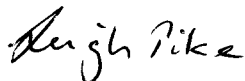
Elaine Forde
President of Board

DATE: 18/2/2008



Brian MacDonald
Chief Executive Officer

DATE: 18/2/2008



Leigh Pike
Chief Finance Officer

DATE: 18/2/2008

STATUTORY AND FINANCIAL INFORMATION

Statement of Performance for the Year Ended 31 December, 2007

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

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

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

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

The requirements of FRD 27 (A) are:

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

The statement of performance must include:

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

The outcomes and targets are detailed on the following summary chart.

KPI	Definition
Module Load Completion Rate	Scheduled hours assessed and passed or satisfactorily completed / Total scheduled hours reported less hours recorded with Credit Transfer and continuing studies outcomes.
Student Satisfaction	Proportion of graduates satisfied with the overall quality of training.
Participation of 15-24 Year Olds	Number of Students within the age group.
Participation of 25-64 Year olds	Number of Students within the age group.
Total Cost per Student Contact Hour (SCH)	Total funded expenditure (excluding Depreciation) / Total SCH
Working Capital Ratio	Current Assets / Current Liabilities (adjusted for Long Term current Long Service Leave).
Net Operating Margin	Funded Operating Surplus (excluding Depreciation) / Total Revenue (excluding Capital).
Fee for Service Revenue	Fee for Service Revenue / Total Revenue (%).
Revenue per EFT Staff	Total Revenue (excluding Capital) / Average EFT Staff.
Student Contact Hours	Total number of student contact hours delivered against contracted delivery.
Energy Consumption	Percentage reduction in energy consumption for Electricity, Gas LPG, Green Power and Heating Oil.
	Electricity
	Natural Gas
	LPG
	Electricity purchased from Green Power

STATUTORY AND FINANCIAL INFORMATION

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

1. Module Load Completion Rate MLCR

- Actual MLCR was 72%
- No target was set

Comment

MLCR are considerably lower for some types of programs especially Further Education programs. The latest information available (2006 statistics) indicated that the MLCR across the Victorian VET system was 57% in Adult, Community and Further Education compared to 79.71% for all other programs. The percentage of an Institute's total program profile delivered in Further Education programs can therefore have a very significant impact on its MLCR, which would be largely unrelated to performance. NMIT had 14.5% of its delivery in this area in 2007 compared with a state average of 13%.

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

2. Student Satisfaction

- Actual result was 89%
- No target was set

Comment

The statements in the survey that had the highest and lowest results were:

Statement	%
Instructors provided opportunities to ask questions	96.3
Instructors had a thorough knowledge of the subject content	94.2
Instructors treated me with respect	93.1
Training improved any skills in written communication	60.6
Training developed my problem solving skills	70.4
Training helped me to develop the ability to plan my own work	70.7

The last three issues relate to an assessment of the student's own skills and would be at best subjective. In addition they may not have ranked highly in the students motivation to undertake the course.

3. Participation of 15-24 Year Olds

- The actual number of students enrolled in this cohort in government funded places was 8,467
- No target was set by OTTE in the 2007 Performance Agreement

4. Participation of 25-64 Year Olds

- The actual number of students enrolled in this cohort in government funded places was 8,386
- No target for student numbers was set by OTTE in the 2007 Performance Agreement

Comment

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

5. Total Cost per Student Contact Hour (SCH)

- NMIT's total cost per student contact hour was \$9.31
- No target was set by OTTE in the 2007 Performance Agreement

Comment

Total cost per student contact hour is of little value as a measure of an Institution's

performance unless other considerations are factored into the assessment processes:

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

6. Working Capital Ratio

- The actual was 1:2.63 after adjusting for Long Term Current Liability Long Service Leave
- The target for 2007 was 1:2.48. Performance was better than target

7. Net Operating Margin

- The actual percentage was 11.66% Funded Operating Surplus excludes Depreciation and Total Revenue excluding Capital
- The target for 2007 was set at 6.06%. Performance was better than target

8. Fee for Service Revenue

- Target set for 2007 was 20.47%. The actual performance was 26.68%
- Performance was better than target

Comment

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

On the other hand, a low revenue figure may show a high net profit.

9. Revenue per EFT Staff

- The actual revenue per EFT staff member for NMIT in 2007 was \$117.87
- No target was set

Comment

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

- It ignores the costs associated with generating that level of income
- Significant increases in revenue generated at a loss would show a higher revenue/EFT staff figure but could lead to a deficit, therefore net revenue per EFT staff would be a more appropriate measure but with some qualifications

- An institute may wish to concentrate on excellence in delivery to its students rather than concentrate on income generation, which is not necessarily reflective of a poorer performance. Rather a different set of priorities and value and different output quality would reflect such a choice

10. Student Contact Hours

- Actual student contact hours delivered including fee for service against contracted delivery was 10,850,760

Comment

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

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

Institutes may decide that higher priorities exist for Institute generated funds than SCH over delivery, for example capital works, professional development, or quality initiatives.

11. Energy Consumption

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

1. The benchmark year for this indicator has been determined to be 1999.
2. NMIT commenced its major efforts in energy management in 1990 and those efforts were recognised by winning the following awards:
 - Best Educational Institution Award in 1998
 - Energy Achiever of the Year in 2000
 - Service Provider of the Year in 2001
3. NMIT is a multi-campus Institute and energy reductions are far more difficult to achieve than for mono-campus Institutes.
4. NMIT has aging building stock with inefficient energy systems, in particular heating and cooling.
5. Developments since the benchmark year of 1999 make fair comparisons with the current year impossible. These include:
 - a) replacement of Johnston St Collingwood and the Parkville campus with the larger Fairfield campus;
 - b) addition of the Ararat campus;

- c) addition of the Primary Industries and Production Training Centre and roof tiling at Epping campus;

- d) addition of high energy use programs such as hairdressing and viticulture and the extension of existing facilities e.g. Hospitality

Summary

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

STATUTORY AND FINANCIAL INFORMATION

Key Performance Indicators

Key Performance Indicator (KPI)		Definition	2007 Performances		
			Actual Performance	Target Performance	
1	Module Load Completion Rate	Scheduled hours assessed and passed or satisfactorily completed / Total scheduled hours reported less hours recorded with Credit Transfer and continuing studies outcomes.	72.00%	No Target advised	
2	Student Satisfaction	Proportion of graduates satisfied with the overall quality of training.	89.00%	No Target advised	
3	Participation of 15 - 24 Year olds	Number of Students within the age group	8,467	No Target advised	
4	Participation of 25 - 64 Year olds	Number of Students within the age group	8,386	No Target advised	
5	Total Cost per Student Contact Hour (SCH)	Total funded expenditure (excluding Depreciation) / Total SCH	\$9.31	Targets set for recurrently funded programs only	
6	Working Capital Ratio	Current Assets / Current Liabilities (adjusted for Long Term current Long Service Leave)	1 : 2.63	1 : 2.48	Target exceeded by 6.0%
7	Net Operating Margin	Funded Operating Surplus (excluding Depreciation) / Total Revenue (excluding Capital)	11.66%	6.06%	Target exceeded by 92.4%
8	Fee for Service Revenue	Fee for Service Revenue / Total Revenue (%)	26.81%	20.47%	Target exceeded by 31.0%
9	Revenue per EFT Staff	Total Revenue (excluding Capital) / Average EFT Staff	\$117.87	No Target advised	
10	Student Contact Hours	Total number of student contact hours delivered against contracted delivery	10,850,760	No Target advised	
11	Energy Consumption	Percentage reduction in energy consumption for Electricity, Gas LPG, Green Power and Heating Oil			
		Electricity	9,240,708 (kwhs)	1999 data (for target setting) not available	
		Natural Gas	32,726,942 (megajoules)		
		LPG	21,608 (litres)		
		Electricity purchased from Green Power	1,095,905.35 (kwhs)	10.00%	Target exceeded by 1.86%

Information About NMIT

The NMIT website www.nmit.vic.edu.au is a comprehensive source of information about courses, faculties, campuses, services and history.

The website provides public access to the Institute's Annual Reports at:

www.nmit.vic.edu.au/about

Summary of Financial Results

Table 8: Summary of Financial Results

Year	Operating Surplus (Deficit) \$000	Accumulated Surplus (Deficit) \$000
2007	7,939	36,584
2006	5,545	32,136
2005	5,570	26,591
2004	1,987	21,021
2003	15,395	19,105

Summary of Significant Changes in Financial Position

There were no significant change in financial position for the year ended 31 December 2007.

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.

Consultancies

Consultancies Over \$100,000

Brand Architects

- Heidelberg campus Technical Centre development: \$178,943.00
- Epping campus Plastering and Painting centre: \$101,526.00
- Fairfield campus Building Q development: \$229,515.00

Yarra Residential Services Pty Ltd

- Fairfield campus Yarra House development: \$575,000.00

Consultancies Under \$100,000

NMIT engaged twenty-two consultants for a total cost of \$447,484 during 2007.

Additional Information

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

Declarations on pecuniary interest

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

Publications

Major external reviews

Major research and development activities

Overseas visits undertaken

Major promotional, public relations and marketing activities

Major committees sponsored by NMIT

2007 Fees and Charges

NMIT charges a range of fees for programs and services offered. In 2007 the fees and charges included:

- A compulsory tuition fee of \$1.37 per student contact hour for Government funded programs in accordance with Ministerial Directions on fees and charges. This represented a \$0.06 per student contact hour increase from the 2006 tuition fee.

