

ANNUAL REPORT 2013



NORTHERN MELBOURNE INSTITUTE OF TAFE

NMIT STRATEGIC PLAN 2013-2018

100+ : CHANGE, CHALLENGE AND OPPORTUNITY

The *NMIT Strategic Plan: The Northern Journey* was first developed and published in 2008. It was subsequently revised in 2010 (*NMIT Strategic Plan: The Northern Journey 2010-2015*) in response to the particular challenges of the Victorian Government's Skills Reform Agenda known as the Victorian Training Guarantee (VTG).

In May 2012, the Victorian Government announced further significant changes to the vocational education and training sector which required VET providers to rethink existing business strategies and operational plans.

Establishing long term strategies and goals within a complex and rapidly changing environment is difficult. NMIT has chosen to remain committed to quality teaching and the belief that practical and solution oriented graduates will always be valued and in demand.

The latest Strategic Plan covering 2013 to 2018, *100+: Change, Challenge and Opportunity*, was developed over a six month period with significant input from teaching and executive staff. Our core strategic themes of Learning, Engagement and Organisational Capacity remain unchanged as we recommit to the fundamental principles which underpin our business - quality teaching, student centred support and ethical and sustainable business practices.

Notwithstanding the difficult challenges ahead NMIT is well positioned to enhance its capacity and reputation as a large, stable and innovative educational institution. For the coming five years, NMIT has identified clear strategies which will strengthen its position as the leading vocational training and education provider in Melbourne's north and build upon our presence in other Australian and Asia-Pacific regions. We will continue to meet our obligations to our stakeholders, whilst also maintaining the capacity to respond flexibly to new opportunities as government, industry and community expectations change.

Mission

NMIT aims to provide students with the opportunity to realise their potential through quality vocational education. The Institute also aims to contribute to the economic and social success of our stakeholders.

Vision

NMIT will:

- ▶ be Australia's most recognised polytechnic, viewed as a market leader and an educator of choice by students and industry
- ▶ be agile in meeting the needs of students and industry, linking theory and practice in all courses, and preparing students for careers in an ever-changing multicultural world, and
- ▶ have motivated staff through pride in the achievements of our students; the satisfaction of employers; and the recognition of their contribution to these outcomes.

Values

- ▶ quality
- ▶ fairness
- ▶ integrity
- ▶ collaboration
- ▶ respect for the individual
- ▶ respect for the environment
- ▶ creating opportunity through effort
- ▶ personal growth through knowledge.

Strategic Themes

Learning

Outstanding teachers facilitate students' learning and their acquisition of knowledge and vocational skills for employment. Students stay connected to NMIT to maintain relevant skills for career transition or progression.

Engagement

NMIT values its staff and students and forges mutually beneficial partnerships with and between the community, governments, industry, professions and other education providers.

Organisational Capacity

NMIT remains strong by investing in our staff and contemporary infrastructure through sustainable and ethical corporate practices.

Business Principles

- ▶ quality teaching
 - ▶ student-centred support
 - ▶ ethical and sustainable business practices.
-

ANNUAL REPORT 2013

NORTHERN MELBOURNE INSTITUTE OF TAFE (NMIT)

Marketing and Corporate Communications

NMIT

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Preston VIC 3072

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REPORT OF OPERATIONS

BOARD CHAIR'S REPORT

I was appointed Chair of the NMIT Board in April 2013, and I hereby present the 2013 Annual Report.

New constitutions for all TAFEs came into effect on 15 April 2013 and as a result, there have been significant changes to the regulations and governance of TAFE Boards.

It has been a challenging year with a reduction of \$28.6 million of our recurrent funding. NMIT will report a significant loss this year and the Board has worked closely with management to implement plans to address our financial position and return NMIT to financial stability and strength.

While 2013 presented NMIT and the TAFE sector with unprecedented changes, we have continued to develop new opportunities. We have entered into an agreement with Swinburne University to operate from their Prahran campus. Our partnership with La Trobe University will deliver Higher Education courses and we have launched the Melbourne Polytechnic brand at Prahran.

The NMIT Board is committed to building its capacity to deliver the best quality programs to meet the needs of students, industry and the greater community, and gives its full support to delivering four key strategies:

- ▶ differentiate NMIT as a high quality VET and Higher Education provider
- ▶ enhance the professional skills of our teaching staff and technology they use
- ▶ build our capacity to increase market share, and
- ▶ seek operational efficiencies wherever possible.

During my first year as Chair, I was thrilled to attend the 2013 Graduation Ceremony at the Melbourne Town Hall where over 800 people attended to see 324 students receive their Testamurs. Entrepreneur and Young Australian of the Year nominee Brad Smith inspired the audience with his encouraging keynote speech.

Dr Andy Giddy resigned as Chief Executive Officer on 24 February 2014 to take up an academic position and Ron Gauci has been appointed as the interim CEO while a recruitment process is undertaken for a permanent CEO.

I want to thank the Board for their commitment to NMIT during this difficult year.

I would also like to acknowledge the significant effort undertaken this year by the NMIT Board and its committees, our managers, teachers and support staff in maintaining our performance levels during this challenging time of change.

We are very grateful for the strong support the Institute received from the Hon. Peter Hall, previous Minister of Higher Education and Skills, and the Department of Education and Early Childhood Development, in pursuing our expansion to the Prahran campus, the development of the polytechnic university model, and its advocacy at the federal level. We look forward to the ongoing support of the new Minister, the Hon. Nick Wakeling, in the pursuit of NMIT's objectives.



John Gibbins

Board Chair

Northern Melbourne Institute of TAFE

DATE: 28/04/2014

INTERIM CHIEF EXECUTIVE OFFICER'S REPORT

Firstly, I would like to thank all those involved at NMIT for the warm welcome I have received upon my arrival. I have been impressed by many aspects of the Institute, and I feel very confident of what can be achieved together going forward.

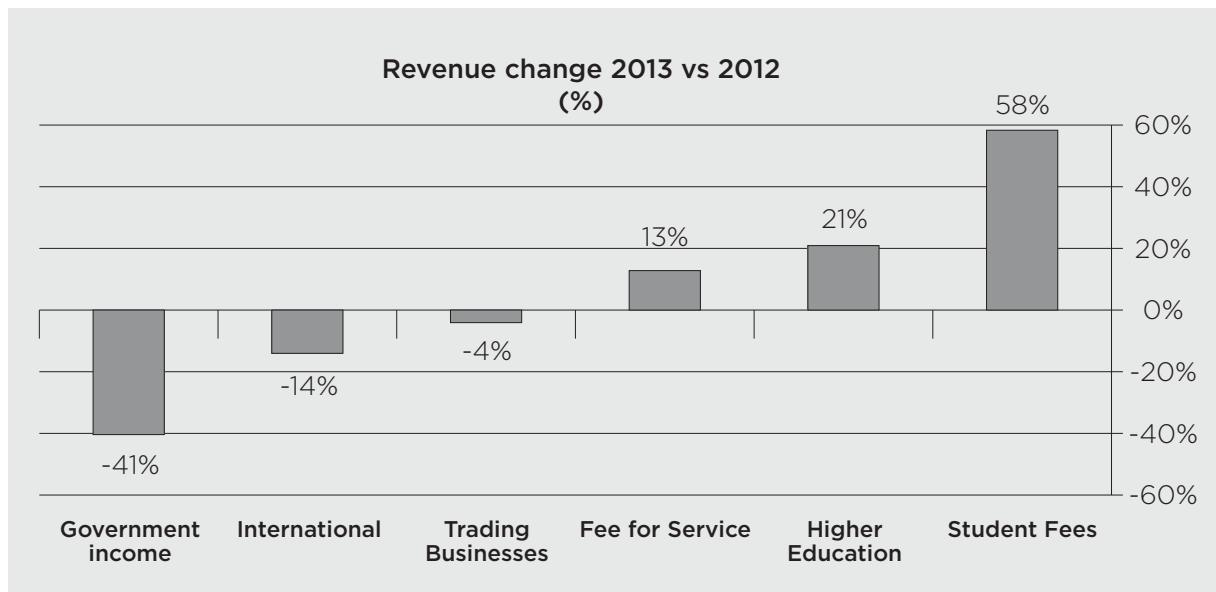
Clearly, 2013 was a very challenging year for NMIT, having to deal with changed funding arrangements, tackling fundamental restructuring, facing changes to the increasingly competitive education landscape that affected our market reach, developing new opportunities to offset these challenges, and more recently, making the hard decisions needed to secure our future. Some of these decisions have resulted in changes at executive and Board level, which has seen the Institute take a necessarily firmer position on its financial accountability.

As previously forecasted, NMIT made a significant deficit in 2013. There were a number of factors behind this deficit, including the reduction of government income by 41 per cent or \$28.6 million, which is an amount that could not be recovered through offsets in other areas.

Further to this, NMIT lost market share for government-funded courses. The predominant area of lost share was where students chose alternative providers who offered low cost courses that involved a high proportion of Recognition of Prior Learning (RPL). The evolving market based model for training saw a large volume of funding being applied to RPL. We understand that the RPL funding rates will be reduced for 2014. NMIT welcomes this policy change.

NMIT could not compete in this section of the market on a low fees basis as government contracts required the same fees to be charged to students for both RPL and actual where training was undertaken. The Institute did not have any areas of operation where RPL was the only offering and therefore lost students to Registered Training Organisations offering RPL only in some courses.

It does, however, highlight the need for us to continue to be diligent in monitoring market changes and develop strategies to address the challenges in a timely manner to protect our business.



International revenues declined due to lower off-shore enrolments and a small reduction in on-shore students. Off-shore enrolment decline was predominantly due to expiration of existing partnerships with Chinese universities that could not be renewed due to our non-university status. New partnerships and models have been developed, which are already showing positive returns for the new financial year and whilst this is a growth market opportunity for NMIT, the revenues are not at the same level as our traditional business and will only go some of the way to filling the void.

NMIT experienced competitive disadvantage compared to universities in the on-shore student market where universities have access to Streamlined Visa Processing. There was also difficulty in gaining visa approvals for students from key source countries, especially for the VET sector. The Victorian Government has provided strong advocacy in support of resolving this disadvantage.

Fee for service activities, including our higher education areas, saw continued growth with the expansion in our range of courses, with further exciting new developments expected for 2014. This is a growth opportunity for the Institute. Student fees increased to offset declines in funding rates.

NMIT also had a number of restructuring expenses that contributed to the overall deficit, including \$2 million in redundancy costs and a further \$2.5 million for transformation activities.

The Institute's result was also impacted by the revaluation of the Greensborough campus in preparation for its potential sale and the decrease in government capital funding.

These impacts have necessitated a review of all NMIT's assets in the pursuit of optimised effectiveness, efficiencies and leverage. This review includes our property and campus portfolio to ensure that all capital assets are deployed to best meet educational outcomes underpinned by financial viability. We will continue to optimise the productivity of our asset base and work on our cost efficiency to ensure that we are a strong, viable quality education provider well into the future.

Further, in an effort to improve the quality of vital data to ensure we make sound decisions, information and communication technology networks and systems are being upgraded to improve integrity, usefulness, access and stability.

NMIT has developed a new five-year strategic plan that sees a significant shift in its business structure. The strategy, *100+: Change, Challenge & Opportunity*, sees a continued focus on the Institute as a quality education provider and lays the foundation to expand its offerings to become a polytechnic university. To achieve this, NMIT and La Trobe University signed an agreement regarding a new CSP funded degree course to be delivered under the Melbourne Polytechnic brand. Further, NMIT entered into an agreement with Swinburne University to operate from their Prahran campus to develop a new vocational education and training precinct under the Melbourne Polytechnic brand that provides state-of-the-art facilities. Whilst this has required significant investment, the potential benefits for NMIT are significant if developed effectively.

All of these actions are investments that enable the Institute to diversify and expand its offerings and demographics. We will collectively continue to pursue ways to grow, as well as optimise efficiencies across all of our resources through innovation all the while focusing on our core mission as an Institute. Through the sharing of those leadership decisions required across our Institute, we hope to re-shape NMIT, enabling us to both meet any future challenges and seize opportunities to grow in the future as they present themselves.

Whilst 2014 will continue to present its challenges, we should remain optimistic about our direction and our opportunities.



Ron Gauci

Interim Chief Executive Officer

Northern Melbourne Institute of TAFE

DATE: 28/04/2014

NMIT HISTORY

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

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

NMIT celebrated its centenary year in 2012 through a series of events commemorating its legacy as one of Melbourne's longest continuing TAFE providers. A dedicated website, *100 Years 1 Million Stories*, provided a virtual window through which to explore the past 100 years of NMIT's history.

In August 2013, NMIT signed a Memorandum of Understanding (MoU) with Swinburne University of Technology to develop Swinburne's Prahran campus as a vocational education and training precinct. The MoU will see NMIT commence operations at its new Prahran campus by the start of the 2014 academic year under the Melbourne Polytechnic brand, subject to contract negotiations, due diligence and government approvals.

NMIT will also partner with La Trobe University to create a new model for the Victorian tertiary education sector under the trading name Melbourne Polytechnic, to deliver innovative undergraduate degree programs to meet industry needs in areas such as agriculture and technology, veterinary nursing, and equine studies. Melbourne Polytechnic programs will be jointly managed by La Trobe and NMIT. Courses will be taught at NMIT campuses across Melbourne, scheduled to commence in 2014. All courses under the partnership will be conferred as accredited La Trobe University degrees and will meet the quality requirements of the Tertiary Education Quality and Standards Agency. They will operate under La Trobe's academic procedures, regulations and standards.

CORPORATE GOVERNANCE

Following on from the Victorian Government's reform of the vocational training system, NMIT was established as a body corporate on 1 January 2013 and a new Board was established under the NMIT Constitution on 15 April 2013.

The Board consists of nine directors, one of whom is the Chair (appointed by Instrument, by the Governor in Council). Five directors are ministerial nominees, and four are Board nominees (appointed by the Victorian Minister for Higher Education and Skills).

The Board is responsible to the Victorian Government for the overall strategy, governance and performance of NMIT's functions. The responsible Minister during 2013 was the Hon. Peter Hall, MLC, Minister for Higher Education and Skills.

NMIT's mission is to provide our students with the opportunity to realise their potential through quality vocational education and training; and to contribute to the economic and social success of our stakeholders.

In undertaking its mission, the Board abides by the values outlined in the Strategic Plan, and its powers, duties and functions are outlined in the NMIT Constitution.

The Board's duties are to:

- ▶ take all reasonable steps for the advancement of the objectives of NMIT and the Board under the Act and the NMIT Constitution
- ▶ operate in accordance with the economic and social objectives and public sector management policy established from time to time by the Government of Victoria

- ▶ meet at intervals prescribed in the Constitution
- ▶ provide all assistance and information as the Minister, Secretary of the Department of Education and Early Childhood Development or the Deputy Secretary Higher Education and Skills Group may reasonably require from the Board; and
- ▶ ensure the safe custody and proper use of the Common Seal of NMIT.

The Board directors are also subject to the Victorian Public Sector Director's Code of Conduct, which outlines the following duties:

- ▶ act with honest and integrity
- ▶ act in good faith in the best interests of the public entity
- ▶ act fairly and impartially
- ▶ use information appropriately
- ▶ use position appropriately
- ▶ act in a financially responsible manner
- ▶ exercise due care, diligence and skill
- ▶ comply with the establishing legislation
- ▶ demonstrate leadership and stewardship.

A new NMIT Board Governance Charter was developed to provide guidance for Board directors in decision making. The Board met 11 times in 2013.

BOARD COMMITTEES

Prior to May 2013, a number of committees assisted the Board to discharge its duties. These were: the President's Committee; the Audit and Risk Management Committee; the Resources Committee; the Higher Education Academic Committee and the Vocational Education and Training Programs Committee.

A new governance framework was developed in May 2013 to facilitate the functioning of the new Board. Three standing committees and one special purpose committee were established, and a new charter developed for each committee.

The three standing committees have delegated powers to make decisions on behalf of the Board in their area of expertise. Committee delegations are outlined in the Instruments of Delegation and in the committee charters. The Chair of each committee reports its activities to the Board at the next meeting, including the exercise of any delegation.

BOARD EXECUTIVE COMMITTEE

The Board Executive Committee deals with matters on behalf of the Board In between meetings, and assists the Board to fulfil its responsibilities relating to the TAFE sector financial performance monitoring framework, and the efficient running of the Board meetings.

Board directors on the Board Executive Committee include the Board Chair, Deputy Chair, Chair of the Education Committee and Chair of Finance, Audit and Risk Management Committee.

EDUCATION COMMITTEE

The role of the Education Committee is to assure the integrity of the academic governance arrangements for NMIT's education and training programs; the primacy of academic quality and integrity; that NMIT implements and maintains a quality framework that ensures programs are reputable; that NMIT is accountable for the academic standards of the educational and training programs it offers; and that NMIT defines and meets its responsibilities to students, including the provision of information, support and equitable treatment.

Board directors on the Education Committee are Dr Jenny Wajsenberg (Chair), Prof David Finlay and Katrina Campion. There is one position vacant.

FINANCE, AUDIT AND RISK MANAGEMENT COMMITTEE

The role of the Finance, Audit and Risk Management Committee is to oversee compliance with the requirements of the Standing Directions of the Minister for Finance, and matters relating to the internal control framework at NMIT, including external and internal audit performance, financial reporting, accounting policies, and business risk.

Board directors on the Finance, Audit and Risk Management Committee are Brian Motz (Chair - resigned from the Board 29 October 2013), Anthony Monley (acting Chair from 30 October 2013), John Gibbins (Board Chair), Joy Acquaro (Deputy Board Chair) and Heather Campbell.

PRAHRAN CAMPUS ADVISORY COMMITTEE

The Prahran Campus Advisory Committee was established in 2013 as a special purpose committee to assist the Board with due diligence in the business case for the purchase of the Prahran campus. The committee will also assist the Board during transition and ongoing operational phases.

Board directors on the Prahran Campus Advisory Committee are David Makris (Chair), Heather Campbell and Brian Motz (up to 29 October 2013).

PROFESSIONAL DEVELOPMENT

NMIT sponsored the following professional development activities:

- ▶ Joy Acquaro and Dr Jenny Wajsenberg attended the Australian Institute of Company Directors' Public Sector Company Directors course in October 2013
- ▶ Dr Jenny Wajsenberg attended the TAFE Directors Australia Conference from 31 August - 3 September 2013
- ▶ Emily Crowley and Christine Whelehan were awarded the Certificate in Governance Practice in December 2013.

A number of directors attended courses relevant to their professional expertise in finance, accounting, legal and education.

2013 NMIT BOARD MEMBERSHIP

Board Director	Nature of Appointment	Key Areas of Knowledge, Skill and Experience	Current Employment/ Position	Meetings Attended
Board Chair John Gibbins B Comm, FCA, FAICD	Governor in Council	Extensive experience in finance, strategic planning risk management and control frameworks	Consultant	9 of 9
Deputy Chair Joy Acquaro B Econ, LLB, MBA, Grad Cert Barrister/Solicitor of Supreme Court, Cert in Mediation, MAICD	Ministerial	Legal, administrative, commercial, corporate governance experience, board leadership	General Manager, Law Institute of Victoria	11 of 11
Director Anthony Monley FCPA, GAICD, B Com, Grad Dip (IT), MBA (Acctg)	Ministerial	Extensive experience in risk, financial control and corporate governance in the energy sector in Australia and South East Asia, as well as board leadership roles in not-for-profit organisations	Financial Controller (Internal Control), Origin Energy	7 of 11

2013 NMIT BOARD MEMBERSHIP CONTINUED

Board Director	Nature of Appointment	Key Areas of Knowledge, Skill and Experience	Current Employment/ Position	Meetings Attended
Director Dr Jenny Wajsenberg PhD, LLB, B Social Work, TESOL, Dip Ed(Hons), BA (Hons), Solicitor of Supreme Court, NMAS accredited mediator	Ministerial	Extensive executive experience in educational administration and leadership, kindergarten - higher education including VET and university, international education in the areas of governance and compliance, organisational strategic planning and implementation, human resources, and project management	Consultant	10 of 11
Director David Makris B Laws, B Architecture (Hons), B Planning & Design	Ministerial	Skills in business development, project management, contract management and administration, and risk management	Technical Manager, Major Projects Victoria - Department of State Development, Business and Innovation	10 of 11
Director Heather Campbell B Eng (Agricultural) (Hons), Master Eng Sci - Environmental Eng, Grad Dip Occupational Hygiene, GAICD	Ministerial	Extensive experience managing local and international risk issues such as sustainability, environmental policy, community engagement and safety in corporations and the not-for-profit sector	General Manager Community, Safety and Sustainability, Federation Centres	11 of 11
Director Katrina Campion MA, Grad Dip App Soc, Cert Nursing, GAICD	Ministerial	Senior management, leadership, project management and significant NFP board (education and training) experience, including Chair	Senior Clinical Research Manager, Regional Implementation Leader (Emerging Markets, Asia Pacific and Japan), Glaxo-Smith Kline	7 of 7
Director Prof David Finlay BSc, MSc, PhD, FAICD, FAPsS	Ministerial	Extensive experience in higher education science, technology and engineering fields and academic governance	Chair of Human Ethics Committee and Director, La Trobe University Foundation	11 of 11
Director (former) Brian Motz BBA, CA (Canada and Australia), GradDipACG, AGIA, ACIS	Ministerial	Broad finance, commercial and corporate governance experience working for private and public companies in Australia and Canada	Consultant	9 of 10 (resigned 29 October 2013)

Joy Acquaro and Anthony Monley's terms ended on 31 March 2014.

Three new ministerial Board members were appointed in April 2014:

Paul Shannon

Tony Nippard

David Bristow

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

I, Ron Gauci, certify that as at the 31st December 2013, the Northern Melbourne Institute of Technical and Further Education, has risk management processes in place broadly consistent with the Australian/New Zealand Risk Management Standard (or equivalent designated standard) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

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



Ron Gauci
Chief Executive Officer
Northern Melbourne Institute of TAFE
DATE: 28/04/2014

SENIOR MANAGEMENT

CHIEF EXECUTIVE OFFICER

Dr Andrew Giddy (to February 2014)

Mr Ron Gauci (interim from March 2014)

The Chief Executive Officer is responsible for the operational management of NMIT. He is also responsible for the Quality Assurance unit.

MANAGERS

Quality Assurance

Ms Fay Bellis

DEPUTY CHIEF EXECUTIVE OFFICER AND DIRECTOR PROGRAMS

Mr David Draper

The Deputy Chief Executive Officer and Director Programs is responsible for the Faculties of Arts and Social Sciences; Building and Construction; Business, Hospitality and Personal Services; Earth Sciences; Engineering; Further Education; and Higher Education programs. He is also responsible for the International Office.

DEPUTY DIRECTOR PROGRAMS HIGHER EDUCATION

Dr Christine Spratt (to February 2014)

Dr Charlotte Brack (from March 2014)

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

DEPUTY DIRECTOR PROGRAMS VET

Mr Paul Cavicchia

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

DEPUTY DIRECTOR PROGRAMS TEACHING AND LEARNING

Ms Frances Coppolillo

The Deputy Director Programs Teaching and Learning is responsible for developing quality teaching initiatives that support improvements in student learning outcomes and staff professional development. She is also responsible for the Learning Skills and Assessment (LSA) unit.

ASSOCIATE DIRECTORS

Faculty of Arts and Social Sciences

Mr Peter Lamburd

Faculty of Building and Construction

Mr David Delaney

Faculty of Business, Hospitality and Personal Services

Mr Philip Javier

Faculty of Earth Sciences

Ms Melissa Giffard

Faculty of Engineering

Mr Bruce Burns

Faculty of Further Education

Ms Sue Beshara

ASSOCIATE DIRECTOR DEVELOPMENT - PRAHRAN (MELBOURNE POLYTECHNIC)

Mr Glenn Blair

MANAGERS

International Office

Mr Dino Bettiol

DIRECTOR CORPORATE DEVELOPMENT AND FINANCE

Mr Brian Motz (from November 2013)

The Director Corporate Development and Finance is responsible for Finance and Risk Management, as well as developing the Institute's corporate strategic planning and commercial operations.

MANAGERS

Finance

Mr Leigh Pike (to January 2014)

Ms Pandora Reddy (from January 2014)

DIRECTOR SERVICES

Mr Peter Christie

The Director Services is responsible for the delivery of services through Academic Registry, Board Secretary, Buildings and Properties (including Capital Works Projects), Human Resources, ICT Services, Information Services, Marketing and Corporate Communications, and Student Services.

