BOX HILL INSTITUTE

ANNUAL REPORT 2014

CONTENTS

VISION, VALUES & STRATEGIC THEMES

The Strategic Plan 2015–2018, developed in 2014, articulates a new vision, values and strategic themes for Box Hill Institute Group (Box Hill Institute and Centre for Adult Education).

VISION

TO BE COMMUNITY EDUCATORS FOR INDUSTRY, WORK AND LIFE.

VALUES

- Professionalism
- Loyalty
- Integrity
- Courage
- Teamwork
- Innovation

STRATEGIC THEMES

Build on our reputation for academic quality

We will ensure learner success and responsiveness to industry needs with the commitment of our staff, excellence of our teaching delivery and our reputation for academic quality.

Harness our resources for success

We will drive productivity and control costs to transform our business.

Innovate to increase our market share

We will be recognised by our community as the leading provider of education, training and life-long learning.

Grow through diversification

We will create opportunities for growth that add value to our community.

ESTABLISHMENT

A leading tertiary institution operating within Australia and internationally, Box Hill Institute (BHI) is a registered higher education provider, a registered training organisation (RTO) and a non-school senior secondary provider.

Accordingly, the Institute is licensed and registered to operate across the secondary, vocational education and training (VET), and the higher education sectors. The Institute prides itself on its ability to successfully deliver a broad range of quality vocational education and training services. It is one of the largest providers in Victoria with over 30,000 enrolments in 2014.

Programs

In 2014, the Institute delivered 554 accredited courses across 383 qualifications, including many delivered internationally and within industry, covering a range of certificates, diplomas, associate degrees and degrees. In addition, the Institute delivered 94 work skills short courses.

Services

Box Hill Institute offers a range of services including industry consultancy, project management, skills recognition and employment services.

Locations

Box Hill Institute is located in Victoria with sites in Box Hill and in Melbourne's central business district, where the Institute is co-located with the Centre for Adult Education (CAE). In 2014, the Institute commenced development of a new community campus in Lilydale.

The Institute delivers offshore training and services around the world including: China, Fiji, Kuwait, Malaysia, Saudi Arabia, Singapore, United Arab Emirates, Vanuatu and Vietnam.

Specialist Centres

The Institute is home to Specialist Centres and Centres for Excellence delivering industry-focused training solutions:

- Specialist Centre for Biotechnology Training, BioSkills
- Specialist Centre for Services for Small to Medium Enterprises
- Specialist Centre for Information and Communications Technology (ICT)
- Refrigeration and Climate Control Centre for Excellence.

Training Workplaces

Box Hill Institute operates a large number of authenticated training workplaces including:

- Aveda Day Spa
- Flowers on Elgar
- Fountains Restaurant
- InnovaBio – a student-run biotechnology enterprise
- Lighting and Sound Hire (LASH)
- Music Industry Business Office (MiBO)
- Nursing Skills Centre of Excellence (NSCE)
- Pets on Elgar
- Salon on Elgar
- Whitehorse Fitness Centre.

History

Box Hill Institute is the descendant of two Box Hill area technical schools. 'Box Hill Technical School for Girls and Women' was opened on 4th September 1924, and on 2nd February 1943 the 'Box Hill Technical School for Boys' was established. The Girls Technical School was renamed 'Whitehorse Technical School' in 1971.

Around this time the Boys Technical School separated its tertiary technical offerings from the secondary ones with the tertiary section becoming 'Box Hill Technical School.' Both schools were declared colleges of Technical and Further Education in late 1981.

Whitehorse Technical School and Box Hill Technical School merged to become 'Box Hill College of TAFE' which was established by an Order in Council dated 25 January 1984, under the Victorian Post-secondary Education Act 1978, following an amalgamation with the Whitehorse College of TAFE.

The Governor in Council approved orders changing the name of Box Hill College of TAFE to Box Hill Institute of TAFE on the 12th September 1995. The name was changed again in the new Constitution (10 April 2013) to Box Hill Institute. The functions, powers and duties of the Institute are set out in the Education and Training Reform Act 2006 and the new Constitution of Box Hill Institute.

In November 2012, an amendment to the Education and Training Reform Act was passed to enable the operations of CAE to be governed by the Box Hill Institute Board. In this report Box Hill Institute Group refers to Box Hill Institute, Centre for Adult Education and controlled entities.

The relevant Ministers in 2014 were:

The Hon. Peter Hall, MLC was the Minister for Higher Education and Skills from 1 January until 17 March 2014.

The Hon. Nick Wakeling, MP was the Minister for Higher Education and Skills from 17 March until 3 December 2014.

The Hon. Steve Herbert, MP was the Minister for Training and Skills, from 3 December 2014 until 31 December 2014 following the State election on 29 November 2014.

CHAIR'S REPORT

While 2014 was a challenging year for the Box Hill Institute Group, the Board continued to focus on establishing a strong base for the sustainability of the organisation.

The Group did suffer a disappointing financial result in 2014 primarily driven by a reduction in income, due to a number of factors including:

- Lower overall demand across a range of government subsidised programs due to economic and competition factors,
- A decline in demand for fee for service vocational programs and commercial work across the sector, and
- Lower levels of capital grant contributions.

However, in July 2014, we transitioned from an interim Chief Executive Officer to a new Chief Executive Officer and began the task of ensuring the long-term future of Box Hill Institute (BHI) and Centre for Adult Education (CAE). The first step was the creation and approval of the Box Hill Institute Group's new Strategic Plan 2015-2018.

The Group's success in achieving its strategic goals will be measured by its financial sustainability; stakeholder feedback; organisational efficiency and the effectiveness of its staff. The ability to adapt to change will ensure that the Group continues to be a leader in education and a provider of life-long learning.

The Board is confident that management and staff can meet the ongoing challenges and deliver on our vision; to be community educators for industry, work and life.

There have been positive developments since the appointment of Mr Norman Gray AM as Chief Executive Officer in July 2014.

Mr Gray was formerly the Chief Operating Officer and Executive Director of Network Operations of Public Transport Victoria, a State Statutory Authority, and previously Chief Executive Officer and Managing Director of Thales Australia, a large systems engineering company and leading edge provider of solutions for the commercial and defence sectors.

Mr Gray has begun the not inconsiderable task of implementing the new strategy of reform and revising the structure of the executive leadership team tasked with carrying this out. His exceptional skills and experience will provide leadership to further grow and develop successful outcomes for our organisation, our students and learners, and our industry customers and partners.

In his time with the BHI Group, Mr Gray has already overseen:

- Renewal of the $20million training contract with the Department of Defence. Box Hill Institute was chosen due to two key factors; a six year track record delivering exceptional teaching, responsiveness, flexibility and innovation, and a plan to evolve the teaching model with a significant expansion of online and technology-based learning, delivering improved value for money for the Department of Defence and better learning outcomes for their personnel. The contract runs through to February 2018,
- Commencement of a new campus at Lilydale, which directly embodies our strategic vision. We look forward to working with all levels of government to make the Lilydale Community Campus a success and to enrich the lives of the local and surrounding communities,
- Achievement of CAE as a finalist in the 2014 Victorian Learn Local Awards, announced by the Minister for Higher Education and Skills in August 2014, for the Business Basics for Women program, and
- Achievement of a successful SPLICE end-of-year exhibition (November 2014) attended by Rowena Allen (Chair of the Adult, Community and Further Education Board) and senior members of the State Government of Victoria, Royal Children's Hospital and Peter MacCallum Cancer Centre. SPLICE is an innovative pre-accredited creative industries program for young people who have experienced cancer, developed in partnership between CAE, ONTrac at Peter Mac and the Royal Children's Hospital Education Institute.

On behalf of the Board I would like to acknowledge Mr Joe Piper who was interim Chief Executive Officer for the first half of the year.

I would also like to thank the management and staff of the Box Hill Institute Group for their work through a period of transition and their acceptance of the necessary changes to ensure the future success of the organisation.

I would like to acknowledge and thank my fellow Board members for their work during 2014 and to welcome Mary-Beth Bauer and Allan Moore who joined the Board in 2014.

I would also like to acknowledge the contribution of Janet Compton, Elizabeth White, Rod McColl and Glen Walker, directors who left the Board during 2014.

The Strategic Plan confirms the organisation's focus on our communities and details how we will utilise our strengths to secure a viable and robust future for staff and clients. I look forward to working with my fellow Board members to ensure the ongoing success of Box Hill Institute Group.

S.M. Ewart.

Ms Suzanne Ewart
Board Chair

20 March 2015

CEO'S REPORT

In 2014 we set a new direction to consolidate our position as community educators for industry, work and life.

I commenced as Chief Executive Officer of the Box Hill Institute Group in July 2014 with an initial focus on the development of a new Strategic Plan for the organisation. Following a rigorous Board and managerial review in late 2014, the Box Hill Institute Group management and staff began the implementation of the new Strategic Plan and vision set by the Board. The Plan lays out the framework to begin the Group's transformation as a necessary part of the directional change required to address the strategic challenges the sector faces.

Our priorities for 2014 were to establish a focused leadership team, reduce our overheads, engage our staff and set our asset strategy. This provided a strong foundation to transform our business, to grow and to expand; enabling the financial sustainability that will provide us with a strong return on our assets and healthy surplus to reinvest in our future and our communities.

Achieving success for the organisation will, to a significant extent, mean rebuilding the business from the bottom-up, creating opportunities for reinvestment and minimising waste whilst establishing a stable, sustainable financial basis from which to operate.

The Plan provides a unique opportunity to transform our business to deliver a better, more robust service for our students and stakeholders. The Group's new direction can consolidate and build on our reputation for academic quality and teaching excellence while providing productivity gains and controlling costs.

The Box Hill Institute Group Strategic Plan 2015–2018 was outlined during a comprehensive round of staff forums in late 2014. It is heartening to see the way staff have embraced the changes and subsequent challenges as they enact the new direction set by the Board.

In line with this, BHI began developing a campus in Lilydale. Work has commenced on upgrading the site, with the delivery of classes planned for early 2015.

By empowering and increasing the opportunities for people in our local communities, we will continue to be recognised as leading providers of education, training and lifelong learning. The Lilydale Community Campus promotes two of the key themes of the Strategic Plan; innovating to increase our market share and growing through diversification, as well as implementing one of the key strategic priorities of developing blended and online learning opportunities.

Despite the challenges experienced in 2014, there were significant achievements.

We celebrated the official opening of our $41 million Integrated Technology Hub. The unique, five green-star rated building was a jointly-funded venture by BHI, the Federal Government, the Victorian State Government and co-investor contributions to support our pledge of delivering industry-aligned, relevant training. This building is part of our commitment to build programs and facilities that are aligned to industry requirements, working collaboratively with local businesses and industry partners to custom design a facility, providing a flexible way to deliver training for the building, construction service and maintenance industries.

Other highlights during the year included:

> The BHI Group initiated an organisational realignment in 2014, commenced under the interim Chief Executive Officer, with a model devised to transform the business and support a diverse commercial capability,

> Implementation of a revised leadership structure and team aligned to the Strategic Plan,

> The re-signing of the Agreement with the Department of Defence to deliver telecommunications and ICT training for the next three years at the Simpson Barracks in Watsonia, employing 20 staff,

> A new first-of-its-kind Graduate Certificate in Dispute Resolution (Industry) was launched in conjunction with the Telecommunications Industry Ombudsman (TIO) developed to fine-tune the expertise of the TIO's dispute resolution staff. Twenty two TIO officers enrolled in the course, and the first graduation is planned for 2015,

> CAE delivering short courses to 17,765 learners as part of the Group's commitment to adding value to the communities we operate in, and

> CAE securing the Federal Government's seasonal workers contract; delivering Australia-wide, Language, Literacy and Numeracy (LLN) and first aid courses to 147 Pacific Island and Timor students.

In conclusion, I would like to express my thanks to the Box Hill Institute Group Board Directors for their confidence in providing me with an opportunity to lead the organisation and to the Group's management and staff for their work during the year. I would also like to acknowledge Mr Joe Piper, who undertook the role of interim Chief Executive Officer for the first half of the year.

The transformational nature of delivering educational, employment and lifestyle outcomes has a positive effect on the communities we serve. I look forward to working with the Board, all staff, and other stakeholders as we lay the foundation for our future success in making our strategic vision a reality, as community educators for industry, work and life.

Mr Norman Gray AM
Chief Executive Officer

20 March 2015

HIGHLIGHTS
DOMESTIC

Organisation Realignment

Box Hill Institute Group initiated an organisational realignment in 2014, with a model devised to transform the business and support a diverse commercial capability.

Change management initiatives across business divisions established a new operational structure designed to capitalise on core strengths and build capacity.

Guided by the principles that people matter; change takes time; and process is essential, the Institute prioritised communication with employees and unions. A weekly electronic newsletter, PeopleTalk, was launched to ensure employees were provided with accurate and current communication regarding change strategies and new opportunities.

The organisation realignment established a new operating structure for 2015 in alignment with the BHI Group Strategic Plan 2015–2018.

Integrated Technology Hub & Refrigeration and Climate Control Centre of Excellence

The Integrated Technology Hub (ITH) was officially opened in 2014. Designed in collaboration with the Air Conditioning and Mechanical Contractors Association (AMCA) the ITH is home to the Refrigeration and Climate Control Centre of Excellence (RCCC) providing the main training facility for the air conditioning, refrigeration and allied industries in Victoria.

The unique, five green-star rated building was a jointly-funded venture by Box Hill Institute, the Federal Government, the Victorian State Government and co-investor contributions, and showcases the strong links between industry and vocational education.

The four storey facility features collaborative teaching and learning areas and interactive spaces providing around 3,000 additional students per year the opportunity to develop real-world skills in the cooling, building and electro-mechanical industries. Mobile teaching PODs are a key feature in the building's design, providing a flexible way to deliver training, and are easily upgraded to incorporate the latest technology. The teaching PODs have been designed in collaboration with the AMCA and industry.

Lilydale Community Campus

In late 2014, Box Hill Institute commenced development of a new community campus in Lilydale, with funding received from the Victorian Government's TAFE Structural Adjustment Fund.

Opening in early 2015, the new Lilydale Community Campus will offer the community access to accredited and short courses delivered by BHI and CAE. In-demand skills will be delivered via accredited courses in animal studies, business, health and community services and trades, while short courses will teach languages, training and a variety of lifestyle skills.

The campus will feature configurable classrooms with state of the art technology and a unique delivery model that provides a highly flexible and personalised learning experience.

Higher Education

Degree Pathways

Box Hill Institute continued to build on our strengths in tertiary education by providing a variety of options for students into higher education. In 2014 we further enhanced pathway opportunities for our students within BHI Group and with our education partners. Highlights for the year include;

Deakin University

> In 2014 Deakin University and Box Hill Institute developed a number of guaranteed pathways. These pathways provide students with a seamless transition from Box Hill Institute diplomas to Deakin degrees.

Australian Catholic University

> An agreement was signed to offer Box Hill Institute students guaranteed pathways for business, sports recreation and guaranteed places into the Bachelor of Nursing.

La Trobe University

> New pathways were developed for nursing and allied health services.

Accreditation

In June 2014 the Tertiary Education Quality and Standards Agency (TEQSA) renewed Box Hill Institute's registration as a Higher Education Provider (HEP) for seven years until 19th June 2021.

In October 2014 TEQSA accredited the Masters of Music (Contemporary Practice) and the Graduate Diploma in Music (Contemporary Practice). BHI has now three Masters programs on offer.

The accreditation of the following qualifications was successfully renewed by TEQSA:

- Bachelor of Fashion
- Associate Degree in Fashion
- Bachelor of Applied Music (Composition)
- Bachelor of Applied Music (Audio Production)
- Bachelor of Applied Music (Performance)
- Associate Degree in Applied Music
- Bachelor of Science Biotechnology
- Associate Degree in Science
- Bachelor of Computer Systems
- Associate Degree in Computer Systems.