Minimum/Concession	\$55 (40 or less student contact hours)
Maximum	\$877

- A compulsory student services and amenities fee of \$0.25 per student contact hour. There was no increase in this fee from 2006.

Minimum/Concession	\$ 45 (Full-fee and Concession)
Full-fee Maximum	\$135
Maximum Concession	\$ 101.25

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

Concessions

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

Exemptions

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

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

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

Academic Registrar
77-91 St Georges Rd
Preston 3072

STATUTORY AND FINANCIAL INFORMATION

Activity Table

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

NOTE A1 - Operating Statement

Total Operating Expenses

	Note	2007 \$000	2006 \$000
Delivery provision and support activity	A2	69,795	63,444
Admin. and general services activity	A3	17,131	13,533
Property plant and equip. services activity	A4	13,633	10,867
Student and other services activity	A5	5,222	5,229
Total Operating Expenses		105,781	93,073

NOTE A2 - Operating Statement

Delivery Provision and Support Activity

	2007 \$000	2006 \$000
Salaries, wages, overtime & allowances	48,612	43,531
Superannuation	4,079	3,765
Payroll tax	2,507	2,382
Other salary related costs	755	1,340
Consumables	4,693	3,931
Travel and motor vehicle expenses	455	492
Depreciation	3,802	4,554
Other direct delivery expenses	4,892	3,449
	69,795	63,444

NOTE A3 - Operating Statement

Administration and General Services Activity

	2007	2006
	\$000	\$000
Salaries, wages, overtime & allowances	7,348	6,449
Superannuation	617	558
Payroll tax	379	353
Other salary related costs	99	197
Consumables	47	167
Communication expenses	753	655
Fees	3,344	841
Travel and motor vehicle expenses	1,467	1,289
Depreciation	575	674
Other expenses	2,502	2,350
	17,131	13,533

NOTE A4 - Operating Statement

Property, Plant and Equipment Services Activity

	2007	2006
	\$000	\$000
Salaries, wages, overtime & allowances	1,779	1,607
Superannuation	149	139
Payroll tax	92	88
Other salary related costs	24	50
Consumables	20	20
Depreciation	139	168
Equipment	3,003	914
Energy costs	1,301	1,324
Contract services	2,988	2,798
Rent/leasing charges	566	601
Repairs and maintenance	3,387	3,031
Other expenses	185	127
	13,633	10,867

STATUTORY AND FINANCIAL INFORMATION

NOTE A5 - Operating Statement

Student and Other Services Activity

	2007	2006
	\$000	\$000
Salaries, wages, overtime & allowances	2,523	2,501
Superannuation	212	216
Payroll tax	130	137
Other salary related costs	34	77
Consumables	132	160
Depreciation	198	262
Other expenses	1,993	1,876
	5,222	5,229

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Sheep Shearing

A large flock of sheep is gathered in a dirt pen. In the background, a person is walking. The scene is overlaid with a semi-transparent blue filter.

FINANCIAL STATEMENTS

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Compulsory Non-Academic Fees and Charges Statement as at 31 December, 2007

	Note	2007 \$000	2006 \$000
Income			
Compulsory Non- Academic Fees		919,816	972,941
Total Income		919,816	972,941
Expenditure			
Salaries			
Salaries		703,113	639,070
Salary Oncosts		106,377	98,848
Total Salary Expenditure		809,490	737,918
Non Salaries			
Consumables		12,472	17,316
Subscriptions		777	333
Telephone		2,505	1,995
EDP Equipment Purchases		14,083	44,538
Equipment Purchases		16,180	39,218
Furniture and Fittings		52,522	70,057
Equipment Lease		432	432
Security Services		420	6,447
Travel		505	1,432
Citylink Payments		8	24
Equipment Repairs		0	686
Diaries and Advertising		42,193	36,852
Staff Development		1,417	1,912
Advertising - Recuritment		3,246	581
Computer Software Development		0	587
Orientation/Recreational Activities		38,503	34,356
Porterage		0	2,109
Minor Works		2,069	26,519
Building Repairs & Maintenance		16,259	5,675
Uniforms		643	1,286
Total Non Salary Expenditure		402,234	292,355
Total Expenditure		1,013,724	1,030,273
Operating Result for the year		(93,908)	(57,332)
Accumulated Surplus 1 January		210,866	268,198
Accumulated Surplus/(Deficit)		116,958	210,866

Leigh Pike

Leigh Pike
Chief Financial Officer
5 February 2008

Auditor General Independent Audit Report

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Member of the Board, Northern Melbourne Institute of Technical and Further Education

The Financial Report

The accompanying financial report for the year ended 31 December 2007 of Northern Melbourne Institute of Technical and Further Education which comprises operating statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the declaration by president of board, chief executive officer and chief finance officer has been audited.

The Member of the Board Responsibility for the Financial Report

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

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

Auditor's Responsibility

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

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

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

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial statements published in both the annual report and on the website of Northern Melbourne Institute of Technical and Further Education for the year ended 31 December 2007. The Members of the Board of Northern Melbourne Institute of Technical and Further Education are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on Northern Melbourne Institute of Technical and Further Education web site.


Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Northern Melbourne Institute of Technical and Further Education as at 31 December 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
9 March 2008


D.D.R. Pearson
Auditor-General

FINANCIAL STATEMENTS

Northern Melbourne Institute of TAFE and Further Education

Financial Report for Year Ended 31 December, 2007

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

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

We further state that, in our opinion, the information set out in the operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2007 and financial position of the Institute as at 31 December 2007.

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

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



Elaine Forde
President of the Board

DATE: 18/02/2008

Place: Preston



Brian MacDonald
Chief Executive Officer

DATE: 18/02/2008

Place: Preston



Leigh Pike
Chief Financial Officer

DATE: 18/02/2008

Place: Preston

Operating Statement for the Year Ended 31 December, 2007

	Note	2007 \$000	2006 \$000
Income			
Revenues from continuing operations	2		
Operating activities			
Government contributions - operating	2.1	66,654	63,902
Fee for service	2.3	30,490	20,994
Student fees and charges		5,263	5,141
Sale of goods		2,463	2,492
Non operating activities			
Other income	2.4	3,612	3,071
		108,482	95,600
Expenses from continuing operations	3		
Employee benefits	3.1	69,339	63,390
Finance costs		0	49
Other	3.2	29,015	22,813
		98,354	86,252
Net result from continuing operations before capital and specific items		10,128	9,348
Government contributions - capital	2.2	5,238	3,018
Depreciation and amortisation	10	(4,714)	(5,658)
Expenditure using Government contributions - capital	3.3	(2,713)	(1,163)
Net result from continuing operations		7,939	5,545
Net result from discontinued operations		0	0
Net result for the period		7,939	5,545

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

FINANCIAL STATEMENTS

Balance Sheet as at 31 December 2007

	Note	2007 \$000	2006 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	4, 29	28,984	20,452
Trade and other receivables	5, 29	5,095	4,531
Inventories	6	1,645	1,780
Biological assets	11	51	51
Other assets	9	652	422
Total Current Assets		36,427	27,236
Non-Current Assets			
Other financial assets	7,29	301	413
Property, plant and equipment	10	206,785	177,283
Biological assets	11	3,218	3,173
Total Non-Current Assets		210,304	180,869
TOTAL ASSETS		246,731	208,105
LIABILITIES			
Current Liabilities			
Payables	15, 29	9,461	6,730
Interest bearing liabilities	16, 29	88	400
Employee benefits	17	12,168	11,975
Total Current Liabilities		21,717	19,105
Non-Current Liabilities			
Interest bearing liabilities	16, 29	235	72
Employee benefits	17	822	949
Total Non-Current Liabilities		1,057	1,021
TOTAL LIABILITIES		22,774	20,126
NET ASSETS		223, 957	187,979
EQUITY			
Reserves	20	155,692	127,653
Contributed capital	20	31,681	31,681
Accumulated surplus	20	36,584	28,645
TOTAL EQUITY		223,957	187,979

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

Statement of Changes in Equity for the Year Ended 31 December, 2007

	Note	2007 \$000	2006 \$000
Total equity at the beginning of the year	20	187,979	185,397
Gain on revaluation of land and buildings	20	28,086	528
Loss on devaluation of vineyard		(47)	0
Net income recognised directly in equity		28,039	528
Net operating result for the year		7,939	5,545
Total recognised income and expense for the year		35,978	6,073
Adjustment for Asset Capitalisation Reduction (Assets less than \$5,000)	20	0	(3,491)
Total equity at the end of the year		223,957	187,979

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

FINANCIAL STATEMENTS

Cash Flow Statement for the Year Ended 31 December, 2007

	Note	2007 \$000	2006 \$000
Cash Flows from Operating Activities Receipts			
User fees and charges received (inclusive of GST)		33,007	22,412
Interest received		1,880	1,251
Goods and Services Tax recovered from the ATO		1,066	869
Other receipts		117	95
Payments			
Payments to employees		(68,750)	(63,684)
Payments to suppliers (inclusive of GST)		(33,688)	(25,071)
Finance costs			
Goods and Services Tax paid to the ATO			
Other payments		(527)	(453)
Cash flows from government			
Government contributions - operating	2.1, 2.3	77,112	72,179
Government contributions - capital	2.2	5,238	
Net cash provided by operating activities	21	15,455	10,616
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(6,566)	(6,253)
Payments for biological assets	11	(380)	(416)
Proceeds from sale of property, plant and equipment	10	427	236
Net Cash used in Investing Activities		(6,519)	(6,433)
Cash Flows from Financing Activities			
Repayment of finance leases		(404)	(356)
Net Cash used in Financing Activities		(404)	(356)
Net increase (decrease) in cash held		8,532	3,827
Cash and cash equivalents at the beginning of the financial year		20,452	16,625
Effects of exchange rate changes on cash and cash equivalents		0	0
Cash at the end of the financial year	4	28,984	20,452

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

Notes to and Forming Part of the Financial Statements for the Year Ended 31 December, 2007

Note 1 - Statement of Significant Accounting Policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the Financial Management Act 1994, Australian Accounting standards and Urgent Issues Group Interpretations. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

The financial statements were authorised for issue by Leigh Pike, Chief Finance Officer of Northern Melbourne Institute of TAFE on 18 February 2008.