MANAGERS

Academic Registry

Mr Marin Radobuljac

Board Secretary

Ms Christine Whelehan

Buildings and Properties

Mr Warrick Smith

Capital Works Projects

Mr Dom Valeri

Human Resources

Mr Peter Christie

ICT Services

Mr Robert Hagan

Information Services

Ms Anne Callahan

Marketing and Corporate Communications

Ms Jude Whelan

Student Services

Ms Cathy Frazer

NMIT CAMPUSES AND TRAINING CENTRES

CAMPUSES

Ararat

Grano Street
Ararat VIC 3377

Collingwood

20 Otter Street
Collingwood VIC 3066

Epping

Corner Cooper Street and Dalton Road
Epping VIC 3076

Fairfield

Yarra Bend Road
Fairfield VIC 3078

Greensborough

(This campus closed in December 2013)

Civic Drive
Greensborough VIC 3088

Heidelberg

Corner Waterdale Road and Bell Street
Heidelberg VIC 3081

Preston

77-91 St Georges Road
Preston VIC 3072

NMIT Campus and Training Centre enquiry
switchboard:

p: 03 9269 1200

TRAINING CENTRES

Growling Frog Vineyard

1910 Donnybrook Road
Yan Yean VIC 3755

NMIT Kyneton Park

Campaspe Place
Kyneton VIC 3444

Northern AMEP Centre

Corner Belfast and Blair Street
Broadmeadows VIC 3047

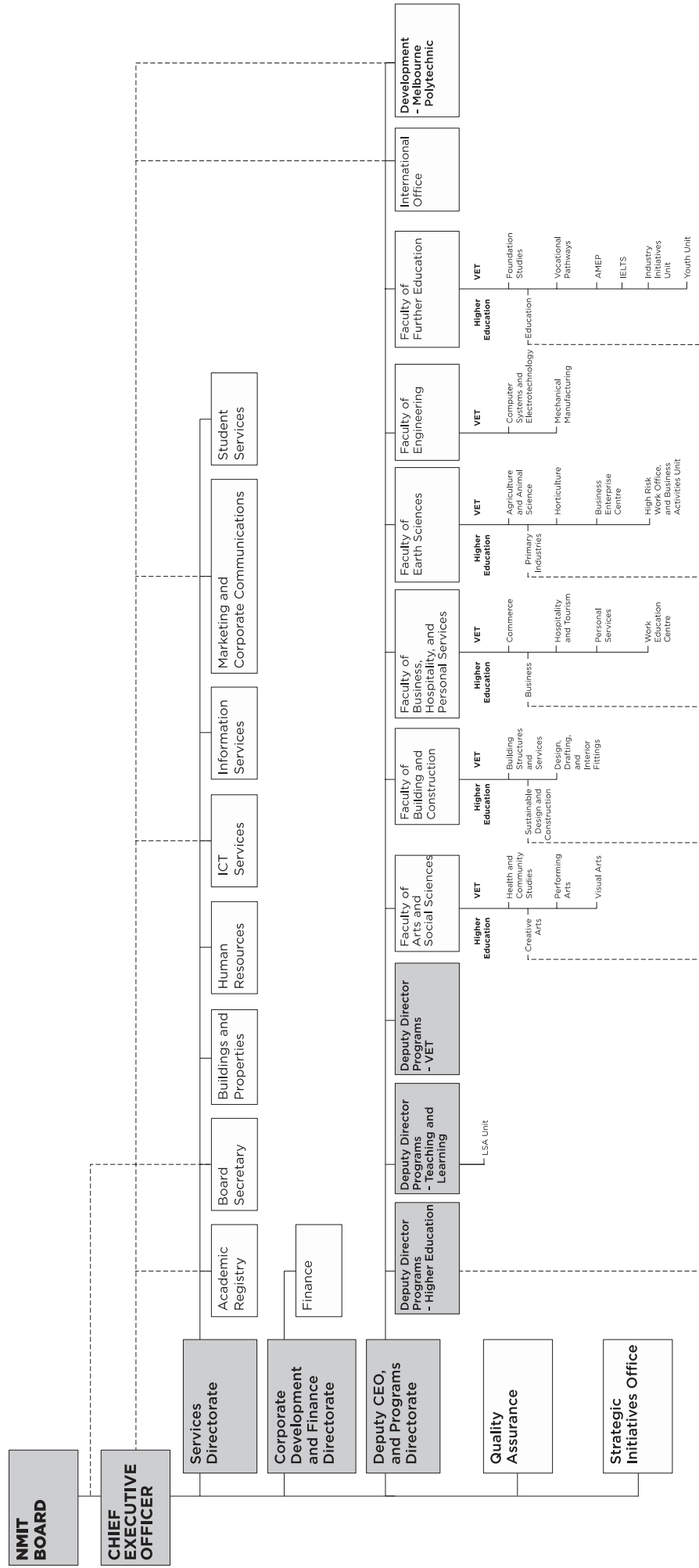
Northern Lodge, Eden Park

Glen Robin Court
Eden Park VIC 3757

Northern Lodge, Yan Yean

2005 Plenty Road
Yan Yean VIC 3755

NMIT ORGANISATIONAL STRUCTURE 2013



THE YEAR IN REVIEW 2013

In 2013 NMIT offered an extensive range of Vocational Education and Training (VET) and support programs to a diverse cohort of metropolitan, regional and international students.

This included:

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

In Higher Education, the implementation of the Higher Education Strategy 2010-2015 continued, with the Higher Education Office overseeing the educational design and development of new undergraduate programs to accreditation including the areas of Engineering Technology (Civil), Built Environment, and Enterprise Learning. Four postgraduate degrees are also currently being developed. NMIT is re-registered as a Higher Education provider until 2014, and a new e-learning strategy across all programs continues to be implemented.

Bachelor programs continued to be conducted in Agriculture and Land Management, Accounting, Business, Equine Studies, Hospitality Management, Illustration, Information Technology, Music, Music Industry, Viticulture and Winemaking, and Writing and Publishing.

The Bachelors of Illustration, and Writing and Publishing along with their associated degrees, have been successfully re-accredited to 2020 through the Tertiary Education Quality and Standards Agency (TEQSA).

The La Trobe accredited Bachelor of Agriculture and Technology degree program will commence delivery in 2014, in partnership with La Trobe University.

EXPAND THE INSTITUTE'S REGIONAL AND INTERNATIONAL PROFILE

NMIT expanded its regional and international profile by:

- ▶ generating revenue in excess of \$14 million for the Institute from all international related activities. Of this revenue, more than \$200,000 was invested in customised training, involving study tours and workshops, both in Melbourne and overseas
- ▶ achieving higher numbers of enrolments in Higher Education programs year on year, increasing to 381 international student enrolments (from 326 students in 2012 and 221 students in 2011)
- ▶ delivering programs outside Australia with 25 partner institutions in countries such as China, South Korea and Singapore
- ▶ enrolling 20,000 offshore students in the last full academic year including diplomas and English language development courses
- ▶ signing new agreements with 10 partners in China, five of which will be aiming to recruit students in 2013
- ▶ recruiting from a broad base of countries including Vietnam, India, China, Colombia, and the United Kingdom
- ▶ promoting NMIT as an affordable provider, and raising a marketing strategy to focus on emerging and under-represented markets in Asia, South America and parts of Europe.

DELIVER HIGH QUALITY PROGRAMS TO STUDENTS AND ASSURE THE QUALITY AND RELEVANCE OF THESE PROGRAMS THROUGH THE QUALITY MANAGEMENT SYSTEM

NMIT delivered a comprehensive range of high quality programs to students using a variety of delivery methods. These programs met the Australian Quality Training Framework standards and were quality assured through the NMIT Quality Assurance Management System. NMIT's quality assurance system covers the design, development and provision of training programs and services provided by all teaching and non-teaching departments within NMIT.

The Quality Assurance unit has undertaken a number of quality audits of NMIT partner programs overseas. NMIT has now achieved 18 years of ISO accreditation – the longest period of any Victorian TAFE institute.

The Institute's Risk Management Framework has been fully implemented and is undergoing scheduled ongoing review and revision.

PROVIDE ACCESS TO HIGH QUALITY EQUIPMENT AND FACILITIES

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

This included:

- ▶ engaging a new Sustainability Officer
- ▶ appointing a new security contractor for the Institute
- ▶ installing a new fire detection system at the Broadmeadows AMEP training centre
- ▶ planning and preparing for the sale of the Greensborough campus
- ▶ planning and preparing refurbishments at the former Swinburne University Prahran campus Building A
- ▶ completing the construction and the relocation of offices to the new Building F at Preston campus, which was officially opened by the Minister for Higher Education and Skills, the Honourable Peter Hall MLC.

Further examples of equipment purchase, refurbishment of campuses and capital works can be found under highlights for the Buildings and Properties department on page 40.

SUPPORT PROFESSIONAL DEVELOPMENT OF STAFF THROUGH IN HOUSE AND EXTERNALLY FUNDED DEVELOPMENT PROGRAMS

During the year, 930 NMIT staff undertook 3,404 professional development activities. The aggregate amount of Institute funding of \$1,771,023 for staff time, registration fees, travel expenses, accommodation and replacement costs represents the continual investment and priority placed on staff professional development. The Teaching and Learning Office was established to oversee the development of quality teaching initiatives that support improvements in student learning outcomes and staff professional training.

EXPAND THE RANGE OF INNOVATIVE PRODUCTS AND SERVICES OFFERED BY NMIT AND UNDERTAKE APPLIED RESEARCH

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

Developments included:

- ▶ continuing the development of the STRATA Student Management System, Course Information System, International Student Management System and implementing the Graduation and Awards module to ensure reporting guidelines are maintained to meet the requirements of the Victorian Training Guarantee and full contestability, and to ensure information remains aligned for both print and online media
- ▶ continuing to develop modules for online delivery or online supported e-learning using the Moodle platform for both Higher Education and TAFE programs
- ▶ redesigning and launching the NMIT website, which uses adaptive and responsive design that creates 'personas', enabling the tailoring of personalised information to visitors, and can change to fit different viewing platforms (desktops through to smartphone and tablets)
- ▶ cementing the running of a centralised Course Enquiry Centre to provide improved reporting and statistical data on enquiry rates, demographic data, and program area trends to the Institute and to streamline the enquiries services offered to prospective students and implementing a new customer relationship management system to allow greater flexibility of reporting and insights into prospective student behaviour.

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

MAJOR COMMERCIAL ACTIVITIES

NMIT has two activities on its Major Commercial Activities register - the acquisition of the Prahran campus, and the sale of the Greensborough campus. Neither activity has been finalised. NMIT is currently leasing the Prahran campus. The process of sale of the Greensborough campus is underway. Discussions have been held within the Board and with the Higher Education and Skills Group on both of these activities.

The Institute has one controlled entity, NMIT International Ltd, which is dormant and has never traded, therefore consolidation is not warranted. A report is prepared annually by the VAGO on the accounts of the entity and submitted to the Board.

AWARDS

FACULTY OF ARTS AND SOCIAL SCIENCES

CANON AIPP (AUSTRALIAN INSTITUTE OF PROFESSIONAL PHOTOGRAPHY) AUSTRALIAN PROFESSIONAL PHOTOGRAPHY AWARDS

Zuhua (Fred) Zhang	Winner, Epson Victorian Student Photographer of the Year Silver Award (with distinction), Illustrative Photography category
Jessica Laguda	Gold Award, Illustrative Photography category Silver Award, Illustrative Photography category
Sally Brown	Silver Award, Illustrative Photography category
Angela Carrasco-Gutierrez	Silver Award, Illustrative Photography category
Steven Ma	Silver Award, Landscape Photography category
Sophie Siegel	Silver Award, Portrait Photography category
Michael Ward	Silver Award, Travel Photography category

BALD ARCHY PRIZE

Warren Lane	Winner, for <i>The Banquet of Gina and Ginia</i>
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COPYRIGHT AGENCY CULTURAL FUND

Trent Denham	Winner, Artist Residency Grant Award
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DESIGN INSTITUTE OF AUSTRALIA (VICTORIA) AWARDS

Lauren Nicholson	Winner, Encouragement Award
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EMERGING WRITERS FESTIVAL

Melissa Raso	Winner, Internship Award
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GREEN ROOM AWARDS

James Baker	Winner, Best Musical Director in a Cabaret for <i>A Hip Hiker's Guide to the Galaxy</i>
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MELBOURNE WRITERS FESTIVAL

Danielle Gori	Winner, Green Room Internship Award
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NMIT BACHELOR OF MUSIC INDUSTRY AWARD (PRESENTED BY APRA)

Belle Noble	Winner, Songwriter of the Year 2012
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NMIT GRADUATE EXHIBITION *BLOOD, SWEAT AND TURPENTINE*

William Beruldsen	Winner, Inaugural Non-Acquisitive Minister Award
Maja Suljevic	Runner-up, Inaugural Non-Acquisitive Minister Award
Marlene Zammit	Runner-up, Inaugural Non-Acquisitive Minister Award
Leigh Hewitt	Winner, Chapman & Bailey Outstanding Student
Wladyslaw Ratuszynski	Winner, Deans Art - Best Thematic Series of Painting Award
Vicki Catchpole	Winner, Deans Art - Encouragement Award
Alexandra Janssens	Winner, Eckersley's Best Painting Concept Award

NMIT *ILLUSTRE* AWARDS

David Watson	Winner, Best Body of Work
Sian Haldane	Winner, Best Book Illustration
Justin Daley	Winner, Best Conceptual Illustration
Holly Bartley	Winner, Best Cutting Edge Illustration
Matt Green	Winner, Best Cutting Edge Illustration
Sharnie Brear	Winner, Best Digital Illustration
Lauren Hall	Winner, Best Digital Illustration
Maria Matthews	Winner, Best Digital Illustration
Thao Ly	Winner, Best Traditional Media Illustration
Jeffrey Gunadi	Winner, Best Traditional Media Illustration
Cassie Thomson	Winner, Most Outstanding Individual Work

VICTORIA POLICE *GO4ZERO 'ZERO SHORTS' VIDEO COMPETITION*

Aviva Minc	Winner, First Prize
Toneka Syme-Costa	Winner, Second Prize
Rhea Famlonga	Winner, Third Prize
Connor Sheedy	Winner, People's Choice Award
Manuela Maini	Recipient, Certificate of Appreciation

NMIT 2013 OUTSTANDING STUDENT OF THE YEAR AWARDS

Marlon Moses	Winner, NMIT Outstanding Student of the Year - Faculty of Arts and Social Sciences
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STAFF AWARDS

AUSTRALIAN JAZZ BELL AWARDS

Eugene Ball	Winner, Best Australian Contemporary Jazz Album for <i>Magnet</i> (Member of MAGNET)
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CENTRE FOR CONTEMPORARY PHOTOGRAPHY *KODAK SALON*

Greg Neville	Winner, Most Creative Use of Found Photography
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KYNETON STOCKROOM GALLERY *SPAN EXHIBITION*

Greg Neville	Winner, First Prize
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THE STELLA PRIZE

Amy Espeseth	Long-listed, for <i>Sufficient Grace</i>
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The novel also received the following awards: Short-listed, NSW Premier's Literary Awards, Short-listed, Warwick Prize for Writing (UK), Commendation, ASLE Book and Paper Awards

VICTORIA UNIVERSITY VICE CHANCELLOR'S PEAK AWARD

Alice Robinson	Winner, Vice Chancellor's Peak Award for Excellence in Research and Research Training
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INSTITUTE AWARDS

CANON AIPP (AUSTRALIAN INSTITUTE OF PROFESSIONAL PHOTOGRAPHY) AUSTRALIAN PROFESSIONAL PHOTOGRAPHY AWARDS

NMIT	Runner-up, Australian Tertiary Institute of the Year
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FACULTY OF BUILDING AND CONSTRUCTION

AUSTRALIAN INSTITUTE OF BUILDING SURVEYORS VICTORIAN PRACTITIONER AWARDS 2012

Lorenzo (Laurie) Cenci Winner, Private Building Inspector of the Year

DESIGN INSTITUTE OF AUSTRALIA AWARDS

Alison Lewis Runner-up, Graduate of the Year

GRAPHISOFT AUSTRALIA STUDENT SHOWCASE COMPETITION

Jovanco Markovski Highly Commended, ArchiCAD Competition

Renee Ridgway Highly Commended, ArchiCAD Competition

MASTER BUILDERS ASSOCIATION OF VICTORIA AWARDS

Jayden De Zilwa Winner, Apprentice of the Year - Wall and Ceiling Lining (Plastering)

Joshua Smith Winner, Apprentice of the Year - Wall and Floor Tiling

Taylor Lovell Winner, Apprentice of the Year - Fibrous Plastering

PLUMBING INDUSTRY TRAINING AWARDS

Wayne Glover Winner, Individual Award

Ilhan Bolat Winner, Challenge Award

NMIT 2013 OUTSTANDING STUDENT OF THE YEAR AWARD

Alison Lewis Winner, NMIT Outstanding Student of the Year -
Faculty of Building and Construction

STAFF AWARDS

INTERNATIONAL SPECIALISED SKILLS INSTITUTE (ISSI) SCHOLARSHIPS

Michael Capuzza Recipient, Italian Services Institute Australia International Fellowship

FACULTY OF BUSINESS, HOSPITALITY AND PERSONAL SERVICES

DURA WEAR VICTAFE COOKERY CHALLENGE

Team consisting of: Winner, Gold Trophy for Best Dessert (Overall),

Adelle Carr Winner, Bronze Medal (Team)

Tim Halloway

Guy Kendall

INTERNATIONAL SPECIAL EVENTS SOCIETY (ISES) GALA DINNER

Bailey O'Connor-Tennant Winner, ISES Emerging Talent Award

NMIT 2013 OUTSTANDING STUDENT OF THE YEAR AWARDS

Ian Bristow Winner, NMIT Outstanding Student of the Year -
Faculty of Business, Hospitality and Personal Services

Anastasia Garraway Winner, NMIT Outstanding Indigenous Student of the Year

INSTITUTE AWARDS

HUME WHITTLESEA LOCAL LEARNING AND EMPLOYMENT NETWORK VET/SBAT/VCAL TRAINING AND EMPLOYMENT AWARDS

Hospitality and Tourism Department for the delivery of the Certificate III in Catering Operations under the School-based Apprenticeship Training Program Winner, Training and Employment Program of the Year Award

FACULTY OF EARTH SCIENCES

AUSTRALIAN INSTITUTE OF LANDSCAPE DESIGNERS AND MANAGERS NATIONAL STUDENT DESIGN COMPETITION 2012

Heather Hesterman	First Place
Hans Johansen	Second Place
Anna Murphy	Third Place

MELBOURNE INTERNATIONAL FLOWER AND GARDEN SHOW (MIFGS)

Fiona Unkauf	Second Place, Advanced Student Floral Design Competition
Jemma Holford	Second Place, Intermediate Student Floral Design Competition
Margaret McLennan	Third Place, Intermediate Student Floral Design Competition

RURAL FINANCE GALA AWARDS

William Ryan	Winner, Rural Finance Undergraduate Scholarship
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NMIT 2013 OUTSTANDING STUDENT OF THE YEAR AWARDS

Michael Smith	Winner, NMIT Outstanding Student of the Year - Faculty of Earth Sciences
Claire Tartaro	Winner, NMIT Outstanding Student of the Year - Higher Education

FACULTY OF ENGINEERING

JEWELLERS ASSOCIATION OF AUSTRALIA INTERNATIONAL JEWELLERY FAIR

Sayeh Alizade Ahrabi	Winner, People's Choice Award for the <i>On Show</i> exhibition
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MASTER LOCKSMITHS ASSOCIATION OF AUSTRALASIA AWARDS 2013

Daniel Kolosi	Winner, John Andrews Locksmithing Apprentice of the Year
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NMIT 2013 OUTSTANDING STUDENT OF THE YEAR AWARDS

Leigh Plozza	Winner, NMIT Outstanding Student of the Year - Faculty of Engineering
Amy Kennedy	Winner, NMIT Outstanding Apprentice/Trainee of the Year
	Winner, NMIT Outstanding Student of the Year - Overall

STAFF AWARDS

HIGHER EDUCATION SKILLS GROUP OVERSEAS FELLOWSHIP 2013

Desma Noble	Recipient, Jewellery
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FACULTY OF FURTHER EDUCATION

NMIT 2013 OUTSTANDING STUDENT OF THE YEAR AWARDS

Michelle Yuanyuan Shen	Winner, NMIT Outstanding Student of the Year - Faculty of Further Education
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STAFF AWARDS

HIGHER EDUCATION SKILLS GROUP/INTERNATIONAL SPECIALISED SKILLS INSTITUTE 2013

Charlotte Brack	Recipient, Overseas Applied Research Fellowship
Shaun Boyd	Recipient, Overseas Applied Research Fellowship

2013 HIGHLIGHTS

PROGRAMS DIVISION

FACULTY OF ARTS AND SOCIAL SCIENCES

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

Health and Community Studies

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

Highlights included:

- ▶ partnering with Sichuan Economic and Technical School, China to commence delivery of the Certificate III in Aged Care. Potential partnerships are in development for delivery in Korea and Malaysia in 2014, adding to the department's two existing offshore partners
- ▶ delivering induction training to approximately 300 staff from the Department of Human Services - Disability Accommodation Services, covering staff across the North, East and West divisions of DHS, accounting for nearly 75 per cent of new disability accommodation staff in Victoria
- ▶ Community Studies staff working with students to implement a range of local community development projects, including:
 - *The Plant Union* with Jika Jika Neighbourhood House to plant vegetables on nature strips across the City of Darebin. Masters Home Improvement Preston donated plants and equipment
 - *Table For All* with Thornbury Women's Neighbourhood House organising a community dinner to bring international students together with the local community. Approximately 90 people attended the event
- ▶ Children's Services staff working with Abbotsford Primary School to establish and run a play group, aiming to connect children and families with pre-school services. The group commenced in Term 4, with enrolments set to increase. Students are expected to participate in 2014
- ▶ participating in VET e-learning projects, including the development of an online Moodle template to be used with students who complete work placements. This tool may have broader applications for Recognition of Prior Learning students
- ▶ developing processes for conducting placement assessments online, which involved converting existing documentation and collection methods. The program was trialled in Semester 2 and a staggered rollout of the program will commence across other programs in 2014.

Performing Arts

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

Highlights included:

- ▶ signing a Memorandum of Understanding with Hengdian College, China to deliver the Diploma of Screen and Media qualification off shore
- ▶ signing a three-year deal with McGuire Media to produce the television programs *Get On* and *Two Cups and a Plate* at the Collingwood television studio, to air on Channel 31
- ▶ Screen and Media students and staff producing four short video pieces for the Department of Justice - Youth Central, which aired on the Victoria Government Health Channel. These projects generated approximately \$16,000 in gross income. Other educational, corporate and lifestyle videos have been produced over the year
- ▶ Screen and Media staff Nick Lovett and Chris Gospel embarking on a trip to China (through a 2012 HESG/ISSI Overseas Fellowship) to investigate establishing progressive television studios as a future direction for the department
- ▶ Screen and Media staff and students presenting their first live streamed webinar as a panel chat show for Max's Body Building products
- ▶ presenting the Yarra Edge Music Festival 2013 over five days, offering a range of musical performances from special guests including multiple ARIA winner, Ella Hooper (*Killing Heidi*). The festival featured student finalists for the annual Song Writing Competition, which is now in its sixth year.

- ▶ Music Performance and Music Business students collaborated with their Higher Education counterparts to organise *The 2013 Collective*, managing 16 bands, and showcasing their talent in a compilation DVD that was launched at the festival, and also featured on Channel 31
- ▶ Certificate IV in Screen and Media students launching a 12 episode series titled *Mash Up 2013* on Channel 31
- ▶ commencing auspiced delivery of the Certificate IV in Music with the Northern Rivers Music Academy, with more than 20 enrolments
- ▶ adding new courses to NMIT's scope of registration including the Certificate IV in Theatre Arts, Diploma of Music Business and Diploma of Live Production, Theatre and Events, and the Certificate III in Community Dance, Theatre and Events. This course will be delivered through auspice arrangement with Mayibuye in 2014
- ▶ participating in VET e-Learning projects including the development of a Moodle site for the national unit of competency *Work effectively in the music industry* to be used in conjunction with classroom delivery; and the development of a suitable method for students to capture and record unsupervised learning hours.

Visual Arts

The department delivered programs in Fine Art, Illustration, Photography, Graphic Design, as well as Writing and Editing.

Highlights included:

- ▶ students and graduates participating and winning prizes in local, national and international creative arts competitions including
 - Canon AIPP (Australian Institute of Professional Photography) Australian Professional Photography Awards 2013
 - Bald Archy Prize
 - Northern Exposure Visual Arts Festival
 - Melbourne Writers Festival
 - Ubud Writers Festival, Bali
- ▶ developing partnerships with local councils to present exhibitions of student work
- ▶ staff, students and alumni successfully exhibiting their personal exhibitions in venues across Melbourne, and publishing works
- ▶ participating in VET e-Learning projects such as the creation of a Moodle template for Visual Arts courses, with a staggered rollout planned for 2014. The department also developed a method for students to capture and record unsupervised learning hours, and collaborated with the Performing Arts department to create a joint copyright unit.

Creative Arts

The department offered bachelor and associate degree courses in Music, Music Industry, Writing and Publishing, and Illustration.

Highlights included:

- ▶ Music staff member Eugene Ball winning an award at the 2013 Australian Jazz Bell Awards, following his win at the 2012 Bell Awards. He was also recently commissioned to compose a piece for Mark Elias and *Shapeshifter* (Australian Art Orchestra/Monash University collaborative ensemble)
- ▶ Music and Music Industry staff and students participating in events, performances, projects and conferences locally and internationally including:
 - ▶ lecturer Dr Adam Starr attending and performing at the Limmud Conference, UK
 - ▶ lecturer Michael Meagher travelling to New York, USA to musically direct *Dirtsong* with the Black Arm Band and other high profile American musicians
 - ▶ lecturer Greg Arnold performing his song *Close My Eyes* for the opening of the Red Cross and Red Crescent movement's delegate conference at the Sydney Opera House
- ▶ alumni Sabrina Scheller securing work with high-profile New York producer Kieran Kelly, arranging string trios on six songs for Danish artist SKIPPER's debut album
- ▶ alumni Amy Findlay and band Stonefield releasing their debut album, entering the ARIA charts in the top 30
- ▶ presenting the annual Intercultural Music concert with more than 80 students and staff performing
- ▶ Music Industry's record label, ShutterSnap, launches Annabelle Tunley's single *Swagger* and making a

- distribution deal with MGM. The launch party was held at The Workers Club, Fitzroy
- ▶ Music Industry student band Yorque featuring as a Triple J Unearthed band, and signing with Decibel Records to release their debut EP
 - ▶ Illustration staff member Kate Geck receiving a VET Development Centre Research Scholarship Grant to investigate the integration of digital technologies within the creative arts for e-assessment in undergraduate curricula
 - ▶ Illustration staff and students participating in exhibitions and projects including:
 - *Visual Discourse: Relocation* as part of the Melbourne Fringe Festival
 - *+ Y = Z* and *FIN* at Red Gallery, Fitzroy North
 - *Healthy Futures*, producing short animations about responsible drinking, to be used by youth workers to education at-risk youth within the community
 - ▶ third year Illustration students completing a wall mural at the Fairfield RSL as part of work integrated learning projects, with regular sponsorship from Darebin RSL
 - ▶ collaborating with creative writing students from Bath Spa University, UK to create a fictional illustrated story book for young readers
 - ▶ collaborating with Bachelor of Viticulture and Winemaking students to design wine labels
 - ▶ Writing and Publishing staff member Amy Espeseth's first novel, *Sufficient Grace*, short-listed for awards including The Stella Prize and NSW Premier's Literary Awards
 - ▶ hosting Prof Ivan Bradley from California Polytechnic University as an International Scholar
 - ▶ Writing and Publishing students and staff participating in festivals and projects including:
 - international event *NaNoWriMo*
 - Emerging Writers Festival's pop-up page parlour, *Business of Being a Writer* and *The Reality Check* panels
 - student event *Applause* launching the *Sometimes Swimming* anthology, and featuring student pitches and readings
 - ▶ submitting the Bachelor of Writing and Publishing program re-structure to TEQSA in a timely fashion.