Mixed Sector Symposium

The annual national conference of TAFE-HEP providers, the Mixed Sector Symposium, was held at BHI in 2014. The event showcased the research and scholarly activity of higher education academic staff.

Department of Defence

BHI successfully retained its contract with the Department of Defence to deliver telecommunications and ICT training for the next three years. After a tender process, BHI was awarded the Command Support Training (CST) Contract in November 2014. The contract is for an initial period of three years with the option for two further two year extensions. The contract relates to the provision of training within the Defence Command Support Training Centre with an emphasis on Information, Communication and Technology training at the Defence Force School of Signals.

Dispute Resolution

A new first-of-its-kind dispute resolution qualification was launched by the Telecommunications Industry Ombudsman (TIO) and Box Hill Institute. The Graduate Certificate in Dispute Resolution (Industry) has been developed to fine-tune the expertise of the TIO's dispute resolution staff. Twenty two TIO officers have enrolled in the course, and the first graduation is planned for 2015.

iVCAL Program

iVCAL is a unique online Victorian Certificate of Applied Learning (VCAL) program developed and implemented by BHI and CAE in 2014. It is designed to maximise flexibility for students while maintaining the close teacher support and coaching which marks VCAL delivery at BHI Group.

The innovative program opens VCAL to new cohorts of young students including rural, home-schooled, students with health issues restricting their ability to leave home, students in hospital or at a school without a VCAL program and young people who are working or who are carers or parents. iVCAL courses are providing an innovative new pathway for students and successfully overcoming boundaries between on and off campus studies.

Victorian Learn Local Awards – Business Basics for Women

A finalist in the 2014 Victorian Learn Local Awards, announced by the Minister for Higher Education and Skills in August 2014, Business Basics for Women is a supportive pre-accredited program at CAE which offers digital literacy and basic business skills development for women who have faced barriers to learning. Several participants in the program have gone on to establish their own small or online businesses or have moved into accredited training.

SPLICE Program

SPLICE is an innovative pre-accredited creative industries program for young people who have experienced cancer, developed in partnership between CAE, ONTrac at Peter Mac and the Royal Children's Hospital Education Institute. The SPLICE end-of-year exhibition (November 2014) was opened by Board Chair Suzanne Ewart and attended by Rowena Allen (Chair of the Adult, Community and Further Education Board), Norman Gray and senior members of the State Government of Victoria, Royal Children's Hospital and Peter MacCallum Cancer Centre. SPLICE is now in its fifth year and will be further expanded in 2015 through an exciting collaboration with the City of Melbourne.

HIGHLIGHTS INTERNATIONAL

Transnational Delivery

Box Hill Institute has a long history in the transnational market and currently works in partnership with colleges based in China, Vietnam, Malaysia and the Middle East delivering principally accredited and some non-accredited training to students enrolled at the colleges. The close collaboration between Box Hill Institute and the partner colleges ensures the delivery of high calibre vocational education that produces work ready graduates with improved career options including pathways to further education in Australia.

International Inbound students

2014 was a year for consolidation in the international inbound market. The negative impact this market has experienced since 2011 plateaued and Box Hill Institute is looking forward to growth and development in 2015.

Australia-Pacific Technical College

The Australia-Pacific Technical College (APTC) is an Australian Government initiative, funded by the Australian Government and managed through the Department of Foreign Affairs and Trade. The APTC was established in 2008 and has campuses in Fiji, Papua New Guinea, Samoa, Solomon Islands and Vanuatu. The APTC is managed on behalf of the Australian Government by a consortium of the Queensland Government Department of Education and Training, Box Hill Institute and GRM International.

In 2014, the APTC continued to provide Australian-standard skills and qualifications for a wide range of vocational careers throughout the Pacific where skilled employees are in high demand.

Skills for Economic Growth (Vanuatu)

BHI was awarded the contract for the Vanuatu Technical and Vocational Education and Training (TVET) Sector Strengthening Program – Phase 3 in March 2013. The program is funded by the Australian Government and managed through the Department of Foreign Affairs and Trade. In May 2014 the program name changed to Skills for Economic Growth (Vanuatu).

The purpose of the program is to assist the Government of Vanuatu to implement the national TVET strategy. In 2014 the program continued to support provincial economic development in Vanuatu through the facilitation of quality skill development services. An ongoing focus in 2014 was the provision of services to support women's economic development through the Pacific Women Shaping Pacific Development program.

Box Hill Institute Singapore

BHI Singapore operated as a Continuous Education and Training Centre (CET) and Program Partner (PP) delivering training under the Workforce Skills Qualifications framework to the Singapore Workforce Development Agency from 2009, concluding in 2014. Box Hill Institute Singapore delivered training in the areas of Community and Social Services, Tourism, Food and Beverage and was the sole contracted provider in Singapore for the delivery of Student Care training.

Box Hill Institute Group (Box Hill Institute, Centre for Adult Education and controlled entities) is governed by a Board comprised of representatives from government, industry and the community. The Board's role is to oversee and govern the Box Hill Institute Group, take all reasonable steps for the advancement of the objectives of the Institute, the CAE and the Board and to ensure that the Group operates in accordance with its strategic plan and its statement of corporate intent.

The Board is committed to ensuring that the community is serviced effectively with vocational and further education programs which are responsive to its needs.

In November 2014, the Board and CEO participated in a facilitated review of its operations. The review covered the operations of the Board as a whole, its directors and committees. The report on outcomes did not identify any areas of concern and provided some process recommendations.

The Board is also committed to ethical conduct in all areas of its responsibilities and authority. In so doing, it binds its members to the principles and practices determined in the Board's Charter.

The Board is ultimately responsible to the Victorian Government for the governance and management of the Box Hill Institute Group.

Board Members

The following members served on the Board during 2014 and their attendance at meetings including out of session meetings is shown next to each Board member:

Suzanne Ewart (Chair)	12/12
Helen Buckingham (Deputy Chair)	10/12
Greg Malone	12/12
(Francis) Bruce Thompson	10/12
Phillip Davies	11/12
Allan Moore (appointed 17 March 2014)	10/10
Mary-Beth Bauer (appointed 17 March 2014)	9/10
Rod McColl (resigned 25 July 2014)	3/4
Janet Compton (resigned 29 May 2014)	4/5
Glen Walker (resigned 28 February 2014)	2/2
(Barbara) Elizabeth White (resigned 28 February 2014)	0/2

Committees

To assist the Board in fulfilling its duties, the Board has established a number of committees including:

- Audit, Finance and Risk Committee
- Board Remuneration Committee
- Nominations Committee
- Education, Quality and Effectiveness Committee (established mid-year)
- Capital Planning Committee (disbanded mid-year).

Audit, Finance and Risk Committee

The objective of the Audit Finance and Risk Committee is to assist the Board in ensuring that the control and compliance framework operating across the Group and its controlled entities is operating effectively and that its external accountability responsibilities are being met.

Membership during 2014 included:

- Mary-Beth Bauer (Current Committee Chair – part year)
- Bruce Thompson (former Committee Chair – part year)
- Suzanne Ewart
- Elizabeth White (part year)
- Glen Walker (part year)
- Phillip Davies
- Allan Moore.

Board Remuneration Committee

The objective of the Remuneration Committee is to assist the Board in ensuring that remuneration practices for the CEO and Executive Officers are in accordance with Government policy relating to Public Sector employment administered by the State Services Authority and Ministerial directions to TAFE Institutes.

Membership during 2014 included:

- Suzanne Ewart (Current Committee Chair)
- Elizabeth White (former Committee Chair – part year)
- Bruce Thompson
- Glen Walker (part year)
- Helen Buckingham (Deputy Chair)
- Janet Compton (part year)
- Greg Malone
- Phillip Davies
- Rod McColl (part year)
- Allan Moore
- Mary-Beth Bauer.

Nominations Committee

The objective of the Nominations Committee is to assist the Board in fulfilling its responsibilities in relation to the evaluation and maintenance of appropriate skills required by the Board and the competency, selection, and nomination for appointment of Board Nominee Directors.

Membership during 2014 included:

- Suzanne Ewart (Committee Chair)
- Elizabeth White (part year)
- Bruce Thompson
- Helen Buckingham
- Mary-Beth Bauer
- Phillip Davies.

Educational Quality & Effectiveness Committee (Part year)

The objective of the Educational Quality & Effectiveness Committee is to assist the Board in fulfilling its responsibilities in relation to overseeing the maintenance of the quality and effectiveness, and the profitability and relevance to market and industry needs, and the development and transformation of training delivery and services in line with the Box Hill Institute Group Strategic Plan.

Membership during 2014 included:

- Helen Buckingham (Committee Chair)
- Greg Malone
- Rod McColl (part year)
- Laura Steedman (external member).

Capital Planning Committee (Part year)

The objective of the Capital Planning Committee is to oversee and advise the Board in relation to the development and maintenance of the Strategic Asset Management Plan and to monitor the delivery of capital building projects that are included in the capital development program. This committee was discontinued during 2014.

Membership during 2014 included:

- Helen Buckingham (Committee Chair)
- Suzanne Ewart
- Bruce Thompson
- Phillip Davies
- Greg Malone
- Christine Kilmartin (external member).

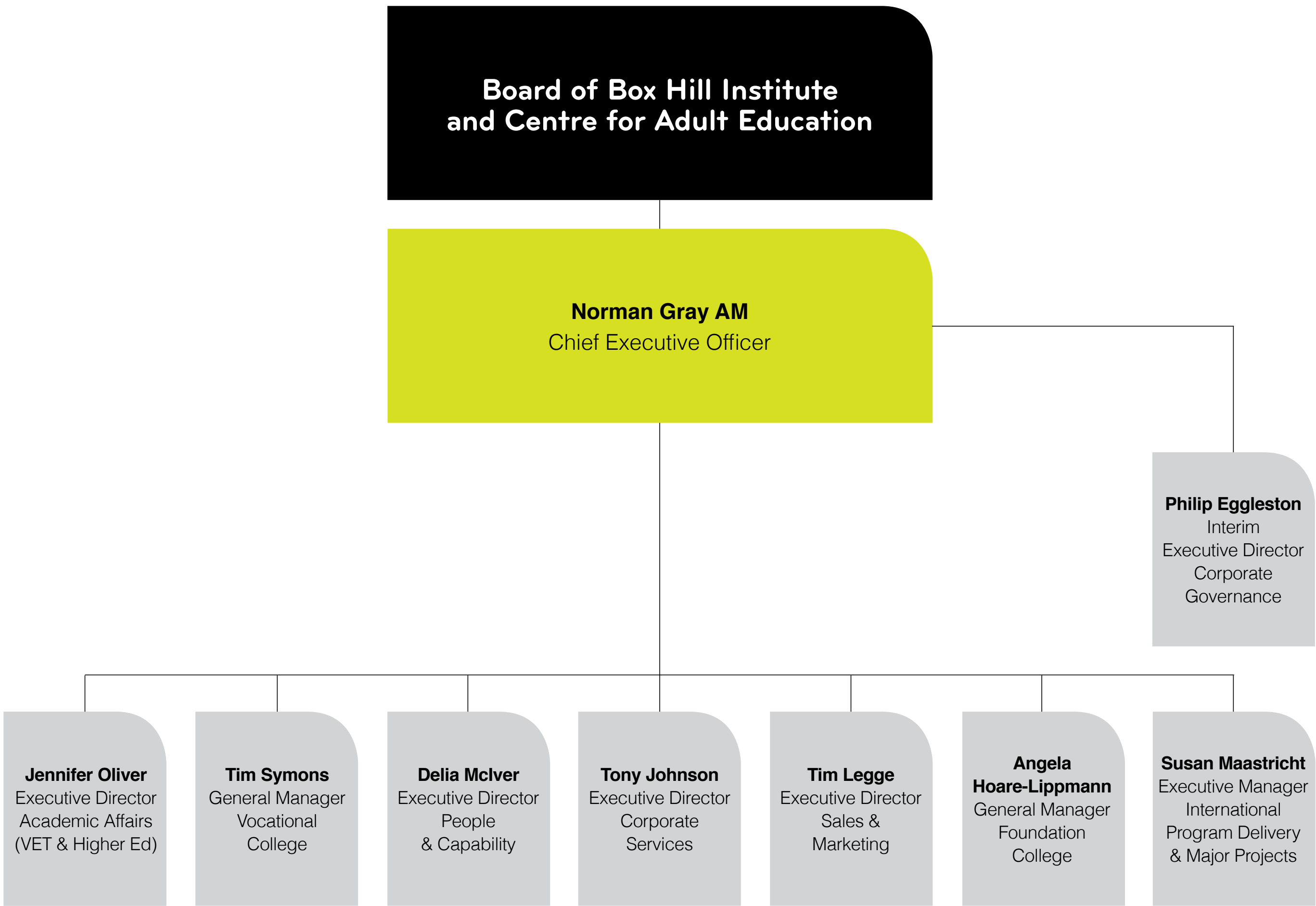
Directors of Box Hill Enterprises Limited

The names and relevant details of the directors in office as of 31 December 2014 are:

- Suzanne Ewart (Chair)
- Helen Buckingham (Deputy Chair)
- Bruce Thompson
- Greg Malone
- Phillip Davies
- Mary-Beth Bauer
- Allan Moore.

EXECUTIVE MANAGEMENT STRUCTURE 2014

Senior Executive Management Team as at 31 December 2014



FINANCIAL PERFORMANCE 2014

The Box Hill Institute Group, comprising Box Hill Institute, Centre for Adult Education, Box Hill Enterprises Limited and Box Hill Institute Singapore, recorded a Net Result loss of $7.358 million (2013: $0.163 million surplus) compared to a Board approved operating budget of $3.380 million surplus.

Comprehensive Operating Statement

The lower result for 2014 compared to 2013 was primarily driven by a reduction in income from transactions of $16.243 million, with factors including:

> Lower overall demand across a range of government subsidised programs due to economic and competition factors and also increased restrictions on eligibility from the State Government (2014: $33,008 million, 2013: $43.441 million).

> A decline in demand for fee for service Vocational programs and commercial work (2014: $64.283 million, 2013 $66.273 million).

> A lower level of capital grant contributions resulting from the completion of the Integrated Technology Hub in 2013, and the cessation of state funded capital grants for equipment (2014: $0.730 million, 2013: $3.950 million).

The reduction in income was partially offset by decreases in expenditure of $7.297 million, with the Box Hill Institute Group embarking on an organisational realignment and a review and refinement of its operations to maximise efficiencies, with the full effect of these changes to be delivered in 2015 and beyond.

Other significant factors impacting the 2014 Net Result, as compared to 2013 include:

> In 2014, the financial gain on disposal of two properties ($4.973 million).

> In 2013, the financial gain on the sale of the Occupational English Test Business ($3.2 million), and the net profits from discontinuing this business ($226,000).