1.1 Basis of Preparation

1.1.1 Reporting basis and conventions

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

1.1.2 Critical accounting estimates and judgments

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

1.1.3 Estimates

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

1.1.4 Judgments

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December, 2007 and the comparative information presented for the year ended 31 December, 2006.

FINANCIAL STATEMENTS

1.2 Reporting Entity and Principles of Consolidation

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

1.3 Cash and Cash Equivalents

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

1.4 Receivables

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

1.5 Inventories

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

Cost is measured on the basis of weighted average cost.

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

1.6 Other Financial Assets

1.6.1 Recognition

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs. Investments are recognised in accordance with FRD 114.

The Institute classifies its other investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

1.6.2 Financial assets at fair value through profit and loss

Investments held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

1.6.3 Loans and receivables

Trade receivables, loans and other receivables are recorded at amortised cost, using the effective interest method, less impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

1.6.4 Held-to-maturity investments

Where the Institute has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses. Investments are recognised in accordance with FRD 114.

1.6.5 Available-for-sale financial assets

Other investments held by the Institute are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period. Investments are recognised in accordance with FRD 114.

FINANCIAL STATEMENTS

1.7 Foreign Currency Transactions

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

1.7.1 Functional and presentation currency

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

1.7.2 Exchange differences

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

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

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

1.8 Non-Current Assets Classified as Held for Sale

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

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

1.9 Investments in Associates

There are no investments in Associates

1.10 Investment in Joint Venture

There are no interests in joint ventures.

1.11 Non-Current Physical Assets

1.11.1 Non-current assets constructed by the Institute

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

1.11.2 Non-current physical assets

Land and buildings are measured at fair value. Plant, equipment and vehicles are measured at cost less accumulated depreciation and impairment.

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

1.11.3 Subsequent costs

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 operating statement during the financial period in which they are incurred.

1.11.4 Restrictive nature of cultural and heritage assets, Crown land and infrastructures

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

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

1.12 Biological Assets

1.12.1 Bloodstock

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

Subsequent purchases are at cost.

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

1.12.2 Vineyard

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

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

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

1.13 Revaluation of Non-Current Physical Assets

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

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.

1.13.2 Capital works in progress

Capital works in progress are valued at cost.

1.13.3 Motor vehicles

Motor vehicles are valued at cost.

1.13.4 Library collections

Library collections are valued at cost.

1.14 Impairment of Assets

Assets are assessed annually for indications of impairment.

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

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

1.15 Intangible Assets

Not applicable.

1.15.1 Goodwill

Not applicable.

1.15.2 Research and Development

Not applicable.

1.15.3 Internal-use software

Not applicable.

FINANCIAL STATEMENTS

1.16 Payables

Payables are recognised when the Institute becomes obliged to make future payments resulting from the purchase of goods and services.

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

1.17 Interest Bearing Liabilities

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

1.17.2 Finance costs

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

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

1.18 Employee Benefits

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

1.18.1 Wages and Salaries, Annual Leave, Long Service Leave and Sick Leave

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

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

1.18.2 Long Service Leave

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

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

The components of this current liability are measured at:

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

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

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

1.18.3 Employee Benefits Expense

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

1.18.4 Employee benefits on-costs

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

1.18.5 Termination Benefits

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

1.18.6 Performance Payments

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

FINANCIAL STATEMENTS

1.18.7 Superannuation

Defined contribution plan

Contributions to defined contribution plans are expensed when incurred.

Defined benefit plans

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

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

1.19 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.

1.20 Leased Assets

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

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

1.20.1 Institute as lessor

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

1.20.2 Institute as Lessee

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

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

1.21 Depreciation and Amortisation

1.21.1 Depreciation

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

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

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

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

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis. There has been no substantial change in the methodology and rates for 2007.

FINANCIAL STATEMENTS

1.21.1 Depreciation (cont)

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

1.21.2 Amortisation

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

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

1.22 Investment Properties

Not applicable

1.23 Onerous Contracts

Not applicable

1.24 Resources Provided and Received Free of Charge or for Nominal Consideration

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

1.25 Goods and Services Tax (GST)

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

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

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

1.26 Revenue Recognition

1.26.1 Government contribution

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

1.26.2 Fee for Service

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

1.26.3 Student fees and charges

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

1.26.4 Revenue from sale of goods

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

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

1.26.5 Investment Income

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

FINANCIAL STATEMENTS

1.26.6 Assets received free of charge

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

1.26.7 Gain/loss on disposal of property, plant and equipment

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

1.26.8 Rental income

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

1.27 Contributed Capital

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

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

1.28 Materiality

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

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

1.29 Rounding of Amounts

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

1.30 Comparative Information

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

1.31 Commitments

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

1.32 Contingent Assets and Contingent Liabilities

Contingent assets and liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer note 26) and, if quantifiable, are measured at nominal value.

1.33 Changes in Accounting Policy

The TAFE sector has increased the capitalisation threshold from \$1,000 to \$5,000, effective from 1 January, 2007. The Institute has implemented this change which incorporates a change in comparatives relating to December 2006 figures.

A summary of these changes are as detailed below:

Asset Capitalisation Reduction: -

NMIT has recorded the following journal entry in the Balance Sheet.

1 January 2007		\$'000	\$'000
DR	Accumulated Depreciation – Equipment	6,894	
CR	Plant and Equipment		10,371
DR	Accumulated Depreciation – Major Building Components	3	
CR	Buildings		16
DR	Accumulated Depreciation – Motor Vehicles	24	
CR	Motor Vehicles		25
DR	Accumulated Surplus Brought Forward 1/1/2007	3,491	

To reduce the asset capitalisation for assets less than \$5,000 cost value. Relates to Plant and Equipment, Major Building Components and Motor Vehicles and the resultant write back of accumulated depreciation on those assets. The net movement is debited to Accumulated surplus brought forward as at 1 January 2007.

FINANCIAL STATEMENTS

The following table shows the corrections made over the figures of prior period.

	2006 Restated \$000	Variance \$000	2006 Previously Reported \$000
ASSETS			
Current Assets			
Cash and cash equivalents	20,452	0	20,452
Trade and other receivables	4,531	0	4,531
Inventories	1,780	0	1,780
Other financial assets	0	0	0
Biological assets	51	0	51
Other assets	422	0	422
Total Current Assets	27,236	0	27,236
Non-Current Assets			
Property, plant and equipment	177,283	(3,491)	180,774
Biological assets	3,173	0	3,173
Total Non-Current Assets	180,869	(3,491)	184,360
TOTAL ASSETS	208,105	(3,491)	211,596
LIABILITIES			
Current Liabilities			
Payables	6,730	0	6,730
Interest bearing liabilities	400	0	400
Employee benefits	11,975	0	11,975
Total Current Liabilities	19,105	0	19,105
Non-Current Liabilities			
Interest bearing liabilities	72	0	72
Employee benefits	949	0	949
Total Non-Current Liabilities	1,021	0	1,021
TOTAL LIABILITIES	20,126	0	20,126
NET ASSETS	187,979	(3,491)	191,470
EQUITY			
Reserves	127,653	0	127,653
Contributed capital	31,681	0	31,681
Accumulated surplus	28,645	(3,491)	32,136
TOTAL EQUITY	187,979	(3,491)	191,470

1.34 Australian Accounting Standards Issues but not yet Effective

Where new or revised accounting standards and interpretations have been issued that are not mandatory for the current reporting period the Institute has assessed the impact of these standards and interpretations and has not, and does not intend to, adopt these standards early. The table below sets out the details and expected impacts on future financial reports.