FACULTY OF BUILDING AND CONSTRUCTION

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

Building Structures and Services

The department delivers pre-vocational and apprenticeship programs in Bricklaying, Carpentry, Construction Waterproofing, Fibrous Plastering (Wall and Ceiling Lining), Painting and Decorating, Plumbing, Roof Tiling, and Wall and Floor Tiling, as well as Certificate IV level training in Building and Construction, and Plumbing Services.

Highlights included:

- ▶ arranging industry specific training for the CSR Roofing Company, in the nationally recognised unit of competency *Work Safely on Roofs*
- ▶ finalising an agreement with Community Learning Initiative to establish a pilot program to deliver the Certificate IV in Building and Construction
- ▶ finalising a partnership agreement with the Master Painters Association of Victoria to validate, moderate and deliver Certificate II and III qualifications in Painting and Decorating
- ▶ staff members attending the Reinvent Your Career Expo, sharing a booth with industry counterparts including the Construction and Property Services Industry Skills Council, Master Builders Association of Victoria and Housing Industry Commission
- ▶ adding the Certificate II in Drainage to NMIT's scope of registration, with delivery to commence in 2014
- ▶ Plumbing staff member Michael Capuzza receiving a fellowship to obtain information on technical waste water treatment plants, in order to understand new technologies implemented abroad
- ▶ Bricklaying student Sam Giamarelos participating in the WorldSkills Australia event. Throughout 2013, Locksmithing and Plastering students also won awards in prestigious local and international competitions.

Design, Drafting and Interior Fittings

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

Highlights included:

- ▶ renewing the partnership with Master Builders Association of Victoria to deliver the Certificate IV in Building and Construction (Building)
- ▶ hosting visiting teaching staff from Chinese offshore partners including Sichuan Vocational College of Architectural Technology, Nanjing Engineering Vocational College and Shanghai Jiguang Polytechnic College. Additionally, NMIT staff members were seconded over two semesters to the Sichuan Vocational College of Architectural Technology, China to teach the Diploma of Building and Construction (Building). Approximately 799 students were enrolled in 2013, in addition to the 257 students who have previously completed the course
- ▶ receiving funding from the AsiaBound Grants Program to send 30 students to the Sichuan Vocational College of Architectural Technology to attend classes and gain knowledge about construction practices and opportunities in China
- ▶ delivering the Diploma of Interior Design and Decoration to 42 students at the Hebei College of Industry and Technology, China
- ▶ successfully accrediting the Associate Degree and Bachelor of Engineering Technology (Civil), which is expected to commence in 2014
- ▶ students working with the Clunes Museum and Interpretive Centre to present six interior design schemes to the project architect and Board of Directors.

FACULTY OF BUSINESS, HOSPITALITY AND PERSONAL SERVICES

The faculty comprises the departments of Commerce, Hospitality and Tourism, Personal Services and the Work Education Centre, as well as Business, which delivers a suite of Higher Education programs.

Commerce

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

Highlights included:

- ▶ inviting guest speakers from the Institute of Professional Accountants on current issues in the financial services industry and membership benefits
- ▶ Bookkeeping student Gillian Grenstein running self-defence classes for female staff and students
- ▶ the Justice program continuing to form industry associations with Department of Justice, Victoria Police, Forensics, courts and other government departments including the Sentencing Council, Dog Squad, Customs and extensive crime scene investigations units
- ▶ delivery of new programs in Youth Justice and Koori Youth Justice, with an RPL process currently in development to assist students already working in the industry
- ▶ approximately 75 students participating in a formally assessed 'boot camp' designed to showcase aspects of the justice and legal industry, and attending excursions to Barwon Prison to interview prisoners, listen to guest speakers and view demonstrations from Customs
- ▶ re-designing the Advanced Diploma of Legal Practice for online delivery via correspondence workbooks. This format is suitable for those working in the industry, and the aim is to develop recruitment processes to target law firms and promote our RPL program
- ▶ signing an MoU with Basketball Victoria to deliver two units from the Diploma of Sport Development, with students receiving a Level 1 basketball coach qualification
- ▶ Sports Development students attending a three-day camp at YMCA Anglesea to develop team building, leadership and communications skills
- ▶ visiting the Football Federation Victoria Tribunal and meeting with guest speakers from the FFV
- ▶ students running the Darebin City Council community program *Sports 4 All* which aided participants with special needs to adapt to society through sports
- ▶ receiving a Certificate of Appreciation for organising School Sport Victoria events including the State Swimming Championships
- ▶ offering a physical education program at Croxton School, assisting students with intellectual disabilities
- ▶ participating in local community sporting projects including free weekly sports sessions for two to four-year-olds at Wallaby Childcare, Bundoora.

Hospitality and Tourism

The department offered courses in Hospitality, Cookery, Bakery, Patisserie, and Catering Operations, as well as Tourism, Travel and Events. Training programs incorporated partnerships with industry, local councils and community groups, schools and the general community. The department delivered cookery apprenticeships and hospitality traineeships, school-based apprenticeships and a VET in Schools program.

Highlights included:

- ▶ partnering with Apprenticeships Plus to deliver the Certificate III in Catering Operations as a School-based Apprenticeship Training program, to commence in 2014
- ▶ continuing the partnership established with La Trobe University's Faculty of Health Sciences Department of Dietetics for the provision of specialty kitchens to run the practical components of the Bachelor of Dietetics and Human Nutrition. NMIT provided specialist teaching support and set up of practical tutorials, food purchasing, equipment demonstration, and provided instruction on safety requirements required to work in a commercial kitchen
- ▶ students participating in many local events including the Melbourne Food and Wine Festival, Darebin City Council Homemade Beer and Wine Festival, Melbourne International Flower and Garden Show, Oxfam Trail Walk, and the Good Food & Wine Show
- ▶ hosting *MasterChef Australia* auditions on behalf of Shine Media over three days with more than 60 contestants competing for a place in the final 12. NMIT students will be working with Shine Media as stand ins during filming of the new series
- ▶ receiving funding for the VET Outbound Mobility Tour worth \$21,500 from the Department of Industry, enabling NMIT to take 10 Diploma of Events students on a study tour to Shanghai I&C Foreign Language College, China
- ▶ receiving two grants for the AsiaBound program in 2013-14, enabling Tourism students to visit China for four weeks to study a marketing subject and Mandarin at Zhongsan College
- ▶ continuing to partner with the Work Education Centre to develop and run a regular produce shop at St Georges Restaurant, which has generated more than \$30,000 in sales.

Personal Services

The department offered courses in Relaxation Massage, Remedial Massage, Myotherapy, Aromatherapy, Hairdressing, Beauty Therapy, Nail Technology, Retail Make-up and Skincare, Fitness, Pathology, Salon Management and a suite of Institute Accredited Courses in First Aid, Food Hygiene and Safety, Bar Operations, Coffee Making, Massage, and Medical Administration.

Highlights included:

- ▶ offering the Certificate II in Nail Technology and Certificate II in Retail Make-up and Skincare as VET in Schools programs
- ▶ Hairdressing students participating in the Ladies Styling Iron Award category of the Hairdressing and Beauty Industry Association Competition
- ▶ tailoring the Certificate III in Hairdressing for part-time delivery
- ▶ hosting students from offshore partner Chengdu Modern Vocational and Technological College, China
- ▶ Massage students providing treatment at a number of events and facilities including palliative care patients and their families at the Broadmeadows Health Service Palliative Care Unit, participants competing in the Relay for Life Cancer Council event and swimmers at the Melbourne Sports and Aquatic Centre
- ▶ Massage student submitting a literature review to the Australian Association of Massage Therapists 2013 Student Case Study Contest
- ▶ staff members visiting institutions in Korea to investigate potential partnerships, and to present sessions at institutes such as the Sahmyook Health University College
- ▶ Fitness students running a Health and Wellness Seminar to highlight physical and mental health issues, and conducting group personal training sessions, with funds raised donated to cancer research and Beyond Blue
- ▶ partnering with the Hospitality and Tourism department to run the annual Hairdressing and Beauty competition.

Work Education Centre (WEC)

The centre offered courses in Transition, Work Education (General and Ignition Theatre), and Hospitality to students with specialised individual learning needs and styles.

Highlights included:

- ▶ implementing the *Being, Belonging and Becoming* project to improve the quality of teaching and learning as applied to inclusive assessment tools, and to search for additional revenue to meet learner needs
- ▶ developing the *Parents as Careers and Transition Support* training program for families of enrolled students, with more than 40 participants aiming to increase family skills, knowledge and confidence in transitional planning. The program included industry partners such as Centrelink, Disability Employment Services, national Disability Recruitment Coordinator Program and the Banyule Nillumbik Local Learning and Employment Network, NMIT Disability Liaison Officer and the Department of Education and Early Childhood Development's (DEECD) Regional Career Development Office
- ▶ conducting the *Employment, Community and Life Skills* expo for approximately 140 participants, with up to 40 organisations offering information and advice
- ▶ developing the TAFE Taster program for students with disabilities from special and mainstream schools, with the aim to strengthen existing external partnerships
- ▶ implementing the TAFE Discovery Day, providing an opportunity for people to try out TAFE to prepare for post-school options
- ▶ partnering with AHS Hospitality to provide students with work experience opportunities in housekeeping at Rydges, Bell City
- ▶ working with the DEECD Northern Metropolitan Region Office to integrate activities from the Victorian Careers Curriculum Framework into current career development practices in the Certificate I qualifications, and participating in benchmarking sessions with the CEAV to improve the quality of careers services for young people with disabilities and their families
- ▶ partnering with Darebin City Council's Access for All Abilities programs to incorporate an online coaching course for students who wish to develop their skills further
- ▶ receiving funding of \$60,000 over three years from the LUCRF Community Partnership Trust to develop a support and transition model for severely disadvantaged students. The Trust uses money generated from superannuation funds from members of the National Union of Workers to invest in projects to improve the quality of life for disadvantaged community members
- ▶ the Imagine Choir performing at the annual Ignition Theatre performance, with plans to launch a CD.

Business

The department offered Associate Degree and Bachelor level courses in Accounting, Business, Information Technology and Hospitality Management.

Highlights included:

- ▶ the department achieving international AACSB membership
- ▶ receiving ACCA accreditation for the Accounting program
- ▶ proposing a suite of three Masters level degrees in Business Intelligence, Business Security, and Professional and Practising Accounting
- ▶ developing the Bachelor of Hospitality Management and Bachelor of Business for delivery in Hong Kong with partner, Hong Kong Universal Education
- ▶ preparing the delivery of the Bachelor of Hospitality Management, Bachelor of Business and Bachelor of Information Technology at the Prahran campus
- ▶ increasing student numbers, research output and MoUs signed with external local and international organisations
- ▶ continuing to develop operational processes for auditing and QA purposes
- ▶ Bachelor of Business student Ian Parker receiving the Hamer Scholarship to study Mandarin in China at Nanjing University.

FACULTY OF EARTH SCIENCES

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

Agriculture and Animal Science

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

Highlights included:

- ▶ Conservation and Land Management students successfully trapping a rare Long-Nosed Bandicoot in the East Kinglake area. Students were participating in the Parks Victoria and Whittlesea City Council fauna surveys being conducted post Black Saturday. It was thought the Bandicoot population had been wiped out by the fires
- ▶ hosting the Victorian Master Farriers State Championship in July 2013. The Victorian Championships cover both apprentices and fully qualified Farriers and lead to the Australian Championships held later in the year
- ▶ Diploma of Agronomy students and Bachelor of Agriculture and Land Management students collaborating on conducting pasture trials at Yan Yean Farm and conducted a 'Field Day' at the farm in early November. They presented their work to industry representatives and interested local residents
- ▶ the Aquaculture and Applied Research Centre continuing to successfully breed stock for the fish industry. Another 10,000 fingerlings will be sold to Thurla Farms in Mildura
- ▶ NMIT's Northern Estates Wine being selected as one of two wineries invited to provide wine for the opening night of the 2013 World Economic Forum in China. NMIT wines will also be served at the Dalian International Fashion Festival in late 2013. Northern Estates Wine has just completed its largest ever bottling of wines produced from NMIT vineyards. The Ararat winery alone bottled approximately 4,500 cases of wine.

Business Enterprise Centre

The Business Enterprise Centre (BEC) manages and coordinates a range of national qualifications, Institute Accredited Courses (IACs) and industry projects both statewide, nationally and internationally. For industry clients, the BEC offers a range of custom designed programs. For internal clients, the BEC offers advice and support in the design, delivery and assessment of fee for service activities across the faculty.

Highlights included:

- ▶ delivering the Certificate IV in Training and Assessment to trainers and teachers locally, interstate and overseas
- ▶ delivering project management training to Victoria Police and the Department of Primary Industries. Over 40 participants have completed the training in this program
- ▶ successful tendering for and implementation of The Apprentice to Business (A to B) Program - a government Initiative aimed at supporting eligible tradespeople who are seeking to, or have recently established a business
- ▶ developing professional development programs in partnership with Recruitment and Consulting Services Association Ltd (RCSA), who are the leading professional body for the talent management and workforce solutions sector in Australia and New Zealand.

Horticulture

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

Highlights included:

- ▶ staff and students participating in the 2013 Melbourne International Flower and Garden Show (MIFGS) 'florist' competition and 'achievable gardens' competition. A number of our students placed well in these events. The department also had their own outdoor and indoor florist display and Information stands
- ▶ holding the annual Horticulture Awards evening, including a presentation by former NMIT students Natalie Simmons and Trevor Seppings, who completed a 12-month Scholarship working at the Jerusalem Botanic Gardens, Israel
- ▶ Landscaping students competing at the WorldSkills International Competition in Leipzig, Germany and finishing seventh (out of 16 countries represented). The students were awarded a Medal of Excellence
- ▶ hosting the Arboriculture Australia Limited Annual Conference and the Australian Tree Climbing Championships this year.

Primary Industries

The department offered Bachelor and Associate Degrees in Agriculture and Land Management, Aquaculture and Environmental Management, Equine Studies, and Viticulture and Winemaking.

Highlights included:

- ▶ conducting a review of the Agriculture and Land Management, Aquaculture and Environmental Management, and Viticulture and Winemaking degrees resulting in the development of the new Bachelor of Agriculture and Technology, which was submitted for approval from TEQSA. The course has been approved by the La Trobe University Academic Board (as part of the Melbourne Polytechnic arrangement) and will be delivered at the Epping Campus in 2014
- ▶ Viticulture and Winemaking lecturer Dr Alastair Reed attending the Victorian Government Super Trade Mission to South Korea, including events such as the Seoul food and Wine Expo, *Put Victoria on Your Plate* dinner and numerous meetings with potential partners. Dr Reed was also part of the judging panel at the Daejeon International Wine and Food Expo and Sommelier Contest and Conference
- ▶ Aquaculture lecturers Dr Sadiqul Awal, Andrew Christie and Tony Gleeson developing and delivering a short online course exploring the possibilities of algae production, as a taster for Year 10 secondary school students
- ▶ Bachelor of Viticulture and Winemaking students and the Bachelor of Illustration students collaborating to organise a wine awards night and develop labels for wine bottles
- ▶ Higher Education and VET students and staff establishing crop trials and demonstrator sites at Yan Yan farm, including a field day
- ▶ Equine Studies lecturer Lesley Hawson working in Denmark and Sweden with fellow equine researchers on a collaborative research project, made possible through a grant from the Dutch Horse Levy Committee.

Business Activities Unit (BAU)

The BAU provides services and training to a wide range of industries and individual clients throughout Melbourne and Victoria. The BAU also has service and maintenance contracts at six Melbourne metropolitan golf courses.

Highlights included:

- ▶ partnering with the Riverside Golf Club to hold a two-day equipment trial for Japanese company Baroness to demonstrate their equipment. The opportunity arose from NMIT's ongoing association with Kabota Tractor Australia
- ▶ consolidating the relationship with large golf equipment and maintenance companies, Jacobsen, with a visit from the Managing Director of the Asia Pacific region and the International Marketing Manager Jacobsen, through their Victorian dealer Godings, have committed to providing NMIT with new equipment for use on the six golf courses the Institute manages and have set up a scholarship for one Diploma of Turf student to travel to the United States to take part in the Future Turf Managers Program
- ▶ collaborating with the Riverside Golf Club to assist Kubota to film a new range of turf equipment being evaluated by dealers prior to national distribution, involving a range of turf mowing equipment. The film will be shown at a Dealers Conference in early 2014 and NMIT will receive a copy to use in promotional activities.

FACULTY OF ENGINEERING

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

Computer Systems and Electrotechnology

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

Highlights included:

- ▶ recognising the outstanding achievement of 40 award recipients at the 11th anniversary of the Faculty Awards Night
- ▶ working with E-Oz Energy Skills Australia on the implementation of a national project titled *Energy Industry Apprentice Progression's Management System (EIAMPS)*. The project incorporates Commonwealth funding and will see 550 electrical apprentices in Victoria (2,500 nationally) undertake a blended learning delivery and assessment model of training
- ▶ implementing three online (e-learning) projects under the VET Education Technologies Implementation plan, including the introduction of an online component of the Diploma of Electrical Supply Industry; REVIT Autodesk online learning for architectural and engineering clientele who want computer aided design training in a self-paced, off campus learning environment; and continuation of an existing project targeting electricians who want project management skills and knowledge delivered in an e-learning format

- ▶ Energy Safe Victoria (ESV) reaccrediting NMIT to conduct licence assessment for electricians. NMIT is the only RTO, and one of the only two businesses approved by ESV, to assess all three licence components associated with the electrical licence
- ▶ developing a new Diploma of Information Technology (blended learning model), designed to become the basis of a seamless integration with the Bachelor of Information Technology program
- ▶ developing a pathway for Computer Assembly Repair students into the Certificate III in Information, Digital Media and Technology and Diploma of Information Technology and continuation with industry certification into programs from Certification Providers, including Microsoft and Windows technologies, CISCO and IT Essentials
- ▶ Information Technology students undertaking three industry projects.

Mechanical Manufacturing

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

Highlights included:

- ▶ continuing the link with NORTHLink and related industry sectors to attain government funding for the development of a training program to link employers with NMIT graduates
- ▶ conducting the annual graduate exhibition *33 Carat* for Advanced Diploma of Jewellery students at Red Gallery, North Fitzroy, which was strongly supported by local industry, employer, and community groups with more than 900 people in attendance across the 17-day exhibition
- ▶ locksmithing staff undertaking skills recognition assessments for six Malaysian locksmiths in Lebuah Gopeng for the Diploma of Engineering Technology (Locksmithing), which involves extensive preliminary work with candidates gathering evidence, with practical skills assessments conducted in Malaysia
- ▶ participating in the Engineers' Australia Careers Expo at Etihad Stadium in conjunction with the Building and Construction faculty
- ▶ hosting international delegations including Chinese education establishments; US sustainability instructors; immigrant arrivals from Iran, Pakistan, Mozambique and Afghanistan supported for workplace engagement by the Fitzroy Learning Network; a Thai study group; and a Japanese group of private schools who had a particular interest in ICT careers after study
- ▶ brokering arrangements with four Australian Apprenticeship Centres (MEGT, CVGT Australia, Apprenticeships Melbourne and Sarina Russo) which will see them conduct their respective business operations from the Heidelberg campus in 2014
- ▶ continuing to develop relationships with a range of business, industry and community groups within and beyond Melbourne's northern regions
- ▶ introducing new Institute Accredited Courses including Introduction to TIG, Jewellery CAD, Jewellery Enamelling, Traffic Controller with Stop-Slow Bat, Partake in Environmentally Sustainable Work Practices, Structured Cabling Endorsement, and Coaxial Cable Endorsement
- ▶ Jewellery staff member Desma Noble receiving a Higher Education Skills Group Overseas Fellowship to conduct research into fusion welding techniques on jewellery.

FACULTY OF FURTHER EDUCATION

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

Adult Migrant English Program (AMEP)

The department oversees AMEP delivery across the Epping and Preston campuses, the Broadmeadows training centre and a number of community venues. The 2011-2014 AMEP contract is now awarded through the Department of Industry. The AMEP focus is English language acquisition for successful settlement and employment, ensuring that students use their free tuition entitlement.

Highlights included:

- ▶ more than 10 per cent growth in student participation on 2012 figures across Epping and Preston campuses, particularly in evening programs and Youth Program, with high levels of satisfaction indicated in student survey responses
- ▶ an increase from 30 per cent to 50 per cent of clients on humanitarian visas
- ▶ completing the refurbishment of the Broadmeadows training site

- ▶ delivering six Mother and Child English Language Program classes in the southern Hume area at community and early years/primary school hubs
- ▶ increasing use of bilingual support and volunteer support to students with special humanitarian needs
- ▶ the Department of Immigration and Citizenship nominating NMIT's Settlement Language Pathways to Employment and Training (SLPET) program with its increased employer involvement as a benchmark program
- ▶ AMEP students collaborating successfully with Higher Education Early Years students at Preston campus
- ▶ delivering 15 English courses to Asylum Seekers on bridging visas, which received targeted government funding.

Foundation Studies

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

Highlights included:

- ▶ completing the 2010–2013 contract which trained over 200 job seekers annually, with the Department of Industry, Innovation, Science and Tertiary Education (DIISRTE) for the LLNP in the North and North West Business Service Areas at Epping and Preston campuses and the Broadmeadows training centre
- ▶ receiving an annual work order for 2012–2013 to deliver the Skills for Education and Employment (formerly LLNP) to job seekers
- ▶ achieving record enrolment numbers at Preston and Epping campuses and the Broadmeadows training centre
- ▶ introducing a robust work readiness and work preparation program across all Foundation Studies programs and campuses
- ▶ establishing cross-department collaboration ensuring pathways for students into mainstream courses
- ▶ piloting an offsite literacy and numeracy program located at Glenroy Commonwealth Rehabilitation Services (CRS) for hard to engage learners.

IELTS Test Centre

The centre oversees the delivery and administration of the International English Language Testing Systems (IELTS) at Preston and Collingwood campuses. IELTS is the world's most utilised English language test accepted for study, work and migration. More than 8,000 institutions and organisations worldwide accept IELTS results including universities, colleges, professional registration bodies, employers and governments. IELTS is jointly owned and managed by British Council, IDP:IELTS Australia and University of Cambridge ESOL Examinations (Cambridge ESOL).

Highlights included:

- ▶ delivering 33 IELTS test sessions at the Preston campus
- ▶ delivering 21 IELTS test sessions at the Collingwood campus
- ▶ face-to-face testing of 10,000 candidates in 2013, maintaining NMIT's position as a preferred testing centre
- ▶ delivering five IELTS master classes at Preston and Collingwood to provide support for NMIT IELTS candidates.

Industry and Initiatives Unit

The Faculty of Further Education's business activities and project management services are overseen by the Industry and Initiatives Unit (IIU). This involves the management of major government contracts and the development and delivery of customised training programs and innovative solutions for enterprises and communities with employees or members with low levels of literacy, numeracy and English language skills.

Highlights included:

- ▶ achieving a growth of 11 per cent in participation across nine major sites and a number of community venues in the northern Melbourne region, in collaboration with the seven Northern AMEP Consortium partner organisations
- ▶ expanding the Northern AMEP counselling service to improve student engagement in the AMEP
- ▶ increasing the number of delivery sites to six, under the City of Hume and the Scanlon Foundation-funded Mother and Child English Language program

- ▶ training 92 new volunteer tutors, with a focus on the City of Hume, to increase our pool of over 150 tutors who are matched with newly arrived migrants for weekly home visits to assist with learning English for settlement in Australia
- ▶ implementing 19 Workplace Language and Literacy Program (WELL) training contracts (2012-2013) and for 2013-2014 across aged care, community services, local government, manufacturing, transport and logistics
- ▶ awarding of a WELL National Strategic project, *From Classroom to Workplace*, to develop a professional development resource for language, literacy and numeracy classroom practitioners seeking to make the transition from classroom teaching to workplace delivery.

Vocational Pathways

The department offered courses in Liberal Arts, Bridging Science, English as a Second Language (ESL) for vocational and further study, English Language Intensive Courses for Overseas Students (ELICOS), the Overseas Qualified Professionals program and became the Auslan training hub for Victoria. It delivered four Occupational Preparatory Courses for the Victoria Police entrance exam and supervised staffing and curriculum development for IELTS preparation courses. The department also managed staffing for offshore teaching in China.

Highlights included:

- ▶ commencing Auslan training at Collingwood campus in Semester 2 with the majority of the first intake of full-time students indicating their intention to complete Auslan training at diploma level
- ▶ the first regional Auslan class commencing in Bendigo as a pilot program, led by deafconnectED
- ▶ the Victorian Auslan Training Consortium successfully being awarded the Victorian Government's sole statewide Auslan training contract 2013-2016
- ▶ establishing deafconnectED as a new brand for the former Centre of Excellence for Students who are Deaf and Hard of Hearing. This involved a revised agreement with the Victorian Government to advocate for and develop strategies to assist these students to succeed and be supported in their study across Victorian VET providers
- ▶ receiving a Teaching Excellence grant, *Beyond the Classroom*, from the VET Development Centre, which was one of only four offered in the state to trial a blended delivery course for overseas qualified professionals who have found employment but need support in the Australian workplace
- ▶ Vocational Pathways and HACS staff presenting the findings of the 2012 VDC funded project at the 2013 VDC Teaching and Learning conference in Healesville, Victoria. The project trialled a model for working with VET teachers adapting training delivery and materials to meet the needs of a diverse range of VET students in the Health and Community Studies area
- ▶ establishing strong professional development and employment links with local Epping primary schools through the Certificate III in Education Support English as a Second Language program
- ▶ providing support to 10 TESOL students as a result of the active relationships with Education faculties at several tertiary institutions across Melbourne, including The University of Melbourne, Deakin University, RMIT University and Victoria University.
- ▶ sending 27 English language teachers to China to deliver the NMIT Certificate of English for Business and Global Communication (CEBGC).