Five Year Consolidated Financial Summary

YEAR ENDED 31 DECEMBER	2014 $'000	2013 $'000	2012 $'000	2011 $'000	2010 $'000
Summary of Financial Performance					
Government Contributions - Operating	33,008	43,441	69,113	67,021	62,330
Sale of goods and services	64,283	66,273	64,710	56,100	54,998
Other Revenue	4,830	5,430	7,352	5,441	3,653
TOTAL INCOME FROM TRANSACTIONS (Excluding Capital Grants)	**102,121**	**115,144**	**141,175**	**128,562**	**120,981**
TOTAL EXPENSES FROM TRANSACTIONS (Excluding Depreciation and Expenditure from capital contributions)	**(108,742)**	**(116,572)**	**(132,352)**	**(112,220)**	**(113,355)**
EARNINGS BEFORE DEPRECIATION, CAPITAL GRANTS AND OTHER ECONOMIC FLOWS	**(6,621)**	**(1,428)**	**8,823**	**16,342**	**7,626**
Government Contributions – Capital	730	3,950	5,038	9,673	6,292
Depreciation and Amortisation	(6,915)	(5,766)	(6,030)	(5,915)	(7,615)
Expenditure using government contributions – capital	(23)	(285)	(1,204)	(680)	(1,446)
Other economic flows included in net result	5,117	227	5,053	(1,556)	(826)
Net result from discontinued operations	-	3,466	1,360	-	127
Net Result	**(7,712)**	**163**	**13,040**	**17,864**	**3,904**

Balance Sheet

The Box Hill Institute Group's overall net worth declined by $5.966 million as a result of the recorded Net Result loss in 2014.

The Box Hill Institute Group's Net Result loss had a direct impact on cash balances, with the Institute recording deficit cash flows from operating activities of $5.959 million. This was offset by the disposal of two excess properties for $8.0 million in late 2014 and other investment income ($674,000); however capital expenditure during the period of $4.421 million resulted in cash balances declining by $1.632 million.

Property, Plant and Equipment decreased as a result of the disposal of the two excess properties, and also due to depreciation exceeding capital expenditure.

Receivables and payables have declined as a result of the reduction in operating income and associated expenditure. Provisions have also decreased as a result of the organisational realignment.

YEAR ENDED 31 DECEMBER	2014 $'000	2013 $'000	2012 $'000	2011 $'000	2010 $'000
Summary of Balance Sheet Performance					
Assets	259,926	268,469	277,161	226,418	204,151
Liabilities	(27,057)	(27,891)	(36,675)	(32,294)	(27,890)
NET ASSETS	**232,869**	**240,578**	**240,485**	**194,125**	**176,261**
Accumulated Surplus	89,949	97,483	90,778	77,739	59,875
Reserves	115,796	115,971	122,583	89,262	89,262
Contributed Capital	27,124	27,124	27,124	27,124	27,124
NET WORTH	**232,869**	**240,578**	**240,485**	**194,125**	**176,261**

COMPLIANCE

Consultancies

Details of consultancies engaged during 2014 are as follows:

Consultancies - Over $10,000

Consultants	Number of Engagements	Total Fees Paid	Particulars of Projects Involved	Estimated Future Commitments
Bevington Consulting	2	26,450	Provision of management consulting services	29,150
Dept. of Transport Planning & Local Infrastructure	1	79,600	Property valuation services	5,091
Dragoman Proprietary Limited	1	90,000	Provision of international advisory services	136,364
Ernst & Young	2	197,923	Provision of consultancy services relating to the international strategy and asset master plan business case	-
Experian Australia Pty Ltd		56,424	Provision of marketing services and advice	25,883
Galaxy 42 Pty L	1	24,300	Provision of software consulting services relating to financial systems	-
Godfrey Spowers (Vic) P/L	1	41,336	Architectural services relating to the Institute's Integrated Technology Hub	-
Hay Group P/L	1	68,100	Advice and services relating to the employee and learner engagement surveys	-
Jo Fisher Executive Search	1	30,510	Provision of executive recruitment services	-
Minter Ellison	1	25,844	Professional legal advice relating to international operations	-
Moores Legal	1	17,869	Professional legal advice on properties	7,985
Norton Rose Fulbright	4	12,706	Professional advice for commercial agreements	57,949
Technology One	4	34,865	Provision of software consulting services relating to financial and student management systems	1,314,669
The Primary Agency Pty Ltd	1	32,569	Consulting services relating to Strategic Plan rollout	-
The Trustee for PPB Unit Trust T/As PPB	2	364,580	Consulting services relating to Board risk strategies and closure of Singapore office	16,428
Wilde & Woollard	2	11,910	Provision of advice and services relating to a facilities audit and new campus operations	4,520
Woods Bagot Pty Ltd	1	29,330	Provision of services relating to an asset strategy master plan	-

Consultancies - under $10,000

Number of Engagements	12
Total Fees Incurred	$57,789

Details of consultancies over $10,000 are publically available at the Box Hill Institute website **www.bhtafe.edu.au**

Compulsory Student Services and Amenities Fee

Box Hill Institute Group levy a compulsory student services and amenities fee that is determined in accordance with the Ministerial Directions on Students Fees and Charges. The fee is fully applied to the provision of funding for student recreation, counselling and welfare and other non-academic support services.

The processes for the collection and disbursement of the services and amenities fees are managed by BHI and CAE respectively and are not paid to any student organisations.

Total Student Services and Amenities Fees collected for the Box Hill Institute Group for the year ending 31st December 2014 was $987,973. Student Services and Amenities Fees collected for BHI were $816,497. Student Services and Amenities Fees collected for CAE were $171,476.

Risk Management and Attestation Statement

I, Suzanne Ewart, Chair of Box Hill Institute Board, certify that the Box Hill Institute Group has a risk management process in place consistent with the *Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2009* or its successor) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

Box Hill Institute Group's risk management framework is currently being further refined as part of the organisation's continuous improvement process.

S.M. Ewart.

Ms Suzanne Ewart
Board Chair

20 March 2015

Financial Reporting Directions

This report is prepared in accordance with the requirements of the Financial Reporting Directions. For further details please refer to the Financial Statements.

Statements of Pecuniary Interests

Box Hill Institute Group has in place policies and procedures that require relevant officers of the Group entities to complete Statements of Pecuniary Interests on an annual basis. All such statements have been duly completed.

Information about declarations of pecuniary interests by all relevant officers should be directed to:

The Freedom of Information Officer
Box Hill Institute Group
465 Elgar Road
Box Hill 3128

Telephone: (03) 9286 9222

Details of Shares Held by Senior Officers

Requests for information about shares held by senior officers, as nominee or held beneficially in a statutory authority or subsidiary, if any, should be directed to The Freedom of Information Officer (contact details above).

National Competition Policy

Box Hill Institute Group has in place policies and procedures to ensure compliance with the National Competition Policy which take into account the Victorian Government's Competitive Neutrality Policy requirements and the requirements of related legislation.

Major Commercial Activities

In accordance with the Commercial Guidelines – TAFE Institutes, in 2014 Box Hill Institute undertook the following major commercial activity;

- Sale of properties at 7 Poplar Street and 5, 7 & 9 Wellington Road, Box Hill for $8.01 million (exclusive of GST).

Freedom of Information

Box Hill Institute Group has implemented procedures which, subject to privacy provisions, facilitate all reasonable requests for information from students, staff and the general public under the provisions in the *Freedom of Information Act 1982* allowing access to publicly available information.

Requests under the Freedom of Information Act should be addressed to The Freedom of Information Officer (contact details set out on previous page).

Box Hill Institute Group may levy a charge for information provided that is subject to a Freedom of Information request, in accordance with the relevant requirements. There were no formal requests for information to be supplied under the Freedom of Information Act during the 2014 reporting period.

Any student may see his/her personal record by applying to:

The Registrar
Box Hill Institute Group
465 Elgar Road, Box Hill VIC 3128

Telephone: (03) 9286 9572

Any staff member may see access to his/her personnel file by applying to:

Executive Director, People and Capability
Box Hill Institute Group
465 Elgar Road
Box Hill VIC 3128

Telephone: (03) 9286 9222

Protected Disclosure Act

Section 70 (1) of the *Protected Disclosure Act 2012* (Vic) requires that in its Annual Report, Box Hill Institute provides information on how members of the public can access information on Procedures developed to meet the requirements of Section 58 (5) of that Act (procedures to protect persons making a protected disclosure from detrimental action taken in reprisal for that disclosure).

This information is published on the Box Hill Institute website at **http://www.bhtafe.edu.au/about/Pages/Policies-procedures.aspx**

Conduct Principles

All staff members are required to comply with the requirements set out in the Box Hill Institute Group's Code of Conduct and the Code of Conduct for the Victorian Public Sector.

Victorian Public Sector Travel Principles

Box Hill Institute Group has in place policies and procedures in relation to domestic and international travel and accommodation to ensure compliance with the Victorian Public Sector Travel Principles. This applies to all employees of Box Hill Institute, the Centre for Adult Education and all controlled entities and takes into account the Victorian Public Sector Travel Principles issued by the Department of Premier and Cabinet (DPC), December 2006 and Department of Education and Early Childhood Development Policy and Guidelines 2014.

Occupational Health and Safety

Occupational Health and Safety (OHS) is incorporated into all workplace learning activities to ensure that the prevention of injury and illness and the promotion of physiological wellbeing, forms an integral component of organisational culture.

Improved review of, and consultation on OHS and WorkCover results during 2014 have confirmed the effectiveness of ongoing proactive risk management strategies and initiatives.

The number of incidents reported in 2014 declined by 53.2 per cent in comparison to the number reported in 2013. Box Hill Institute continues to be a leader in influencing safety culture, having reduced WorkCover claims from 2013 to 2014.

End of year lost time injury frequency rate (LTIFR) was 5.1.

There was one notifiable incident reported to WorkSafe Victoria from 1 January to 31 December 2014. WorkSafe Notices were not issued to the organisation during this period.

Environmental Performance

Box Hill Institute Group is committed to environmental sustainability and to meeting our targets in this respect.

As part of the BHI Group, the CAE is proudly a 'car-less' organisation and in 2014 continued to support the Commuter Club for staff, using the yearly Myki or V/Line ticket. By participating in the scheme, CAE staff can obtain these tickets at a discounted price and have payments deducted fortnightly through Payroll.

The direct environmental impacts of our core business have been identified and we record activity relating to energy use, waste production, paper, water consumption and greenhouse gas emissions.

The consumption of resources and greenhouse gas emissions covering the Institute's office based operations in 2014 are summarised as follows:

Energy Use

Total energy usage segmented by primary source, including Green Power	**Electricity 23,846,492 Megajoules**	**Natural Gas 19,153,911 Megajoules**	**Total Energy 43,000,403 Megajoules**
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets	7,296 Tonnes		
Percentage of electricity purchased as Green Power	0%		
Units of energy used per full-time employee	56,878.84 Megajoules per FTE		
Units of energy used per unit of office area	461.8 Megajoules per m^2		

Waste production

Total units of office waste disposed of by destination (kg per year):

Destination	kg per year
Landfill	232,170
Commingled Recycling	15,140
Metal Recycling	6,310
Paper Recycling	25,080
Timber Recycling	108,000
Cardboard Recycling	48,943
Liquid Recycling	20,245

- Units of office waste disposed of per full-time employee by destination = 603kg per FTE.
- Recycling rate (% of total waste by weight) = 48%.

Water Consumption

- Total units of metered water consumed by water source = 20,227 Kilolitres mains water.
- Units of metered water consumed in offices per full-time employee = 26.76 Kilolitres/FTE.
- Units of metered water consumed in offices per unit of office area = 0.22 Kilolitres per m^2.

GFA greenhouse gas emissions

- Total greenhouse gas emissions associated with energy use = 7,296 Tonnes for electricity alone.

Paper Use

- Total units of A4 equivalent copy paper used = 12.04 reams.
- Units of A4 equivalent copy paper used per full-time employee = 12.04 reams per FTE.
- Percentage of recycled content in copy paper purchased = 9%.

Building Maintenance

This report provides details of the extent of Box Hill Institute's compliance with the *Building Act 1993*, as required by the Directions of the Minister for Finance issued under Section 8 of the *Financial Management Act 1994*. Buildings Condition Audits are conducted annually on each building to meet ministerial guidelines. Box Hill Institute has in place maintenance programs for the buildings, plant and equipment across all campuses.

Construction Works

Box Hill Institute has a strong focus on meeting regulatory requirements and occupational health and safety standards. The Institute incorporates environmentally sustainable features in the course of providing and maintaining its buildings, with the intention of providing aesthetically pleasing facilities which exceed the expectations of students, staff and the general public.

The Institute ensures that, for all works requiring building approval, an independent building surveyor is engaged to issue the required permits, inspect the works on a progressive basis and provide the final occupancy certificates. Box Hill Institute ensures that the relevant local council is approached for advice on local council provisions and issues during the project planning stage. Contractors and building practitioners engaged for Institute works are required to provide evidence of correct registration, relevant insurances and WorkCover before their engagement. All building contractors engaged by the Institute during 2014 undertook a formal safety induction and met their required obligations.

For significant capital works undertaken by Box Hill Institute Group, tenderers and contractors are required to provide an Environmental Sustainability Measures and Work Plan covering all works within the project. The tender considerations for refurbishment include sustainability initiatives by the contractors including demolition material segregation and recycling.

Works design also incorporates sustainability initiatives regarding LED lighting, use of collected rainwater in toilets and the re-use of materials.

Other Relevant Information

Consistent with the requirements of the *Financial Management Act 1994*, Box Hill Institute has prepared material on the following items, details of which are available on request and in accordance with the Institute's Freedom of Information Policies:

- Changes in prices, fees, charges, rates and levies
- Major external reviews
- Major research and development activities
- Overseas visits undertaken
- Major promotional and marketing activities
- Publications
- Occupational health and safety assessments and measures
- Industrial relations issues and
- Major committees sponsored by Box Hill Institute.

Enquires should be addressed to

The Freedom of Information Officer
Box Hill Institute Group
465 Elgar Road
Box Hill 3128

Telephone: (03) 9286 9222

Compliance with Other Legislation

Box Hill Institute Group complies with the requirements of relevant legislation and subordinate instruments, including, but not limited to, the following:

- *Education and Training Reform Act 2006*
- The Constitution of the Box Hill Institute and the Centre for Adult Education
- 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 1993*
- *Protected Disclosure Act 2012*
- *Victorian Industry Participation Policy Act 2003*
- *Financial Management Act 1994*.