At the date of this financial report the following amendments, standards and interpretations have been issued but are not yet effective; and may impact the institute's financial statements in the period of initial application:

Amendment	Summary / Standard Affected	Application Date	Application Date for the institute
AASB 2007 -1 Amendments to Australian Accounting Standards arising from AASB Interpretation 11	AASB 2 - Share-based Payment	1 Mar 2007	1 Jan 2008
AASB 2007 2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12	AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139	1 Jan 2008	1 Jan 2008
AASB 2007 -3 Amendments to Australian Accounting Standards arising from AASB 8	AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038	1 Jan 2009	1 Jan 2009
AASB 2007 -4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments	AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038	1 Jul 2007	1 Jan 2008
AASB 2007 -5 Amendments to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities	AASB 102 - Inventories	1 Jul 2007	1 Jan 2008
AASB 2007 -6 Amendments to Australian Accounting Standards arising from AASB 123	AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12	1 Jan 2009	1 Jan 2009

FINANCIAL STATEMENTS

Amendment	Summary / Standard Affected	Application Date	Application Date for the institute
AASB 2007 -7 Amendments to Australian Accounting Standards	AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128	1 Jul 2007	1 Jan 2008
AASB 2007 -8 Amendments to Australian Accounting Standards arising from AASB 101	Amends the majority of standards and Interpretations as a result of issue of AASB 101.	1 Jan 2009	1 Jan 2009
AASB 2007 -9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31	AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137	1 Jul 2008	1 Jan 2009
AASB 8 - Operating Segments	New standard – replaces AASB 114 / Impact expected: disclosures only.	1 Jan 2009	1 Jan 2009
AASB 123 - Borrowing Costs	Revised standard – requires borrowing costs directly attributable to qualifying assets to be capitalised, where previously they could be immediately expensed / No material impact is expected because the institute has no material borrowing cost.	1 Jan 2009	1 Jan 2009
AASB 1049 - Borrowing Costs	New standard – To harmonise the Government Finance Statistics (GFS) and Generally Accepted Accounting Principles (GAAP) reporting / Impact expected: disclosure only.	1 Jul 2008	1 Jan 2009
Interpretation 13 - Customer Loyalty Programmes	Guidance on accounting for customer loyalty award credits granted to customers as part of a sales transaction / Impact expected: None.	1 Jul 2008	1 Jan 2009
Interpretation 14 - AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Guidance on how to assess the limit in AASB 119.58 on the amount of the surplus that can be recognised as an asset by an employer sponsor / Impact expected: None.	1 Jan 2008	1 Jan 2008

The main amendments to the Australian Accounting Standards and interpretations applicable to the institute's financial statements, due to the introduction of the above stated amendments are as follows:

Standard / Interpretation	Summary of Changes	Impact on the institute's Financial Report
AASB 3 - Business Combinations	Various editorial amendments.	Disclosures only
AASB 7 - Financial Instruments: Disclosures	Various editorial amendments.	Disclosures only
AASB 101 - Presentation of Financial Statements	Various editorial amendments.	Disclosures only
AASB 102 - Inventories	To require inventories held for distribution by not-for-profit entities to be measured at cost, adjusted when applicable for any loss of service potential. Previously it was required by not-for-profit entities to be measured their inventories held for distribution at the lower of cost and current replacement cost.	No material impact expected; because the Institute does not hold material amounts as inventory held for distribution.
	Reference used to "business segment and industry or geographical segment" are changed to "operating segment".	Disclosures only
AASB 107 - Cash Flow Statements	Inserting the option to use the indirect method for presenting cash flow statements under AASB 107 Cash Flow Statements.	It is not expected to have an impact on the financial statements of the Institute as this amendment is just given an option for the presentation of Cash Flow Statement.
	Reference used to "reported industry and geographical segment" and to the "AASB 114 Segment Reporting" are amended to "operating segment" and "AASB 8 Operating Segments" respectively.	Disclosures only
AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors	Editorial amendment in paragraph 5.	Disclosures only
AASB 110 - Events after the Balance Sheet Date	Various editorial amendments.	Disclosures only

FINANCIAL STATEMENTS

Standard / Interpretation	Summary of Changes	Impact on the institute's Financial Report
AASB 114 - Segment Reporting	To includes the joint venture's share of the revenue/ expense of a jointly controlled entity that is accounted for by proportionate consolidation in accordance with AASB 131 as segment revenue and/or segment expense.	No impact expected on the financial report of the institute as it does not have interest in any joint venture.
AASB 116 - Property, Plant & Equipment	The carrying amount of an item of PPE may be reduced by government grants in accordance with AASB 120. Also, other minor editorial amendments.	No financial impact, because AASB 120 applies only to for-profit entities.
AASB 117 - Leases	References to "UIG Interpretation" are amended to "Interpretation". Also, other minor editorial amendments.	Disclosures only
AASB 118 - Revenue	References to "UIG Interpretation" are amended to "Interpretation". Also, other minor editorial amendments.	Disclosures only
AASB 119 - Employee Benefits	Reference used to "business segment" is amended to "operating segment". Also, other minor editorial amendments.	Disclosures only
AASB 121 - Effects of Changes in Foreign Exchange Rates	References to "UIG Interpretation" are amended to "Interpretation". Also, other minor editorial amendments.	Disclosures only
AASB 131 - Interests in Joint Ventures	References to "UIG Interpretation" are amended to "Interpretation". Also, other minor editorial amendments.	Disclosures only
AASB 132 - Financial Instruments Presentation	Various editorial amendments.	Disclosures only
AASB 136 - Impairment of Assets	References to the "AASB 114 Segment Reporting" are amended to "AASB 8 Operating Segments". Also, other minor editorial amendments.	Disclosures only
AASB 137 - Provisions, Contingent Liabilities and Contingent Assets	Various editorial amendments.	Disclosures only
AASB 138 - Intangible Assets	Various editorial amendments.	Disclosures only

Standard / Interpretation	Summary of Changes	Impact on the institute's Financial Report
AASB 139 - Financial Instruments: Recognition and Measurement	References to "UIG Interpretation" are amended to "Interpretation".	Disclosures only
	To states that investor entities shall uses AASB 131 to determine if the proportionate consolidation is appropriate for accounting an investment.	No impact expected on the financial report of the institute as it does not have interest in any joint venture.
AASB 141 - Agriculture	Paragraph Aus43.1 and Aus49.1 are deleted.	Disclosures only
Interpretation 1 - Changes in Existing Decommissioning, Restoration and Similar Liabilities	Editorial amendment in paragraph 8.	Disclosures only

FINANCIAL STATEMENTS

NOTE 2 - Revenue from Continuing Activities

	Note	2007 \$000	2006 \$000
Note 2.1 - Government Contributions - Operating			
State/C'wealth current specific funded programs		66,550	62,897
Other contributions		104	1,005
		66,654	63,902
Note 2.2 - Government Contributions - Capital			
C'wealth capital		3,465	1,123
State capital		1,773	1,895
		5,238	3,018
Note 2.3 - Fee for Service			
Fee for service - Government		10,458	8,277
Fee for service - International operations		11,051	6,899
Fee for service - other		8,981	5,818
		30,490	20,994
Note 2.4 - Other Income			
Donations & contributions		117	95
Investment income		1,916	1,338
Rent		67	67
Other		1,512	1,571
		3,612	3,071
Note 2.5 - Student Fees and Charges			
Student Fees and Charges		5,263	5,141
Note 2.6 - Sale of Goods			
Sale of goods		2,463	2,492
Total revenue from continuing activities		113,720	98,618

NOTE 3 - Expenses from Continuing Operations

	Note	2007 \$000	2006 \$000
Note 3.1 - Employee Benefits			
Salaries, wages, overtime and allowances		60,205	53,779
Superannuation		5,057	4,678
Payroll tax		3,108	2,960
Movement in provision for long service leave		(18)	0
Movement in provision for annual leave		75	309
Other salary related costs		912	1,664
Total employee benefits		69,339	63,390
Note 3.2 - Other Expenses			
Auditors' remuneration	25	78	44
Bad and doubtful debts		10	638
Communication expenses		753	4,277
Consumables		4,892	2,795
Contract and other services		2,988	1,621
Cost of sale of goods including ancillary trading		1,651	533
Equipment (below capitalisation threshold - non Government contribution)		1,574	796
Fees & charges		3,266	10
Foreign currency translation losses		170	10
Impairment of non current assets		0	0
Grants & subsidies		80	57
Promotional expenses		1,188	1,280
Rent / leasing charges		566	552
Building repairs and maintenance		3,387	2,596
Staff development		538	375
Travel and motor vehicle expenses		1,922	1,781
Utilities		1,301	1,324
Loss on disposal of non-current assets	10	9	146
Other expenses		4,642	3,974
Total other expenses		29,015	22,813
Total expenses from continuing activities		98,354	86,203
Note 3.3 - Government Contributions Expenditure			
Plant & Equipment		1,429	381
Other		1,284	782
Total expensed using Government contributions - capital		2,713	1,163

FINANCIAL STATEMENTS

Note 4 - Cash and Equivalents

	Note	2007 \$000	2006 \$000
Cash at bank and on hand	1.3,29	1,178	1,222
Deposits at call		27,806	19,230
Total cash and cash equivalents		28,984	20,452

- (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		28,984	20,452
Balance as per cash flow statement		28,984	20,452

- (b) Cash at bank and on hand - these are non-interest bearing.
- (c) The effective interest rate on short term deposits at call was 6.7% (2006 - 6.2%). These deposits have an average maturity of 45 days.