Youth Unit

The unit offered the Young Adult Migrant Education Course (YAMEC) at Preston, Collingwood and Epping campuses and the Victorian Certificate of Applied Learning (VCAL) at Epping, Preston, Collingwood, Greensborough and Heidelberg campuses. VCAL programs were also offered in partnership with the Salvation Army Youth Services at Brunswick. The Youth Unit is the lead agent for Springboards and three Youth Connections government contracts, as well as a service provider.

Highlights included:

- ▶ establishing YAMEC partnerships with community and government agencies and program enhancement including:
 - ▶ *Ucan2* (readiness for work) program with Foundation House
 - ▶ a volunteering program with the Ecumenical Migration Centre and the Brotherhood of St Laurence

- ▶ driving courses with the cities of Whittlesea, Darebin and Yarra
- ▶ leadership courses with the Cities of Yarra and Darebin
- ▶ receiving a City of Yarra grant for a one-term program with Circus Oz
- ▶ working with Spectrum MRC to deliver an Employment Preparation program in 2014 with an Inner North Foundation grant
- ▶ receiving a Department of Industry AMEP grant to participate in Ready for Work courses
- ▶ a YAMEC film, one of four NMIT VCAL short films entries in the City of Yarra's Refugee Week Film Competition at the Australian Centre for the Moving Image (ACMI), receiving the Best Film Award, with a VCAL student receiving the Outstanding Student Award
- ▶ five class groups participating in the VCAL work experience program across three campuses. All Collingwood students received job offers
- ▶ Intermediate VCAL students partnering with the Austin Health Repatriation Hospital in Heidelberg on projects including veteran involvement in ANZAC Day celebrations, presenting a mural for the hospital foyer, and the *Stories of my Life* project, where students interviewed veterans
- ▶ participating in VCAL community based projects including the World of Work program; various charity fundraising events; YMCA leadership program; construction of a cubby house and a boardroom table for local groups; industry tours; the Rebound program and relevant excursions
- ▶ running the *Next Steps* forum, which is a popular way to bring together outside agencies, students and their families to explore available career options post-VCAL
- ▶ developing three Youth Connections consortia projects in response to various Under 16 Project reports from 2012. Highlights of these Youth Connections Type 4 projects included:
 - the Thornbury High School Community Demonstration Project, where a youth worker was based in the school to work with at-risk Indigenous students and their families
 - the Bundoora Secondary College Project, in partnership with Banyule City Council and Banyule Nillumbik Local Learning and Employment Network (LLEN) to employ a youth worker to support students in the Parallel program. NMIT contributed Trade Taster days for the group
 - *Invigor8ing*, a Hume/Whittlesea area project for Year 8 students across five schools in the Whittlesea region, focusing on applied learning in construction.

Education

The faculty's Higher Education programs again attracted strong interest from students in the north of Melbourne. The department delivered the Bachelor of Education (Early Years) and the Diploma of Tertiary Studies. The Diploma developed further credited articulation pathways into various degree programs at NMIT and other higher education institutions.

Highlights included:

- ▶ receiving accreditation for the Bachelor of Enterprise Learning, NMIT's first online degree program designed for those who currently work in or wish to begin a career in organisational learning and development, workplace training or adult learning, teaching and education. It is anticipated that this program will have more than 20 enrolments in 2014.
- ▶ offering a third group of Bachelor of Education (Early Years) students up to 30 Commonwealth Supported Places, bringing the overall total allocation to 120 CSPs
- ▶ the Diploma of Tertiary Studies program entering its second year of delivery with a new enrolment of 27 (25.75 EFT) fee-paying students at census. A number of graduates from 2012 articulated into various HE programs at NMIT and the Bachelor of Arts at La Trobe University, and two students who completed in mid-2013 successfully articulated into Bachelor of Arts at Monash University
- ▶ Bachelor of Education (Early Years) students engaging in more than 3,000 days of supervised placements, with 250 active placement partners including childcare centres, kindergartens, and primary schools. Third year students undertook a numeracy and literacy based placement in primary schools. First year students visited the Koorie Heritage Trust, Skinners Playground, Collingwood Children's Farm, Royal Botanical Children's Garden and Reverse Art Truck for their field visit days
- ▶ partnering with the Faculty of Earth Sciences to enrol students from the Bachelor of Agriculture and Land Management in the Tertiary Studies subject *Language and Logic*, with full credit towards their course.

HIGHER EDUCATION OFFICE

In 2013, the Higher Education Office continued to implement the NMIT Higher Education Strategy 2010–2015. Activities included overseeing the educational design and development of new undergraduate programs to satisfactory accreditation, the successful re-registration of NMIT as a higher education provider until 2014, and the implementation of an e-learning strategy across the Higher Education portfolio.

Highlights included:

- ▶ the timely submission to the Tertiary Education Quality and Standards Authority (TEQSA) of the following degrees:
 - ▶ Bachelor of the Built Environment
 - ▶ Bachelor of Enterprise Learning (a fully online program commencing in 2014)
 - ▶ Bachelor of Engineering Technology (Civil) - commencing in 2014
 - ▶ Bachelor of Veterinary Nursing
 - ▶ Master of Creative Industries
 - ▶ Master of Business Security
 - ▶ Master of Business Intelligence
 - ▶ Master of Professional and Practising Accounting
- ▶ renewing TEQSA accreditation for the Bachelor of Illustration, Bachelor of Writing and Publishing, and Bachelor of Agriculture and Technology (formerly accredited as Bachelor of Agriculture and Land Management, Bachelor of Viticulture and Winemaking and Bachelor of Aquaculture and Environmental Management)
- ▶ collaborating with faculties to progress numerous initiatives with international partners including the State University of New York, USA, Bath Spa University, UK and Haaga-Helia University of Applied Sciences, Finland
- ▶ submitting documentation to the Hong Kong higher education regulators to deliver the Bachelor of Business and Bachelor of Hospitality Management with existing partner HKUE for commencement in late 2014 - early 2015
- ▶ staff providing professional development and training to the Open University China, as they embark on implementing the Moodle Learning Management System
- ▶ staff being invited to publish research articles internationally, including the UK Higher Education Academy's publication *Developing Research-based Curricula in College-based Higher Education*
- ▶ five staff members successfully submitting applications for VET Development Centre research scholarships across disciplines ranging from Writing and Publishing, Business, critical thinking and reasoning, Early Years Education and Illustration
- ▶ managing in collaboration with La Trobe University (LTU) to accredit the Bachelor of Agriculture and Technology through LTU's Academic Board. The course is the first in the a planned suite of programs that will see NMIT teaching LTU accredited programs under the trading name of Melbourne Polytechnic. The Bachelor of Agriculture and Technology will be offered with Commonwealth Supported Places from 2014
- ▶ designing Peer Assisted Study Sessions (PASS) with Student Services, to target traditionally difficult academic subjects (those with high rates of withdrawal or F grades) and create learning communities through regularly scheduled, out-of-class, peer facilitated sessions
- ▶ staff members Dr Charlotte Brack and Shaun Boyd securing a Higher Education Skills Group Overseas Fellowship for a project that will attempt to gauge a fundamental understanding of current learning analytics techniques in the design of online training and education programs. The project includes visits to institutions in the UK, US and Canada
- ▶ continuing to establish a suite of academic professional development programs supporting curriculum innovation, e-learning and the development of scholarship at NMIT. A series of guest speakers were invited including the winner of the 2013 Prime Minister's Award for University Teaching, Prof James Arvanitakis, Patrick Foley from The University of Melbourne and RMIT University's Prof Geoff Crisp
- ▶ 80 academic staff and students presenting their work at the Higher Education Showcase
- ▶ receiving invitations to present at the 2013 Mixed Sector Symposium, a collaborative seminar between NMIT, Holmesglen, William Angliss Institute and Box Hill TAFE, providing a chance to share experiences of building higher education in a TAFE environment
- ▶ assisting the QA Unit to manage the TEQSA re-registration project.

VOCATIONAL EDUCATION AND TRAINING (VET) PROGRAMS OFFICE

Vocational Education and Training (VET) activities included the introduction of the Tier 2 Strategic Plan, which drives the management and shaping of scope, developing an integrated model for VET and higher education, grasping VET pedagogy, risk management, regulatory compliance, industry integration and endorsement of VET programs, enhancement of VET teacher professional development and competencies, the strengthening of fee-for-service activities, expanding apprenticeship programs and migration into a full electronic infrastructure for delivery and assessment.

Highlights included:

- ▶ ASQA conducting site audits on a number of qualifications, with feedback indicating satisfaction that NMIT had zero non-compliance issues for the CRICOS and VET scope audits of registration of new training packages, meeting conditions of SNR Standard 15.2, 15.3, 15.4 and 15.5.
- ▶ holding the first meeting of the Vocational Education and Training Academic Board, which replaced the Vocational Education and Training Programs Committee
- ▶ upgrading the Faculty Board of Studies terms of reference, which now highlighted risk areas that assured the academic integrity of the VET portfolio, and compliance with the requirements of all regulatory bodies such as ASQA, VRQA and HESG
- ▶ overhauling the Teaching and Assessment Strategy to meet current departmental operational delivery and assessment requirements
- ▶ modifying the validation processes that introduce a simpler, more comprehensive tool to satisfy AQTF and NVR requirements, to focus on assessment tools and evidence guides that will assist the industry consultation panel when challenging an assessment
- ▶ upgrading the Vocational Competency Register so it satisfies standard 1.4A of the AQTF Essential Conditions and Standards for initial and continuing registration, and SNR 4.4 and 15.4 of the Standards for NVR RTOs
- ▶ introducing competency mapping in order to track the components of assessment to the unit of competency for ASQA regulatory requirements, providing evidence of content validity
- ▶ formulating the management of the AQTF quality indicators survey audit policy, which was introduced to mitigate the risk of non-compliance of AQTF guidelines in meeting the VET strategy
- ▶ introducing iPads for the Work Education Centre to feature in most classes and enable effective delivery to special needs students.

DEVELOPMENT - PRAHRAN CAMPUS (MELBOURNE POLYTECHNIC)

The Associate Director Development - Prahran Campus is responsible for the development of the Prahran Campus program profile and planning for the campus.

Highlights included:

- ▶ establishing a new NMIT campus trading as *Melbourne Polytechnic*
- ▶ developing a campus program profile for 2014 consisting of 66 VET programs and five Higher Education programs
- ▶ recruiting more than 30 new staff for Melbourne Polytechnic
- ▶ allocating facilities and resources for 71 proposed programs
- ▶ purchasing equipment totalling more than \$600,000 to support the 2014 start-up at Prahran
- ▶ reviewing VET program delivery to support multiple enrolment points throughout 2014
- ▶ procuring \$20,000 from the VET Development Centre to support the development of a collaborative space for all users of the Prahran campus
- ▶ implementing a substantial marketing campaign for 2013 and 2014 to support enrolments for the Prahran campus.

INTERNATIONAL OFFICE

The International Office provides leadership and services for the international activities of the Institute, including identification and evaluation of international opportunities, recruitment of international students to Melbourne, management of transnational program delivery and professional advice and planning to the Institute.

Highlights included:

- ▶ generating revenue in excess of \$14 million for the Institute from all international related activities
- ▶ continuing success in attracting a diverse population of International students to Melbourne from 69 source countries, with India, Vietnam, Colombia and the United Kingdom represented in the top 10 countries.
- ▶ continuing to grow the numbers of overseas students in Higher Education programs with a significant increase in total numbers enrolled over the year, from 326 students in 2012 to 381 in 2013
- ▶ delivering education and training programs to 25 partner institutions in China, Korea and Singapore, with signs of growth in vocationally focused programs
- ▶ delivery of specialised equine skills training in the Middle East
- ▶ delivery of a VET teacher training program for 50 teachers in colleges affiliated with the Federation of Malaysian Accredited Training Centres after winning a competitive tender
- ▶ conducting training for English, diploma-level teaching and specialised skills in Melbourne, Asia and the Middle East for industry-based groups and staff from partner institutions
- ▶ new initiatives in accredited and non-accredited customised training contributing close to \$200,000 involving study tours and workshops both in Melbourne and overseas
- ▶ ongoing development and improvement to assure the quality of NMIT programs including rollout of the Transnational Education (TNE) Manual across all partner institutions involved in offshore delivery
- ▶ strengthening the quality of all offshore delivery programs through collaborative validation panels, teacher training, peer exchange and professional development, site visits, supervision and a regular schedule of offshore internal audits.

TEACHING AND LEARNING OFFICE

NMIT has nominated quality teaching as a key strategy in its pursuit as an education provider of choice for students, staff and industry clients. The Teaching and Learning Office was established to implement quality teaching initiatives that support demonstrable improvements in student learning outcomes.

Highlights included:

- ▶ holding 13 Teaching and Learning forums across all metropolitan campuses to promote the Teaching and Learning Office function and explore staff opinion on learning needs. Approximately 223 staff attended sessions and discussed a range of issues focusing on quality teaching practices, teaching resources, learning environments and spaces, student engagement and retention, and professional learning. Feedback was used to shape the Teaching and Learning strategy and develop priority projects
- ▶ working with the VET Development Centre to customise a calendar of 19 professional development workshops focusing on general staff, teachers, senior educators and managers that addressed learning priorities in response to demand for professional development across the Institute. Topics ranged from time management and industry engagement, and 15 sessions were attended by 357 staff
- ▶ commencing the Capability Analysis Tools (CATs) project with John Mitchell and Associates to provide a systematic approach to measuring staff capability in four areas:
 - ▶ Completion CAT - identifying capabilities assisting staff to contribute to improving student retention and increase course completion, involving all staff across the Institute
 - ▶ Admin CAT - identifying capabilities of people who work in administration
 - ▶ VET CAT - identifying training and assessment capabilities of VET practitioners
 - ▶ CUR CAT - identifying industry currency of VET practitioners
- ▶ commencing the VET e-Learning Project to develop the strategic and systematic implementation of educational technologies in VET courses at NMIT and facilitate flexible learning and teaching. The project has been funded over two years through the Office of the Chief Executive Officer and will include working with teachers on time release to design, develop and simple and advanced Moodle sites, addressing systems design, analytics, educational design, quality standards, evaluation and professional development. The group ran 16 workshops with 66 staff members with 87 unit sites created in Moodle across 21 departments.

LEARNING SKILLS AND ASSESSMENT UNIT

The unit delivered services in the areas of literacy and numeracy assessment, learning support and teacher development.

Highlights included:

- ▶ 7,622 VET students completing online literacy and numeracy assessment, with results provided to departments and used to plan and adjust materials to cater to student needs and provide learning support as required
- ▶ providing study skills support, comprising individual tutorials and group workshops, as well as provision of literacy and numeracy specialists to work with VET staff. VET support was delivered in 93 classes across 32 program areas
- ▶ running teacher development workshops in areas of literacy and numeracy to 278 VET staff, with participants attaining the nationally recognised unit *Address Adult Literacy and Numeracy Skills*
- ▶ receiving a VET Development Centre grant for a project to allow a literacy specialist to work closely with teachers in the Bricklaying, and Wall and Floor Tiling areas.

Quality Assurance

NMIT has been certified to international standard ISO 9001 since 1994. The quality system covers the design, development and provision of training programs, including Higher Education, and services provided by all teaching and non-teaching departments within the Institute. NMIT has now achieved 18 years of ISO certification, which is longer than any other Victorian TAFE institute.

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

- ▶ ISO 9001:2008 certification:
 - external quality re-certification surveillance audit undertaken by SAI-Global Assurance Services
 - nil non-conformances
 - certification to standard ISO 9001:2008 permitted to continue
- ▶ Higher Education Skills Group 2013 Performance Agreement audit:
- ▶ internal audit completed
- ▶ audit conducted by PriceWaterhouseCoopers
- ▶ Cattlecare accreditation (Yan Yean farm):
 - external audit undertaken by Meat and Livestock Australia
 - no issues identified
 - accreditation permitted to continue
- ▶ HACCP accreditation for meat processing (Earth Sciences):
 - quarterly external audits undertaken by SGS Pty Ltd
 - no issues identified
 - accreditation permitted to continue
- ▶ WorkSafe Victoria:
 - construction induction (training courses) audited
 - no issues identified
 - approval to conduct courses maintained
- ▶ Australian Skills Quality Authority (ASQA):
 - audited against SNR (national standards for RTOs)
 - multiple audits in March and October
 - found compliant
- ▶ The Quality Assurance unit was also directly involved in conducting approximately 140 internal audits including overseas audits at the following Chinese institutions:
 - Insurance Professional College
 - Luoyang Institute of Science and Technology

-
- Shandong University of Science and Technology
 - Xian Polytechnic University
 - ▶ The unit is currently managing the following projects:
 - Tertiary Education Quality and Standards Agency (TEQSA) Higher Education Provider Re-registration project:
 - completed and submitted application with approximately 640 attachments to TEQSA for re-registration as a higher education provider
 - CRICOS re-registration project:
 - completed and submitted application with approximately 35 attachments for re-registration as a CRICOS provider to both TEQSA and ASQA
 - TEQSA 2013 Provider Information Request
 - prepared and submitted higher education data and information to TEQSA.

SERVICES DIVISION

ACADEMIC REGISTRY

The Academic Registry provides a range of administrative services, and the development of policy and procedures to support teaching programs across NMIT to meet compliance and reporting requirements. These services include VTAC selection, awards management, enrolment processes, maintenance of academic records, curriculum, offshore delivery management and the reporting of student enrolment data – internally and externally. The Victorian Training Guarantee has impacted greatly on Institute processes with respect to systems administration, enrolment processes, internal and external reporting and fee scheduling. Through continual development of the STRATA Student Management System (SMS) and the redevelopment of QA procedures, the Academic Registry is successfully meeting these challenges and is well positioned to respond to future changes and growth.

Highlights included:

- ▶ introducing new electronic forms in the Student Management System including:
 - ▶ Higher Education re-enrolment form
 - ▶ amendment to result form
 - ▶ VET re-enrolment, addition to enrolment form
- ▶ developing a database to record and report budget forecasts for all VET and Higher Education courses. These reports will provide additional reporting options, as required by directors and teaching departments
- ▶ working with Information Services to develop and introduce Student Enrolment Centres at each NMIT campus. Trained enrolment officers will allow for more efficient enrolment processes and enhance the student experience.

BOARD SECRETARY

The Board Secretary supports the effectiveness of the NMIT Board by providing advice on governance matters including compliance with statutory and regulatory requirements, and ensuring the efficient management of the Board's business.

Highlights included:

- ▶ holding the first Board Annual Meeting, which was open to the public, to report on its operations for the year, including financial statements
- ▶ developing a new governance structure, which combined VET and Higher Education subcommittees to manage academic governance and reflect NMIT's development as an integrated tertiary providers. The Audit and Risk Management Committee was combined with the Resources Committee to form the Finance, Audit and Risk Management Committee
- ▶ developing the Board Charter and committee charters, which were then approved by the Board. The charters outline terms of reference, authority, accountability and meeting procedures
- ▶ developing a new reporting format to facilitate communication and ensure the Board is properly informed about matters under consideration
- ▶ developing a number of Governance policies including: Use of the Common Seal Policy; Conflict of Interest Policy; Delegations Policy; Compliance Management Framework and Commercial Guidelines Policy
- ▶ revoking the previous Instruments of Delegation and Institute Rules, with new Instruments of Delegation approved
- ▶ attesting NMIT's compliance with the NMIT Constitution, the Strategic Planning Guidelines and Commercial Guidelines.

BUILDINGS AND PROPERTIES

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

Highlights included:

Ararat Campus

- ▶ repairing damaged water mains and caretaker's residence

Collingwood Campus

- ▶ removing damaged trees
- ▶ repairing and clearing damaged sewers

Epping Campus

- ▶ installing drinking fountain and bottle filling unit
- ▶ repairing rear car park area
- ▶ preparing Building E for new veterinary nursing facility

Fairfield Campus

- ▶ adding speed humps to car parks
- ▶ repainting foyer and passageway of Building P
- ▶ repairing footings to Building K
- ▶ repairing damaged walkway between Building B and R
- ▶ replacing damaged cyprus trees in the student car park

Heidelberg Campus

- ▶ repainting courtyard furniture
- ▶ replacing damaged shade louvers in Building B
- ▶ rebuilding pan mill for bricklaying
- ▶ replacing damaged air compressors
- ▶ preparing area in Building F for student enrolments
- ▶ installing EQIS to buildings B, C, E and F
- ▶ rekeying external doors at Heidelberg campus

Preston Campus

- ▶ renovating Rooms B115 and B116 for Finance department, and Teaching and Learning Office
- ▶ renovating Rooms E230, E231 and E206 for the LSA Unit
- ▶ new floor coverings for Room A208
- ▶ installing air conditioners to Levels 1 and 2, Building A
- ▶ renovating Room B107 for the Student Enrolment Centre
- ▶ converting Building T into an archive area and furniture store
- ▶ repairing shade louvers to Building G
- ▶ installing speaker guards to Building Q gymnasium
- ▶ installing new power supply to Nara Childcare Centre
- ▶ installing a 250kVa generator in basement, Building E
- ▶ repairing roofing on Building E

Northern AMEP Centre, Broadmeadows

- ▶ installing new fire detection system
- ▶ connecting guardhouses to library

General

- ▶ engaging a Sustainability Officer
- ▶ installing a new job request system using the ITSM Frontrange program
- ▶ appointing a new security contractor
- ▶ preparing for the instruction and implementation of car parking fees
- ▶ relocating Buildings and Properties department offices to Level 3 Building F, Preston.

FINANCE

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

Highlights included:

- ▶ preparing and submitting the 2012 annual financial reports, 2012 whole of government financial reports and 2012 commercial activities financial reports
- ▶ preparing the 2014 budgets
- ▶ upgrading Printroom software
- ▶ certifying financial management compliance, tax compliance, credit card compliance, and irregularities and losses compliance
- ▶ upgrading the Finance operating system and associated staff training
- ▶ reviewing and implementing policies and procedures to improve department efficiency and delivery
- ▶ upgrading the payroll operating system.

HUMAN RESOURCES

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

Highlights included:

- ▶ the provision of first aid and warden training to 97 staff
- ▶ providing seminars for staff on a variety of matters including:
 - ▶ preparing for retirement
 - ▶ superannuation
 - ▶ salary sacrifice
 - ▶ health cover benefits
- ▶ providing audiometric testing for 137 staff who work in designated noisy areas
- ▶ reducing the NMIT WorkCover premium from \$743,417 (excluding GST) in 2012-13 to \$418,992 (excluding GST) for the period 2013-14
- ▶ developing management logs of claims for teaching and PACCT staff, which were submitted to Government for approval
- ▶ managing the voluntary and involuntary Targeted Separation Package program from November 2013.

ICT SERVICES

The department is responsible for the development and delivery of all Information and Communication Technology (ICT) services used by NMIT. ICT Services responded to 10,163 recorded end user requests for assistance, comprising 5,387 incidents and 4,776 service requests in 2013.

Highlights included:

- ▶ awarding a tender for optic fibre links to augment the existing microwave links forming NMIT's Wide Area Network (WAN), in order to improve overall availability. Implementation commenced in 2013 and will continue into 2014
- ▶ awarding a tender for a second optic fibre link to the Internet to augment existing optic fibre links to improve availability of the Internet connection
- ▶ upgrading 119 computer labs (2,307 computers) across all campuses to the latest application software packages
- ▶ upgrading hardware for nine computer labs (218 computers) with new or recycled computers
- ▶ upgrading the vast majority of staff computers from Microsoft Windows XP to Microsoft Windows 7
- ▶ provisioning Building F at Preston campus with \$1.2 million of ICT infrastructure and end user equipment for 110 staff, and five student computer labs
- ▶ strengthening methodologies and capabilities of the ICT Services Project Office including integration with the Strategic Initiatives Office
- ▶ extending the existing inventory management system used to track all ICT equipment, including verification of items against the asset register in the Finance system over the Local Area Network
- ▶ analysing the use of student-facing computers and planning for the progressive reduction of the number and size of student computer laboratories in 2014 in line with the reduction of available capital and consumer driven trends towards students bringing their own equipment for study purposes
- ▶ integrating the Identity Vault (IDV) with WinDSX (the door proximity access management system) and with Card Exchange (the identity card production system) so that staff and student identity information is populated automatically and rapidly into these two systems
- ▶ delivering infrastructure improvements for the Human Resources system (Chris) and Finance system (Finance1)
- ▶ improving external access to NMIT resources including emails, files, staff portal and student portal
- ▶ upgrading network infrastructure to support user authentication and device recognition
- ▶ implementing electronic papers and reports for the NMIT Board
- ▶ completing a survey of all NMIT print devices to support improving print management across the Institute
- ▶ implementing Google email (Gmail) for students to reduce cost and operational risks associated with the current product
- ▶ implementing Extron GVE (Global Viewer Enterprise) software to provide dashboard visibility on the status and performance of connected audio visual equipment across all campuses
- ▶ initiating a pilot program to investigate the application of AV wireless streaming technology in classrooms, allowing video and other media to be streamed from devices for display
- ▶ implementing an anti-virus system on all computers
- ▶ carrying out a test recovery of four core application systems
- ▶ implementing comprehensive upgrades of the STRATA Student Management System and enhancements, change requests, defect resolutions and EFTPOS support
- ▶ integrating EFTPOS devices with the STRATA cash register
- ▶ extending ICT Services onsite support from two to three days per week for Fairfield, Epping and Heidelberg campuses and a half day per month for the Broadmeadows training centre
- ▶ improving alignment of ICT Services with business needs through the introduction of department liaison officers and SharePoint administrators
- ▶ setting up systems for central budgeting and management of all department ICT items
- ▶ implementing supplier management to improve quality and cost-effectiveness of services
- ▶ introducing consolidated ICT Services public homepage on the Staff Portal, simplified service catalogue for reporting technical issues and service requests
- ▶ obtaining Prince2 project management, and ITIL service management certification for ICT Services staff.