Workforce Data 2014

TEACHING STAFF									
Employment Status		**Full Time 2014**	**Full Time 2013**	**Part Time 2014**	**Part Time 2013**	**Total 2014**	**Total 2013**	**EFT 2014**	**EFT 2013**
On-going	Female	48	64	46	57	94	121	123.8	100.9
On-going	Male	75	102	13	22	88	124	95.7	117.7
Fixed Term	Female	27	37	18	24	45	61	56.0	50.1
Fixed Term	Male	45	98	12	11	57	109	65.9	66.8
Casual	Female	0	0	197	173	197	173	38.1	39.9
Casual	Male	0	0	181	196	181	196	38.7	44.5
SUB-TOTAL	**Female**	**75**	**101**	**261**	**254**	**336**	**355**	**217.9**	**190.9**
SUB-TOTAL	**Male**	**120**	**200**	**206**	**229**	**326**	**429**	**200.3**	**229.0**
PACCT and NON-TEACHING STAFF									
Employment Status		**Full Time 2014**	**Full Time 2013**	**Part Time 2014**	**Part Time 2013**	**Total 2014**	**Total 2013**	**EFT 2014**	**EFT 2013**
Executive Officers	Female	5	9			5	9	9.0	9.0
Executive Officers	Male	6	5			6	5	5.0	5.0
Management	Female	10	20			10	20	20.0	20.0
Management	Male	13	22		3	13	25	23.9	23.9
General Staff On-going	Female	94	103	34	38	128	141	149.6	125.7
General Staff On-going	Male	53	54	6	9	59	63	58.5	59.5
General Staff Fixed Term	Female	33	35	26	24	59	59	75.6	50.9
General Staff Fixed Term	Male	23	22	7	9	30	31	34.3	27.4
General Staff Casual	Female	0	0	90	94	90	94	10.6	13.2
General Staff Casual	Male	0	0	62	47	62	54	7.2	6.3
SUB-TOTAL	**Female**	**142**	**167**	**150**	**156**	**292**	**323**	**264.8**	**218.8**
SUB-TOTAL	**Male**	**95**	**103**	**75**	**68**	**170**	**178**	**128.9**	**122.1**
TOTAL	**Female**	**217**	**268**	**411**	**410**	**628**	**678**	**482.7**	**409.7**
TOTAL	**Male**	**215**	**303**	**281**	**297**	**496**	**607**	**329.2**	**351.1**
GRAND TOTAL		**432**	**571**	**692**	**707**	**1124**	**1285**	**811.9**	**760.8**

Workforce Employees at June 2014

	ON-GOING EMPLOYEES - HEAD COUNT						ON-GOING EMPLOYEES FTE				EMPLOYEES	
	Employees Head count 2014	Employees Head count 2013	Full Time Head count 2014	Full Time Head count 2013	Part Time Head count 2014	Part Time Head count 2013	Full Time 2014	Full Time 2013	Part Time 2014	Part Time 2013	Full Time Equivalent 2014	Full Time Equivalent 2013
Jun 14	517		389		128		432.7		43.7		245.9	
Jun 13		519		388		131		413.6		55.9		262.1

BHI-BHE	ON-GOING				FIXED TERM & CASUAL	
Gender	Head Count 2014	Head Count 2013	Full Time Equivalent 2014	Full Time Equivalent 2013	Full Time Equivalent 2014	Full Time Equivalent 2013
M	220	220	191.8	208.4	112.9	130.6
F	299	299	240.9	261.14	133	131.5
Age						
Under 25	1	2	1.00	2.00	8.6	9.07
25-34	34	38	28.20	35.63	35.9	34.5
35-44	101	106	83.90	94.40	56.1	62.1
45-54	162	169	135.30	155.36	66.9	67.8
55-64	185	177	155.80	158.40	66.3	72.7
Over 64	34	27	28.50	23.75	12.1	15.9
Classification						
Teacher	209	198	161.10	172.44	128.8	150.5
Senior Educator	64	69	59.50	77.40	8.2	9.2
General staff	241	229	209.1	210.6	87.9	82.1
Executives					12.9	12.6
Other	3	11	3	9.1	8.1	7.7

Incorporates Box Hill Institute and Box Hill Enterprises workforce data.

Employment and Conduct Principles

Box Hill Institute recruits and promotes the most suitably qualified, experienced and capable employees through open and transparent, merit based selection processes that comply with relevant legislative requirements. All employees are expected to conduct themselves in a manner consistent with the Box Hill Institute Group Code of Conduct. All employees have been correctly classified in workforce data collections.

BOX HILL INSTITUTE

FINANCIAL STATEMENTS

31 DECEMBER 2014

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 Directors, Box Hill Institute

The Financial Report

The accompanying financial report for the year ended 31 December 2014 of Box Hill Institute which comprises the 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 chair of the board, chief executive officer and chief finance and accounting officer has been audited. The financial report is the consolidated financial statements of the consolidated entity, comprising Box Hill Institute and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 24 to the consolidated financial statements.

The Directors' Responsibility for the Financial Report

The Directors of Box Hill Institute 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 Directors 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 Directors, 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 Box Hill Institute and the consolidated entity as at 31 December 2014 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*.

MELBOURNE
24 March 2015

for John Doyle
Auditor-General

Auditing in the Public Interest

BOX HILL INSTITUTE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

DECLARATION BY CHAIR OF THE BOARD CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE AND ACCOUNTING OFFICER

We certify that the attached financial statements for the Box Hill Institute and the consolidated entity have 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 operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2014 and financial position of the Institute and the consolidated entity as at 31 December 2014.

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 became due and payable.

The Board Chair and the Chief Executive Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of the Box Hill Institute.

S.M. Ewart.

Suzanne Ewart
Board Chair

Date: 20 March 2015

Box Hill, Melbourne

Norman Gray AM
Chief Executive Officer

Date: 20 March 2015

Box Hill, Melbourne

Graham Anthony Johnson
Chief Finance & Accounting Officer

Date: 20 March 2015

Box Hill, Melbourne

BOX HILL INSTITUTE
COMPREHENSIVE OPERATING STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Consolidated		Institute	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000
Continuing operations					
Income from transactions					
Government contributions - operating	2(a)(i)	33,008	43,441	28,124	35,509
Government contributions - capital	2(a)(ii)	730	3,950	730	3,950
Sale of goods and services	2(b)	64,283	66,273	53,606	53,408
Interest	2(c)	948	1,546	663	1,134
Fair value of assets & services received free of charge or for nominal consideration	2(d)	314	133	355	133
Other income	2(e)	3,568	3,752	3,005	3,875
Total income from transactions		**102,851**	**119,094**	**86,483**	**98,007**
Expenses from transactions					
Employee expenses	3(a)	77,733	81,890	65,619	68,864
Depreciation and amortisation	3(b)	6,915	5,766	6,237	5,054
Grants and other transfers	3(c)	149	60	15	57
Expenditure using Government Contributions - Capital	3(d)	23	285	23	285
Supplies and services	3(e)	15,242	15,970	13,310	13,375
Other operating expenses [1]	3(f)	15,618	18,652	9,192	11,322
Total expenses from transactions		**115,680**	**122,623**	**94,396**	**98,957**
Net result from transactions (net operating balance)		**(12,829)**	**(3,530)**	**(7,913)**	**(950)**
Other economic flows included in net result					
Net gain/(loss) on non-financial assets [2]	4(a)	4,963	(440)	4,961	(386)
Net gain/(loss) on financial instruments [3]	4(b)	(76)	(11)	(117)	(1,654)
Share of net profits/(losses) of associates and joint ventures excluding dividends	4(c)	535	482	-	-
Other gains/(losses) from other economic flows	4(d)	(305)	196	(655)	172
Total other economic flows included in net result		**5,117**	**227**	**4,189**	**(1,868)**
Net result from continuing operations		**(7,712)**	**(3,303)**	**(3,724)**	**(2,819)**
Net result from discontinued operations	5	-	3,466	**-**	**-**
Net result		**(7,712)**	**163**	**(3,724)**	**(2,819)**
Other economic flows – other comprehensive income					
Items that will not be reclassified to net result					
Changes in physical asset revaluation surplus [4]	16(a)	(248)	-	(248)	-
Changes in foreign currency translation revaluation surplus	16(b)	3	(71)	-	-
Total other economic flows – other comprehensive income		**(245)**	**(71)**	**(248)**	**-**
Comprehensive result		**(7,957)**	**93**	**(3,972)**	**(2,819)**

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

1 Other operating expenses includes bad debts expense from transactions that are mutually agreed.
2 'Net gain/(loss) on non financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.
3 'Net gain/(loss) on financial instruments' includes bad and doubtful debts from other economic flows, unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments, except when these are taken through the financial assets available-for-sale revaluation surplus.
4 Changes in revaluation surplus excludes share of net movement in associates, which is disclosed separately.

BOX HILL INSTITUTE
BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	Consolidated		Institute	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000
Assets					
Financial assets					
Cash and deposits	6	39,535	41,164	30,541	27,789
Receivables	7	9,406	10,832	9,330	8,899
Investments accounted for using the equity method	8	1,304	1,442	-	-
Total financial assets		**50,245**	**53,438**	**39,871**	**36,688**
Non-financial assets					
Inventories	9	366	490	317	437
Non-current assets classified as held-for-sale	10	1,310	-	1,310	-
Property, plant and equipment	11	206,576	213,182	198,607	204,685
Intangible assets	12	354	176	344	128
Other non-financial assets	13	1,075	1,183	863	909
Total non-financial assets		**209,681**	**215,031**	**201,441**	**206,159**
Total assets		**259,926**	**268,469**	**241,312**	**242,847**
Liabilities					
Payables	14	13,794	13,729	7,760	5,347
Provisions	15	13,263	14,162	11,892	12,116
Total liabilities		**27,057**	**27,891**	**19,652**	**17,463**
Net assets		**232,869**	**240,578**	**221,660**	**225,384**
Equity					
Contributed capital		27,124	27,124	27,124	27,124
Accumulated surplus/(deficit)		89,949	97,483	78,693	82,239
Physical asset revaluation surplus	16(a)	114,544	114,792	114,523	114,771
Foreign translation revaluation surplus	16(b)	(68)	(71)	-	-
Institute development fund	16(c)	-	-	-	-
Restricted funds reserve	16(d)	1,320	1,250	1,320	1,250
Net Worth		**232,869**	**240,578**	**221,660**	**225,384**
Commitments for expenditure	18	52,825	55,223	4,966	3,998
Contingent assets and liabilities	19	(608)	(608)	(198)	(198)

The balance sheet should be read in conjunction with the notes to the financial statements.

BOX HILL INSTITUTE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

Consolidated (At 31 Dec 2014)

	Note	Physical asset revaluation surplus	Foreign currency translation revaluation surplus	Institute development fund	Restricted reserve fund	Accumulated surplus	Contributions by owners	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 January 2013		114,792	-	6,700	1,091	90,778	27,124	240,485
Net result for the year		-	-	-	-	163	-	163
Other comprehensive income	16b	-	(71)	-	-	-	-	(71)
Transfers to accumulated surplus	16c	-	-	(6,700)	-	6,700	-	-
Transfers from accumulated surplus	16d	-	-	-	159	(159)	-	-
Year ended 31 December 2013		**114,792**	**(71)**	**-**	**1,250**	**97,483**	**27,124**	**240,578**
Net result for the year		-	-	-	-	(7,712)	-	(7,712)
Other comprehensive income for the year	16	(248)	3	-	-	-	-	(245)
Transfers from physical asset revaluation surplus		-	-	-	-	248	-	248
Transfers from accumulated surplus	16d	-	-	-	70	(70)	-	-
Year ended 31 December 2014		**114,544**	**(68)**	**-**	**1,320**	**89,949**	**27,124**	**232,869**

Institute (At 31 Dec 2014)

	Note	Physical asset revaluation surplus	Foreign currency translation revaluation surplus	Institute development fund	Restricted reserve fund	Accumulated surplus	Contributions by owners	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 January 2013		114,771	-	6,700	1,091	78,516	27,124	228,202
Net result for the year		-	-	-	-	(2,819)	-	(2,819)
Transfers to accumulated surplus	16c	-	-	(6,700)	-	6,700	-	-
Transfers from accumulated surplus	16d	-	-	-	159	(159)	-	-
Year ended 31 December 2013		**114,771**	**-**	**-**	**1,250**	**82,239**	**27,124**	**225,384**
Net result for the year		-	-	-	-	(3,724)	-	(3,724)
Other comprehensive income for the year	16	(248)	-	-	-	-	-	(248)
Transfers from physical asset revaluation surplus		-	-	-	-	248	-	248
Transfers from accumulated surplus	16d	-	-	-	70	(70)	-	-
Year ended 31 December 2014		**114,523**	**-**	**-**	**1,320**	**78,693**	**27,124**	**221,660**

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

BOX HILL INSTITUTE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated		Institute	
		2014 $'000	2013 $'000	2014 $'000	2013 $'000
Cash flows from operating activities					
Receipts					
Government contributions - operating		34,166	44,159	29,201	36,308
Government contributions - capital		730	3,950	730	3,950
User fees and charges received		75,480	82,523	59,232	64,911
Interest received		948	1,546	663	1,134
Distribution received		-	-	1,567	2,000
Total receipts		**111,324**	**132,177**	**91,393**	**108,302**
Payments					
Payments to suppliers and employees		(113,262)	(130,191)	(88,825)	(105,451)
Goods and services tax paid to the ATO		(3,870)	(3,922)	(3,443)	(3,238)
Total payments		**(117,132)**	**(134,113)**	**(92,268)**	**(108,689)**
Net cash flows from / (used in) operating activities	17	**(5,808)**	**(1,936)**	**(875)**	**(387)**
Cash flows from investing activities					
Payments for investments		673	-	-	-
Proceeds from sale of investments		-	11,100	-	8,000
Purchases of non-financial assets		(4,550)	(20,147)	(4,423)	(20,139)
Sales of non-financial assets		8,053	-	8,050	-
Proceeds from sale of business		-	2,240	-	-
Net cash provided by / (used in) investing activities		**4,176**	**(6,807)**	**3,627**	**(12,139)**
Net increase / (decrease) in cash and cash equivalents		**(1,632)**	**(8,743)**	**2,752**	**(12,526)**
Cash and cash equivalents at the beginning of the financial year		41,164	49,978	27,789	40,315
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies		3	(71)	-	-
Cash and cash equivalents at the end of the financial year	6	**39,535**	**41,164**	**30,541**	**27,789**

The cash flow statement should be read in conjunction with the notes to the financial statements.

1. Statement of Significant accounting and policies

The annual financial statements represent the audited general purpose financial statements for Box Hill Institute and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Box Hill Institute as an individual parent entity ('Parent Entity').

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2014 and the comparative information presented for the year ended 31 December 2013.

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.

1.01 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

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.

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; and

• the fair value of an asset other than land is generally based on its depreciated replacement value.

1. Statement of Significant accounting and policies (Continued)

1.02 Basis of accounting preparation and measurement (Continued)

Consistent with AASB 13 Fair Value Measurement, the Institute determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments and for non-recurring fair value measurements in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Institute has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Institute determines whether transfers have occurred between levels in the hierarchy by re assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer General Victoria (VGV) is the Institute's independent valuation agency.

The Institute, in conjunction with VGV (and other external valuers, if applicable), monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

1.03 Reporting entity

The financial statements cover the Box Hill Institute. The Institute is a statutory body corporate, established pursuant to the act/order made by the Victorian Government under the Enacted Act 2006.

Its principal address is:
Box Hill Institute
465 Elgar Road, VIC 3128

The financial statements include all the controlled activities of the entity.

1.04 Basis of consolidation

A controlled entity is any entity over which the Institute has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Institute and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Institute.

1. Statement of Significant accounting and policies (Continued)

1.04 Basis of consolidation (Continued)

All intra-Institute transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Institutes' ownership interests in subsidiaries that do not result in the Institute losing control are accounted for as equity transactions. The carrying amounts of the Institute's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Institute.

Bodies consolidated into the Institute's reporting entity include:

- Box Hill Enterprises Ltd
- Centre for Adult Education; and
- Box Hill Institute Singapore Pte Ltd.

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Institute.

Associated entities (associates)

Associates are those entities over which the Institute exercises significant influence, but not control, generally accompanying shareholding and voting rights of between 20% and 50%.

Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under this method, the Institute's share of the post-acquisition profits or losses of associates is recognised in net result and its share of post-acquisition movements in reserves is recognised in reserves (non-owner equity) in both the statement of comprehensive income and the statement of changes in equity. The cumulative post-acquisition movements are adjusted against the cost of the investment.

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 are considered to be of material interest.

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 are presented as operating cash flow.

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

1. Statement of Significant accounting and policies (Continued)

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 income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

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

Other income

Distribution from the controlled entity revenue is brought to account when the Institute's right to receive the distribution is established.

Other comprises mainly revenue from car parking and hiring of facilities and is recognised as revenue on receipt.

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. Statement of Significant accounting and policies (Continued)

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 in respect of superannuation represents the contributions made by the Institute to the superannuation plan in respect of current services of current Institute staff.

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

Class of asset	Method	2014	2013
		Rate/Rates	Rate/Rates
Buildings including components	Straight	1.67%-10%	1.67%-10%
Plant & equipment	Straight	4%-20%	4%-20%
Leasehold improvements	Straight	33.3%	33.3%
Computers	Straight	33.3%	33.3%
Motor vehicles	Straight	33.3% (Residual of 40%)	33.3% (Residual of 40%)

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis.

Amortisation

Intangible assets with finite lives are amortised on a straight line basis over the assets useful lives. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

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

1. Statement of Significant accounting and policies (Continued)

1.08 Expenses from transactions (Continued)

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 disposals of non-financial assets and impairments.