NOTE 5 - Receivables

	Note	2007 \$000	2006 \$000
Current	1.4,29		
Trade receivables		4,133	3,366
Allowance for doubtful debts		(42)	(45)
Revenue receivable		664	1,053
GST receivable from ATO		340	157
		5,095	4,531

NOTE 6 - Inventories

	Note	2007 \$000	2006 \$000
Current	1.5		
Supplies and consumables - at cost			
Printroom supplies		14	11
Hairdressing and beauty products		54	64
Hospitality supplies		31	39
Inventories held for sale -at cost			
Nursery		60	49
Wine stock		1,357	1,493
Bookshop stock		129	124
		1,645	1,780

NOTE 7 - Other Financial Assets

	Note	2007 \$000	2006 \$000
Available for sale financial assets		301	413
Less non current portion		301	413
Current portion		0	0
Current	1.6,29		
Available for sale financial assets			
Loans to other parties:			
English International Pty Ltd		0	0
Non-current	1.6,29		
Available for sale financial assets			
Loans to other parties: English International Pty Ltd		0	112
Unlisted shares			
International Training Australia Pty Ltd (ITA)		1	1
English International Pty Ltd (EI)		200	200
International Education Network Pty Ltd (IEN)		100	100
		301	413

NOTE 8 - Investments Accounted for Using the Equity Method

Not applicable

NOTE 9 - Other Assets

	Note	2007 \$000	2006 \$000
Current			
Prepayments		652	422
		652	422

FINANCIAL STATEMENTS

NOTE 10 - Non- Current Assets: Property, Plant and Equipment

	Note	2007	2006
		\$000	\$000
	1.11		
Land			
At Fair Value 31 December, 2006		0	49,565
At Fair Value 31 December, 2007		64,547	0
		64,547	49,565
Buildings			
At Cost		2,078	11,448
Accumulated Depreciation		(309)	(451)
Asset Capitalisation Reduction (Assets < \$5,000)		0	(13)
At Fair Value 31 December, 2003		0	114,293
Accumulated Depreciation		0	(7,077)
At Fair Value 31 December, 2007		129,032	0
Net Buildings		130,801	118,200
Leasehold Improvements			
At Cost		479	479
Accumulated Amortisation		(96)	(72)
		383	407
Work in Progress			
At Cost		568	1,514
Plant & Equipment			
At Cost		14,904	21,943
Accumulated Depreciation		(7,155)	(13,203)
Asset Capitalisation Reduction (Assets < \$5,000)		0	(3,478)
Net Plant & Equipment		7,749	5,262
Leased Plant & Equipment			
At Cost		1,739	1,484
Accumulated Amortisation		(884)	(623)
Net Leased Plant & Equipment		855	861
Motor Vehicles	1.13.3		
At Cost		2,576	2,195
Accumulated Depreciation		(1,090)	(1,113)
Asset Capitalisation Reduction (Assets < \$5,000)		0	(1)
Net Motor Vehicles		1,486	1,081
Library Collections	1.13.4		
At Cost		3,747	3,584
Accumulated Depreciation		(3,351)	(3,191)
Net Library Collections		396	393
Total Property, Plant and Equipment		206,785	177,283

Restrictive Assets

Freehold land and buildings carried at fair value. The Institute holds \$ 9,336,000 worth of properties listed as heritage assets. These heritage assets cannot be modified or disposed of without Ministerial approval.

Reconciliations

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

	Land	Buildings	Leasehold Improvements	WIP	Plant & Equipment	Leased Plant & Equipment	Motor Vehicle	Other	Total
2007	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Carrying amount at 1 January	49,565	118,200	407	1,514	5,2633	861	1,080	393	177,283
Additions		683		586	3,799	255	1,098	163	6,566
Disposals					(10)		(426)		(436)
Revaluation increments (decrements)	14,981	13,105							28,086
Transfers		1,514		(1,514)					0
Depreciation/amortisation expense	0	(2,701)	(24)	0	(1,301)	(261)	(267)	(160)	(4,714)
Carrying amount at 31 December	64,546	130,801	383	568	7,751	855	1,485	396	206,785

	Land	Buildings	Leasehold Improvements	WIP	Plant & Equipment	Leased Plant & Equipment	Motor Vehicle	Other	Total
2006	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Carrying amount at 1 January	49,037	119,554	431	86	8,418	1,073	1,030	404	180,033
Additions	0	1,252		1,461	2,742		652	146	6,253
Disposals	0				(21)		(360)		(381)
Revaluation increments (decrements)	528								528
Transfers	0	33		(33)					0
Depreciation/amortisation expense	0	(2,626)	(24)	0	(2,399)	(212)	(240)	(157)	(5,658)
Carrying amount at 31 December	49,565	118,213	407	1,514	8,740	861	1,082	393	180,775

FINANCIAL STATEMENTS

	Note	2007 \$000	2006 \$000
Depreciation and amortisation expense for the year	1.21		
Depreciation			
Buildings		2,701	2,626
Plant & equipment		1,301	2,399
Motor vehicles		267	240
Library collections		160	157
		4,429	5,422
Amortisation			
Leasehold Improvements		24	24
Plant and equipment under finance leases		261	212
		285	236
Total Depreciation and Amortisation		4,174	5,658
Profit and/or Loss on Sale of Non Current Assets			
Proceeds on sale of property, plant & equip		427	236
Less written down value		436	382
Net profit/(loss) on disposal	3.2	(9)	(146)

NOTE 11 - Biological Assets

11.1 Plants

Nature

Vines

Activities

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

	Note	2007 \$000	2006 \$000
Bearer assets			
Immature assets			
Vine plantings		0	0
Mature assets			
Aged Vines		1,032	1,080
Total Bearer Assets		1,032	1,080
Quantities			
		2007 Qty	2006 Qty
Ararat (hectares)		29	29
Eden Park (hectares)		8	8
Yarra Glen (hectares)		2	2
Whittlesea (hectares)		1.5	1.5
Total hectares		40.5	40.5
Output			
Tonnes harvested		11.5	40
Fair value of output was determined at current expected market rates			
Wine grape harvest valued at \$900 per tonne		10	36

FINANCIAL STATEMENTS

11.2 Animals

Nature

Bloodstock horses, riding horses, cattle, sheep, deer, goats, fish fingerlings.

Activities

Equine studies, aquaculture studies and agriculture studies.

	Note	2007 \$000	2006 \$000
Consumable assets			
Immature assets			
Value of natural increases and purchases			
Fish fingerlings		8	8
Horses		20	20
Cattle		1	1
		29	29
Mature assets			
Biologically transformed and marketable assets			
Horses		14	14
Cattle		2	4
Sheep		2	4
		18	22
Total consumable assets		47	51
Quantities			
		2007 No.	2006 No.
Fish fingerlings		4,450	4,450
Horses		78	78
Cattle		143	205
Sheep		75	98
Total quantity of consumable assets		4,746	4,831

Output	Note	2007 No.	2006 No.
Natural increase			
Cattle		141	148
Sheep		86	102
Deer		0	16
Goats		0	0
Total quantity of output		227	266

Fair value of output was determined using a nominal amount at birth		3	4
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	2007 \$000	2006 \$000
Bearer assets		
Mature assets		
Mares, stallions, charolais and angus bull	2,190	2,093
Total bearer assets	2,190	1,093

Quantities	2007 No.	2006 No.
Bloodstock horses	46	48
Angus bull	2	0
Charolais bull	1	0
	49	48

Output		
Foals natural increase	32	30

	2007 \$000	2006 \$000
Fair value of output was determined at cost to produce		
Natural increase	10	9

FINANCIAL STATEMENTS

Reconciliation of changes in carrying amount of biological assets.

	Note	2007 No.	2006 No.
Carrying amount at 1 January, 2007			
Mature Assets		1,080	1,074
Current Asset - Livestock		51	60
Non Current - Bloodstock		2,093	1,766
		3,224	2,900
Increases due to:			
Purchases - Current		20	6
Purchases - Non Current		360	410
Births - Current		13	13
Births - Non Current		0	0
Decreases attributable to:			
Sales - Current		(24)	(26)
Sales - Non Current		(200)	(45)
Deaths - Current		(2)	(2)
Deaths - Non Current		(75)	(32)
Other IFRS impairment		(0)	(0)
Aged vine devaluation		(47)	
		3,269	3,224
Carrying amount at 31 December, 2007			
Balance as at 31 December, 2007 represented by:			
Mature Assets		1,032	1,080
Current Asset - Livestock		51	51
Non Current - Bloodstock		2,186	2,093
		3,269	3,224
Carrying amount at 31 December, 2007			

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	2007 \$000	2006 \$000
Current	1.16, 29		
Creditors and accruals		4,950	4,080
Revenue in advance		4,511	2,650
		9,461	6,730

NOTE 16 - Interest Bearing Liabilities

	Note	2007 \$000	2006 \$000
Current	1.17,29		
Secured			
Finance lease liability	23	88	400
		88	400
Non-Current	1.17,29		
Secured			
Finance lease liability	23	235	72
		235	72
Total current and non-current			
Finance lease liability		323	472

Secured by the assets leased

FINANCIAL STATEMENTS

NOTE 17 - Employee Benefits

	Note	2007 \$000	2006 \$000
Current	1.18		
Employee benefits:			
Long service leave		8,738	8,630
Annual leave		3,146	3,071
Sick leave		33	25
Performance payments		251	249
		12,168	11,975
Non-current			
Employee benefits			
Long service leave		822	949
		822	949
Total employee benefits		12,990	12,924
Balance at 1 January		12,924	12,772
Additional provisions raised during the year		316	382
Amounts used		(25)	(230)
Balance at 31 December		12,990	12,924
Classification of employee benefits as current or non-current			
Current			
All annual leave and long service leave entitlements, representing 7 years of continuous service:			
Short term employee benefits that fall due within 12 months after the end of the period, measured at nominal value		4,286	3,942
Other long term employee benefits that do not fall due within 12 months after the end of the period, measured at present value		7,882	8,033
		12,168	11,975
Non-current			
Long service leave representing less than 7 years of continuous service measured at present value		822	949
		822	949

Note 18 - Provisions

There are no other provisions

NOTE 19 - Other Liabilities

There are no other liabilities

NOTE 20 - Equity and Movements in Equity

20.1 Reserves

	Note	2007 \$000	2006 \$000
Composition of Reserves			
Asset revaluation reserve			
Land		69,979	55,046
Buildings		85,713	72,607
		155,692	127,653