INFORMATION SERVICES

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

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

Highlights included:

- ▶ establishing Student Enrolment Centres on all campuses to enhance the student experience, minimise the risk of non-compliance and reduce teachers' administrative burden
- ▶ introducing Saturday opening hours at Preston campus library to accommodate student needs for access to study, use computers and printing facilities, access resources and avail themselves of support from library staff
- ▶ establishing a Research and Scholarly Information team to deliver training to higher education students on academic integrity, plagiarism and the TurnItIn program, as well as digital literacy skills relevant to contemporary work environments and teaching practices for staff
- ▶ creating a suite of web-based LibGuides on curriculum specific topics and subjects, offering a social web 2.0 library experience for staff and students and providing flexible support to students
- ▶ aligning the Information Literacy delivery for higher education students with the Research Skills Development Framework, which leads students to becoming autonomous researchers
- ▶ introducing a chat service, providing real-time virtual reference access to library staff in a flexible, convenient manner
- ▶ enhancing existing services such as providing a mobile device recharging station at each library, and extending booking times for access to PCs and Macs
- ▶ being recognised for NMIT's contribution of its archival records to the Victorian Collections website, through a nomination at the Victoria Museums Awards, which highlights achievements and services to the museum gallery and collecting sector.

MARKETING AND CORPORATE COMMUNICATIONS (M&CC)

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

Highlights included:

- ▶ evolving NMIT's advertising campaigns to include cinema advertising, mobile advertising (using Vespa scooters), and letterbox drops to complement the existing traditional methods of print, radio and outdoor (billboard) advertising. Staff members were invited to attend a presentation on the evolution of NMIT's advertising over the past five years to provide greater understanding on the imagery and messaging used in campaigns
- ▶ organising a series of *Campus Connect* events on all campuses as part of the internal communications strategy, offering the staff the chance to engage with the Chief Executive Officer and raise issues concerning the Institute
- ▶ creating *MINI*, a bi-monthly staff e-newsletter to improve engagement and communicate the latest events, issues and news relating to staff around the Institute
- ▶ responding to 906 Course Information System service requests - a 31.57 per cent increase from 620 jobs in 2012 - thus maintaining the integrity and accuracy of NMIT's course information promoted in all publications, as well as NMIT and Melbourne Polytechnic websites
- ▶ installing a permanent Course Enquiry Centre (CEC), enabling NMIT to better capture demand for VET and higher education courses and respond more consistently to reduce the burden on teaching staff
- ▶ implementing new Customer Relationship Management database, Intelliworks, to allow for greater flexibility in reporting and insights into prospective student behaviour
- ▶ designing and launching the new NMIT website, featuring adaptive design (using 'personas' to enable the tailoring of information to website visitors) and responsive design (website dimensions will change to fit viewing platforms including mobile phones and tablets)
- ▶ running a series of events across the Institute to celebrate NMIT reaching a milestone one million student enrolments. Students were given cupcakes and chances to participate in competitions. Advertising also appeared in northern Leader newspapers to tell the NMIT story and promote NMIT's future plans
- ▶ organising the annual NMIT Graduation Ceremony at Melbourne Town Hall with 1,321 graduands attending the ceremony, with an audience of approximately 1,800 people, which was also streamed online. The keynote speaker was Young Entrepreneur of the Year, dirt bike manufacturer and retailer Brad Smith of Braap Supply.
- ▶ reinstating an Institute Open Day at the Fairfield campus, resulting in more than 1,000 people visiting the campus to discover more about our campus and courses
- ▶ organising the launch of the new Building F on Preston campus
- ▶ organising and participating in several key career expos including the Age Career Expo, Herald Sun Career Expo and the Reinvent Your Career Expo. The NMIT stand brought to life the Course and Career Guide cover creative, and offered many interactive activities for prospective students and visitors
- ▶ refining the organisation and purpose of the Super Thursday information evenings throughout the year, which led to an eventual increase in the number of attendees over the October, November and December sessions
- ▶ developing and distributing existing and new publications including the Course and Career Guide; Annual Report, a series of Focus Guides, International Course Guide, Midyear Course Directory, Short Course Listings, Prahran Course Directory, Student Service Student Survival Guide (replacing the Student Diary), Higher Education Course Directory, Melbourne Polytechnic Course Directory, Theatre Arts direct mail campaign
- ▶ gaining useful feedback on the success and effectiveness of the Course and Career Guide and Focus Guides series through surveys sent to prospective student enquiries, and school groups
- ▶ maintaining NMIT course information on external databases including myskills.gov.au, acir.com.au and the Preapprenticeships Course Finder at aapathways.com.au
- ▶ launching the Melbourne Polytechnic website and developing brand identity for the new entity located at the Prahran campus.

STUDENT SERVICES

The department provides a comprehensive range of services designed to support the NMIT's capacity to successfully recruit, transition and retain students across the vocational education and higher education sectors of the Institute. Services are provided to directly support student engagement and enhance participation in Institute life, as well as supporting students' educational achievements. The department comprises Student Support, Student Life and Media (SLAM), the Koorie Services centre, Student Communications and an administrative team.

Highlights included:

- ▶ Yarra House delivering another successful year on-budget, with an occupancy rate reaching 79 per cent for the full calendar year (3 per cent higher than 2012). The CLV Health, Safety and Environment Management Plan was also developed and implemented. Residents were surveyed, with an overall satisfaction rating of 81.9 per cent (from a 95 per cent response rate)
- ▶ organising the Milwaukee Trade Day at Heidelberg campus for more than 500 students and prospective students. Sponsored by Milwaukee Tools, the day comprised a trade taster program and two freestyle motocross shows presented by the Jet pilot stunt team
- ▶ registering 209 students with the Disability Support Service, which is an 18 per cent increase from 2012
- ▶ opening the purpose built Fitness Centre in Building F, Preston campus
- ▶ being the first Australian TAFE Institute to offer Peer Assisted Study Sessions (PASS) to students
- ▶ delivering 64 organised on-campus events to approximately 10,100 students across the academic year
- ▶ launching a new student induction tool
- ▶ providing a range of free support services to students to maximise academic opportunities and social success
- ▶ providing students with the quarterly *Campus Rap* magazine, containing key information, competitions and reviews
- ▶ delivering the One Millionth Student campaign across all campuses in conjunction with Marketing and Corporate Communications, with approximately 2,000 cupcakes distributed to students and opportunities to win prize packs and t-shirts.

STATUTORY AND FINANCIAL INFORMATION

ENVIRONMENTAL PERFORMANCE

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

In 2013 NMIT:

- ▶ appointed AG Coombs Pty Ltd to conduct the Detailed Facilities Study as part of the Greener Government Buildings program
- ▶ installed two new drinking fountains and water bottle filling stations
- ▶ developed NMIT's Sustainability Strategy 2013-18
- ▶ implemented back-of-house recycling for the cafeterias at Preston and Heidelberg
- ▶ developed a proposal for NMIT to be smoke-free at all campuses
- ▶ continued to replace inefficient and dilapidated R22 air conditioning units with inverter-type R410A equipment.

WORKFORCE AND COMPLIANCE

WORKFORCE

The following statistics apply as at the last pay in November 2013. They reflect staff numbers and not equivalent full-time positions.

2012 - 2013 STAFFING GENDER ANALYSIS

Year	Male	Female	TOTAL
2013	751	953	1704
2012	786	949	1735

2012 - 2013 WORKFORCE PROFILE

2012 - 2013 Executives

Year	Gender	Full-time	Part-time	TOTAL
2013	Female	9	-	9
2013	Male	16	1	17
Total				26

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

2012 - 2013 Teaching Staff - Ongoing

Year	Gender	Full-time	Part-time	TOTAL
2013	Female	106	76	182
2013	Male	202	28	230
Total				412

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

2012 - 2013 Teaching Staff - Contract

Year	Gender	Full-time	Part-time	TOTAL
2013	Female	20	21	41
2013	Male	14	4	18
Total				59

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

2012 - 2013 Teaching Staff - Casual

Year	Gender	TOTAL
2013	Female	192
2013	Male	154
Total		346

Year	Gender	TOTAL
2012	Female	193
2012	Male	174
Total		367

2012 - 2013 Higher Education Lecturers - Ongoing

Year	Gender	Full-time	Part-time	TOTAL
2013	Female	19	4	23
2013	Male	22	3	25
Total				48

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

2012 - 2013 Higher Education Lecturers - Contract

Year	Gender	Full-time	Part-time	TOTAL
2013	Female	2	3	5
2013	Male	1	-	1
Total				6

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

2012 - 2013 Higher Education Lecturers - Casual

Year	Gender	TOTAL
2013	Female	27
2013	Male	47
		Total
		74

Year	Gender	TOTAL
2012	Female	36
2012	Male	74
		Total
		110

2012 - 2013 Non-teaching Staff - Ongoing

Year	Gender	Full-time	Part-time	TOTAL
2013	Female	148	68	216
2013	Male	120	11	131
			Total	347

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

2012 - 2013 Non-teaching Staff - Contract

Year	Gender	Full-time	Part-time	TOTAL
2013	Female	20	26	46
2013	Male	14	4	18
			Total	64

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

2012 - 2013 Non-teaching Staff - Casual

Year	Gender	TOTAL
2013	Female	192
2013	Male	105
Total		297

Year	Gender	TOTAL
2012	Female	182
2012	Male	90
Total		272

2012 - 2013 Higher Education Non-teaching Staff - Ongoing

Year	Gender	Full-time	Part-time	TOTAL
2013	Female	13	-	13
2013	Male	3	1	4
Total				17

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

2012 - 2013 Higher Education Non-teaching Staff - Contract

Year	Gender	Full-time	Part-time	TOTAL
2013	Female	-	-	-
2013	Male	-	-	-
Total				-

Year	Gender	Full-time	Part-time	TOTAL
2012	Female	1	-	1
2012	Male	-	-	-
Total				1

2012 - 2013 Higher Education Non-teaching Staff - Casual

Year	Gender	TOTAL
2013	Female	7
2013	Male	1
Total		8

Year	Gender	TOTAL
2012	Female	8
2012	Male	1
Total		9

Termination of Employment

72 employees ceased employment with NMIT during 2013, for the reasons shown.

Reason for Ceasing Employment	Female	Male	TOTAL
Redundancy	8	11	19
Retirement	5	3	8
Resignation	27	15	42
Performance/Misconduct	2	-	2
Ill health	-	-	-
Death	-	1	1
		Total	72

COMPLIANCE

PROFESSIONAL DEVELOPMENT

During 2013, 930 staff undertook 3,404 professional development activities at a total cost of \$1,771,023.

EMPLOYMENT AND CONDUCT PRINCIPLES

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

These policies are:

- ▶ Institute Code of Practice
- ▶ Anti-discrimination Policy
- ▶ employment procedures
- ▶ Prevention of Bullying, Harassment and Sexual Harassment Policy and associated procedures
- ▶ Policy and Procedures for Employee Grievances
- ▶ Selection Policy
- ▶ Whistleblowers Policy and Procedures.

INDUSTRIAL RELATIONS

Excellent relationships were maintained with all unions with coverage at NMIT.

There was no industrial action during 2013.

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

Human Resources Department

NMIT

77-91 St Georges Road

Preston VIC 3072

FOI Access Charges

Charges for access to documents were in accordance with the Freedom of Information (Access Charges) Regulations 2004. Charges covered costs incurred in conducting routine searches for documents, supervising document inspections and supplying document copies.

The application fee for FOI requests was \$25.10 until 30 June 2013 and \$25.70 from 1 July 2013 onwards.

FOI Access Claims 2013

There were no requests for access to records pursuant to the Act during 2013.

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

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

Three staff members were trained as OH&S Representatives, five staff received OH&S Representative refresher training, 48 staff undertook first aid training, and 49 staff members were provided with warden training.

Statistics for reported accidents and incidents are tabulated below.

Staff	TOTAL
Total number employed as at the last pay in November 2013	1704
Number of incidents reported	53
Number of compensable claims	6
Time lost (hours)	2374.60

Students	TOTAL
Total number of enrolments effective November 2012	56163
Number of incidents reported	99

The performance of NMIT's OH&S program in 2013 was measured against the Institute's WorkCover premium performance. The Institute's WorkCover premium for 2012-2013 was \$885,716.32 inclusive of GST and for 2013-14 was \$442,139.09 inclusive of GST. This constitutes a Premium rate of 0.4721 per cent as against the industry rate of 0.9500 per cent.

COMPLIANCE WITH THE *PROTECTED DISCLOSURE ACT 2012*

The Independent Broad-based Anti-corruption Commission (IBAC) has not advised NMIT of any disclosures made against NMIT or any of its staff in 2013.

COMPLIANCE WITH THE *BUILDING ACT 1993*

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

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

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

During 2013, 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	2
Certificate of final inspection/occupancy issued	2

COMPLIANCE WITH THE VICTORIAN INDUSTRY PARTICIPATION POLICY ACT 2003

There were no major capital construction commencements relating to the construction values referred to in the VIPP initiative in 2013.

COMPLIANCE WITH NATIONAL COMPETITION POLICY

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

Costings are checked to ensure compliance with:

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

INTERNATIONAL EDUCATION

GROWTH AND ACHIEVEMENTS

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

- ▶ offshore enrolments have declined as expected to 20,000, and we expect continued reduction mostly due to the passing of the peak in the China market and changes to Chinese government policy, which have forced NMIT to give up some of its successful Chinese university partnerships
- ▶ for the inbound market, ongoing growth in numbers of enrolments were achieved in Higher Education programs, with an increase to 381 international student enrolments in 2013. However, VET enrolments are still declining, largely due to changes in visa processes coupled with a reduction in available programs on offer.

INTERNATIONAL STUDENTS STUDYING IN AUSTRALIA

During 2013, NMIT successfully recruited international students from 69 nationalities, with significant numbers of inbound students coming from India, Vietnam, Colombia and the United Kingdom.

The spread of countries where students are successfully recruited assists in mitigating the risk associated with being over-reliant on a small number of countries from which to source international students.

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

See Figure 1 Risk Issues and Strategies: Onshore International Student Programs on page 53.

INTERNATIONAL STUDENTS STUDYING OUTSIDE AUSTRALIA

NMIT delivered programs outside Australia with 25 partner institutions. The majority of these students were studying through partner institutions in China and preceded their main study with English language training provided through NMIT or other providers approved by NMIT.

Programs in Korea and Hong Kong serve several hundred students, and niche programs are offered in Singapore and Malaysia. NMIT continues to develop new agreements with partners seeking to have Australian programs approved by their national authorities, with a view to future recruitment.

There are good signs of growth in the delivery of certificate courses with vocational high schools in China, and this is the main driver of growth in our China programs.

The Institute continued to pursue cooperative partnerships with institutions in the South-East Asian region, with a special focus on Malaysia after NMIT's success in delivering a 'Train the Trainer' program to Australian standards in late 2013. The International Office has maintained and logged all agreements with foreign institutions to ensure that all ASQA VET Quality Framework and ISO 9001 requirements have been covered.

NMIT has delivered further staff development programs to selected academic staff at partner institutions

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

See Figure 2 Risk Issues and Strategies: Transnational (Offshore) International Student Programs on page 54.

FIGURE 1 - RISK ISSUES AND STRATEGIES: ONSHORE INTERNATIONAL STUDENT PROGRAMS

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

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

Risk Issue	Strategies
Changes to government policy abroad impact on the ability of overseas partners to recruit into joint programs.	NMIT is developing new models with vocational colleges and schools in China to take advantage of new opportunities in line with Chinese domestic policy changes.
Finance:	
Decreasing margins from offshore programs due to exchange rate differentials along with increasing costs associated with service provision.	NMIT reviews agreements and fees prior to each intake to ensure the financial viability of programs, while exploring new models designed to reduce the direct input of teaching and the high associated costs.
Program and project budgets that are not carefully monitored, evaluated and costed jeopardise the financial viability of international activities.	NMIT continues to assign a high priority to project management, especially in relation to budgets.
Risk Issue	Strategies
Strategic Engagement:	
Entering new agreements in unexplored markets without proper due diligence.	NMIT refers to best practice manuals and other sources of available support and guidance to ensure all projects are carefully and thoroughly evaluated.
Over-reliance on a narrow base of program models and countries for international activities.	Participation in trade missions and information available through government agencies are means by which new opportunities can be identified.
Staffing:	
International security issues can severely impact on the ability to send teaching staff offshore and marketing staff to key source countries for inbound students.	NMIT is widening the range of nations in which our programs are offered to spread the risk. The Institute maintains good working relationships with existing partners to ensure that short term disruptions to travel arrangements can be handled by re-scheduling the teaching provided by NMIT and partner institutions. NMIT also reviews DFAT travel warnings, and gains first-hand information from our network of education agents in countries where our staff intend to travel.
High growth levels in transnational operations can be limited by the availability of suitably qualified staff.	Diversification of program offerings across new courses and qualification levels help spread the burden on departments in relation to staffing offshore activities. The Institute also favours new agreements where NMIT does not provide teaching resources, focusing our involvement on content and quality assurance. NMIT uses highly experienced locally based organisations, where the Institute has a high level of control to source suitably qualified and experienced staff already in the host country. This strategy is subject to strict compliance with NMIT staffing standards.
Quality Assurance:	
Failure to implement or complacency in the application of established and tested QA procedures can result in a loss of reputation and damage to the NMIT brand.	NMIT maintains ISO 9001 accreditation of all operations. Requirements of the ASQA VET Quality Framework are integrated into our ISO framework and compliance monitored through regular audits. NMIT has implemented improved procedures and documentation systems, including a plain language operations manual.
Increased scrutiny, compliance costs and pressures from the regulators where nationally recognised qualifications are delivered offshore, combined with a lack of consideration of offshore programs in review of Training Packages.	NMIT is engaged in networks and actively contributes to the discussion on appropriate requirements for quality assurance of transnational delivery to ensure that inappropriate propositions are actively debated.

INTERNATIONAL CONSULTANCY

The International Office provides a consultancy and advisory service to senior management and NMIT faculties on all international activities. This includes hosting delegations, briefing senior staff involved in approved visits and identifying opportunities for further development. Over the last year, NMIT has developed clear policies and a graduated scale of prices for hosting delegations. This has resulted in an increase in visits by delegations and full cost recovery.

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

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

PERFORMANCE MEASURES, TARGETS AND OUTCOMES

FINANCE

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

QUALITY

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

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

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

REPUTATION

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

AUDIT REPORT ON STATEMENT OF PERFORMANCE

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Northern Melbourne Institute of TAFE

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2013 of Northern Melbourne Institute of TAFE comprises the statement, the related notes and the Declaration by President of the Board, Chief Executive Officer and Chief Finance Officer has been audited.

The Board Members' Responsibility for the Statement of Performance

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of performance. The audit procedures selected depend on 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 the internal control relevant to the entity's preparation and fair presentation of the statement of performance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the statement of performance.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

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

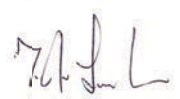
Opinion

In my opinion, the statement of performance of the Northern Melbourne Institute of TAFE in respect of the 31 December 2013 financial year presents fairly, in all material respects, and in accordance with the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the statement of performance of the Northern Melbourne Institute of TAFE for the year ended 31 December 2013 included both in the Northern Melbourne Institute of TAFE's annual report and on the website. The Board Members of the Northern Melbourne Institute of TAFE are responsible for the integrity of the Northern Melbourne Institute of TAFE's website. I have not been engaged to report on the integrity of the Northern Melbourne Institute of TAFE's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the statement of performance are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited statement of performance to confirm the information contained in the website version of the statement of performance.

MELBOURNE
15 May 2014


John Doyle
Auditor-General

Auditing in the Public Interest

STATEMENT OF PERFORMANCE MANAGEMENT

NORTHERN MELBOURNE INSTITUTE OF TAFE PERFORMANCE STATEMENT FOR 2013

In our opinion, the accompanying Statement of Performance of Northern Melbourne Institute of TAFE in respect of the 2013 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.



John Gibbins
Board Chair
Northern Melbourne Institute of TAFE
DATE: 28/04/2014
PLACE: Preston, Victoria



Ron Gauci
Interim Chief Executive Officer
Northern Melbourne Institute of TAFE
DATE: 28/04/2014
PLACE: Preston, Victoria



Pandora Reddy
Chief Finance Officer
Northern Melbourne Institute of TAFE
DATE: 28/04/2014
PLACE: Preston, Victoria

STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2013

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

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

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

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

The requirements of FRD 27(A) are:

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

The statement of performance must include:

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

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

KEY PERFORMANCE INDICATORS AND 2013 PERFORMANCE

KPI	Definition	Actual Performance	Target Performance
1. Module load completion rate (MLCR)	Scheduled hours assessed and passed or satisfactorily completed/total scheduled hours reported less hours recorded with credit transfer and continuing studies outcomes	80.82%	No target advised
2. Student satisfaction	Proportion of graduates satisfied with the overall quality of training in 2011	89.80%	No target advised
3. Participation of 15 - 24 year-olds	Number of student course enrolments within the age group	39,623	No target advised
4. Participation of 25 - 64 year-olds	Number of student course enrolments within the age group	24,144	No target advised
5. Total cost per student contact hour (SCH)	Total funded expenditure (excluding depreciation) / Total SCH	\$13.63	Targets set for recurrently funded programs only
6. Working capital ratio	Current assets/current liabilities (adjusted for long term current long service leave)	1.85 : 1	No target advised
7. Net operating margin	Funded operating surplus (excluding depreciation) / total revenue (excluding capital)	-25.88%	No target advised

KPI	Definition	Actual Performance	Target Performance
8. Fee for service revenue	Fee for service revenue / total revenue (%)	42.69%	No target advised
9. Revenue per EFT staff	Total revenue (excluding capital)/average EFT staff	\$99,650	No target advised
10. Student contact hours	Total number of student contact hours delivered against contracted delivery	10,116,698	No target advised
11. Energy consumption	Percentage reduction in energy consumption for electricity, gas LPG, green power and heating oil		
	Electricity	10,847,783 (kwhs)	1999 data (for target setting) not available
	Natural gas	31,425,330 (megajoules)	
	LPG	33,937 (litres)	
	Electricity purchased from green power	0 (kwhs). 0.00% of total.	No target advised

STATEMENT OF PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER, 2013

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

1. MODULE LOAD

COMPLETION RATE (MLCR):

- ▶ the actual MLCR was 80.82 per cent
- ▶ no target was set.

Comment

MLCR is considerably lower for some types of programs, especially Further Education programs. The latest information available (2011 statistics) issued by Higher Education and Skills Group indicated that the MLCR across the Victorian VET system was 63 per cent in Adult, Community and Further Education compared to 78 per cent for all other programs. The percentage of an institute's total program profile delivered in Further Education programs can therefore have a very significant impact on its MLCR, which would be largely unrelated to performance. Other factors that contribute to variations in MLCR include:

- ▶ different methods of recording enrolments and module completion for students enrolled in modules being delivered across two calendar years give a different MLCR for the same group of students and modules
- ▶ different methods of recording internal student transfers from one program to another also give a different MLCR for the same group of students and modules
- ▶ differing pass standards and pass rates

between TAFE institutes will have an impact on respective MLCRs.

2. STUDENT SATISFACTION:

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

3. PARTICIPATION OF 15-24 YEAR-OLDS:

- ▶ the actual number of students enrolled in this cohort in government funded places was 39,623
- ▶ no target was set by Higher Education and Skills Group in the 2013 Performance Agreement.

4. PARTICIPATION OF 25-64 YEAR-OLDS:

- ▶ the actual number of students enrolled in this cohort in government funded places was 24,144
- ▶ no target for student numbers was set by Higher Education and Skills Group in the 2013 Performance Agreement.

5. TOTAL COST PER STUDENT CONTACT HOUR (SCH):

- ▶ NMIT's total cost per student contact hour was \$13.63
- ▶ no target was set by Higher Education and Skills Group in the 2013 Performance Agreement.

Comment

Total cost per student contact hour can be a misleading measure of an institute's performance unless other considerations such as the following are factored into the assessment processes:

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

6. WORKING CAPITAL RATIO:

- ▶ the actual was 1.85:1 after adjusting for long term current long service leave and annual leave
- ▶ no target was set.

7. NET OPERATING MARGIN:

- ▶ the actual percentage was -25.88 percent (funded operating surplus excluding depreciation and total revenue excluding capital)
- ▶ no target was set.

8. FEE FOR SERVICE REVENUE:

- ▶ the actual performance was 42.69 percent
- ▶ no target was set.

9. REVENUE PER EFT STAFF:

- ▶ the actual revenue per EFT staff member for NMIT in 2013 was \$99,650
- ▶ no target was set.

10. STUDENT CONTACT HOURS:

- ▶ actual student contact hours delivered including fee for service against contracted delivery were 10,116,698
- ▶ no target was set.

11. ENERGY CONSUMPTION:

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

- ▶ the benchmark year for this indicator has been determined to be 1999
- ▶ NMIT commenced its major efforts in energy management in 1990 and those efforts were recognised by winning the following awards:
 - Best Educational Institution Award in 1998
 - Energy Achiever of the Year in 2000
 - Service Provider of the Year in 2001
- ▶ NMIT is a multi-campus institute and energy reductions are far more difficult to achieve than for mono-campus institutes
- ▶ NMIT has ageing building stock with inefficient energy systems, in particular heating and cooling
- ▶ developments since the benchmark year of 1999 make fair comparisons with the current year impossible. These include:
 - the replacement of Johnston St Collingwood and Parkville campuses with the larger Fairfield campus
 - the addition of the Ararat campus
 - the addition of the Primary Industries and Production Training Centre, and Roof Tiling and Painting and Plastering facilities at Epping campus
 - the addition of high energy use programs such as Hairdressing, Viticulture and Meat Processing, and the extension of existing facilities in areas such as Hospitality
 - the building of the Technical Education Centre at Heidelberg campus
 - the redevelopment and commencement of operation of the Yarra House student accommodation facility at Fairfield campus
 - the addition of the Green Skills Centre of Excellence facility at Epping campus
 - the redevelopment of Building Q and S at Fairfield campus
 - the redevelopment and commencement of operation of Stage 1 facility upgrades at Epping campus
 - the addition of Building F at Preston campus.

INFORMATION ABOUT NMIT

The NMIT website is a comprehensive source of information about courses, faculties, campuses, services and history. The website provides public access to the Institute's annual reports at: www.nmit.edu.au/explore

SUMMARY OF FINANCIAL RESULTS

Year	Operating Surplus (Deficit) \$000	Accumulated Surplus (Deficit) \$000
2013	(31,690)	66,941
2012	5,107	98,631
2011	13,540	93,524
2010	14,397	79,984
2009	22,561	65,587

SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL POSITION

There were significant changes in financial position for the year ended 31 December 2013, which have been outlined in Note 1.02 for the financial statements.