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.

Impairment of non-financial assets

Non-financial assets are assessed annually for indications of impairment, except for inventories.

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. The 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.

1. Statement of Significant accounting and policies (Continued)

1.09 Other economic flows included in net result (Continued)

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments at fair value and impairment and reversal of impairment for financial instruments at amortised cost.

Revaluation of financial instruments at fair value

The revaluation gain/loss on financial instruments at fair value excludes 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 Accounting Standards. Where a financial asset's fair value at balance date has reduced by 10 per cent or more than its cost price the financial instrument is treated as impaired.

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'.

Share of net profits/(losses) of associates and joint entities, excluding dividends

Investments in associates are accounted for in the financial statements using the equity method. Under this method, the Institute's share of post acquisition profits or losses of associates is recognised in the net result as other economic flows.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

1.10 Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Categories of non-derivative financial instruments:

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1.11), term deposits with maturity greater than three months, trade receivables and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of the Institute's contractual payables and advances received.

1. Statement of Significant accounting and policies (Continued)

1.11 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.

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 and accrued investment income.

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.

1. Statement of Significant accounting and policies (Continued)

1.11 Financial assets (Continued)

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 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. Statement of Significant accounting and policies (Continued)

1.12 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

Institute as lessor

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

Institute as lessee

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

1.13 Non-Financial Assets

Inventories

Inventories include goods held either for sale or for consumption in the ordinary course of business operations.

Inventories are measured at the lower of cost and net realisable value.

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.

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 Crown land 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 relations to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

The fair value of plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. Existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

For accounting policy on impairment of non-financial physical assets, refer to note 1.09 on impairment of non-financial assets.

1. Statement of Significant accounting and policies (Continued)

1.13 Non-Financial Assets (Continued)

Leasehold improvements

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

Revaluations of non-financial physical assets

Non-current physical assets measured at fair value are revalued in accordance with Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation 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. Independent valuers are generally used to conduct these scheduled revaluations. 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.

Intangibles

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Institute.

Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as follows:

	2014	2013
Software	3-5	3-5

Prepayments

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

1. Statement of Significant accounting and policies (Continued)

1.14 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 cash flows 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 annual leave and accumulating sick leave, are all recognised in the provision for employee benefits as 'current liabilities', because the Institute does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- undiscounted value - if the Institute expects to wholly settle within 12 months; or
- present vale - if the Institute does not expect to wholly settle within 12 months.

1. Statement of Significant accounting and policies (Continued)

1.14 Liabilities (Continued)

(ii) Long service leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Institute does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the 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.

Conditional LSL is disclosed a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest for which it is then recognised as an other economic flow.

(iii) Employee benefits on-costs

Provision for on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision of employee benefits.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an ‘other economic flow’ in the estimated consolidated comprehensive operating statement.

1.15 Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of note at their nominal value and inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclose as commitments once the related liabilities are recognised on the balance sheet.

1. Statement of Significant accounting and policies (Continued)

1.16 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 18) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

1.17 Equity

Contributed capital

Funding that is 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.

1.18 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.

Foreign currency translation differences are recognised in other economic flows and accumulated in a separate component of equity, in the period in which they arise.

Group entities

The financial results and position of foreign operations whose functional currency is different from the group’s presentation currency are translated as follows:

(a) assets and liabilities are translated at year-end exchange rates prevailing at that reporting date; and
(b) income and expenses are translated at average exchange rates on a monthly basis.

Exchange differences arising on translation of foreign operations are recognised as a separate component of equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale where applicable.

1.19 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.

1.20 Rounding of amounts

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

1. Statement of Significant accounting and policies (Continued)

1.21 Change in accounting policy

There were no changes in accounting policy during the year.

1.22 New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2014 reporting period. As at 31 December 2014 the following standards and interpretations (applicable to the Institute) had been issued but were not mandatory for financial year ending 31 December 2014. The Institute has not, and does not intend to, adopt these standards early.

Standard/ Interpretation	Effective Date	Summary	Impact on entity financial statements
AASB 9 Financial Instruments	1 Jan 2017	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).	The preliminary assessment has identified that the financial impact of available-for-sale assets will now be reported through other comprehensive income and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2014 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2014 reporting period and is considered to have insignificant impacts on public sector reporting.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.
- 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.
- 2013-5 Amendments to Australian Accounting Standards – Investment Entities.
- 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements.
- 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policy holders.
- 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.
- AASB Interpretation 21 Levies.

1. Statement of Significant accounting and policies (Continued)

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 note 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).

1.24 Comparative information

Where practicable comparative amounts are presented and classified on a basis consistent with the current year.

2 Income from transactions	Consolidated 2014 $'000	Consolidated 2013 $'000	Institute 2014 $'000	Institute 2013 $'000
(a) Grants and other transfers (other than contributions by owners)				
Government financial assistance				
(i) Government contributions - operating				
State government recurrent	31,885	41,929	27,513	34,547
Other contributions by State Government	1,123	1,512	611	962
Total government contributions - operating	**33,008**	**43,441**	**28,124**	**35,509**
(ii) Government contributions - capital				
Commonwealth capital	-	3,107	-	3,107
State capital	730	843	730	843
Total government contributions - capital	**730**	**3,950**	**730**	**3,950**
Total government financial assistance	**33,738**	**47,391**	**28,854**	**39,458**
(b) Sales of goods and services				
Student fees and charges	11,094	11,382	10,372	10,829
Rendering of services				
Fee for service - Government	7,281	8,027	6,040	6,416
Fee for service - International operations - onshore	4,545	4,736	2,418	2,537
Fee for service - International operations - offshore	19,397	17,925	18,583	16,292
Fee for service - other	18,872	20,523	13,418	13,974
Total rendering of services	**50,095**	**51,212**	**40,459**	**39,218**
Other non-course fees and charges				
Sales of Goods	3,094	3,679	2,775	3,361
Total other fees and charges	**3,094**	**3,679**	**2,775**	**3,361**
Total revenue from sale of goods and services	**64,283**	**66,273**	**53,606**	**53,408**
(c) Interest				
Interest from financial assets				
Interest on bank deposits	948	1,546	663	1,134
Total interest revenue from financial assets	**948**	**1,546**	**663**	**1,134**
Net interest income	**948**	**1,546**	**663**	**1,134**
(d) Fair value of assets and services received free of charge or for nominal consideration:				
Assets:				
Plant & Equipment	314	80	314	80
Total Assets	**314**	**80**	**314**	**80**
Services	-	53	41	53
Total fair value of assets and services received free of charge *or* for nominal consideration	**314**	**133**	**355**	**133**
(e) Other income				
Dividends from Investments				
Controlled Entity	-	-	1,567	2,000
Total Dividends	**-**	**-**	**1,567**	**2,000**
Donations, bequests and contributions	188	247	159	217
Other revenue	3,380	3,504	1,279	1,658
Total other income	**3,568**	**3,752**	**3,005**	**3,875**

3 Expenses from transactions	Consolidated 2014 $'000	Consolidated 2013 $'000	Institute 2014 $'000	Institute 2013 $'000
(a) Employee expenses				
Salaries, wages, overtime and allowances	59,917	64,472	50,542	53,361
Superannuation	5,798	6,231	4,912	5,288
Payroll tax	3,435	3,472	2,850	2,989
Worker's compensation	457	728	392	713
Long service leave	1,280	872	1,055	701
Annual leave	4,205	5,145	3,606	4,849
Termination benefits	2,494	785	2,120	785
Other	147	186	142	179
Total employee expenses	**77,733**	**81,890**	**65,619**	**68,864**
(b) Depreciation and amortisation				
Depreciation of non-current assets				
Buildings	4,226	3,265	4,200	3,242
Plant and equipment	1,158	937	1,145	919
Motor vehicles	168	223	168	223
Computer Equipment	371	241	357	234
Total depreciation	**5,923**	**4,665**	**5,870**	**4,618**
Amortisation of non-current physical and intangible assets				
Leasehold improvements	940	977	353	383
Software	52	125	14	53
Total amortisation	**992**	**1,102**	**367**	**436**
Total depreciation and amortisation	**6,915**	**5,766**	**6,237**	**5,054**
(c) Grants and other transfers (other than contributions by owners)				
Grants and subsidies apprentices and trainees	4	45	4	45
Grants and subsidies other Vet Programs	145	15	11	12
Total grants and other payments	**149**	**60**	**15**	**57**
(d) Expenditure using government contributions - capital				
Equipment	-	237	-	237
Other	23	47	23	47
Total expenditure using government contributions - capital	**23**	**285**	**23**	**285**
(e) Supplies and services				
Purchase of supplies and consumables	2,242	2,679	2,775	3,282
Communication expenses	1,214	1,646	911	1,262
Contract and other services	3,220	2,885	2,140	1,780
Cost of goods sold/distributed (ancillary trading)	1,064	1,410	739	804
Building repairs and maintenance	4,316	2,136	3,673	1,515
Minor equipment	306	1,002	294	918
Fees and charges	2,880	4,212	2,778	3,814
Total supplies and services	**15,242**	**15,970**	**13,310**	**13,375**

	Consolidated		Institute	
	2014	2013	2014	2013
3 Expenses from transactions (Continued)	$'000	$'000	$'000	$'000
(f) Other expenses				
General expenses				
Marketing and promotional expenses	2,736	3,199	1,651	1,773
Occupancy expenses	1,499	1,634	1,273	1,356
Audit fees and services (Note 23)	153	226	112	167
Staff development	453	1,051	373	976
Travel and motor vehicle expenses	3,018	3,735	2,953	3,538
Other expenses	1,911	2,447	951	1,182
Total other expenses	**9,770**	**12,294**	**7,313**	**8,992**
Fair value of assets and services provided free of charge or for nominal consideration:				
Assets - Leashold improvements	-	-	40	66
Total fair value of assets and services provided free of charge or for nominal consideration	**-**	**-**	**40**	**66**
Operating lease rental expenses:				
Lease payments	5,848	6,359	1,839	2,265
Total operating lease rental expenses	**5,848**	**6,359**	**1,839**	**2,265**
Total other operating expenses	**15,618**	**18,652**	**9,192**	**11,322**

	Consolidated		Institute	
	2014	2013	2014	2013
4 Other economic flows included in net result	$'000	$'000	$'000	$'000
(a) Net gain/(loss) on non-financial assets (including PPE and intangible assets)				
Impairment of non-financial assets	(23)	(70)	(23)	(68)
Write off of intangible and property, plant and equipment assets	(27)	(345)	(25)	(302)
Net gain/(loss) on disposal of physical assets	5,013	(24)	5,009	(16)
Total net gain/(loss) on non-financial assets and liabilities	**4,963**	**(440)**	**4,961**	**(386)**
(b) Net gain/(loss) on financial instruments				
Impairment of loans and receivables	24	(153)	(4)	(1,635)
Net FX gain/(loss) arising from financial instruments	(100)	141	(113)	(19)
Total net gain/(loss) on financial instruments	**(76)**	**(11)**	**(117)**	**(1,654)**
(c) Share of net profits/(losses) of associates and joint venture entities excluding dividends				
Share of net profits/(losses) of associates excluding dividends	535	482	-	-
Total share of net profit(loss) of associates and joint ventures excluding dividends	**535**	**482**	**-**	**-**
(d) Other gains/(losses) from other economic flows				
Net gain/(loss) arising from revaluation of long service leave liability	(305)	196	(655)	172
Total other gains/(losses) from other economic flows	**(305)**	**196**	**(655)**	**172**

5 Net result from discontinued operations

(a) Description

During 2013 a controlled entity sold its Occupational English Test business on 15th March 2013 with effect from 16th March 2013. The business disposed of was reported in these financial statements as a discontinued operation.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below:

(b) Financial performance and cash flow information

The financial performance and cashflow information presented is for the period 1st January 2013 to 15th March 2013.

	Consolidated		Institute	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Income from transactions	-	844	-	-
Expenses from transactions	-	(578)	-	-
	-	**266**	**-**	**-**
Gain on sale of business	-	3,200	-	-
Net result from discontinued operations	**-**	**3,466**	**-**	**-**

	Consolidated		Institute	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Net cash inflow from operating activities	-	266	-	-
Net cash inflow from investing activities	-	2,240	-	-
Net increase in cash generated by the discontinued operations	**-**	**2,506**	**-**	**-**

	Consolidated		Institute	
6 Cash and deposits	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Cash at bank and on hand	5,065	8,154	2,837	6,412
Deposits - at call with TCV	34,470	28,654	27,704	21,377
Australian currency deposits - at call	-	2,938	-	-
Short term deposits - TCV	-	1,418	-	-
Total cash and cash equivalents	**39,535**	**41,164**	**30,541**	**27,789**

	Consolidated		Institute	
	2014	2013	2014	2013
7 Receivables	$'000	$'000	$'000	$'000
Current receivables				
Contractual				
Trade receivables[1]	5,607	6,257	5,255	5,272
Provision for doubtful contractual receivables (Refer note 7 (a) below)	(142)	(262)	(126)	(186)
Revenue receivable [2]	3,449	3,107	3,371	2,140
Amount receivable from:				
related parties	-	-	352	166
Total contractual	**8,914**	**9,102**	**8,852**	**7,391**
Statutory				
Amounts owing from Victorian Government	432	1,589	431	1,508
GST receivable from ATO	13	-	-	-
Total statutory	**445**	**1,589**	**431**	**1,508**
Total current receivables	**9,359**	**10,691**	**9,283**	**8,899**
Non-current receivables				
Security bonds paid	47	141	47	-
Total contractual	**47**	**141**	**47**	**-**
Total non-current receivables	**47**	**141**	**47**	**-**
Total receivables	**9,406**	**10,832**	**9,330**	**8,899**

1 The average credit period on sales of goods and services is 30 days. No interest is charged on receivables. A provision has been made for estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience.

2 Revenue receivable includes $2.6m owing in respect of the Asia Pacific Technical College contract in which Box Hill Institute delivers 42.5% of the college's management services and training activities.

	Consolidated		Institute	
	2014	2013	2014	2013
(a) Movement in the provision for doubtful contractual receivables	$'000	$'000	$'000	$'000
Balance at beginning of the year	(262)	(133)	(186)	(110)
Reversal of unused provision recognised in the net result	89	89	48	92
Increase in provision recognised in the net result	(64)	(225)	(50)	(168)
Reversal of provision for receivables written off during the year as uncollectible	95	7	62	-
Balance at end of the year	**(142)**	**(262)**	**(126)**	**(186)**

The Institute has an investment in an associate entity, Cambridge Boxhill Language Assessment Unit Trust. The main business activities include conducting occupational english tests.