Asset Revaluation Reserve - Land

Balance 1 January, 2007		55,046	54,518
Revaluation increment on non-current assets		14,980	528
Revaluation decrement on non-current assets		(47)	
Balance 31 December, 2007		69,979	55,046

Asset Revaluation Reserve - Buildings

Balance 1 January, 2007		72,607	72,607
Revaluation increment on non-current assets		13,106	
Balance 31 December, 2007		85,713	72,607

20.2 Contributed Capital

Balance 1 January, 2007		31,681	31,681
Capital contributions		0	0
Transfer to Government Department		0	0
Balance 31 December, 2007		31,681	31,681

20.3 Accumulated Surplus/(deficit)

Balance 1 January, 2007		28,645	31,681
Net result for the year		7,939	5,545
Asset Capitalisation Reduction (Assets < \$5,000)		0	(3,491)
Balance 31 December, 2007		36,584	28,645
Total equity		223,957	187,979

FINANCIAL STATEMENTS

NOTE 21 - Cash Flow Information

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

	Note	2007 \$000	2006 \$000
Operating operating result for the year		7,939	5,545
Depreciation & amortisation of non-current assets		4,714	5,658
Impairment of non current assets		0	0
Allowance for doubtful debts		(3)	(3)
Net loss on disposal of non-current assets		9	146
Change in operating assets and liabilities			
Decrease (increase) in trade receivables		(561)	(1,978)
Decrease (increase) in inventories		421	(62)
Decrease (increase) in other assets		137	59
Increase (decrease) in payables		2,210	1,545
Increase (decrease) in employee benefits		521	(445)
Increase (decrease) in other provisions		68	151
Net cash provided by / (used in) operating activities		15,455	10,616

NOTE 22 - Non-Cash Financing and Investing Activities

There are no non-cash financing and investing activities

NOTE 23 - Leases

	Note	2007 \$000	2006 \$000
LEASE COMMITMENTS	16,29		
Finance Lease Liabilities			
Finance lease commitments are payable as follows:			
Minimum future lease payments			
Not later than one year		111	405
Later than one year but not later than five years		256	72
Later than five years		0	0
Minimum future lease payment		367	477
Less: Future interest charge provided for in the accounts		44	5
Present value of minimum future lease payments		323	472

	Note	2007 \$000	2006 \$000
Payments due			
Not later than one year		88	400
Later than one year but not later than five years		235	72
Later than five years		0	0
		323	472

Included in the financial statements as:

Current interest bearing liabilities		88	400
Non-current interest bearing liabilities		235	72
		323	42

Operating Lease Commitment

Non cancellable operating leases

Payments due

Not later than one year		250	247
Later than one year but not later than five years		54	246
Later than five years		0	0
		304	493

LEASED ASSETS

As at the reporting date NMIT leased out the following assets:

Collingwood - roof space		34	66
Epping - roof space		453	1,040
Greensborough - roof space		578	1060
Preston - roof space		0	1,039
Childcare centre - Epping		146	8
Canteen operations		434	110
Gross amount of leased assets		1,645	3,323

Operating Lease Receivables

Non cancellable operating lease receivables

Not later than one year		285	311
Later than one year but not later than five years		760	764
Later than five years		600	2,248
		1,645	3,323

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

FINANCIAL STATEMENTS

NOTE 24 - Commitments for Expenditure

Note	2007 \$000	2006 \$000
1.31		

Capital Commitments

As at the reporting date NMIT had the following outstanding Capital Commitments:

TV studio upgrade - Collingwood	0	1,829
Cooler units - Collingwood and Epping	0	108
Plastering and painting development - Epping	1,357	0
Yarra House project - Fairfield	8,700	0
	10,057	1,937

Outstanding Capital Commitments are payable as follows:

Payments due		
Not later than on year	4,557	1,937
Later than one year but not later than five years	5,500	0
	10,057	1,937

Other Significant Operating Commitments

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

Animal upkeep - Fodder	0	59
Building repairs and maintenance	0	171
Contract cleaning	1,290	1,251
Student system development	1,092	0
	2,382	1,481

Outstanding Significant Operating Commitments are payable as follows:

Payments due		
Not later than on year	2,276	1,481
Later than one year but not later than five years	106	0
	2,382	1,481

NOTE 25 - Auditors' Remuneration

	Note	2007 \$000	2006 \$000
Victorian Auditor General's Office			
Audit of the financial report		24	24
Other Auditors		54	20
		78	44

NOTE 26 - Contingent Liabilities and Assets

There are no contingent liabilities or assets

NOTE 27 - Superannuation (1.18.7)

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

	Note	2007 \$000	2006 \$000
State Superannuation Fund of Victoria			
SERB Scheme 12.6%		16	18
Revised Scheme 17.3%		613	678
New Scheme 7.3% - 10.2%		913	976
Victorian Superannuation Fund			
Vic Super Scheme 9%		3,066	2,737
Other Superannuation Schemes			
National Mutual 9%		22	21
Hesta 9%		84	68
Uni Super 9%		57	43
Other Funds 9%		291	154
Total Contributions to all Funds		5,062	4,695

In accordance with the accounting policy (1.18.7) NMIT does not recognise any defined benefits liabilities.

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.

FINANCIAL STATEMENTS

NOTE 28 - Responsible Persons Related Disclosures

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

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

E. Forde (President)	B. Ham (to August 2007)
R. Mackay (Vice President)	M. Pettolino
N. Shearer (Deputy Vice President)	A. Ray
B. MacDonald (NMIT Chief Executive Officer)	C. Lamble
L. Carlton (staff representative)	A. Giddy
T. Shannon (student representative)	C. Watson
W. Freeman (to August 2007)	P. Grist
A. Braybrook	

Remuneration of Responsible Persons

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

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

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

Total Remuneration	
2007	2006
\$000	\$000
304	293

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

Base Remuneration		Total Remuneration	
2007	2006	2007	2006
\$000	\$000	\$000	\$000
0	0	0	0

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

Income Range	2007	2006
\$	No.	No.
0 - 9,999	13	15
70,000 - 79,999	1	1
170,000 - 179,999	0	0
220,000 - 229,999	1	1
	15	17

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:

Total Remuneration	
2007	2006
\$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 \$100,000 during the financial year are shown in their relevant income bands. The base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits

Income Range	2007	2006.
\$	No.	No.
20,000 - 29,999	1	0
40,000 - 49,999	1	0
100,000 - 109,999	1	0
110,000 - 119,999	0	0
120,000 - 129,999	0	1
130,000 - 139,999	0	1
140,000 - 149,999	7	10
150,000 - 159,999	6	0
160,000 - 169,999	2	2
	18	14

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

Base Remuneration		Total Remuneration	
2007	2006	2007	2006
\$000	\$000	\$000	\$000
2,323	1,925	2,447	2,036

Superannuation

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

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

FINANCIAL STATEMENTS

Loans

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

Shares

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

Other Transactions

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

Disclosure

Two NMIT Board Directors declared a pecuniary interest in NMIT operations during 2007. The aggregate amount in respect of the above transactions were:

	2007	2006
	\$000	\$000
Mr R. Mackay -Service provided at commercial rate	1	0
Mr A. Ray -Equipment and services provided at commercial rate	14	0
	15	0

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	Note	Accounting Policies	Terms and Conditions
FINANCIAL ASSETS			
Cash and cash equivalents - Cash at bank and on hand	4	Cash at Bank is carried at the nominal amount.	Cash is invested as funds permit at varying interest rates between 5.45% to 6.35% (2006 - 4.85% - 5.45%)

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
FINANCIAL ASSETS			
Cash and cash equivalents - Deposits at call	4	Deposits at call are carried at their nominal amounts. Interest revenue is recognised in the operating statement when it is earned	Deposits at call have an average maturity of 45 days and effective interest rates of 6.2% to 7.11% (2006 - 5.51% to 6.2%)
Receivables - Debtors	5	Trade debtors are carried at amortised cost less any allowance for doubtful debts. An allowance for doubtful debts is maintained to recognise that collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms
Receivables - Other debtors	5	Other debtors are carried at amortised cost less any allowance for doubtful debts. An allowance for doubtful debts is maintained to recognise that collection of the full amount is no longer probable.	
Other Financial Assets: Long Term Loan	7	Long term loans are stated at their amortised cost or fair value depending on their classification on original recognition. Interest revenue is recognised in the operating statement when it is earned.	
Other Financial Assets: Unlisted Shares	7	Unlisted shares are carried at 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 8.29%

FINANCIAL STATEMENTS

NOTE 29.2 - Interest Rate Risk

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

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

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

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

Financial Instruments	Floating Interest Rate	Fixed Interest Rate Measured In:						Non Interest Bearing	Total Carrying Amount per Balance Sheet
		1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5+ years		
2007	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
Financial Assets									
Cash and cash equivalents-Cash at Bank	1,178	-	-	-	-	-	-	-	1,178
Cash and cash equivalents-Deposits at Call	27,806	-	-	-	-	-	-	-	27,806
Receivables-Debtors	-	-	-	-	-	-	-	4,091	4,091
Receivables-Other Debtors	-	-	-	-	-	-	-	1,004	-
Other Financial Assets-Long Term Loan	-	-	-	-	-	-	-	-	-
Other Financial Assets-Unlisted Shares	-	-	-	-	-	-	-	301	301
Total Financial Assets	28,984	-	-	-	-	-	-	5,396	34,380
Financial Liabilities									
Payables-Creditors & Accruals	-	-	-	-	-	-	-	4,950	4,950
Payables-Revenue in Advance	-	-	-	-	-	-	-	4,511	4,511
Interest Bearing Liabilities-Finance Lease	-	88	235	-	-	-	-	-	323
Total Financial Liabilities	-	88	235	-	-	-	-	9,461	9,784