EVENTS SUBSEQUENT TO BALANCE DATE

Events subsequent to balance date that will have a significant effect on the operations of NMIT in future years have been outlined in Note 1.02 of the financial statements.

CONSULTANCIES

CONSULTANCIES OVER \$10,000 (EXCLUDING GST)

Consultancy	Project	Cost	Approved expenditure
Leonardo Consulting	Project and change management	388,750	388,750
Systemwide Technologies P/L	Project and change management	239,531	239,531
	Polytechnic University development	469	469
	Total:	240,000	240,000
ALM Design & Consulting	Project and change management	212,800	212,800
Travancore Consulting	Prahran campus development	75,150	75,150
	Northern Business Enterprise project	1,800	1,800
	JEJU campus project	25,800	25,800
	Project and change management	60,750	60,750
	Polytechnic University development	2,400	2,400
Total:	165,900	165,900	
Strategic Project Partners (SPP)	Prahran campus development	149,862	149,862
The Fig Team	Project and change management	140,516	140,516
	Polytechnic University development	159	159
Total:	140,675	140,675	
A.G. Coombs P/L	Greener environment buildings	108,204	108,204
Campus Living Villages	Fairfield campus - student accommodation	108,046	108,046
POL Property Group P/L	Project and change management	70,125	70,125
	Polytechnic University development	21,688	21,688
	Northern Business Enterprise project	188	188
Total:	92,000	92,000	
Nous Group	Feasibility research - degree	10,060	10,060
	Higher Education data project	66,352	66,352
Total:	76,412	76,412	
R H Consultancies	Other consultancy matters	70,450	70,450
Verenna P/L	Other consultancy matters	40,000	40,000
The Klevar Group	VET- e-Learning project	38,800	38,800
Wilde and Woollard	Preston campus development - stage 1	35,700	35,700
Pavan Consultants	Asset rationalisation study	35,548	35,548
Business Logix	Project and change management	4,400	4,400
	Electronic Payments project	19,250	19,250
Total:	23,650	23,650	
WorkMatters	Professional services	20,026	20,026
Valuer General Victoria	Prahran campus development	17,500	17,500
Australian Corrosion Consultants P/L	Epping campus development - stage 1	13,881	13,881
Paddock Solutions	Land Management	10,630	10,630
Total project fees approved:	1,988,834	1,988,834	

NMIT has future commitments relating to these consultants of:

Consultancy	Cost \$000
A.G. Coombs	51,814
Systemwide Technologies	20,625
POL Property Group	16,500
Wilde and Woollard	13,465
Pavan Consultants	13,191
R H Consultancies	1,100
for a total of	116,695

CONSULTANCIES UNDER \$10,000 (EXCLUDING GST)

NMIT engaged 22 consultants for a total cost of \$96,249 during 2013.

ADDITIONAL INFORMATION

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

- ▶ statements regarding declarations of pecuniary interests
- ▶ details of shares held by senior officers as nominees or held beneficially in a statutory authority or subsidiary
- ▶ details of publications produced by NMIT and places where these publications may be obtained
- ▶ details of changes in prices, fees, charges, rates and levies charged
- ▶ details of major external reviews
- ▶ details of major research and development activities
- ▶ details of overseas visits undertaken, including a summary of objectives and outcomes
- ▶ details of major promotional, public relations and marketing activities undertaken to develop community awareness of NMIT and its services
- ▶ details of assessments and measures undertaken to improve the occupational health and safety of employees
- ▶ statement on industrial relations within NMIT and details of time lost through industrial accidents and disputes
- ▶ list of major committees sponsored by NMIT, the purpose of each committee and the extent to which those purposes have been achieved
- ▶ details of all consultancies and contractors.

COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS

NMIT complies with all relevant legislation and subordinate instruments, including but not limited to, the following:

- ▶ *Education and Training Reform Act 2006* (ETRA)
- ▶ TAFE institute constitution
- ▶ Directions of the Minister for Higher Education and Skills (or predecessors)
- ▶ TAFE institute commercial guidelines
- ▶ TAFE institute strategic planning guidelines
- ▶ *Public Administration Act 2004*
- ▶ *Freedom of Information Act 1982*
- ▶ *Building Act 1983*
- ▶ *Protected Disclosure Act 2012*
- ▶ *Victorian Industry Participation Policy Act 2003*.

2013 VET FEES AND CHARGES PRESCRIBED BY MINISTERIAL DIRECTION

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

In 2013 the fees and charges included:

- ▶ a compulsory tuition fee per student contact hour for government subsidised programs. Due to changes in Victorian Government policy in relation to student tuition fees, fees vary according to individual programs.
- ▶ Minimum/concession fees have been set at 20 per cent of the hourly tuition fee rate in accordance with the Victorian Training Guarantee 2013 Guidelines about Fees.
- ▶ a compulsory student services and amenities fee of \$0.25 per student contact hour.
- ▶ There was no increase in this fee from 2012.
Minimum \$45 (full-fee and concession)
Full-fee maximum \$135
Maximum concession \$101.25
- ▶ class materials and ancillaries fees will be charged on all classes.

CONCESSIONS

Concession fees apply to eligible students who hold a Commonwealth Health Care Card, Pensioner Card or Veteran's Gold Card or their dependent spouse or child, and enrol in a Certificate I-IV level course. In addition, students who self-identify as Aboriginal and/or Torres Strait Islander are entitled to concession fees for all course enrolments, including Diploma and Advanced Diploma level courses.

Exemptions

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

- ▶ individuals from the Judy Lazarus Transition Centre
- ▶ individuals required to undertake a course pursuant to a community based order under the *Children, Youth and Families Act 2005*
- ▶ individuals with a Young People Transitioning from Care referral form
- ▶ individuals enrolling in the following courses:
 - ▶ Diploma of Children's Services
 - ▶ Diploma of Children's Services (Early Childhood Education and Care)
 - ▶ Advanced Diploma of Children's Services.

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

Academic Registrar

NMIT
77-91 St Georges Road
Preston VIC 3072

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	2013	2012
		\$000	\$000
Delivery provision and support activity	A2	93,346	101,551
Administration. and general services activity	A3	36,639	31,042
Property plant and equipment. services activity	A4	11,273	11,472
Student and other services activity	A5	3,411	3,928
Total Operating Expenses		144,669	147,993

NOTE A2 - OPERATING STATEMENT

DELIVERY PROVISION AND SUPPORT ACTIVITY

	2013	2012
	\$000	\$000
Salaries, wages, overtime and allowances	65,332	67,333
Superannuation	5,506	5,448
Payroll tax	3,302	3,329
Other salary related costs	746	879
Consumables	4,067	4,783
Travel and motor vehicle expenses	536	507
Depreciation	4,982	5,108
Other direct delivery expenses	8,876	14,164
	93,346	101,551

NOTE A3 - OPERATING STATEMENT

ADMINISTRATION AND GENERAL SERVICES ACTIVITY

	2013	2012
	\$000	\$000
Salaries, wages, overtime and allowances	19,671	16,320
Superannuation	1,661	1,336
Payroll tax	996	817
Other salary related costs	225	216
Consumables	469	259
Communication expenses	864	839
Fees	4,473	2,507
Travel and motor vehicle expenses	853	1,055
Depreciation	1,503	1,253
Other expenses	5,924	6,440
	36,639	31,042

NOTE A4 - OPERATING STATEMENT

PROPERTY, PLANT AND EQUIPMENT SERVICES ACTIVITY

		2013	2012
		\$000	\$000
Salaries, wages, overtime and allowances		85	79
Superannuation		7	6
Payroll tax		4	4
Other salary related costs		1	1
Consumables		1	1
Depreciation		7	6
Equipment		2,006	2,085
Energy costs		2,132	2,111
Contract services		3,742	3,546
Rent/leasing charges		1,101	1,027
Repairs and maintenance		1,824	2,589
Other expenses		363	17
		11,273	11,472

NOTE A5 - OPERATING STATEMENT

STUDENT AND OTHER SERVICES ACTIVITY

		2013	2012
		\$000	\$000
Salaries, wages, overtime and allowances		107	370
Superannuation		9	30
Payroll tax		5	19
Other salary related costs		1	5
Consumables		6	27
Depreciation		8	28
Other expenses		3,273	3,449
		3,411	3,928

FINANCIAL STATEMENTS

COMPULSORY NON-ACADEMIC FEES AND CHARGES STATEMENT AS AT 31 DECEMBER 2013

	2013	2012
	\$	\$
Income		
Compulsory non-academic fees	971,259	1,014,853
Total income	971,259	1,014,853
Expenditure		
Salaries		
Salaries	720,928	747,014
Salary oncosts	131,445	147,301
Total salary expenditure	852,373	894,315
Non salaries		
Consumables	18,112	12,981
Subscriptions	1,176	1,160
Telephone	2,746	2,855
Equipment purchases	10,037	10,465
ICT equipment	786	7,018
Furniture and fittings	1,572	44,456
Equipment lease	779	557
Travel	4,843	4,141
CityLink payments	77	36
Diaries and advertising	0	35,235
Staff development	4,497	789
Signage	5,187	1,169
Advertising - recruitment	301	1,558
Advertising - courses and other	4,640	2,312
Orientation/recreational activities	81,002	85,349
Building repairs and maintenance	254	49,709
Minor works	1,530	24,785
Uniforms	2,216	4,241
Hospitality	758	206
Security services	0	1,442
Total non salary expenditure	140,513	290,464
Total expenditure	992,886	1,184,779
Operating result for the year	(21,627)	(169,926)
Accumulated surplus 1 January	204,949	374,875
Balance b/fwd transfers	0	0
Accumulated surplus/(deficit)	183,322	204,949

NMIT imposes compulsory non-academic fees known as the Student Services and Amenities Fee for the purposes of providing a range of free support services to students; on campus recreational activities through NMIT's Student Life and Media (SLAM) unit and the maintenance of campus facilities for direct student use.

The 2013 Student Services and Amenities Fee was calculated on the basis of 25 cents per enrolled student contact hour in government funded accredited courses, with a maximum fee of \$135 and a minimum fee of \$45. Certain concessions and exemptions applied. For 2013, the Concession fee was calculated at 25 cents per enrolled student contact hour, with a maximum fee of \$101.25 and a minimum fee for \$45. Courses delivered in the workplace or at community locations were charged a flat fee of \$20 per enrolment. All enrolments excluding RPL/RCC and Higher Education enrolments also attract a Materials and Ancillaries fee. The collection and expenditure of the fees is subject to the provisions of the Education and Training Reform Act 2006.

The total income of compulsory non-academic fees collected by the Institute in 2013 was \$971,259. The Institute used the income generated from compulsory non-academic fees for salaries and non-salary expenditures including, but not limited to: campus betterment activities, counselling and disability support services, on campus student events by Student Life and Media staff, orientation and induction activities, the provision of fitness centres on campus and access to online information and student communications including accommodation listings, a student jobs board, student magazine and maintenance of the Student Portal.

The total expenditure of compulsory non-academic fees and charges in 2013 was \$992,886. A complete list of expenditures can be found in the table on page 66.

No fees, subscriptions and charges were made directly available to student organisations in 2013. However Student Life and Media (SLAM) staff which included an Engagement officer, SLAM coordinator and Student Communications officer were employed by the institute. SLAM staff provided a range of engagement activities, on campus events, recreational supports and orientation activities which directly benefitted students across all NMIT campuses. SLAM also facilitated student initiated activity on campus by supporting student groups with a range of activities including barbecues, fundraisers and cultural events.

AUDIT REPORT ON FINANCIAL STATEMENTS

VAGO

Victorian Auditor-General's Office

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Melbourne VIC 3000
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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Northern Melbourne Institute of TAFE

The Financial Report

The accompanying financial report for the year ended 31 December 2013 of the Northern Melbourne Institute of TAFE which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Declaration by President of the Board, Chief Executive Officer and Chief Finance Officer has been audited.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Northern Melbourne Institute of TAFE as at 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modification to the opinion expressed above, attention is drawn to the following matter. For the financial year ended 31 December 2013, Northern Melbourne Institute of TAFE recognised a net loss from continuing operations of \$31.7 million and a negative net cash outflow from operating activities of \$23.2 million. As indicated in Note 1.02 in the financial report, Northern Melbourne Institute of TAFE has implemented and intends to implement a number of initiatives to monitor and stabilise its cash flows from operations. In addition, the Department of Education and Early Childhood Development has provided a \$16 million loan to support Northern Melbourne Institute of TAFE's short term solvency.

These conditions, along with other matters as set forth in Note 1.02, indicate the existence of a material uncertainty that may cast significant doubt about Northern Melbourne Institute of TAFE's ability to continue as a going concern and therefore, whether it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Northern Melbourne Institute of TAFE for the year ended 31 December 2013 included both in the Northern Melbourne Institute of TAFE's annual report and on the website. The Board members of the Northern Melbourne Institute of TAFE are responsible for the integrity of the Northern Melbourne Institute of TAFE's website. I have not been engaged to report on the integrity of the Northern Melbourne Institute of TAFE's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
15 May 2014



John Doyle
Auditor-General

INSTITUTE DECLARATION

FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER 2013

Declaration By

**BOARD CHAIR
CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCE OFFICER**

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

We further state that, in our opinion, the information set out in the comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2013 and financial position of the Institute as at 31 December 2013.

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 Board Chair, 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.



John Gibbins
Board Chair
Northern Melbourne Institute of TAFE
DATE: 28/04/2014
PLACE: Preston, Victoria



Ron Gauci
Interim Chief Executive Officer
Northern Melbourne Institute of TAFE
DATE: 28/04/2014
PLACE: Preston, Victoria



Pandora Reddy
Chief Finance Officer
Northern Melbourne Institute of TAFE
DATE: 28/04/2014
PLACE: Preston, Victoria

COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

		INSTITUTE	
		2013	2012
		\$'000	\$'000
	Note		
Continuing operations			
Income from transactions			
Government contributions - operating	2(a)(i)	41,579	70,231
Government contributions - capital	2(a)(ii)	3,214	15,013
Sale of goods and services	2(b)	64,579	60,177
Interest	2(c)	1,212	2,188
Other income	2(d)	2,395	5,491
Total income from transactions		112,979	153,100
Expenses from transactions			
Employee expenses	3(a)	97,659	96,193
Depreciation and amortisation	3(b)	6,499	6,394
Grants and other transfers	3(c)	44	37
Supplies and services	3(d)	18,530	17,695
Other operating expenses	3(e)	21,479	27,165
Total expenses from transactions		144,211	147,484
Net result from transactions (net operating balance)		(31,232)	5,616
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4(a)	(412)	(488)
Other gains/(losses) from other economic flows	4(b)	(46)	(21)
Total other economic flows included in net result		(458)	(509)
Net result from continuing operations		(31,690)	5,107
Other economic flows - other comprehensive income			
Items that will not be re-classified to net result			
Changes in physical asset revaluation surplus	14	(13,866)	37,519
Total other economic flows - other comprehensive income		(13,866)	37,519
Comprehensive result		(45,556)	42,626

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

BALANCE SHEET

AS AT 31 DECEMBER 2013

		INSTITUTE	
		2013	2012
		\$'000	\$'000
	Note		
Assets			
Financial assets			
Cash and deposits	5	17,560	47,596
Receivables	6	5,974	9,968
Total financial assets		23,534	57,564
Non-financial assets			
Inventories	7	1,088	995
Non-financial assets classified as held-for-sale	8,9	10,600	-
Property, plant and equipment	9	265,225	289,183
Biological assets	10	2,987	3,366
Other non-financial assets	11	1,329	1,109
Total non-financial assets		281,229	294,653
Total assets		304,763	352,217
Liabilities			
Payables	12	9,728	11,455
Provisions	13	17,188	17,304
Total liabilities		26,916	28,759
Net assets		277,847	323,458
Equity			
Accumulated surplus/(deficit)	14(b)	66,941	98,686
Physical asset revaluation surplus	14(c)	179,225	193,091
Contributed capital	14(a)	31,681	31,681
Net worth		277,847	323,458
Commitments for expenditure	16	4,633	16,383
Contingent assets and contingent liabilities	18	13	975

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	CHANGES DUE TO:			Equity at 31 Dec 2013
		Equity at 1 Jan 2013	Total Compre- hensive result	Transactions with owners in their capacity as owners	
		\$'000	\$'000	\$'000	\$'000
Accumulated surplus/(deficit)	14(b)	98,686	(31,690)	-	66,996
Adjustment due to change in accounting policy	14(b)	(55)	-	-	(55)
Accumulated surplus/(deficit) at the end of the year		98,631	(31,690)	-	66,941
Contribution by owners		-	-	-	-
Contributed capital	14(a)	31,681	-	-	31,681
Withdrawal of equity		-	-	-	-
Contribution by owners at the end of the year		31,681	-	-	31,681
Assets revaluation reserve - land and buildings	14(c)	193,091	(13,866)	-	179,225
Financial assets available-for-sale reserve	14(c)	-	-	-	-
Adjustments due to change in accounting policy	14(c)	-	-	-	-
		193,091	(13,866)	-	179,225
Total equity at the end of the year		323,403	(45,556)	-	277,847

	Note	CHANGES DUE TO:			Equity at 31 Dec 2012
		Equity at 1 Jan 2012	Total Compre- hensive result	Transactions with owners in their capacity as owners	
		\$'000	\$'000	\$'000	\$'000
Accumulated surplus/(deficit)	14(b)	93,524	5,107	-	98,631
Adjustment due to change in accounting policy	14(b)	-	55	-	55
Accumulated surplus/(deficit) at the end of the year		93,524	5,162	-	98,686
Contribution by owners		-	-	-	-
Contributed capital	14(a)	31,681	-	-	31,681
Withdrawal of equity		-	-	-	-
Contribution by owners at the end of the year		31,681	-	-	31,681
Assets revaluation reserve - land and buildings	14(c)	155,572	37,519	-	193,091
		155,572	37,519	-	193,091
Total equity at the end of the year		280,777	42,681	-	323,458

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	INSTITUTE	
		2013	2012
		\$'000	\$'000
Cash flows from operating activities			
Receipts			
Government contributions - operating (including Govt FFS)	2(a)(i)	60,031	91,782
Government contributions - capital	2(a)(ii)	3,214	15,013
User fees and charges received (Inclusive of GST)		57,064	51,717
Interest received		1,426	2,241
Other receipts		233	165
Total receipts		121,968	160,918
Payments			
Payments to suppliers (inclusive of GST) and employees		(142,523)	(146,137)
Goods and services tax paid to the ATO		(2,412)	(1,336)
Other payments		(297)	(438)
Total payments		(145,232)	(147,911)
Net cash flows from/(used in) operating activities	15(a)	(23,264)	13,007
Cash flows from investing activities			
Purchases for non-financial assets	9	(6,876)	(13,237)
Proceeds from sale of non-financial assets		146	288
Payments for biological assets	10	(42)	(30)
Net cash provided by/(used in) investing activities		(6,772)	(12,979)
Net increase (decrease) in cash and cash equivalents		(30,036)	28
Cash and cash equivalents at the beginning of the financial year		47,596	47,568
Cash and cash equivalents at the end of the financial year	5	17,560	47,596

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

1.01 STATEMENT OF COMPLIANCE

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

For the purposes of preparing financial statements, the Institute is classed as a not for profit entity. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

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

1.02 BASIS OF ACCOUNTING PREPARATION AND MEASUREMENT

Going concern

During the 2013 financial year, NMIT's cash balances declined from \$47.7 million to \$17.7 million. The \$30.0 million reduction is primarily attributable to:

- ▶ \$3.6 million net cash outflow as a result of investments in capital terms. Total expenditure of \$6.8 million was offset by \$3.2 million in government contributions. The majority of these cash flows related to the completion of a new building at the Preston campus in early 2013
- ▶ \$27.8 million use of funds in educational activities, and
- ▶ \$1.4 million offset in Interest Income.

The Institute's \$27.8 million use of funds for educational activities in 2013 was \$23.7 million higher when compared to \$4.2 million new outflow in 2012. The primary factors for the \$23.7 million year-on-year reduction in cash flows were due to:

- ▶ \$31.8 million decrease in government contributions, as NMIT experienced a significant decline in demand for its VET courses. The Institute was unable to compete against low cost providers that utilised a high proportion of Recognition of Prior Learning (RPL). Both lower student demand and reduced government funding rates contributed to the \$31.8 million decrease in government contributions
- ▶ \$5.4 million increase in cash inflows through additional external fee-for-service contracts and higher student fees, and
- ▶ \$2.7 million decrease in cash outflows to employees and suppliers. As NMIT had committed to a fixed program delivery, there was limited scope to reduce its cost base across its wide geographic footprint.

In November 2013, NMIT commenced the implementation of various operational initiatives to improve the cash flows of the Institute for 2014, which include:

- ▶ a reduction in staffing levels from mid-December 2013 that is expected to lower employee expenses by approximately \$2 million
- ▶ the finalisation of an agreement with La Trobe University to gain access to Commonwealth Supported Places for one degree course that will commence in Semester 1, 2014. This will generate approximately \$1 million of incremental operating revenues from March 2014
- ▶ all student fees for 2014 have been increased dependent on market forces. It is expected that this initiative will contribute \$2 million of incremental revenue for the year
- ▶ the Institute has identified savings in its non-labour overhead expenditure of approximately \$3 million

- ▶ ceasing operations at its Greensborough campus as the ongoing fixed operational costs were not sustainable due to low enrolments, particularly from the local area, and
- ▶ a detailed plan of the Institute's assets has been completed and a listing of excess stock, inventory and other non-core assets have been determined. The Institute has commenced the due process of realising the value of these assets. However, the timeframe will be dependent upon regulatory requirements.

In 2013, the Institute agreed to an access arrangement with Swinburne University to enable the commencement of operations at the Prahran campus from Semester 1, 2014. Given NMIT was unable to commence promotion of the campus until very late 2013, student numbers are currently below forecast and it is expected that the Prahran campus will record a loss in 2014. Therefore, costs are being closely monitored and controlled dependent upon student enrolments. Given recent increases in student enquiries, the Institute expects to reach a critical mass in 2015 to ensure the campus breaks even.

To ensure the ongoing viability of NMIT, there have been recent changes to the Board and Executive team. The Institute will expand on the actions already commenced in order to maximise revenues, minimise costs and realise under-utilised assets. Areas of focus include:

- ▶ confirming the in-principle agreement with La Trobe University to expand access to its Commonwealth Supported Places for a second degree course in Semester 2, 2014, and
- ▶ ongoing assessment of the Institute's revenues, notably the number of student enrolments within the fully contestable market, students' ability to complete courses and the impact of ongoing fluctuations in government funding.

The Institute has conducted a detailed cash flow analysis to enable robust forecasting and to manage solvency. The cash flow analysis will be closely monitored to assess short-term solvency and take appropriate actions during the months when cash receipts are delayed. The Higher Education and Skills Group (HESG) have agreed to a \$16 million interest-free bridging loan to ensure NMIT remains solvent. The bridging loan can be drawn down as required by the Institute up until 30 June 2015. All funds that will be advanced by HESG will be repaid utilising proceeds from future asset realisations, which is a priority action already in progress.

Overall, NMIT has significant initiatives in place to monitor and stabilise its cash flows from operations. It furthermore believes that the Institute has sufficient initiatives and financial support in place to ensure a recovery. Therefore, it is considered appropriate for the financial report to be prepared on a going concern basis.

Other matters

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

These financial statements are presented in Australian dollars, the functional and presentation currency of the Institute.

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

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

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

Exceptions to the historical cost convention include:

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

-
- ▶ available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2013 and the comparative information presented for the year ended 31 December 2012.

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

1.03 REPORTING ENTITY

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

Its principal address is:
Northern Melbourne Institute of TAFE
77-91 St Georges Road
Preston VIC 3072

1.04 BASIS OF CONSOLIDATION

The financial statements include all the activities of the Institute.

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

1.05 EVENTS AFTER REPORTING DATE

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

1.06 GOODS AND SERVICES TAX (GST)

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

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

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

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

1.07 INCOME FROM TRANSACTIONS

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

Government contributions

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

Sale of goods and services

(i) Student fees and charges

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

(ii) Fee for Service

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

(iii) Revenue from sale of goods

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

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

Interest

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

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

Other income

Rental income

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

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

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

1.08 EXPENSES FROM TRANSACTIONS

Employee benefits

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

Retirement benefit obligations

(i) Defined contribution plan

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

(ii) Defined benefit plans

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

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

Depreciation and amortisation

Depreciation

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

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

Class of asset	Method	Total
Buildings	Straight	2% to 4%
Major components - buildings	Straight	5% to 10%
Plant and equipment	Straight	6.67% to 50%
Motor vehicles	Straight	20% to 33%
Library collections	Straight	20%

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis. There has been no change in the methodology and rates for 2013.

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

Grants and other transfers

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

Other operating expenses

Supplies and services

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

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

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

1.09 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

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

Net gain/(loss) on non-financial assets

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

An independent valuation of blood stock horses was carried out for 2013. The fair value determination was based on this valuation and adjusted for uncertainty discount due to unpredictability of the market. As a result, there was an impairment loss of \$351,000 (2012 - Nil).

Disposal of non-financial assets

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

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

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

Impairment of assets

Assets are assessed annually for indications of impairment (ie as to whether their carrying value exceeds their recoverable amount and so require write downs), except for:

- ▶ inventories
- ▶ financial assets

- ▶ investment property that is measured at fair value
- ▶ certain biological assets related to agricultural activity
- ▶ non-current assets held-for-sale.

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

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

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

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

Net gain/(loss) on financial instruments

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

Revaluations of financial instruments at fair value

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

Impairment of financial assets

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

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as 'other economic flows'.

Other gains/(losses) from other economic flows

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

1.10 FINANCIAL ASSETS

Cash and deposits

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

For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as borrowings on the balance sheet. At the reporting date there are no bank overdrafts (2012 - nil).

Receivables

Receivables consist of:

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

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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

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

Investments and other financial assets

Investments are classified in the following categories:

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

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

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

Derecognition of financial assets

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

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

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

Impairment of financial assets

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

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

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

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

1.11 LEASES

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

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Operating leases

Institute as lessor

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

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

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

Institute as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement or 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. The leased asset is not recognised in the balance sheet.