	Consolidated		Institute	
	2014	2013	2014	2013
8 Investments accounted for using the equity method	$'000	$'000	$'000	$'000
At the beginning of the financial year	1,442	-	-	-
Share of operating profit of equity accounted investments	535	482	-	-
Investments in equity accounted investments	-	960	-	-
Payment received for share of operating profit	(673)	-	-	-
Total investments accounted for using the equity method	**1,304**	**1,442**	**-**	**-**

Name of entity	Ownership Interests		Published fair value	
	2014	2013	2014	2013
	%	%	$'000	$'000
Cambridge Boxhill Language Assessment Unit Trust (incorporated in Australia)	30	30	-	-

	Consolidated		Institute	
	2014	2013	2014	2013
(a) Summarised financial information of associate	$'000	$'000	$'000	$'000
Current assets	3,100	2,530	-	-
Non-current assets	3,343	3,199	-	-
Total assets	6,443	5,729	-	-
Current liabilities	(2,048)	(2,529)	-	-
Non-current liabilties	(48)	-	-	-
Net assets	**4,347**	**3,200**	-	-
Share of associates' net assets (30%)	**1,304**	**960**		
Total income	8,939	6,812	-	-
Profit/(loss) from continuing operations	1,784	1,607	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	**1,784**	**1,607**	**-**	-
Dividends received from associates	-	-		
Share of associates' net profits (30%)	**535**	**482**		

	Consolidated		Institute	
	2014	2013	2014	2013
9 Inventories	$'000	$'000	$'000	$'000
Current				
Supplies and consumables - at cost	49	52	-	-
Inventories held-for-sale - at cost	317	438	317	437
Total current inventories	**366**	**490**	**317**	**437**

		Consolidated		Institute	
		2014	2013	2014	2013
10(a)	**Non financial physical assets classified as held for sale**	**$'000**	**$'000**	**$'000**	**$'000**
	Non-current assets:				
	Freehold land held-for-sale[1]	1,310	-	1,310	-
	Total non financial physical assets classified as held for sale	**1,310**	**-**	**1,310**	**-**

		Carrying amount as at 31 Dec 2014	Fair value hierachy		
			Level 1	Level 2	Level 3
			Quoted prices	Observable price inputs	Un-observable inputs
10(b)	**Fair value measurement of non financial physical assets held for sale** The following table provides the fair value measurement hierarchy of the Institute's non financial physical assets held for sale.	$'000	$'000	$'000	$'000
	Free hold land held for sale	1,310	-	1,310	-
	Total	1,310	-	1,310	-

1 On 5 December 2014, two parcels of land 14 Poplar Street , Box Hill and 10 Poplar Street, Box Hill were auctioned and sold. Settlement for these two properties is in early 2015.

Freehold land held for sale is reported at the lower of carrying amount or fair value less costs to sell. Refer to Note 11 (Property, plant and equipment) for the valuation technique applied to non specialised land.

11 Property, plant and equipment

In accordance with government purpose classifications, the Institute's property, plant and equipment are assets used for the purpose of education. Property, plant & equipment includes all operational assets.

(a) Consolidated	Land $'000	Buildings $'000	Work in progress $'000	Plant & equipment $'000	Motor vehicles $'000	Leasehold improvements $'000	Artworks $'000	Computers $'000	Total $'000
At 1 January 2013									
Cost	-	-	-	-	-	13,786	-	-	**13,786**
Valuation	61,285	109,493	12,672	5,528	1,024	-	456	730	**191,188**
Accumulated depreciation	-	-	-	-	-	(6,259)	-	-	**(6,259)**
Net book amount	**61,285**	**109,493**	**12,672**	**5,528**	**1,024**	**7,527**	**456**	**730**	**198,715**
Year ended 31 December 2013									
Opening net book amount	61,285	109,493	12,672	5,528	1,024	7,527	456	730	**198,715**
Additions	-	18,865	-	775	157	84	-	549	**20,430**
Disposals	-	-	-	(27)	(161)	-	-	-	**(188)**
Transfers from/(to)	-	11,520	(11,520)	-	-	-	-	-	**-**
Impairment loss through profit and loss	-	-	-	(70)	-	-	-	-	**(70)**
Depreciation and amortisation expense [1]	-	(3,265)	-	(936)	(223)	(977)	-	(242)	**(5,643)**
Write off	-	-	-	(19)	-	(44)	-	-	**(63)**
Closing net book amount	**61,285**	**136,613**	**1,168**	**7,620**	**797**	**8,959**	**456**	**1,037**	**217,935**
At 31 December 2013									
Cost	-	30,385	1,152	754	144	13,803	-	549	**46,787**
Valuation	61,285	109,493	-	5,502	863	-	456	730	**178,329**
Accumulated depreciation	-	(3,265)	-	(1,004)	(210)	(7,213)	-	(242)	**(11,934)**
Net book amount	**61,285**	**136,613**	**1,152**	**5,252**	**797**	**6,590**	**456**	**1,037**	**213,182**
Year ended 31 December 2014									
Opening net book amount	61,285	136,613	1,152	5,252	797	6,590	456	1,037	**213,182**
Additions	-	521	2,070	494	52	976	-	546	**4,659**
Disposals	(2,817)	-	-	(1)	(242)	-	-	-	**(3,060)**
Transfers from/(to)	(1,310)	474	(2,061)	1,587	-	-	-	-	**(1,310)**
Impairment loss through profit and loss	-	-	-	(16)	-	-	-	-	**(16)**
Depreciation and amortisation expense [1]	-	(4,226)	-	(1,158)	(168)	(940)	-	(370)	**(6,862)**
Write off	-	-	-	(17)	-	-	-	-	**(17)**
Closing net book amount	**57,158**	**133,382**	**1,161**	**6,141**	**439**	**6,626**	**456**	**1,213**	**206,576**
At 31 December 2014									
Cost	-	31,373	1,161	2,832	196	13,636	-	1,096	**50,294**
Valuation	57,158	109,493	-	5,463	489	-	456	727	**173,786**
Accumulated depreciation	-	(7,484)	-	(2,154)	(246)	(7,010)	-	(610)	**(17,504)**
Net book amount	**57,158**	**133,382**	**1,161**	**6,141**	**439**	**6,626**	**456**	**1,213**	**206,576**

[1] The useful lives of assets as stated in Note 1 are used in the calculation of depreciation and amortisation as shown in note 3(b).

11 Property, plant and equipment (Continued)

(b) Institute	Land $'000	Buildings $'000	Work in progress $'000	Plant & equipment $'000	Motor vehicles $'000	Leasehold improvements $'000	Artworks $'000	Computers $'000	Total $'000
At 1 January 2013									
Cost	-	-	12,672	-	-	2,735	-	-	**15,407**
Valuation	59,452	109,440	-	5,473	1,024	-	-	711	**176,100**
Accumulated depreciation	-	-	-	-	-	(1,912)	-	-	**(1,912)**
Net book amount	**59,452**	**109,440**	**12,672**	**5,473**	**1,024**	**823**	**-**	**711**	**189,595**
Year ended 31 December 2013									
Opening net book amount	59,452	109,440	12,672	5,473	1,024	823	-	711	**189,595**
Additions	-	18,865	-	756	157	12	-	549	**20,339**
Disposals	-	-	-	-	(161)	-	-	-	**(161)**
Transfers from/(to)	-	11,520	(11,520)	-	-	-	-	-	**-**
Impairment loss through profit and loss	-	-	-	(68)	-	-	-	-	**(68)**
Depreciation and amortisation expense [1]	-	(3,242)	-	(919)	(223)	(383)	-	(234)	**(5,001)**
Write off	-	-	-	(19)	-	-	-	-	**(19)**
Closing net book amount	**59,452**	**136,583**	**1,152**	**5,223**	**797**	**452**	**-**	**1,026**	**204,685**
At 31 December 2013									
Cost	-	30,385	1,152	754	144	2,747	-	549	**35,731**
Valuation	59,452	109,440	-	5,455	863	-	-	711	**175,921**
Accumulated depreciation	-	(3,242)	-	(986)	(210)	(2,295)	-	(234)	**(6,967)**
Net book amount	**59,452**	**136,583**	**1,152**	**5,223**	**797**	**452**	**-**	**1,026**	**204,685**
Year ended 31 December 2014									
Opening net book amount	59,452	136,583	1,152	5,223	797	452	-	1,026	**204,685**
Additions	-	521	2,069	477	52	936	-	489	**4,544**
Disposals	(2,817)	-	-	-	(242)	-	-	-	**(3,059)**
Transfers from/(to)	(1,310)	474	(2,061)	1,587	-	-	-	-	**(1,310)**
Impairment loss through profit and loss	-	-	-	(15)	-	-	-	-	**(15)**
Depreciation and amortisation expense [1]	-	(4,200)	-	(1,145)	(168)	(353)	-	(357)	**(6,223)**
Write off	-	-	-	(15)	-	-	-	-	**(15)**
Closing net book amount	**55,325**	**133,378**	**1,160**	**6,112**	**439**	**1,035**	**-**	**1,158**	**198,607**
At 31 December 2014									
Cost	-	31,373	1,160	2,788	196	2,540	-	1,036	**39,093**
Valuation	55,325	109,440	-	5,453	489	-	-	711	**171,418**
Accumulated depreciation	-	(7,435)	-	(2,129)	(246)	(1,505)	-	(589)	**(11,904)**
Net book amount	**55,325**	**133,378**	**1,160**	**6,112**	**439**	**1,035**	**-**	**1,158**	**198,607**

[1] The useful lives of assets as stated in Note 1 are used in the calculation of depreciation and amortisation as shown in note 3(b).

11 Property, plant and equipment (Continued)

(c) **Consolidated - Fair value measurement hierarchy for assets as at 31 December 2014** Classified in accordance with the fair value hierarchy, see Note 1.23	Carrying amount as at 31 Dec 2014	Fair value hierachy		
		Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Un-observable inputs
	$'000	$'000	$'000	$'000
Land at fair value:				
- Non specialised land	7,985	-	7,985	-
- Specialised land	49,173	-	-	49,173
Total of land at fair value	57,158	-	7,985	49,173
Buildings at fair value:				
- Non specialised buildings	29,433	-	29,433	-
- Specialised buildings	103,949	-	-	103,949
Total buildings at fair value	133,382	-	29,433	103,949
Plant, equipment and vehicles at fair value:				
- Plant & Equipment	6,141	-	-	6,141
- Motor Vehicles	439	-	-	439
- Computers	1,213	-	-	1,213
Total plant, equipment and vehicles at fair value	7,793	-	-	7,793
- Artworks at fair value	456	-	456	-
Total Artworks at fair value	456	-	456	-
	198,789	**-**	**37,874**	**160,915**

(c) **Consolidated - Fair value measurement hierarchy for assets as at 31 December 2013** Classified in accordance with the fair value hierarchy, see Note 1.23	Carrying amount as at 31 Dec 2013	Fair value hierachy		
		Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Un-observable inputs
	$'000	$'000	$'000	$'000
Land at fair value				
- Non specialised land	12,112	-	12,112	-
- Specialised land	49,173	-	-	49,173
Total of land at fair value	61,285	-	12,112	49,173
Buildings at fair value:				
- Non specialised buildings	29,921	-	29,921	-
- Specialised buildings	106,692	-	-	106,692
Total buildings at fair value	136,613	-	29,921	106,692
Plant and Equipment at fair value:				
- Plant & Equipment	5,252	-	-	5,252
- Motor Vehicles	797	-	-	797
- Computers	1,037	-	-	1,037
Total plant, equipment and vehicles at fair value	7,086	-	-	7,086
- Artworks at fair value	456	-	456	-
Total Artworks at fair value	456	-	456	-
	205,440	**-**	**42,489**	**162,951**

There were no transfers between Levels during the year.

11 Property, plant and equipment (Continued)

(d) Valuations of property, plant and equipment

Fair value assessments have been performed at 31 December 2014 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 for this purpose will be conducted in 2017.

The fair value of land was determined after applying the fair value derived by the Valuer General as at 31 December 2012. The Valuer General in determining this adopted the market approach whereby subject land is compared to recent comparable land sales or sales of land with no added or nominal value improvement value, making adjustments for points of difference to fair value. Valuation of the subject land was determined by analysing land sales in comparable proximity to the subject property and allowing for shape, size, topography, location and other relevant factors specific to the land being valued. From the sales analysed, an appropriate rate per square meter has been applied to the subject property. As at 31 December 2014 the Institute used the Valuer General's land indices to establish if these values had material moved. No material movement was observed.

The fair value of buildings (excluding works in progress), plant and equipment (excluding leasehold improvements) was determined after applying the fair value derived by the Valuer General as at 31 December 2012. The Valuer General in determining this adopted the cost approach whereby subject assets were valued at replacement cost of assets after applying the appropriate depreciation rate, on a useful life basis after making adjustments for condition and general maintenance. This approach was used as market approach was considered not suitable as the assets are rarely sold except as part of a continuing business, or alternatively, the improvements are of a specialised nature and the market buying price would differ materially to the market selling price as the asset is normally bought as a new asset but could only be sold for its residual value. As at 31 December 2014 the Institute used the Valuer General's building indices to establish if these building values had materially moved and used the Vauler General to assist in establishing whether the plant and equipment values had moved materially. No material movement was observed in either instance.

The fair value of artworks was determined after applying the valuation adopted by a Valuer as at 31 December 2012. In determing the fair value the Valuer took into consideration the historical significance, age and condition of artworks as well as the artists reputation. The Institute considers that the carrying amount represents a fair approximation of fair value for artworks as at 31 December 2014.

Specialised land and specialised building

The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

An independent valuation of the Institute's specialised land was performed by the Valuer General Victoria. The valuation was performed as at 31 December 2012 using the market approach adjusted for CSO.

11 Property, plant and equipment (Continued)

(e) Reconciliation of Level 3 fair value as at 31 December 2014	Specialised Land $'000	Specialised Buidlings $'000	Plant & equipment $'000	Motor Vehicle $'000	Computers $'000
Opening balance	49,173	106,692	5,252	797	1,037
Purchases (sales)	-	521	494	52	546
Transfers from/(to)	-	-	1,587	-	-
Depreciations	-	(3,264)	(1,158)	(168)	(370)
Impairment loss	-	-	(16)	-	-
Write off	-	-	(17)	-	-
Disposals	-	-	(1)	(242)	-
Closing balance	49,173	103,949	6,141	439	1,213

11 Property, plant and equipment (Continued)

(f) Description of significant unobservable inputs to Level 3 valuations

	Valuation Technique	Significant unobservable input(s)	Range (weighted average)	*Sensitivity of fair value measurement to changes in significant unobservable inputs*
Specialised Land	Market approach	Community Service Obligation (CSO) adjustment	10-20% (18%)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
		Heritage Registration	0-30%	A significant increase or decrease in the Heritage adjustment would result in a significantly lower (higher) fair value
Specialised buidlings	Depreciated replacement cost	Direct cost per square metre	$86-$2,957 ($1,499)	A significant increse or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of buildings	2.25-58 years (28 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Plant & equipment	Depreciated replacement cost	Cost per unit	$1,800-$350,000 ($16,911)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of plant and equipment	5-25 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Motor vehicles	Depreciated replacement cost	Cost per unit	$8,349-$51,689 ($22,824)	A significant increse or decrease in direct cost per unit would result in a significantly higher or lower fair value.
		Useful life of motor vehicle	3 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Computer	Depreciated replacement cost	Cost per unit	$271-$126,480 ($8,328)	A significant increse or decrease in direct cost per unit would result in a significantly higher or lower fair value.
		Useful life of computer	3 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation

	Consolidated		Institute	
	2014	2013	2014	2013
12 Intangible assets	**$'000**	**$'000**	**$'000**	**$'000**
Computer software at cost				
Gross carrying amount				
Opening balance	1,711	1,921	1,400	1,610
Additions	230	84	230	84
Write offs [2]	(76)	(294)	(76)	(294)
Closing balance	**1,865**	**1,711**	**1,554**	**1,400**
Accumulated depreciation,amortisation and impairment				
Opening balance	(1,535)	(1,420)	(1,272)	(1,230)
Amortisation[1]	(52)	(126)	(14)	(53)
Write offs [2]	76	11	76	11
Closing balance	**(1,511)**	**(1,535)**	**(1,210)**	**(1,272)**
Net book value at end of financial year	**354**	**176**	**344**	**128**

[1] The consumption of intangible produced assets is included in ‘depreciation and amortisation" line item, where the consumption of the intangible non produced assets is included in ‘net gain/(loss) on non financial assets’ line item on the comprehensive operating statement.

[2] Write offs are included the line item ‘net gain/(loss) on non financial assets’ in the comprehensive operating statement.