Financial Instruments	Floating Interest Rate	Fixed Interest Rate Measured In:						Non Interest Bearing	Total Carrying Amount per Balance Sheet
		1 year or less	1-2 years	2-3 years	3-4 years	4-5 years	5+ years		
2006	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Financial Assets									
Cash and cash equivalents-Cash at Bank	1,222	-	-	-	-	-	-	-	1,222
Cash and cash equivalents-Deposits at Call	19,230	-	-	-	-	-	-	-	19,230
Receivables-Debtors	-	-	-	-	-	-	-	3,321	3,321
Receivables-Other Debtors	-	-	-	-	-	-	-	1,210	1,210
Other Financial Assets-Long Term Loan	-	112	-	-	-	-	-	-	112
Other Financial Assets-Unlisted Shares	-	-	-	-	-	-	-	301	301
Total Financial Assets	16,625	112	0	0	0	0	0	4,832	25,396
Financial Liabilities									
Payables-Creditors & Accruals	-	-	-	-	-	-	-	4,080	4,080
Payables-Revenue in Advance	-	-	-	-	-	-	-	2,650	2,650
Interest Bearing Liabilities-Finance Lease	-	400	72	-	-	-	-	-	472
Total Financial Liabilities	-	400	72	-	-	-	-	6,730	7,202

FINANCIAL STATEMENTS

29.2.1 Market Risk on Financial Instruments

Interest Risk on Financial Instruments

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

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

	Notes	Weighted average effective interest rate (%)		Floating interest rate (\$'000s)		Non-interest bearing (\$'000s)		Fixed interest within 1 year (\$'000s)		Total (\$'000s)	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Financial Assets											
Cash and cash equivalents-Cash at Bank	4	5.9	5.2	1,178	1,222	-	-	-	-	1,178	1,222
Cash and cash equivalents-Deposit at Call	4	6.7	5.9	27,806	19,230	-	-	-	-	27,806	19,230
Receivables-Debtors	5	-	-	-	-	4,091	3,321	-	-	4,091	3,321
Receivables-Other Debtors	5	-	-	-	-	1,004	1,210	-	-	1,004	1,210
Other Financial Assets-Long Term Loan	7	-	-	-	-	-	-	-	112	-	112
Other Financial Assets-Unlisted Shares	7	-	-	-	-	301	301	-	-	301	301
Total Financial Assets				28,984	20,452	5,396	4,832		112	34,380	25,396
Financial Liabilities											
Payables	-	-	-	-	-	9,461	6,730	-	-	9,461	6,730
Total Financial Liabilities	-	-	-	-	-	9,461	6,730	-	-	9,461	6,730

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

Policy in managing the interest risk:

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

Sensitivity analysis on interest risk:

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

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

FINANCIAL STATEMENTS

NOTE 29.3 - Fair Value Disclosures

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

29.3.1 Net Fair Values

	Total carrying amount as per the Balance Sheet		Aggregate net fair value	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Financial Assets				
Cash and cash equivalents - Cash at Bank	1,178	1,222	1,178	1,222
Cash and cash equivalents - Deposits at Call	27,806	19,230	27,806	19,230
Receivables - Debtors	4,091	3,321	4,091	3,321
Receivables - Other Debtors	1,004	1,210	1,004	1,210
Other Financial Assets - Long Term Loan	-	112	-	112
Other Financial Assets - Unlisted Shares	301	301	301	301
Total Financial Assets	34,380	25,396	34,380	25,396
Financial Liabilities				
Payables-Creditors & Accruals	4,950	4,080	4,950	4,080
Payables-Revenue in Advance	4,511	2,650	4,511	2,650
Interest Bearing Liabilities-Finance Lease	323	472	323	472
Total Financial Liabilities	9,784	7,202	9,784	7,202

The following methods and assumptions have been applied 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	These loans are expected to be fully repaid within two years. The carrying amount reflects fair value.

NOTE 29.4 - Financial Risk Managements

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

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

Additional disclosures are shown separately for: interest rate risk (refer to note 29.2), credit risk (refer to note 29.5, 29.5.1 & 29.5.2) liquidity risk (refer to note 29.6).

29.4.1 Market Risk

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

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

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

29.4.2 Foreign Currency Risk

The Institute is exposed to fluctuations in foreign currencies arising from the delivery of services in currencies other than \$A. This risk is managed by natural hedging where possible.

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

29.4.3 Price Risk

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

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

29.4.4 Funding Risk

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

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

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

29.4.5 Concentrations of Credit Risk

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

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

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

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

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

- specific loan conditions have been established which are applicable to all loans.
- all loan monies are related to the cost of student tuition and amenities fees.
- a schedule of repayment is agreed with the student at the time of making application.

- if a student falls behind in repayments, a process is implemented which includes reminder letters, individual interview, repayment rescheduling and if necessary contacting guarantors.

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

FINANCIAL STATEMENTS

NOTE 29.5 - Credit Risk

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

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

	Maximum exposure to credit risk	
	2007 \$000	2006 \$000
Financial Assets		
Cash and cash equivalents - Cash at Bank	1,178	1,222
Cash and cash equivalents - Deposits at Call	27,806	19,230
Receivables - Debtors	4,091	3,321
Receivables - Other Debtors	1,004	1,210
Other Financial Assets-Long Term Loan	-	112
Other Financial Assets-Unlisted Shares	301	301
Total Financial Assets	34,380	25,396
Financial Liabilities		
Payables-Creditors & Accruals	4,950	4,080
Payables-Revenue in Advance	4,511	2,650
Interest Bearing Liabilities-Finance Lease	323	472
Total Financial Liabilities	9,784	7,202

29.5.1 Financial Assets Past Due (but not impaired)

Not applicable

29.5.2 Financial Assets Impaired

Not applicable

29.5.3 Financial Assets Neither Past Due nor Impaired

Not applicable

29.5.4 Collateral

Not applicable

NOTE 29.6 - Liquidity Risk

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

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

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

Contractual Maturity Analysis 2007	No later than one month \$000	► one to 3 months \$000	► 3 months to 6 months \$000	► 6 months to one year \$000	► one year to 5 years \$000
Financial Liabilities					
Payables-Creditors & Accruals	4,950	-	-	-	-
Payables-Revenue in Advance	4,511	-	-	-	-
Interest Bearing Liabilities-Finance Lease	-	-	-	88	235
Total Financial Liabilities	9,461	-	-	88	235

Contractual Maturity Analysis 2007	No later than one month \$000	► one to 3 months \$000	► 3 months to 6 months \$000	► 6 months to one year \$000	► one year to 5 years \$000
Financial Liabilities					
Payables-Creditors & Accruals	4,080	-	-	-	-
Payables-Revenue in Advance	2,650	-	-	-	-
Interest Bearing Liabilities - Finance Lease	-	-	-	400	72
Total Financial Liabilities	6,730	-	-	400	72

FINANCIAL STATEMENTS

NOTE 30 - Subsequent Events

There are no material subsequent events

NOTE 31 – Economic Dependency

Not applicable

NOTE 32 - Ex-Gratia Payments

Not applicable

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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.

Responsible persons		Page	Para
FRD 21(1) (a)	Name of responsible persons	124	
FRD 21(1) (b)	Total remuneration of responsible persons	124	
FRD 21(1) (c)	Remuneration of responsible persons by bands	124	
FRD 21(1) (d)	Related party transactions	126	
FRD 21(2) (a)	Total remuneration of executive officers	125	
FRD 21(2) (c)	Accrual principles – remuneration	85, 125	
Disclosures			
FRD 10	Victorian legislation	126	
FRD 10	Relevant requirements	124	
FRD 11	Ex gratia payments (refer also note 32)	136	
TAFE Governance Review May 2003			
4.5.1.1	Names and qualifications of members of Board	10	
4.5.1.1	Summary of number of meetings attended	13	
4.5.1.1	Summary of training	13	
4.5.1.1	Functions of Board	11, 12	
4.5.1.1	Summary of performance and activities of Board	11, 12	
4.1.1.1	Board Structure	10-12	
Auditor General Review – Overseas Operations 2002			
3.110	Offshore operations – risks	54-57	
3.110	Offshore operations – performance	54-57	
Presentation of Reporting and Performance Information			
FRD 27	Key Performance Indicators	60-66	
FRD 27	Performance Management Certificate	59	

Report of Operations		Page	Para
SD 4.2 (g) (h)	General and financial information relating to the Institute and its operations	18-47	
SD 4.2(j)	President of Institute Board signature	9	
FRD 22	Manner of establishment and relevant Minister	10-12	
FRD 22	Objectives, functions, powers and duties	11	
FRD 22	Services provided and persons or sections of community served	18-21	
FRD 22	Workforce data and application of merit and equity principles	51	
FRD 22	Application of employment and conduct principles	52	
FRD 22	Application and operation of FOI Act 1982	52	
FRD 22	Organisational structure	17	
Financial and Other Information			
FRD 22	Compliance with Whistleblowers Protection Act 2001	53	
FRD 22	Compliance index	140-147	
FRD 22	Compliance with Building Act 1993	53	
FRD 22	Compliance with National Competition Policy	53	
FRD 22	Consultancies less than \$100,000	67	
FRD 22	Consultancies more than \$100,000	67	
FRD 22	Details of shares held by senior officers	68	
FRD 22	Events subsequent to balance date	67	
FRD 22	Fees and Charges	69	
FRD 22	Occupational Health and Safety	53	
FRD 22	Industrial relations	52	
FRD 22	Major changes or factors affecting achievement or objectives	21	
FRD 22	Major external reviews	68	
FRD 22	Major promotional, public relations and marketing activities	68	
FRD 22	Major research and development activities	68	
FRD 22	Operational objectives for the year and performance against those objectives	18-25	
FRD 22	Overseas visits	68	