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

In the event that lease incentives are received to enter into operating leases, the aggregate cost of incentives are recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.12 NON-FINANCIAL ASSETS

Inventories

Inventories include goods and other property held either for sale or for distribution at a zero or nominal cost in the ordinary course of business operations. It includes land held-for-sale and excludes depreciable assets.

Inventories held-for-distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value.

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

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

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

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

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

This condition is regarded as met only when:

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

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

Property, plant and equipment

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

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

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

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

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

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

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

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

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

Library collections

Library collections are measured at cost less accumulated depreciation.

Leasehold improvements

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

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

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

Revaluations of non-current physical assets

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

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

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

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation reserves are not normally transferred to accumulated funds on de-recognition of the relevant asset.

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

Non-current physical assets constructed by the Institute

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

Biological assets

Bloodstock

Bloodstock used for breeding purposes is measured at fair value and adjusted for uncertainty discount in 2013.

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

Vineyard and winery

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

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

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

1.13 LIABILITIES

Payables

Payables consist of:

- ▶ contractual payables, such as accounts payable, and unearned income including deferred income from concession arrangements. Accounts payable represent liabilities for goods and services provided to the Institute prior to the end of the financial year that are unpaid, and arise when the Institute becomes obliged to make future payments in respect of the purchase of those goods and services, and
- ▶ statutory payables, such as goods and services tax and fringe benefits tax payables.

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

Provisions

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

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

Employee benefits

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

(i) Wages and salaries, and annual leave

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

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

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. The provision for LSL has been revalued using a wage inflation rate of an average discount rate of 3.65 per cent.

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

The components of this current liability are measured at:

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

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

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

(iii) Termination benefits

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

Employee benefits on-costs

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

Performance Payments

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

Onerous contracts

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

1.14 COMMITMENTS

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

1.15 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

1.16 EQUITY

Contributed capital

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

1.17 FOREIGN CURRENCY TRANSLATIONS

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

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

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

1.18 MATERIALITY

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

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

1.19 ROUNDING OF AMOUNTS

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

1.20 COMPARATIVE INFORMATION

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

1.21 CHANGE IN ACCOUNTING POLICY

AASB 13 Fair Value Measurement

The Institute has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Institute has not made any new disclosures required by AASB 13 for the 2012 comparative period. Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements. The application of AASB 13 has resulted in the following changes to measurement assumptions:

The Greensborough campus of Northern Melbourne Institute of TAFE (NMIT) located at Civic Drive, Greensborough was identified as surplus to NMIT's requirements and that it was closed and became non operational from 20 December 2013. The intention is to sell the site in 2015.

A valuation was conducted under the direction of the Valuer General Victoria to establish the fair value of Greensborough campus for financial reporting purposes for the period ending 31 December 2013 in accordance with Australian Accounting Standards Board standard AASB 13, noting that the property is identified for disposal. In accordance with paragraph 9 of AASB 13, fair value is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

It is on this basis that Greensborough campus buildings were devalued by \$14,289,680 to \$1,401,100 as at 31/12/2013 and Greensborough land was revalued by \$423,900 to \$9,198,900 as at 31/12/2013.

AASB 119 Employee benefits

In the current year, the Institute has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. This change has no impact on the Institute because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance recognises and discloses the State’s defined benefit liabilities in its financial statements.

In addition, AASB 119 also changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by the Institute as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

[Comparative amounts for 2012 and the related amounts as at 1 January 2012 have been restated in accordance with the relevant transitional provisions set out in AASB 119. The impact is as follows:]

Impact on Comprehensive Result:

Year ended 31 Dec 2012

Decrease in employee expenses \$55,481.00

Impact on Liabilities and Equity:

	As at 1 Dec 2012 as previously reported	AASB 119 adjustments	As at 1 Jan 2013 (restated)
Retained Earnings	98,631,000	55,000	98,686,000

	As at 31 Dec 2012 as previously reported	AASB 119 adjustments	As at 31 Dec 2012 (restated)
Current Employee Benefit Provision	15,772,000	-55,481	15,716,519
Retained Earnings	98,630,000	55,481	98,685,481

1.22 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2013 reporting period.

As at 31 December 2013 the following standards and interpretations (applicable to the Institute), had been issued but were not mandatory for financial year ending 31 December 2013. The Institute has not, and does not intend to, adopt these standards early.

Standard/ Interpretation	Summary	Application date of standard	Impact on entity financial statements
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2015	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 10 Consolidated Financial Statements	<p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements - Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p> <p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements - Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p>	1 Jan 2014	<p>Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date.</p> <p>Subject to AASB's final deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, the entity will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.</p>

Standard/ Interpretation	Summary	Application date of standard	Impact on entity financial statements
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1 Jan 2014	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. Subject to AASB's final deliberations and any modifications made to AASB 11 for not-for-profit entities, the entity will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures. The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.	1 Jan 2014	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1 Jan 2014	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 127 in a not-for-profit context. As such, the impact will be assessed after the AASB's deliberation.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 Jan 2014	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 128 in a not-for-profit context. As such, the impact will be assessed after the AASB's deliberation.

1.23 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Institutes accounting policies, judgements, estimates and assumption about the carrying amounts of assets and liabilities must be made. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurements and valuation processes

Some of the Institutes assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability the Institute uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Institute engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is summarised below and at notes 9 and 10.

In addition, the following table provides an analysis of assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- ▶ Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- ▶ Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- ▶ Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets / Liabilities measured at fair value	Fair Value (AUD) as at 31/12/2013	Fair Value Hierarchy	Valuation Technique(s) and key assumptions	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	(\$000)				
Cash and Deposits	17,560	Level 1	Quoted bid prices (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date.	NA	NA
Receivables	5,974	Level 2	Contract prices in AUD.	NA	NA
Inventories	1,088	Level 2	Weighted average costs.	NA	NA
Property Plant and Equipment	265,225	Level 2 (Land and buildings) Level 2 (Other Assets)	Land at valuation. Buildings at valuation and cost. Other assets at depreciated replacement cost.	Valuation of land & buildings every 5 years (Valuer General), however indices applied in subsequent years	NA
Biological Assets	2,987	Level 3	Livestock at weighted average costs and ATO guidelines. Vineyard at fair value. Bloodstock at fair value.	NA	NA
Other non financial assets	1,329	Level 2	Contract prices in AUD.	NA	NA
Payables	(9,728)	Level 2	Contract prices in AUD.	NA	NA
Total	284,435				

NOTE 2
INCOME FROM TRANSACTIONS

	INSTITUTE	
	2013	2012
2 Income from transactions	\$'000	\$'000
(a) Grants and other transfers (other than contributions by owners)		
Government financial assistance		
(i) Government contributions - operating		
State government recurrent	41,579	70,231
Total government contributions - operating	41,579	70,231
(ii) Government contributions - capital		
Commonwealth capital	853	1,300
State capital	2,361	13,713
Total government contributions - capital	3,214	15,013
Total government financial assistance	44,793	85,244
(b) Sales of goods and services		
Student fees and charges	13,915	9,981
Rendering of services		
Fee for service - Government	18,452	21,551
Fee for service - International operations - onshore	7,168	8,948
Fee for service - International operations - offshore	5,795	5,976
Fee for service - other	16,813	11,143
Total rendering of services	48,228	47,618
Other non-course fees and charges		
Sale of goods	2,436	2,578
Total other fees and charges	2,436	2,578
Total revenue from sale of goods and services	64,579	60,177
(c) Interest		
Interest from financial assets not at fair value through P/L:		
Interest on bank deposits	1,212	2,188
Total interest from financial assets not at fair value through P/L	1,212	2,188
Net interest income	1,212	2,188
(d) Other income		
Rental revenue:		
Rent	92	84
Total rental revenue	92	84
Accommodation income	1,394	1,307
Donations, bequests and contributions	233	165
Childcare income	72	65
Other revenue	604	3,870
Total other income	2,395	5,491

NOTE 3
EXPENSES FROM TRANSACTIONS

	INSTITUTE	
	2013	2012
3 Expenses from transactions	\$'000	\$'000
(a) Employee expenses		
Salaries, wages, overtime and allowances	83,081	83,311
Superannuation	7,183	6,821
Payroll tax	4,307	4,169
Long service leave	212	483
Annual leave	(91)	308
Termination benefits	1,994	-
Other	973	1,101
Total employee expenses	97,659	96,193
(b) Depreciation and amortisation		
Depreciation of non-current assets		
Buildings	3,915	3,778
Plant and equipment	2,055	2,074
Motor vehicles	341	358
Library collections	164	160
Total depreciation	6,475	6,370
Amortisation of non-current physical and intangible assets		
Leasehold improvements	24	24
Total amortisation	24	24
Total depreciation and amortisation	6,499	6,394
(c) Grants and other transfers (other than contributions by owners)		
Grants and subsidies apprentices and trainees	44	37
Total grants and other transfers	44	37
(d) Supplies and services		
Purchase of supplies and consumables	4,543	5,069
Communication expenses	864	756
Contract and other services	3,742	3,546
Cost of goods sold/distributed (ancillary trading)	3,214	3,332
Building repairs and maintenance	1,824	2,566
Fees and charges	4,343	2,426
Total supplies and services	18,530	17,695
(e) Other expenses		
General expenses		
Marketing and promotional expenses	2,153	1,766
Audit fees and services	130	76
Staff development	933	1,043
Travel and motor vehicle expenses	1,389	1,562
Other expenses	4,618	4,464
Consortium disbursements	6,993	5,914
Student expenses	-	6,844
Utilities	2,132	2,111
Foreign currency translation losses	23	7
Total other expenses	18,371	23,787
Operating lease rental expenses		
Minimum lease payments	1,101	1,017
Total operating lease rental expenses	1,101	1,017
Subtotal	19,472	24,804
Equipment below capitalisation threshold	2,007	2,361

Total other operating expenses	21,479	27,165
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NOTE 4

OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

	INSTITUTE	
	2013	2012
	\$'000	\$'000
4 Other economic flows included in net result		
(a) Net gain/(loss) on non-financial assets (including PPE and intangible assets)		
Impairment of non-financial assets	(351)	-
Net gain/(loss) arising from changes in fair value	-	(396)
Net gain/(loss) on disposal of physical assets	(61)	(92)
Total net gain/(loss) on non-financial assets and liabilities	(412)	(488)
(b) Other gains/(losses) from other economic flows		
Bad debts	(46)	(21)
Total other gains/(losses) from other economic flows	(46)	(21)

NOTE 5

CASH AND CASH EQUIVALENTS

	INSTITUTE	
	2013	2012
	\$'000	\$'000
5 Cash and deposits		
Cash at bank and on hand	1,260	1,474
Australian currency Deposits - at call	9,300	39,122
Deposits - at call with TCV	7,000	7,000
Total cash and cash equivalents	17,560	47,596

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

	INSTITUTE	
	2013	2012
	\$'000	\$'000
(a) Reconciliation to cash at the end of the year		
Balances as above	17,560	47,596
Balance as per cashflow statement	17,560	47,596

(b) Cash at bank and on hand

Refer to Note 25 (iii) for information on cash at bank and on hand.

(c) Deposits at call

The deposits are bearing floating interest rates between 3.91 per cent and 2.60 per cent (2012 - 5.06 per cent and 3.91 per cent). These deposits have an average maturity of 45 days.

(d) Refer to Note 16 for capital and other significant operating commitments that will affect cash and cash equivalents balance in 2014.

NOTE 6
RECEIVABLES

	INSTITUTE	
	2013	2012
	\$'000	\$'000
6 Receivables		
Current receivables		
Contractual		
Trade receivables ¹	2,764	2,246
Provision for doubtful contractual receivables(a) (See Note 6(a) below)	(54)	(60)
Revenue receivable	3,230	6,567
Total contractual	5,940	8,753
Statutory		
Amounts owing from Victorian Government	34	1,215
Total statutory	34	1,215
Total current receivables	5,974	9,968
Total receivables	5,974	9,968

1. The average credit period on sales of goods is 30 days. A provision has been made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. The \$54,239 reduction was recognised in the operating result for the current financial year.

	INSTITUTE	
	2013	2012
	\$'000	\$'000
(a) Movement in the provision for doubtful contractual receivables		
Balance at beginning of the year	60	91
Reversal of unused provision recognised in the net result	-	-
Increase/(decrease) in provision recognised in the net result	6	(31)
Reversal of provision for receivables written off during the year as uncollectible	-	-
Balance at end of the year	54	60

	INSTITUTE	
	2013	2012
	\$'000	\$'000
(b) Ageing analysis of contractual receivables		
Less than 30 days	1,880	1,369
Greater than 30 days, less than 60 days	278	296
Greater than 60 days, less than 90 days	142	51
Greater than 90 days	464	530
Balance at end of the year	2,764	2,246

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

A provision for doubtful debts has been recognised. The trade receivables remaining are expected to be paid in 2014.

2. Maturity analysis of contractual receivables

Refer to Note 25 for maturity analysis of contractual receivables.

NOTE 7
INVENTORIES

	INSTITUTE	
	2013	2012
	\$'000	\$'000
7 Inventories		
Current		
Print room supplies	7	13
Hairdressing and beauty products	44	19
Hospitality supplies	32	38
Inventories held-for-sale		
at cost:		
Nursery	31	23
Wine	899	799
Bookshop	75	103
Total current inventories	1,088	995

NOTE 8
ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE

	INSTITUTE	
	2013	2012
	\$'000	\$'000
8 Non-financial assets classified as held-for-sale		
(a) Non-current assets classified as held-for-sale		
Non-current assets	1,401	-
Freehold land held-for-sale	9,199	-
Total non-current assets classified as held-for-sale	10,600	-

(a) Valuations of land and buildings

The Institute's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Institute's freehold land and buildings as at 31 December 2013 and 31 December 2012 were performed by the Valuer General of Victoria, independent valuers not related to the Institute. The Valuer General of Victoria has the appropriate qualifications and experience in the fair value measurement of properties in Australia.

Fair value assessments have been performed at 31 December 2013 for all classes of assets. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation of land and buildings for this purpose will be conducted in 2017.

The fair value of the freehold land was determined based on 2012 valuations undertaken by the Valuer General Victoria. The asset's Fair Value was measured having regard to the highest and best use of the asset. The Fair Value of land and buildings was determined from market based evidence. The 2013 indices (Valuer General) have been applied as at 31 December 2013. There has been no change to the valuation technique during the year.

Details of the Institute's land and buildings and information about the fair value hierarchy as at 31 December 2013 are as follows:

	Level 1	Level 2	Level 3	Fair Value as at 31/12/13
	AUD '000	AUD '000	AUD '000	AUD '000
A school building that contains:				
- freehold land	0	90,428	0	90,428
- buildings used solely for educational purposes	0	131,610	0	131,610
- buildings used for communal purposes (i.e. restaurant)	0	47,419	0	47,419

There were no transfers between Level 1 and Level 2 during the year.

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

**NOTE 9
PROPERTY, PLANT AND EQUIPMENT**

	Land	Buildings	Construction in progress	Plant & Equipment	Motor Vehicles	Leasehold Improvements	Cultural Assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Institute								
At 1 January 2012								
Cost	-	50,817	2,752	-	-	-	-	53,569
Valuation	64,546	128,885	-	21,592	2,751	479	4,391	222,644
Accumulated depreciation	-	(12,989)	-	(12,879)	(1,522)	(191)	(3,987)	(31,568)
Net book amount	64,546	166,713	2,752	8,713	1,229	288	404	244,645
Year ended 31 December 2012								
Opening net book amount	64,546	166,713	2,752	8,713	1,229	288	404	244,645
Additions	-	-	12,058	1,021	534	-	179	13,792
Disposals	-	(10)	-	(84)	(285)	-	-	(379)
Net revaluation increments/ decrements	25,458	12,061	-	-	-	-	-	37,519
Depreciation expense 1	-	(3,778)	-	(2,074)	(358)	(24)	(160)	(6,394)
Closing net book amount	90,004	174,986	14,810	7,576	1,120	264	423	289,183
At 31 December 2012								
Cost	-	2,106	14,810	-	-	-	-	16,916
Valuation	90,004	173,992	-	22,031	2,703	479	4,570	293,779
Accumulated depreciation	-	(1,112)	-	(14,455)	(1,583)	(215)	(4,147)	(21,512)
Net book amount	90,004	174,986	14,810	7,576	1,120	264	423	289,183
Year ended 31 December 2013								
Opening net book amount	90,004	174,986	14,810	7,576	1,120	264	423	289,183
Additions	-	5,234	160	918	390	-	174	6,876
Disposals	-	(10)	-	(33)	(163)	-	-	(206)
Net revaluation increments/ decrements	424	(14,290)	-	-	-	-	-	(13,866)
Transfer to assets classified as held-for-sale	(9,199)	(1,401)	-	-	-	-	-	(10,600)
Depreciation expense	-	(3,915)	-	(2,055)	(341)	(24)	(164)	(6,499)
Transfers	-	14,412	(14,412)	337	-	-	-	337
Closing net book amount	81,229	175,016	558	6,743	1,006	240	433	265,225
At 31 December 2013								
Cost	-	21,728	558	-	-	-	-	22,286
Valuation	81,229	157,981	-	22,847	2,790	479	4,744	270,070
Accumulated depreciation	-	(4,693)	-	(16,104)	(1,784)	(239)	(4,311)	(27,131)
Net book value at the end of the financial year	81,229	175,016	558	6,743	1,006	240	433	265,225

Footnote

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

Notes

1 Property, plant and equipment includes all operational assets.

NOTE 10
BIOLOGICAL ASSETS

Biological assets – plants

Nature

Vines

Activities

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

	INSTITUTE	
	2013	2012
	\$'000	\$'000
Bearer assets		
Immature assets		
Vine planting	-	-
Mature assets		
Aged vines	227	227
Total bearer assets	227	227

	Qty	Qty
	Quantities	
Ararat (hectares)	29	29
Eden Park (hectares)	7	7
Yarra Glen (hectares)	2	2
Whittlesea (hectares)	1.5	1.5
Total hectares	39.5	39.5
Output		
Tonnes harvested	95.7	88.6
Total output	95.7	88.6

	\$'000	\$'000
	Fair value of output was determined at current expected market rates	
Wine grape harvest valued at \$539.50 per tonne	52	47
Total fair value of output was determined at current expected market rates	52	47

Biological assets – animals

Nature

Immature assets

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

Mature assets

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

Activities

Equine studies, aquaculture studies and agriculture studies.

	INSTITUTE	
	2013	2012
	\$'000	\$'000
Consumable assets		
Immature assets		
Value of natural increases and purchases:		
Fish fingerlings	8	8
Horses	526	18
Cattle	4	3
Sheep	1	1
Mature assets		
Biologically transformed and marketable assets:		
Horses	8	7
Cattle	4	3
Sheep	22	24
Total consumable assets	573	64
	Qty	Qty
Quantities		
Fish fingerlings	4,450	4,450
Horses	50	52
Cattle	390	331
Sheep	150	234
Total quantity of consumable assets	5,040	5,067
Output		
Natural increase		
Cattle	210	171
Sheep	148	204
Total quantity of output	358	375
	\$'000	\$'000
Fair value of output was		
Determined using a nominal amount at birth	4	4
Total fair value of output	4	4

	2013	2012
	\$'000	\$'000
Bearer assets		
Mature assets		
Mares, stallions, Charolais and Angus bulls	1,250	1,799
Stallions - share in breeding syndicate	937	1,276
Total bearer assets	2,187	3,075
	Qty	Qty
Quantities		
Bloodstock horses	30	30
Angus bulls	3	3
Charolais bulls	1	1
Total quantity of output	34	34
Output		
Foals natural increase	17	19
Total quantity of output	17	19
	\$'000	\$'000
Fair value of output was determined at cost to produce		
Natural increase	5	6
Total fair value of output	5	6

Biological assets – reconciliation

		INSTITUTE	
		2013	2012
		\$'000	\$'000
10	Biological assets		
	Reconciliation of changes in carrying amount of biological assets		
	Carrying amount at 1 January	3,366	4,540
	Increases due to:		
	Purchases	42	30
	Donations	1	1
	Births	10	10
	Decreases attributable to:		
	Sales	(9)	(515)
	Deaths	(72)	(304)
	Other	(351)	(396)
	Carrying amount at 31 December	2,987	3,366

(a) Valuations of biological assets

The fair value was determined based on the following:

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

The bloodstock assets of Northern Lodge have been valued independently on market value adjusted for uncertainty discount (35%) due to unpredictability of the market. The uncertainty discount has been determined and applied based on actual auction sale bids.

To ascertain the 'fair market value' of each individual animal, the following criteria/aspects are utilised:

- ▶ initial purchase price
- ▶ age of each animal
- ▶ pedigree
- ▶ production history
- ▶ market value trends
- ▶ current confirmation of the animal and physical type
- ▶ progeny sales and demand

Details of the Institute's biological assets and information about the fair value hierarchy as at 31 December 2013 are as follows:

	Level 1	Level 2	Level 3	Fair value as at 31/12/13
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Biological assets that include				
Land under vines	-	227	-	227
Animals	-	-	2,760	2,760
Total	-	227	2,760	2,987

NOTE 11
OTHER NON-FINANCIAL ASSETS

		INSTITUTE	
		2013	2012
		\$'000	\$'000
11	Other non-financial assets		
	Current other non-financial assets		
	Prepayments	1,329	1,109
	Total current other non-financial assets	1,329	1,109
	Total other non-financial assets	1,329	1,109

NOTE 12
PAYABLES

		INSTITUTE	
		2013	2012
		\$'000	\$'000
12	Payables		
	Current		
	Contractual		
	Supplies and services	5,142	5,278
	Revenue in advance	4,470	6,073
		9,612	11,351
	Statutory		
	GST payable	41	22
	FBT payable	75	82
	Total current payables	9,728	11,455
	Total payables	9,728	11,455

The carrying amounts of the Institute's payables are denominated in the following currencies:

		INSTITUTE	
		2013	2012
		\$'000	\$'000
(a)	Foreign currency risk		
	Australian dollars	9,728	11,455
		9,728	11,455

Notes

1 The average credit period is 30 days. No interest is charged on the other payables.

2 Maturity analysis of contractual payables

Refer to Note 25 for maturity analysis of contractual payables.

NOTE 13
PROVISIONS

	INSTITUTE	
	2013	2012
13 Provisions	\$'000	\$'000
Current provisions expected to be settled within 12 months		
Employee benefits		
Annual leave	3,492	3,231
Long service leave	818	824
Performance payments	-	327
Total current provisions expected to be settled within 12 months	4,310	4,382
Current provisions expected to be settled after 12 months		
Employee benefits		
Annual Leave	1,624	1,921
Long service leave	9,621	9,414
Total current provisions expected to be settled after 12 months	11,245	11,335
Total current provisions	15,555	15,717
Non-current		
Employee benefits		
Long service leave	1,633	1,587
Total non-current provisions	1,633	1,587
Total provisions	17,188	17,304

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

Current

All annual leave and long service leave entitlements, representing 7 years of continuous service:

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

Non-current

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

	INSTITUTE	
	2013	2012
Movements in provisions - performance payments	\$'000	\$'000
Movements in each class, other than employee provisions during the financial year are set out below		
Carrying amount at start of year	327	281
Additional provisions recognised	-	365
Amounts used	(327)	(319)
Carrying amount at end of year	-	327

Amounts used in performance payment provisions are related to 2012 that were paid in 2013. There were nil performance payments in 2013.

NOTE 14
EQUITY

	INSTITUTE	
	2013	2012
	\$'000	\$'000
14 Equity		
(a) Contributed capital		
Balance at 1 January	31,681	31,681
Capital contributions	-	-
Transfer to Government department	-	-
Balance at 31 December	31,681	31,681
(b) Accumulated surplus/(deficit)		
Balance at 1 January	98,686	93,524
Net result for the year	(31,690)	5,107
Accumulated funds – prior period adjustments	(55)	-
Increase/(decrease) on adoption of accounting standard or interpretation	-	55
Balance at 31 December	66,941	98,686
(c) Reserves		
Composition of reserves		
Asset revaluation reserve		
Land	95,740	95,316
Buildings	83,485	97,775
Balance at 31 December	179,225	193,091
Total equity	277,847	323,458

	INSTITUTE	
	2013	2012
	\$'000	\$'000
Movements in Reserves		
Asset revaluation reserve - land		
Balance at 1 January	95,317	69,859
Revaluation increment on non-current assets	423	25,458
Balance at 31 December	95,740	95,317
Asset revaluation surplus - buildings		
Balance at 1 January	97,774	85,713
Revaluation increment on non-current assets	-	12,061
Revaluation (decrement) on non-current assets	(14,289)	-
Balance at 31 December	83,485	97,774

Nature and purpose of reserves

Asset revaluation reserve – land

Asset Revaluation Reserve Land relates to Freehold Land owned by NMIT and represents the accumulated reserves generated from periodic land revaluations, which adds to the net worth of NMIT.

Asset revaluation reserve – buildings

Asset Revaluation Reserve Building relates to Freehold buildings owned by NMIT and represents the accumulated reserves generated from periodic building revaluations, which adds to the net worth of NMIT.