	Consolidated		Institute	
	2014	2013	2014	2013
13 Other non-financial assets	**$'000**	**$'000**	**$'000**	**$'000**
Current other non-financial assets				
Prepayments	1,000	1,183	788	909
Deferred Expenditure	75	-	75	-
Total current other non-financial assets	**1,075**	**1,183**	**863**	**909**
Total other non-financial assets	**1,075**	**1,183**	**863**	**909**

	Consolidated		Institute	
	2014	2013	2014	2013
14 Payables	$'000	$'000	$'000	$'000
Current				
Contractual				
Supplies and services[1]	3,140	3,564	2,466	1,869
Accrued expenses	3,571	2,914	3,077	1,912
Lease liabilities	259	242	-	-
Revenue in Advance	4,038	4,459	1,464	1,260
Statutory				
Amount owing to government and agencies	29	-	-	-
FBT Payable	23	67	22	60
GST payable	731	228	731	246
Total current payables	**11,791**	**11,474**	**7,760**	**5,347**
Non-current				
Lease liabilties	2,003	2,255	-	-
Total non-current payables	**2,003**	**2,255**	**-**	**-**
Total payables	**13,794**	**13,729**	**7,760**	**5,347**

[1] The average credit period is 30 days. No interest is charged on the other payables for the first 30 days from the date of the invoice. Thereafter, interest is charged at various percentage rates per year on the outstanding balance.

(a) Maturity analysis of contractual payables
Please refer to Note 22(iii) for the maturity analysis of contractural payables.

(a) Nature and extent of risk arising from contractual payables.
Please refer to Note 22(iii) for the nature and extent of risks arising from contractual payables.

		Consolidated		Institute	
		2014	2013	2014	2013
15	**Provisions**	**$'000**	**$'000**	**$'000**	**$'000**
	Current provisions				
	Employee benefits (Note 15(a))[1]				
	Annual leave (Note 15(a))				
	Unconditional and expected to wholly settle within 12 months[2]	1,535	2,041	1,271	1,667
	Unconditional and expected to wholly settle after 12 months[2]	149	252	121	183
	Long service leave (Note 15(a))				
	Unconditional and expected to wholly settle within 12 months[2]	401	660	358	551
	Unconditional and expected to wholly settle after 12 months[2]	6,263	6,452	5,603	5,783
	Provisions for on costs (Note 15(a) and Note 15(b))				
	Unconditional and expected to wholly settle within 12 months[2]	244	326	202	266
	Unconditional and expected to wholly settle after 12 months[2]	1,085	1,179	969	1,043
	Other provisions	2,101	1,240	2,076	849
	Total current provisions	**11,778**	**12,151**	**10,600**	**10,342**
	Non-current provisions				
	Long service leave (Note 15(a))[1]	1,103	1,561	936	1,355
	On costs (Note 15(a))[1]	175	249	149	216
	Other	207	201	207	201
	Total non-current provisions	**1,485**	**2,011**	**1,292**	**1,773**
	Total provisions	**13,263**	**14,162**	**11,892**	**12,116**

1 Employee benefits consist of annual leave and long service leave accrued by employees. On costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.

2 Amounts are measured at present values.

		Consolidated		Institute	
		2014	2013	2014	2013
(a)	**Employee benefits and on costs[1]**	**$'000**	**$'000**	**$'000**	**$'000**
	Current employee benefits				
	Annual leave	1,684	2,293	1,392	1,849
	Long service leave	6,664	7,112	5,961	6,334
	Non current employee benefits				
	Long service leave	1,103	1,561	936	1,355
	Total employee benefits	**9,451**	**10,967**	**8,289**	**9,539**
	Current on costs	1,329	1,504	1,171	1,309
	Non-current on costs	175	249	149	216
	Total on costs	**1,504**	**1,753**	**1,320**	**1,525**
	Total employee benefits and oncosts	**10,955**	**12,720**	**9,609**	**11,064**

1 Employee benefits consist of annual leave and long service leave accrued by employees. On costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.

15 Provisions (Continued)

(b(i)) Movement in provisions - Consolidated	000's 2014 Make good	On-costs	Other	Total
Opening balance	-	1,753	1,441	3,194
Adjustment provisions recognised	-	(249)	867	618
Closing balance	**-**	**1,504**	**2,308**	**3,812**
Current		1,329	2,101	3,430
Non Current		175	207	382
	-	**1,504**	**2,308**	**3,812**

(b(ii)) Movement in provisions - Institute	000's 2014 Make good	On-costs	Other	Total
Opening balance	-	1,525	1,050	2,575
Adjustment provisions recognised	-	(205)	1,233	1,028
Closing balance	**-**	**1,320**	**2,283**	**3,603**
Current	-	1,171	2,076	3,247
Non Current	-	149	207	356
	-	**1,320**	**2,283**	**3,603**

	Consolidated		Institute	
	2014	2013	2014	2013
16 Reserves	$'000	$'000	$'000	$'000
(a) Physical asset revaluation surplus [1]				
Balance at 1 January	114,792	114,792	114,771	114,771
Revaluation increments/(decrements)	(248)	-	(248)	-
Balance at 31 December	**114,544**	**114,792**	**114,523**	**114,771**
(b) Foreign currency revaluation surplus [2]				
Balance at 1 January	(71)	-	-	-
Exchange differences arising on translating the net assets of foreign operations	3	(71)	-	-
Balance at 31 December	**(68)**	**(71)**	**-**	**-**
(c) Institute development fund [3]				
Balance at 1 January	-	6,700	-	6,700
Transfer from/(to) accumulated surplus	-	(6,700)	-	(6,700)
Balance at 31 December	**-**	**-**	**-**	**-**
(d) Restricted funds reserve [4]				
Balance at 1 January	1,250	1,091	1,250	1,091
Transfer from/(to) accumulated surplus	70	159	70	159
Balance at 31 December	**1,320**	**1,250**	**1,320**	**1,250**
Net changes in reserves	**115,796**	**115,971**	**115,843**	**116,021**

[1] The physical assets revaluation surplus arises on the revaluation of property, plant and equipment assets outlined in note 11.

[2] The foreign currency translation reserve is used to accumulate exchange differences relating to the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian Dollars).

[3] The Institute development fund was used to set aside funds for the future development of the Institute through the purchase of properties and investments in strategic initiatives as identified by the Board. A decision has now been made by the Institue to close the fund.

[4] This reserve reflects net surpluses derived from donations by external parties which can only be applied to restricted purposes.

17 Cash flow information	Consolidated 2014 $'000	Consolidated 2013 $'000	Institute 2014 $'000	Institute 2013 $'000
(a) Reconciliation of cash and cash equivalents				
Total cash and deposits disclosed in balance sheet	39,535	41,164	30,541	27,789
Balance as per cash flow statement	**39,535**	**41,164**	**30,541**	**27,789**

(b) Reconciliation of operating result after income tax to net cash	Consolidated 2014 $'000	Consolidated 2013 $'000	Institute 2014 $'000	Institute 2013 $'000
Net result for the year	(7,712)	163	(3,724)	(2,819)
Non-cash movements				
Depreciation and amortisation of non-current assets	6,915	5,766	6,237	5,054
Net (gain) / loss on sale of non-current assets	(5,013)	24	(5,009)	16
Fair value of assets received free of charge	(313)	(133)	(355)	(133)
Write-off of property, plant & equipment	27	345	25	302
Impairment and forgiveness of loans and receivables	(24)	153	4	1,635
Impairment of non-current assets	23	70	23	68
Gain on sale of business	-	(3,200)	-	-
Total non-cash flows in operating result	**1,615**	**3,026**	**925**	**6,942**
Share of associate's (profits)/losses, excluding dividends	(535)	(482)	-	-
Total movements included in investing and financing activities	**(535)**	**(482)**	**-**	**-**
Change in operating assets and liabilities				
Decrease / (increase) in trade receivables	1,426	4,366	(431)	4,705
Decrease / (increase) in inventories	124	(16)	120	(51)
Decrease / (increase) in other non financial assets	108	(142)	46	(107)
Increase / (decrease) in payables	65	(7,732)	2,413	(7,684)
Increase / (decrease) in employee benefits	-	(2,016)	-	(1,996)
Increase/ (decrease) in provisions	(899)	897	(224)	624
Total change in operating assets and liabilities	**824**	**(4,642)**	**1,924**	**(4,510)**
Net cash flows from/(used in) operating activities	**(5,808)**	**(1,936)**	**(875)**	**(387)**

18 Commitments for expenditure	Consolidated 2014 $'000	Consolidated 2013 $'000	Institute 2014 $'000	Institute 2013 $'000
(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	2,164	791	2,164	791
Total Property, Plant and Equipment	**2,164**	**791**	**2,164**	**791**
GST reclaimable on the above	(197)	(72)	(197)	(72)
Net Commitments Property, Plant and Equipment	**1,967**	**719**	**1,967**	**719**
Total capital expenditure commitments	**1,967**	**719**	**1,967**	**719**

	Consolidated		Institute	
	2014	2013	2014	2013
18 Commitments for expenditure (Continued)	$'000	$'000	$'000	$'000
(b) Non-cancellable operating lease commitments payable				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable[1]:				
Within one year	4,850	5,343	1,188	1,736
Later than one year but not later than five years	20,336	15,899	1,470	1,289
Later than five years	30,759	38,744	641	582
Total minimum lease payments in relation to non-cancellable operating leases	**55,945**	**59,986**	**3,299**	**3,607**
GST payable on the above	(5,087)	(5,482)	(300)	(328)
Net commitments non-cancellable operating leases	**50,858**	**54,504**	**2,999**	**3,279**
Total commitments for expenditure	**52,825**	**55,223**	**4,966**	**3,998**

[1] The Institute leases motor vehicles, property, digital multifunction devices and associated services and digital document systems under non-cancellable operating leases expiring within one to three years. The leases have varying terms, escalation clauses and renewal rights. Also the Institute leases a bridge over Elgar Road. This lease is due to expire in thirty one years.

	Consolidated		Institute	
	2014	2013	2014	2013
19 Contingent assets and contingent liabilities	$'000	$'000	$'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:				
Contingent liabilities				
In respect of business undertakings:				
Bank guarantee held at reporting date:				
271 Collins Street	(238)	(238)	-	-
Trust Co Ltd	(172)	(172)	-	-
Hanex Investments Limited	(198)	(198)	(198)	(198)
Total estimated contingent assets and (liabilities)	**(608)**	**(608)**	**(198)**	**(198)**

20 Leases

(a) Operating leases - Institute as lessee

Refer to Note 17 (Commitments for expenditure)

(b) Operating leases - Institute as lessor

Leasing arrangements

CAE sub leases out space in certain leased buildings (253 Flinders Lane Melb and 278 Flinders Lane Melb), which is excess to current requirements, at current market rates.

	Consolidated		Institute	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Non-cancellable operating lease receivables				
Payments due				
Within one year	1,263	978	124	-
Later than one year but not later than five years	5,365	3,850	-	-
Later than five years	-	2,087	-	-
Total non-cancellable operating leases receivables	**6,628**	**6,915**	**124**	**-**
GST payable on the above	(601)	(629)	(11)	-
Net operating leases receivables	**6,027**	**6,286**	**113**	**-**

21 Superannuation

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

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

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

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

	Consolidated		Institute	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Paid Contribution for the Year				
Defined benefit plans:				
State Superannuation Fund – revised and new	603	738	543	650
Other	1	7	-	7
Total defined benefit plans	**604**	**745**	**543**	**657**
Defined contribution plans:				
VicSuper	3,174	3,517	2,660	2,957
Other	2,021	1,985	1,709	1,674
Total defined contribution plans	**5,195**	**5,502**	**4,369**	**4,631**
Total paid contribution for the year	**5,799**	**6,247**	**4,912**	**5,288**
Contribution Outstanding at Year End				
Defined benefit plans:				
State Superannuation Fund – revised and new	20	-	19	-
Total defined benefit plans	**20**	**-**	**19**	**-**
Defined contribution plans:				
VicSuper	112	103	93	83
Other	62	89	50	69
Total defined contribution plans	**174**	**192**	**143**	**152**
Total	**194**	**192**	**162**	**152**

1. The bases for contributions are determined by the various schemes.
2. The above amounts were measured as at 31 December each year, or in the case of employer contributions they relate to the years ended 31 December.

22 Financial Instruments

(i) Financial risk management objectives and policies

The Institute's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and finance lease payables.

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.

The Institute's activities expose it to a variety of financial risks, market risk (including foreign currency risk, 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 and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by a section within the Finance Centre of the Institute under policies approved by the Board.

The carrying amounts of the Institute's contractual financial assets and financial liabilities by category are disclosed below:

	Consolidated		Institute	
Carrying amount of financial instruments by category:	**2014 $'000**	**2013 $'000**	**2014 $'000**	**2013 $'000**
(a) Loans and receivables				
Cash and deposits (Note 6)	39,535	41,164	30,541	27,789
Receivables [1]				
Trade receivables (Note 7)	5,465	5,995	5,129	5,086
Revenue receivables (Note 7)	3,449	3,107	3,371	2,140
Amounts receivable from related parties (Note 7)	-	-	352	166
Security deposits (Note 7)	47	141	47	-
Total financial assets	**48,496**	**50,407**	**39,440**	**35,180**
(b) Financial liabilities at amortised cost				
Payables [1]				
Supplies and services (Note 14)	3,140	3,564	2,466	1,869
Other payables (Note 14)	5,833	5,410	3,077	1,912
Total financial liabilties	**8,973**	**8,974**	**5,543**	**3,781**

[1] Receivables and payables disclosed here exclude statutory receivables and statutory payables (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

22 Financial Instruments (Continued)

(i) Financial risk management objectives and policies (Continued)

The net holding gains or losses of the Institute's contractual financial assets and financial liabilities by category are disclosed below:

	Consolidated		Institute	
	2014	2013	2014	2013
Net holding gains/(loss) on financial instruments by category	$'000	$'000	$'000	$'000
(a) Interest income/(expense)				
Financial assets - loans and receivables	948	1,546	663	1,134
Total interest income/(expense)	**948**	**1,546**	**663**	**1,134**
(b) Impairment loss				
Financial assets - loans and receivables	24	(153)	(4)	(1,635)
Total interest income/(expense)	**24**	**(153)**	**(4)**	**(1,635)**

(ii) Credit risk

Credit risk arises from the contractual financial assets of the Institute, which comprise cash and deposits and non-statutory receivables. The Institute’s exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Institute.

Credit risk is measured at fair value and is monitored on a regular basis by Finance. Finance monitors credit risk by actively assessing the rating quality and liquidity of counterparties:

- all potential customers over $10,000 are rated for credit worthiness taking into account their size, market position and financial standing; and
- customers that do not meet the Institute’s strict credit policies may only purchase in cash or using recognised credit cards.

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 trade receivables balance at 31 December 2014 and 31 December 2013 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

The Institute does not undertake credit checks on students who apply for loans. As at 31 December 2014 student loans are minimal.

In addition, the Institute does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. The Institute’s policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Institute will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Institute’s maximum exposure to credit risk without taking account of the value of any collateral obtained.

There are no material financial assets which are individually determined to be impaired. Currently the Institute does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

22 Financial Instruments (Continued)

(ii) Credit risk (Continued)

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

Credit quality of contractual financial assets that are neither past due nor applied [1]

	Financial institutions	Gov't agencies	Other counter-party	Total
	(AAA rating)	(AAA rating)		
Consolidated	$'000	$'000	$'000	$'000
2014				
Cash and deposits	5,057	34,470	8	39,535
Receivables	-	2,333	6,629	8,962
Total contractural financial assets 2014	**5,057**	**36,803**	**6,637**	**48,497**
2013				
Cash and deposits	11,023	30,071	70	41,164
Receivables	-	819	8,423	9,242
Total contractural financial assets 2013	**11,023**	**30,890**	**8,493**	**50,406**

1 The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

22 Financial Instruments (Continued)

(ii) Credit risk (Continued)

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.