COMPLIANCE INDEX

Financial and Other Information (cont)		Page	Para
FRD 22	Publications produced and where available	68	
FRD 22	Statement of pecuniary interest	68	
FRD 22	Summary of financial results with previous four-year comparatives	67	
FRD 22	Summary of significant changes in financial position	67	
FRD 22	Statement of environmental performance	50	
Financial Statements			
SD 4.2 (a)(c)	Compliance with Australian Accounting Standards and other mandatory requirements	80	
SD 4.2 (e)	Reviewed and recommended by Audit Committee	80	
SD 4.2 (a)(c)	Opinion of fair representation	80	
SD 4.2 (a)(c)	Opinion of accordance with Directions of the Minister for Finance	80	
	Awareness of circumstances that could result in misleading or inaccurate information	80	
SD 4.2 (b)	Operating Statement	81	
Financial Statements			
AASB101 (81)(a)	Revenues from continuing operations	81	
AASB101 (88)	Expenses from continuing operations	81	
AASB101 (81)(b)	Finance costs	81	
AASB101 (81)	Net result from continuing operations	81	
AASB101 (81)(e)	AASB5 Operating result from discontinued operations	N/A	
AASB101 (81)(f)	Net operating result for the year	81	
SD 4.2 (b)	Balance Sheet	82	
AASB101 (51),(57)	Current assets	82	
AASB101 (51),(57)	Non-current assets	82	
AASB101 (68)(a,b,d,f,g,h,i)	Classes of assets	82	
AASB101 (69)	Total assets	82	
AASB101 (51)	Current liabilities	82	

Financial Statements		Page	Para
AASB101 (51)	Non-current liabilities	82	
AASB101 (68)(j)(k)(l)	Classes of liabilities	82	
AASB101	Total liabilities	82	
AASB101 (68)(p)	Reserves	82	
AASB101 (68)(p)	Contributed capital	82	
AASB101(46)(c)&(e)	Statement of Changes in Equity	83	
AASB101 (104)	Total equity at the beginning of the year	83	
AASB101 (96)(b)	Gain on revaluation of land and buildings	83	
AASB101 (96)(a)	Net operating result for the year	83	
AASB101 (96)(c)	Total recognised income and expense for the year	83	
SD 4.2 (b)	Statement of cash flows	84	
AASB107.10 (18)(a)	Cash flows from operating activities	84	
AASB107.10	Cash flows from investing & financing activities	84	
AASB107	Cash at the beginning and end of the year	84	
AASB107.21	Financing arrangements	84	
SD 4.2 (b)	Notes to financial statements	85	
AASB101 &127 (42)(a)	Note 1 Statement of significant accounting policies	85	
AASB101.108(a)(b)	Note 1 policies – Basis of preparation	85	1.1
AASB127	Note 1 policies – Reporting entity and principles of consolidation	86	1.2
AASB107.46	Note 1 policies – Cash and cash equivalents	86	1.3
AASB107	Note 1 policies – Receivables	86	1.4
AASB102.36 (a)	Note 1 policies – Inventories	86	1.5
AASB139	Note 1 policies – Other financial assets	87	1.6
AASB121	Note 1 policies – Foreign currency transactions	88	1.7
FRD103A	Note 1 policies – Non-current assets classified as held for sale	88	1.8

COMPLIANCE INDEX

Financial Statements		Page	Para
AASB128	Note 1 policies – Investments in associates	88	1.9
AASB131; FRD113	Note 1 policies – Investment in joint venture	89	1.10
AASB116	Note 1 policies – Non-current physical assets	89	1.11
AASB141	Note 1 policies – Biological assets	90	1.12
AASB116(31); FRD103	Note 1 policies – Revaluation of non-current physical assets	90	1.13
AASB136.10(a); FRD106	Note 1 policies – Impairment of assets	91	1.14
AASB138; FRD109	Note 1 policies – Intangible assets	91	1.15
AASB101; FRD114	Note 1 policies – Payables	92	1.16
AASB132	Note 1 policies – Interest bearing liabilities	92	1.17
AASB119	Note 1 policies – Employee benefits	92-94	1.18
AASB119	Note 1 policies – Superannuation (FRD 23)	94	1.18.7
AASB137	Note 1 policies – Provisions	94	1.19
AASB117	Note 1 policies – Leased assets	94-95	1.20
AASB116 (73)(b)(c)	Note 1 policies – Depreciation and amortization	95	1.21
AASB116	Note 1 policies – Depreciation methods	95-96	1.21.1
AASB140; FRD107	Note 1 policies – Investment properties	96	1.22
AASB101.103	Note 1 policies – Onerous contracts	96	1.23
AASB118.35(a)	Note 1 policies – Resources provided and received free of charge or for nominal consideration	96	1.24
AASB101.110	Note 1 policies – Goods and services tax	96	1.25
AASB118	Note 1 policies – Revenue recognition	97-98	1.26
AASB118 (35)(a)	Note 1 policies – Fee for service revenue	97	1.26.2
AASB118 (35)(a)	Note 1 policies – Student fees and charges	97	1.26.3
AASB118	Note 1 policies – Contributed capital	98	1.27

Financial Statements		Page	Para
AASB1031.9	Note 1 policies – Materiality	98	1.28
AASB101.46(e)	Note 1 policies – Rounding of amounts	98	1.29
AASB108.28(c); AASB132	Note 1 policies – Comparative information	99	1.30
AASB128; AASB101; AASB137	Note 1 policies – Commitments	99	1.31
AASB101	Note 1 policies – Contingent assets and contingent liabilities	99	1.32
AASB108	Note 1 policies – Changes in accounting policy	99-100	1.33
AASB108.30, 31	Note 1 policies – Australian accounting standards issued but not yet effective	101-105	1.34
AASB118	Note 2 Revenue – Revenue from continuing activities	106	
AASB118	Note 2 Revenue – Government contributions – operating	106	2.1
AASB118	Note 2 Revenue – Government contributions – capital	106	2.2
AASB118 (35)(b)(iii)	Note 2 Revenue – Other income	106	2.4
AASB118 (35)(b)(v)	Note 2 Revenue – Dividends	N/A	
AASB118	Note 2 Revenue – Student fees and charges	106	2.5
AASB118	Note 2 Revenue – Sale of goods	106	2.6
AASB101 (46)(b)	Note 3 Expenses from continuing operations	107	
AASB121 (52)(a)	Note 3 Employee Benefits	107	3.1
AASB117 (35)(c)	Note 3 Other Expenses	107	3.2
AASB101 (87)	Note 3 Government Contributions Expenditure	107	3.3
AASB132 (60)(a)	Note 4 Cash and cash equivalents	108	
AASB132 (94)(i)	Note 5 Receivables	108	
AASB102 (36)(b)	Note 6 Inventories (current)	108	
AASB7.8	Note 7 Other Financial assets	109	
AASB116 (73)	Note 10 Non-current assets: property, plant and equipment	110-112	

COMPLIANCE INDEX

Financial Statements		Page	Para
AASB116 (73)(d)	Note 10 Disposals	111	
AASB116	Note 10 Additions	111	
AASB116	Note 10 Revaluation increments	111	
AASB116 (73)(e)(vii)	Note 10 Depreciation/amortisation expense	111	
AASB116 (73)(d)	Note 10 Carrying amount at end of year	111	
AASB116	Note 10 Profit/loss on sale of non-current assets	112	
AASB101 (88)	Note 11 Biological assets	113	
AASB141 (43)	Note 11 Number of animals by type	114	
AASB141	Note 11 Plants	113	
AASB141 (43)	Note 11 Estimated quantity	114,115	
AASB140	Note 12 Investment properties	117	
AASB138	Note 13 Intangible assets	117	
AASB101 (36)	Note 15 Payables	117	
AASB7	Note 16 Interest bearing liabilities	117	
AASB119; AASB137.84	Note 17 Employee benefits	118	
AASB101 (97)	Note 20 Equity and movements in equity	119	
AASB107	Note 21 Cashflow information	120	
AASB117 (31)(b)	Note 23 Leases – Finance lease liability	120	
AASB117 (33)	Note 23 Leases – Operating lease commitment	121	
AASB128 (37)	Note 24 Commitments for expenditure – Capital	122	
AASB137 (86)(a)(b)	Note 24 Commitments for expenditure – Operating	122	
AASB101	Note 25 Auditors’ Remuneration	123-124	
AASB137 (87)	Note 26 Contingent liabilities and assets	123	
AASB139	Note 29 Financial instruments – Terms, conditions and accounting policies	127-138	
AASB139	Note 29 Financial instruments – Interest rate risk	128	

Financial Statements		Page	Para
AASB7	Note 29 Financial instruments – Net fair values	132	
AASB110 (21)	Note 30 Subsequent events	138	
AASB101	Note 31 Economic dependency	138	
FRD11	Note 32 Ex gratia payments	138	

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