NOTE 15
CASH FLOW INFORMATION

		INSTITUTE	
		2013	2012
		\$'000	\$'000
15	Cash flow information		
(a)	Reconciliation of operating result after income tax to net cash operating activities		
	Net result for the year	(31,690)	5,107
	Non-cash flows in operating result		
	Depreciation and amortisation of non-current assets	6,499	6,394
	Net (gain)/loss on sale of non-current assets	61	92
	Impairment of non-current assets	351	-
	Total non-cash flows in operating result	6,911	6,882
	Movements in operating assets and liabilities		
	Decrease/(increase) in trade receivables	3,993	419
	Decrease/(increase) in inventories (including wine)	(93)	108
	Decrease/(increase) in biological assets	70	808
	Decrease/(increase) in other assets	(557)	(328)
	Increase/(decrease) in payables	(1,728)	(826)
	Increase/(decrease) in provisions	(170)	837
	Total movement in operating assets and liabilities	1,515	1,018
	Net cash flows provided by/(used in) operating activities	(23,264)	13,007

NOTE 16
COMMITMENTS

		INSTITUTE	
		2013	2012
		\$'000	\$'000
16	Commitments for expenditure		
(a)	Capital commitments		
	Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:		
	Property, plant and equipment		
	Payable		
	Within one year	398	8,282
	Later than one year but not later than five years	-	3,815
	Later than five years	-	-
	Total property, plant and equipment	398	12,097
	Net commitments property, plant and equipment	398	12,097
	Total capital expenditure commitments	398	12,097

The above commitments include capital expenditure commitments of \$398,000 (2012 : \$12,097,000) relating to the following:

Redevelopment project - Preston	\$212,800
Stage 1 development - Epping	\$185,000

LEASE COMMITMENTS

	INSTITUTE	
	2013	2012
	\$'000	\$'000
(b) Lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	620	835
Later than one year but not later than five years	2,144	1,604
Later than five years	-	324
Total lease commitments	2,764	2,763
Net commitments operating leases	2,764	2,763
Representing:		
Non-cancellable operating leases	2,764	2,763
Total lease commitments	2,764	2,763

(i) Operating leases

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

OTHER EXPENDITURE COMMITMENTS

	INSTITUTE	
	2013	2012
	\$'000	\$'000
(c) Other expenditure commitments		
Commitments for contract cleaning in existence at the reporting date but not recognised as liabilities, payable:		
Within one year	1,471	1,523
Later than one year but not later than five years	-	-
Later than five years	-	-
Total other expenditure commitments	1,471	1,523
Net commitments other expenditure commitments	1,471	1,523

NOTE 17
LEASED ASSETS

	INSTITUTE	
	2013	2012
17 Leased assets	\$'000	\$'000
As at the reporting date the Institute leased out the following assets		
Educational facilities	1,929	1,078
Gross amount of leased assets	1,929	1,078
Finance lease receivables		
Non-cancellable operating lease receivables		
Payments due:		
Within one year	498	423
Later than one year but not later than five years	902	519
Later than five years	529	136
Total finance lease receivables	1,929	1,078
Net operating leases receivables	1,929	1,078

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

NOTE 18
CONTINGENT ASSETS AND CONTINGENT LIABILITIES

	INSTITUTE	
	2013	2012
18 Contingencies assets and contingent liabilities	\$'000	\$'000
Details and estimates of maximum amounts of contingent assets and contingent liabilities, classified in accordance with the party from whom the liability could arise and for which no provisions are included in the accounts, are as follows:		
In respect of organisations		
Government	-	-
Legal disputes - capital projects 2012	-	625
Legal disputes - capital projects 2011	-	-
Legal disputes - commercial 2012	-	350
Legal disputes - commercial 2013	13	-
Total in respect of organisations	13	975
Total estimated contingent liabilities	13	975

**NOTE 19
ECONOMIC DEPENDENCY**

	INSTITUTE	
	2013	2012
19 Economic dependency	\$'000	\$'000
Government contributions - operating	41,579	70,231
	41,579	70,231

Government contributions - operating

In 2013, 37 per cent of income was generated from government contributions - operating, compared to 46 per cent in 2012.

**NOTE 20
SUBSEQUENT EVENTS**

20 Subsequent events

Other than stated in note 1.02, there were no material subsequent events that occurred after the reporting date.

**NOTE 21
REMUNERATION OF AUDITORS**

	INSTITUTE	
	2013	2012
21 Remuneration of auditors	\$'000	\$'000
Remuneration of Victorian Auditor General's Office for		
Audit of the financial statements	30	30
Total remuneration of Victorian Auditor General's Office	30	30
Remuneration of other auditors		
Internal auditors	100	46
Total remuneration of other auditors	100	46
Total remuneration of auditors	130	76

NOTE 22 SUPERANNUATION

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

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

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

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

	INSTITUTE	
	2013	2012
	\$'000	\$'000
22 Superannuation		
Paid contribution for the year		
Defined benefit plans		
State superannuation fund - revised scheme 17.6%	200	257
State superannuation fund - new scheme 7.4% - 10.3%	751	773
SERB Scheme 13.3%	22	21
Total defined benefit plans	973	1,051
Defined contribution plans		
VicSuper 9.25%	4,229	4,138
National Mutual 9.25%	4	14
Hesta 9.25%	142	119
UniSuper 9.25% - 17%	385	296
Other Funds 9.25%	1,497	1,235
Total defined contribution plans	6,257	5,802
Total paid contribution for the year	7,230	6,853
Contribution outstanding at year end		
Defined benefit plans		
State superannuation fund - revised and new	-	-
Other	-	-
Total defined benefit plans	-	-
Defined contribution plans		
VicSuper	55	30
Other	-	-
Total defined contribution plans	55	30
Total	55	30

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

NOTE 23

KEY MANAGEMENT PERSONNEL DISCLOSURES

RESPONSIBLE PERSONS RELATED DISCLOSURES

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*,

the following disclosures are made regarding responsible persons for the reporting period.

(i) Minister

The relevant Minister was The Hon Nick Wakeling MP, Minister for Higher Education and Skills. Remuneration of the Ministers is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members interests, which is completed by each member of the Parliament.

(ii) Members of the Board of Northern Melbourne Institute of TAFE

Mr J Gibbins (Board Chair appointed April 2013)

Ms H Campbell (Board Director)

Ms E Forde (Board Director to April 2013)

Ms J Stephens (Board Director to April 2013)

Mr C Watson (Board Director to April 2013)

Mr A Monley (Board Director to March 2014)

Ms J Acquaro (past Board Chair to April 2013; Board Director from April 2013 to March 2014)

Mr B Tassone (Board Director to April 2013)

Mr D Makris (Board Director)

Mr B Motz (Board Director to October 2013; NMIT Director Corporate Development and Finance from November 2013)

Dr J Wajsenberg (Board Director)

Ms K Campion (Board Director appointed June 2013)

Prof D Finlay (Board Director)

(iii) Executive officers

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Institute during the financial year:

Dr A Giddy, NMIT Chief Executive Officer (to February 2014)

Mr P Javier, Associate Director – Business, Hospitality and Personal Services

Mr D Draper, Deputy CEO Director Programs

Ms S Beshara, Associate Director – Further Education

Mr P Christie, Director Services

Mr D Delaney, Associate Director – Building and Construction

Mr B Motz, Director Corporate Development and Finance (appointed November 2013)

Mr L Pike, Chief Finance Officer (to January 2014)

Ms C Whelehan, Board Secretary (appointed April 2013)

Ms P Reddy, Chief Finance Officer (appointed November 2013)

Dr C Spratt, Deputy Director Programs – Higher Education (to March 2014)

Mr R Hagan, Chief Information Officer

Ms F Coppolillo, Deputy Director Programs – Teaching and Learning

Mr D Bettiol, Executive Director International Office

Mr P Cavicchia, Deputy Director Programs – VET

Ms A Callahan, Manager – Information Services

Mr G Blair, Associate Director Development Prahran Campus

Ms J Whelan, Manager – Marketing and Corporate Communications

Ms M Giffard, Associate Director – Earth Sciences

Ms F Bellis, Manager – Quality Assurance

Mr P Lamburd, Associate Director – Arts and Social Sciences

Mr W Smith – Manager, Buildings and Properties

Mr B Burns, Associate Director – Engineering

Mr M Radobuljac, Academic Registrar

Ms Cathy Frazer, Manager – Student Services

Mr Dom Valeri, Project Manager Capital Works

All of the above persons were also key management persons during the year ended 31 December 2013.

RESPONSIBLE PERSONS

		INSTITUTE	
		2013	2012
		\$'000	\$'000
23	Key management personnel disclosures		
	Remuneration of Board members		
	Remuneration received, or due and receivable from the Institute in connection with the management of the Institute. Includes termination payments and bonuses paid at end of contracts.	143	500
	Remuneration received, or due and receivable from the Institute in connection with the management of any related party entity.	-	-

		2013	2012
		No.	No.
	Income range		
	The number of Board members whose remuneration from the Institute was within the specified bands are as follows		
	\$		
	0 - 9,999	-	12
	10,000 - 10,999	8	-
	20,000 - 29,999	1	-
	70,000 - 79,999	-	3
	270,000 - 279,000	-	1
	310,000 - 319,999	-	-
	Total number of responsible persons	9	16

		2013	2012
		\$'000	\$'000
	Retirement benefits of Board members		
	The retirement benefits paid by the Institute in connection with the Board members of the Institute amounted to	-	-
	Total retirement benefits of Board members	-	-

EXECUTIVE OFFICERS

		INSTITUTE	
		2013	2012
		2011	2011
		\$'000	\$'000
		\$'000	\$'000
	Executive officers' remuneration		
	The number of executive officers whose total remuneration exceeded \$100,000 during the financial year are shown in their relevant income bands.		
	The base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.		
	Base remuneration of executive officers	3,918	3,136
	Total remuneration of executive officers	3,918	3,314

Income range			2013	2012
			No.	No.
			No.	No.
The number of executive officers whose remuneration from the Institute was within the specified bands are as follows				
	\$	\$		
	100,000	- 109,999	1	-
	110,000	- 119,999	-	1
	120,000	- 129,999	-	-
	130,000	- 139,999	1	-
	140,000	- 149,999	1	-
	150,000	- 159,999	1	1
	160,000	- 169,999	14	2
	170,000	- 179,999	2	12
	180,000	- 189,999	-	-
	190,000	- 199,999	-	-
	200,000	- 209,999	-	2
	210,000	- 219,999	2	-
	220,000	- 229,999	-	1
	230,000	- 239,999	-	-
	240,000	- 249,999	-	-
	250,000	- 259,999	-	-
	260,000	- 269,999	-	-
	270,000	- 279,999	-	-
	280,000	- 289,999	-	-
	290,000	- 299,999	1	-
Total executive officers			23	19
Total annualised employee equivalent (AEE)			22.4	18.6
Total amount			23	19

KEY MANAGEMENT PERSONNEL

	INSTITUTE	
	2013	2012
	\$'000	\$'000
Executive officers' personnel compensation		
Short-term employee benefits	23	19
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	23	19

- (a) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.
There were two executive positions that commenced part way through 2013.
- (b) Four executive officer positions are scheduled to terminate in 2014.

NOTE 24
RELATED PARTIES

Key management personnel

Disclosures relating to directors and specified executives are set out in Note 23.

Transactions with related parties

The following transactions occurred with related parties:

		INSTITUTE	
		2013	2012
24	Related parties	\$'000	\$'000
	Sale of goods and services	-	19
	Total sale of goods and services	-	19
	Purchase of goods		
	Mr C Watson - consultant, equine programs	66	133
	Total purchase of goods	66	133

Outstanding balances

There were no outstanding balances at the reporting date in relation to transactions with related parties.

NOTE 25 - 1
FINANCIAL INSTRUMENTS (PART I)

Financial risk management

(i) Financial risk management objectives

The Institute's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Institute's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Institute. The Institute uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk.

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

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

(ii) Financial risk exposures and management

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

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

(iii) Categorisation of financial instruments

			INSTITUTE	
			2013	2012
			\$'000	\$'000
Carrying amount of financial instruments by category:				
Financial Assets	Note	Category		
Cash and deposits	5	Cash	17,560	47,596
Receivables ^(a)	6	Loans and receivables	5,940	8,753
			23,500	56,349
Financial Liabilities				
Payables ^(a)	16	Financial liabilities	5,142	5,278
			5,142	5,278

Note

(a) Receivables and payables disclosed here exclude statutory receivables and statutory payables.

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 effect on the operating result and /or net worth of the Institute. eg. an adverse movement in interest rates or foreign currency exchange rates.

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

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

Foreign currency risk

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

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

Price risk

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

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

Interest rate risk

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

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

Funding risk

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

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

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

Concentrations of credit risk

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

There are no material amounts of collateral held as security at 31 December 2013.

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 seven days to make payment
- ▶ debtors which represent government departments or agencies are managed by the Institute directly with department or agency contacts.

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

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

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

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

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

Liquidity risk

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

The Institute has not established a standby facility to provide short-term cash, however it meets regularly with Higher Education Skills Group (HESG) to monitor cash flow.

There has been significant change in the Institute's exposure that has resulted from significant reduction in government revenues. As a result there has been a significant reduction in the Institute's cash and deposits. The Institute has implemented measures to closely monitor its cash flows and its future operating requirements.

NMIT has established a program of asset sales to underwrite its cash position.

NOTE 25 - 2

FINANCIAL INSTRUMENTS (PART II)

(ii) Summarised sensitivity analysis

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

	Carrying amount	Interest rate risk			
		-1%		1%	
		Result	Equity	Result	Equity
31 December 2013	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cheque and cash management accounts	1,260	(13)	(13)	13	13
Bank deposits - at call	16,300	(163)	(163)	163	163
Total increase/(decrease) in financial assets	17,560	(176)	(176)	176	176
Total increase/(decrease)	17,560	(176)	(176)	176	176
	Carrying amount	Interest rate risk			
		-1%		1%	
		Result	Equity	Result	Equity
31 December 2012	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cheque and cash management accounts	1,474	(15)	(15)	15	15
Bank deposits - at call	46,122	(461)	(461)	461	461
Total increase/(decrease) in financial assets	47,596	(476)	(476)	476	476
Total increase/(decrease)	47,596	(476)	(476)	476	476

NOTE 25 - 3

FINANCIAL INSTRUMENTS (PART III)

(iii) Financial instrument composition and interest rate exposure

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

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

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

	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Floating interest rate	Fixed interest rate	Non-Interest Bearing
	%	\$'000	\$'000	\$'000	\$'000
Consolidated 2013					
Financial assets					
Cash and deposits					
Cash at bank and on hand	2.0	1,260	1,253	-	7
Deposits at call	3.3	16,300	-	16,300	-
Contractual receivables					
Trade receivables	-	2,710	-	-	2,710
Revenue receivables	-	3,230	-	-	3,230
Total financial assets	-	23,500	1,253	16,300	5,947
Financial Liabilities					
Trade and other payables	-	5,258	-	-	5,258
Total financial liabilities	-	5,258	-	-	5,258
Consolidated 2012					
Financial assets					
Cash and deposits					
Cash at bank and on hand	3.0	1,474	1,467	-	7
Deposits at call	4.5	46,122	-	46,122	-
Contractual receivables					
Trade receivables	-	2,186	-	-	2,186
Revenue receivables	-	6,567	-	-	6,567
Total financial assets	-	56,349	1,467	46,122	8,760
Financial liabilities					
Trade and other payables	-	5,278	-	-	5,278
Total financial liabilities	-	5,278	-	-	5,278

Note

1 Other receivables does not include statutory receivables.

(iv) Ageing analysis of financial assets

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

	Carrying amount	Not past due and not impaired	Maturity dates				Impaired financial assets
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	
2013 financial assets							
Contractual receivables							
Trade receivables	2,710	1,880	-	420	464	-	(54)
Revenue receivables	-	-	-	-	-	-	-
Total 2013 financial assets	2,710	1,880	-	420	464	-	(54)
2013 financial liabilities							
Financial liabilities							
Trade and other payables	5,143	-	4,088	1,054	-	-	-
Total 2013 financial liabilities	5,143	-	4,088	1,054	-	-	-

	Carrying amount	Not past due and not impaired	Maturity dates				Impaired financial assets
			Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	
2012 financial assets							
Contractual receivables							
Trade receivables	2,186	1,369	-	347	430	-	(60)
Revenue receivables	-	-	-	-	-	-	-
Total 2012 financial assets	2,186	1,369	-	347	430	-	(60)
2012 financial liabilities							
Financial liabilities							
Trade and other payables	5,278	-	4,304	974	-	-	-
Total 2012 financial liabilities	5,278	-	4,304	974	-	-	-

NOTE 25 - 4 FINANCIAL INSTRUMENTS (PART IV)

Fair value estimation

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

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

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

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

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

	2013		2012	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	1,260	1,260	1,474	1,474
Deposits at call	16,300	16,300	46,122	46,122
Contractual receivables				
Trade receivables	2,710	2,710	2,186	2,186
Revenue receivables	3,264	3,264	7,782	7,782
Total financial assets	23,534	23,534	57,564	57,564
Financial liabilities				
Payables	5,142	5,142	5,278	5,278
Total financial assets	5,142	5,142	5,278	5,278

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- ▶ Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- ▶ Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- ▶ Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements recognised in the balance sheet are categorised into the following levels:

	2013	Level 1	Level 2	Level 3
		Quoted prices	Observable amount	Unobservable inputs
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and deposits	17,560	17,560	-	-
Receivables	5,974	-	5,974	-
Total financial assets	23,534	17,560	5,974	-
Financial liabilities				
Payables	9,728	-	9,728	-
Total liabilities	9,728	-	9,728	-

	2012	Level 1	Level 2	Level 3
		Quoted prices	Observable amount	Unobservable inputs
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and deposits	47,596	47,596	-	-
Receivables	9,968	-	9,968	-
Total financial assets	57,564	47,596	9,968	-
Financial liabilities				
Payables	11,455	-	11,455	-
Total liabilities	11,455	-	11,455	-

There are no financial assets categorised as Level 3 (2012 – nil).

DISCLOSURE INDEX

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

The financial report was authorised for issue by the Board members on 28 April 2014.

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

REPORT OF OPERATIONS

Checklist item/s:	Source reference	Summary of reporting requirement	Page
1	FRD 22D	Manner of establishment and the relevant Minister	006, 111
2	FRD 22D	Objectives, functions, powers and duties	006-007
3	FRD 22D	Nature and range of services provided including communities served	Inside front cover, 014-015, 020-045
4	FRD 22D	Organisational structure and chart, including accountabilities	011, 013
5	FRD 22D	Names of Board members	008-009
6	FRD 30A	Accounting for dividends	N/A
7	FRD 07A	Early adoption of authoritative accounting pronouncements	088-089
8	FRD 10	Disclosure index	122-125
9	FRD 15B	Executive officer disclosures	44, 111-113
10	FRD 17A	Long service leave wage inflation and discount rates	084
11	FRD 19	Private provision of public infrastructure	N/A
12	FRD 20A	Accounting for state motor vehicle lease arrangements prior to 1 February 2004	N/A
13	FRD 22 & SD 4.2 (k)	Operational and budgetary objectives, performance against objectives and achievements	014-015, 057-059
14	FRD 22D	Occupational health and safety statement including performance indicators and performance against those indicators	049
15	FRD 22D	Workforce data for current and previous reporting period including a statement on employment and conduct principles	044-048
16	FRD 22D	Summary of the financial results for the year including previous 4 year comparisons	060
17	FRD 22D	Significant changes in financial position during the year	060
18	FRD 22D	Major changes or factors affecting performance	075-076
19	FRD 22D	Post-balance sheet date events likely to significantly affect subsequent reporting	060, 075-076
20	FRD 22D	Summary of application and operation of the Freedom of Information Act 1982	048-049
21	FRD 22D	Statement of compliance with building and maintenance provisions for the Building Act 1993	049
22	FRD 22D	Statement on National Competition Policy	050

Checklist item/s:	Source reference	Summary of reporting requirement	Page
23	FRD 22D	Summary of application and operation of the Protected Disclosure Act 2012	049
24	FRD 22D	Summary of environmental performance	044
25	FRD 22C	Details of consultancies over \$10,000 (refer to FRD for information required)	061-062
26	FRD 22C	Details of consultancies under \$10,000 (refer to FRD for information required)	062
27	FRD 22D	Lists of certain other information available on request (as specified in the FRD)	062
28	FRD 24C	Reporting of office based environmental impacts	038, 044, 059
29	FRD 25A	Victorian Industry Participation Policy disclosures	049
30	FRD 26A	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004	N/A
31	FRD 29	Workforce data disclosures on the public service employee workforce	044-048
32	FRD 30A	Standard requirements for the design and print of annual reports	Inside back cover
33	SD 4.5.5	Risk management compliance attestation	010
34	SD 4.2 (g)	Qualitative and quantitative information to be included	003-043
35	SD 4.2 (h)	Statement that report prepared in accordance with Financial Reporting Directions	070, 122
36	SD 4.2 (j)	Sign off by member of responsible body	003
37	CG 10 (clause 27)	Major commercial activities	015
38	CG 12 (clause 33)	Controlled entities	015, 077

FINANCIAL REPORT

Checklist item/s:	Source reference	Summary of reporting requirement	Page
39	SD 4.2 (a)	The financial statements must be prepared in accordance with: <ul style="list-style-type: none"> ▶ Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views) ▶ Financial Reporting Directions, and ▶ business rules 	070, 075-091
40	SD 4.2 (b)	The financial statements are to comprise the following: <ul style="list-style-type: none"> ▶ income statement ▶ balance sheet ▶ statement of recognised income and expense, and ▶ cash flows statement, and ▶ notes to the financial statements 	070-121

Checklist item/s:	Source reference	Summary of reporting requirement	Page
41	SD 4.2 (c)	The financial statements must where applicable be signed and dated by the accountable officer, CFAO and a member of the responsible body, stating whether, in their opinion: <ul style="list-style-type: none"> ▶ the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of the period ▶ the financial statements are prepared in accordance with this direction and applicable Financial Reporting Directions, and ▶ the financial statements comply with the applicable Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views) 	070
42	SD 4.2 (d)	Rounding of amounts	086
43	SD 4.2 (e)	Review and sign off by Audit Committee or responsible body	070
44	SD 4.2 (f)	Compliance with DTF model financial report	Inside back cover
45	FRD 9A	Disclosure of administered assets and liabilities	N/A
46	FRD 11	Disclosure of ex-gratia payments	N/A
47	FRD 21B	Disclosures of responsible persons, executive officer and other personnel (contractors with significant management responsibilities) in the financial report	111-113
48	FRD 101	First time adoption	087
49	FRD 102	Inventories	82, 096
50	FRD 103D	Non-current physical assets	072, 082-083, 096-102
51	FRD 104	Foreign currency	085, 115
52	FRD 105A	Borrowing costs	N/A
53	FRD 106	Impairment of assets	079-094
54	FRD 109	Intangible assets	N/A
55	FRD 107	Investment properties	N/A
56	FRD 110	Cash flow statements	074, 094, 106
57	FRD 112C	Defined benefit superannuation obligations	110
58	FRD 113	Investment in subsidiaries, jointly controlled entities and associates	N/A
59	FRD 114A	Financial instruments – general government entities and public non-financial corporations	114-121
60	FRD 115	Non-current physical assets – first time adoption	N/A
61	FRD 119	Contributions by owners	N/A
62	FRD 119A	Transfers through contributed capital	085, 105
63	FRD 120G	Accounting and reporting pronouncements applicable to the reporting period	70
64	FRD 121	Infrastructure assets	N/A
65	FMA 49 (a)	Must contain such information as required by the Minister	070
66	FMA 49 (b)	Must be prepared in a manner and form approved by the Minister	070
67	FMA 49 (c)	Must present fairly the financial transactions of an institute as at the end of the year	070
68	FMA 49 (d)	Must present fairly the financial position of an institute as at the end of the year	070

Checklist item/s:	Source reference	Summary of reporting requirement	Page
69	FMA 49 (e)	Must be certified by the accountable officer for an institute in the manner approved by the Minister	070
70	Legislation	<p>The TAFE Institute annual report must contain a statement that it complies with all relevant legislation and subordinate instruments, including but not limited to, the following:</p> <ul style="list-style-type: none"> ▶ <i>Education and Training Reform Act 2006</i> ▶ TAFE institute constitution ▶ directions of the Minister for Higher Education and Skills (or predecessors) ▶ TAFE institute commercial guidelines ▶ TAFE institute strategic planning guidelines ▶ <i>Public Administration Act 2004</i> ▶ <i>Freedom of Information Act 1982</i> ▶ <i>Building Act 1993</i> ▶ <i>Protected Disclosure Act 2012</i> ▶ <i>Victorian Industry Participation Policy Act 2003</i> 	062
71	ETRA s 3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2013	066-067
72	FRD 27B	<p>Reporting and performance should be presented using KPIs and a signed performance management certificate should also be completed. The following 11 are mandatory KPIs:</p> <ul style="list-style-type: none"> ▶ participation of 15-24 year olds ▶ participation of 25-64 year olds ▶ module load completion rate ▶ student satisfaction ▶ total cost per student contact hour ▶ working capital ratio ▶ net operating margin ▶ fee for service revenue ▶ revenue for EFT staff ▶ student contact hours ▶ energy consumption 	057-059
73	PAEC and VAGO (June 2003 Special Review item 3.110)	<ul style="list-style-type: none"> ▶ financial and other information on initiatives taken or strategies relating to the institute's overseas operations ▶ nature of strategic and operational risks for overseas operations ▶ strategies established to manage such risks of overseas operations ▶ performance measures and targets formulated for overseas operations ▶ the extent to which expected outcomes for overseas operations have been achieved 	014, 034, 050-053

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ABOUT THIS REPORT

The Northern Melbourne Institute of TAFE (NMIT) 2013 Annual Report is a report to the Parliament of Victoria required under Section 45 of the Financial Management Act 1994. The report contains a report on the operations of NMIT during 2013, audited standard financial and performance statements and other information required under Standing Directions of the Minister for Finance under the Act (Section 4 Financial Management Reporting) and the Financial Reporting Directions given under the Act.

In preparing this report, NMIT has followed the reporting guidelines issued by the Higher Education and Skills Group, Department of Education and Early Childhood Development. This report is based on the model Annual Report issued with these guidelines, in accordance with the Financial Management Act 1994, Australian Accounting Standards, Statement of Accounting concepts, authoritative pronouncements of the Australian Accounting Standards Board and other legislative requirements.



CAMPUSES

Ararat

Grano Street
Ararat VIC 3377

Collingwood

20 Otter Street
Collingwood VIC 3066

Epping

Corner Cooper Street
and Dalton Road
Epping VIC 3076

Fairfield

Yarra Bend Road
Fairfield VIC 3078

Heidelberg

Corner Waterdale Road
and Bell Street
Heidelberg VIC 3081

Preston

77-91 St Georges Road
Preston VIC 3072

TRAINING CENTRES

Growling Frog Vineyard

1910 Donnybrook Road
Yan Yean VIC 3755

NMIT Kyneton Park

Campaspe Place
Kyneton VIC 3444

Northern AMEP Centre

Corner Belfast and Blair Street
Broadmeadows VIC 3047

Northern Lodge, Eden Park

Glen Robin Court
Eden Park VIC 3757

Northern Lodge, Yan Yean

2005 Plenty Road
Yan Yean VIC 3755



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