	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	
Consolidated	$`000	$`000	$`000	$`000	$`000	$`000	$`000
2014 Financial assets							
Receivables [1]							
Trade receivables	5,607	2,266	2,181	624	302	92	142
Revenue receivables	3,449	3,449	-	-	-	-	-
Security bonds	47	47	-	-	-	-	-
Total 2014 financial assets	**9,103**	**5,762**	**2,181**	**624**	**302**	**92**	**142**
2013 Financial assets							
Receivables [1]							
Trade receivables	6,257	3,573	1,322	959	119	22	262
Revenue receivables	3,107	3,107	-	-	-	-	-
Security bonds	141	141	-	-	-	-	-
Total 2013 financial assets	**9,505**	**6,821**	**1,322**	**959**	**119**	**22**	**262**

1 Receivables disclosed here exclude statutory receivables (e.g. amounts receivables from Victorian Government).

(iii) Liquidty risk

Liquidity risk is the risk that the Institute would be unable to meet its financial obligations as and when they fall due. The Institute operates under payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Institute's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 19.

The responsibility for liquidity risk management rests with the institute's governing body, 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 an adequate level of reserves and uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets; and
- careful maturity planning of its financial obligations by matching the maturity profiles of financial assets and liabilities, and continuously monitoring forecast and actual cash flows.

The Institute's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from cash deposits held with the Treasury Corporation of Victoria.

22 Financial Instruments (Continued)

(iii) Liquidty risk (Continued)

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

Maturity analysis of financial liabilities

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements, and $608,000 (2013: $608,000) in relation to financial guarantees (refer to Note 17), represents the Institute's maximum exposure to liquidity risk.

The following table discloses the contractual maturity analysis for the Institute's financial liabilities.

			Maturity dates				
	Carrying amount	Nominal Amount	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	5+ years
Consolidated	**$`000**	**$`000**	**$`000**	**$`000**	**$`000**	**$`000**	**$`000**
2014 Financial liabilities							
Payables [1]							
Supplies and services	3,140	3,140	2,687	402	51	-	-
Other payables	5,833	5,833	3,588	34	208	2,003	-
Total 2014 financial liabilities	**8,973**	**8,973**	**6,275**	**436**	**259**	**2,003**	**-**
2013 Financial liabilities							
Payables [1]							
Supplies and services	3,564	3,564	3,564	-	-	-	-
Other payables	5,410	5,410	2,928	31	196	2,255	-
Total 2013 financial liabilities	**8,974**	**8,974**	**6,492**	**31**	**196**	**2,255**	**-**

1 Payables disclosed here exclude statutory payables (e.g. amounts owing to Victorian Government and taxes payable).

(iv) Market risk

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

The Institute’s exposures to market risk are primarily through foreign currency risk, interest rate risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

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

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

22 Financial Instruments (Continued)

(iv) Market risk (Continued)

Foreign currency risk

The Institute is exposed to foreign currency risk mainly through the delivery of services in currencies other than the Australian Dollar and payables relating to purchases of supplies and consumables from overseas. The risk is minimal due to the limited amount of transactions and low value denominated in foreign currencies, and a relatively short timeframe between commitment and settlement.

The Institute's exposures are mainly against the Chinese Yuan (CNY) and are managed through continuous monitoring of movements in exchange rates against the CNY, and by ensuring availability of funds through rigorous cash flow planning and monitoring. Based on past and current assessment of economic outlook, it is deemed unnecessary for the Institute to enter into any hedging arrangements to manage foreign currency risk.

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.

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, or cause a fluctuation in the fair value of the financial instruments.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Institute does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Institute has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

The Institute manages cash flow interest rate risk through having amounts of financial instruments at floating rate. Management monitors movement in interest rates on monthly basis.

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

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

The Institute's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are set out in the financial instrument composition and maturity analysis table below.

22 Financial Instruments (Continued)

(iv) Market risk (Continued)

Interest rate risk (Continued)

Financial instrument composition and interest rate exposure

Consolidated 2014	Weighted average effective rate	Total Carrying Amount per Balance Sheet $`000	Floating interest rate $`000	Within 1 year $`000	1-5 years $`000	More than 5 years $`000	Non-Interest Bearing $`000
Financial assets							
Cash and deposits							
Cash at bank and on hand	2.50%	5,065	4,982	-	-	-	83
Deposits (at call and short term)	2.71%	34,470	34,470	-	-	-	-
Receivables [1]							
Trade receivables	-	5,465	-	-	-	-	5,465
Revenue receivables	-	3,449	-	-	-	-	3,449
Security bond paid	-	47	-	-	-	-	47
Total financial assets		**48,496**	**39,452**	**-**	**-**	**-**	**9,044**
Payables [1]							
Supplies and services	-	3,140					3,140
Other payables	-	5,833	-	-	-	-	5,833
Total financial liabilities	**-**	**8,973**	**-**	**-**	**-**	**-**	**8,973**

Consolidated 2013	Weighted average effective rate	Total Carrying Amount per Balance Sheet $`000	Floating interest rate $`000	Within 1 year $`000	1-5 years $`000	More than 5 years $`000	Non-Interest Bearing $`000
Financial assets							
Cash and deposits							
Cash at bank and on hand	2.32%	8,154	7,574	-	-	-	580
Deposits (at call and short term)	2.54%	33,010	31,592	-	-	-	1,418
Receivables [1]							
Trade receivables	-	5,995	-	-	-	-	5,995
Revenue receivables	-	3,107	-	-	-	-	3,107
Security bonds paid	-	141	-	-	-	-	141
Total financial assets		**50,407**	**39,166**	**-**	**-**	**-**	**11,241**
Payables [1]							
Supplies and services	-	3,564	-	-	-	-	3,564
Other payables	-	5,410	-	-	-	-	5,410
Total financial liabilities	**-**	**8,974**	**-**	**-**	**-**	**-**	**8,974**

[1] Receivables and payables disclosed here exclude statutory receivables and statutory payables (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

22 Financial Instruments (Continued)

(iv) Market risk (continued)

Sensitivity analysis and assumptions

The Institute's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. The Institute's Finance Centre cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 50 basis points up and down (2013:100 basis points up and down) in market interest rates (AUD); and
- proportional exchange rate movement of 15 per cent down (2013: 10 per cent, depreciation of AUD) and 15 per cent up (2013: 10 per cent, appreciation of AUD) against the CNY, from the year-end rate.

The following tables show the impact on the Institute's net result and equity for each category of financial instrument held by the Institute at the end of the reporting period as presented to key management personnel, if the above movements were to occur.

	Carrying amount	Interest rate risk				Foreign exchange risk			
		-50bps		+50bps		-15%		+15%	
Consolidated		Result	Equity	Result	Equity	Result	Equity	Result	Equity
31 December 2014	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Contractural financial assets									
Cash and deposits	39,535	(198)	(198)	198	198	(1)	(1)	1	1
Receivables	8,961	(45)	(45)	45	45	-	-	-	-
Total increase/(decrease) in financial assets	**48,496**	**(243)**	**(243)**	**243**	**243**	**(1)**	**(1)**	**1**	**1**
Contractural financial liabilities									
Payables	8,973	45	45	(45)	(45)	-	-	-	-
Total increase/ (decrease) in financial liabilities	**8,973**	**45**	**45**	**(45)**	**(45)**	**-**	**-**	**-**	**-**
Total increase/ (decrease)	**39,523**	**(198)**	**(198)**	**198**	**198**	**(1)**	**(1)**	**1**	**1**

	Carrying amount	Interest rate risk				Foreign exchange risk			
		-100bps		+100bps		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
31 December 2013	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Contractural financial assets									
Cash and deposits	41,164	(412)	(412)	412	412	(8)	(8)	8	8
Receivables	9,243	(92)	(92)	92	92	-	-	-	-
Total increase/ (decrease) in financial assets	**50,407**	**(504)**	**(504)**	**504**	**504**	**(8)**	**(8)**	**8**	**8**
Contractural financial liabilities									
Payables	8,974	90	90	(90)	(90)	-	-	-	-
Total increase/ (decrease) in financial liabilities	**8,974**	**90**	**90**	**(90)**	**(90)**	**-**	**-**	**-**	**-**
Total increase/ (decrease)	**41,433**	**(414)**	**(414)**	**414**	**414**	**(8)**	**(8)**	**8**	**8**

22 Financial Instruments (Continued)

(v) Fair value estimation

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

Fair values of financial instrument asset and liabilities are determined using the fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three levels 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 that the Institute can access at the measurement date.
- 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).

The Institute considers that the carrying amount of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables and the expectation that they will be paid in full.

The Institute's contractual financial liabilities are measured at amortised costs; non of the classes of financial liabilities are readily traded on organised markets in standardised form; hence the fair value disclosure are not required. (see Note 1.10)

23 Key management personnel disclosures

Responsible persons related disclosures

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

(i) Minister

The relevant Minister was The Hon. Peter Hall, MLC, Minister for Higher Education and Skills untill his retirement from parliament on 17 March 2014. The Hon. Nick Wakeling, MP, was the Minister for Higher Education and Skills from 18 March 2014 to 3 December 2014. The Hon. Steve Herbert, MP was the Minister for Training and Skills from 3 December 2014 until 31 December 2014 following the State election on 29 November 2014.

Remuneration of the relevant Minister 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) Chief executive officer (accountable officer)

Name	Category of Appointment	Relevant Period
Mr Joe Piper	Board Nominee	01/01/2014 - 11/07/2014
Mr Norman Gray AM	Board Nominee	14/07/2014 - 31/12/2014

(iii) Members of the board

Name	Category of Appointment	Relevant Period
Ms Suzanne Ewart (Chair of the Board)	GIC Appointed	01/01/2014 - 31/12/2014
Mr Greg Malone	Board Nominee	01/01/2014 - 31/12/2014
Mr Francis Bruce Thompson	Ministerial Nominee	01/01/2014 - 31/12/2014
Mr Phillip Davies	Ministerial Nominee	01/01/2014 - 31/12/2014
Ms Helen Buckingham	Ministerial Nominee	01/01/2014 - 31/12/2014
Ms Janet Compton	Board Nominee	01/01/2014 - 29/05/2014
Mr Glen Walker	Board Nominee	01/01/2014 - 28/02/2014
Ms Barbara Elizabeth White	Ministerial Nominee	01/01/2014 - 28/02/2014
Mr Allan Moore	Board Nominee	17/03/2014 - 31/12/2014
Ms Mary Beth Bauer	Ministerial Nominee	17/03/2014 - 31/12/2014
Mr Rod McColl	Board Nominee	17/03/2014 - 25/07/2014

Remuneration of the chief executive officers and board members in connection with the management of the Institute are disclosed below.

	2014 No.	2013 No.
Income range		
The number of responsible persons whose total remuneration from the Institute was within the specified income bands are as follows:		
$0	1	2
Less $10,000	2	-
$10,000 - $19,999	1	3
$20,000 - $29,999	-	6
$30,000 - $39,000	6	-
$50,000 - $59,999	-	1
$70,000 - $79,999	1	-
$110,000-$119,999	1	-
$230,000-$239,999	1	-
$510,000-$519,999	-	1
Total number of responsible persons	**13**	**13**
Total remuneration of responsible persons (S'000)	**672**	**858**

23 Key management personnel disclosures (Continued)
Responsible persons related disclosures (Continued)

(iv) Executive officers

Remuneration of executive officers

The number of executive officers and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands.

The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

The total annualised employee equivalent provides a measure of full time equivalent executive offices over the reporting period.

	Total Remuneration		Base Remuneration	
	2014 No.	2013 No.	2014 No.	2013 No.
Income range				
The number of executive officers whose total remuneration from the Institute exceeded $100,000, separately identifying base remuneration and total remuneration, disclosed within the income band of $10,000 in a table format:				
$80,000-$89,999	-	-	1	1
$90,000-$99,999	-	-	1	-
$100,000-$109,999	-	-	1	-
$110,000-$119,999	-	-	1	-
$130,000-$139,999	-	-	-	1
$140,000-$149,999	-	1	-	-
$150,000-$159,999	-	-	1	1
$160,000-$169,999	2	1	1	-
$180,000-$189,999	-	1	-	5
$190,000-$199,999	2	3	2	1
$200,000-$209,999	-	2	-	-
$210,000-$219,999	2	-	1	2
$220,000-$229,999	1	2	1	-
$230,000-$239,999	1	-	1	1
$240,000-$249,999	-	1	-	1
$260,000-$269,999	-	1	-	-
$270,000-$279,999	1	-	-	-
$280,000-$289,999	1	-	-	-
$290,000-$299,999	-	1	-	-
$300,000-$309,999	1	-	-	-
Total number of executive officers	11	13	11	13
Total annualised employee equivalent (AEE)	8.7	13	8.7	13
Total amount of remuneration ($'000)	2,468	2,750	1,785	2,431

Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

24 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy in Note 1.04:

	Country of incorporation	Class of Shares	Equity holding 2014 $'000	Equity holding 2013 $'000
Box Hill Enterprises Ltd	Australia	Limited by guarantee	100%	100%
Centre for Adult Education	Australia	-	100%	100%
Box Hill Institute Singapore Pte Ltd	Singapore	Limited by shares	100%	100%

25 Remuneration of auditors

	Consolidated		Institute	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Remuneration of Victorian Auditor General's Office for:				
Audit of the financial statements	81	90	40	42
Total remuneration of Victoria Auditor General's Office	**81**	**90**	**40**	**42**
Remuneration of other auditors				
Other assurance services	72	136	72	125
Total remuneration of other auditors	**72**	**136**	**72**	**125**
Total Remuneration of auditors	**153**	**226**	**112**	**167**

26 Subsequent events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operation of the Institute, the results of those operations, or the state of affairs of the Institute in future financial years.

Interest rates are variable and subject to adjustment.

27 Economic dependency

As identified in the Comprehensive Operating Statement, a significant volume of income from transactions is generated through the institute's performance and service agreements with State and Commonwealth Governments.

28 Box Hill Institute details

The registered office and principal place of business of Box Hill Institute is 465 Elgar Road, VIC 3128

PERFORMANCE STATEMENT

VAGO
Victorian Auditor-General's Office

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Melbourne VIC 3000
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INDEPENDENT AUDITOR'S REPORT

To the Directors, Box Hill Institute

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2014 of Box Hill Institute comprises the statement, the related notes and the declaration by the chair of the board, chief executive officer, and chief finance and accounting officer has been audited.

The Directors' Responsibility for the Statement of Performance

The Directors of Box Hill Institute are responsible for the preparation and fair presentation of the statement of performance and for such internal control as the Directors 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.

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 Box Hill Institute in respect of the 31 December 2014 financial year presents fairly, in all material respects.

MELBOURNE
24 March 2015

per John Doyle
Auditor-General

Auditing in the Public Interest

BOX HILL INSTITUTE PERFORMANCE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

In our opinion, the accompanying Statement of Performance of Box Hill Institute and the consolidated entity in respect of the 2014 financial year is presented fairly in accordance with the Financial Management Act.

The Statement outlines the performance indicators as determined by the responsible Minister, predetermined targets where applicable 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 which would render any particulars in the Statement to be misleading or inaccurate.

S.M. Ewart.

Suzanne Ewart
Board Chair

Date: 20 March 2015

Box Hill, Melbourne

Norman Gray AM
Chief Executive Officer

Date: 20 March 2015

Box Hill, Melbourne

Graham Anthony Johnson
Chief Finance & Accounting Officer

Date: 20 March 2015

Box Hill, Melbourne

BOX HILL INSTITUTE PERFORMANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

KEY PERFORMANCE INDICATOR	NOTE	DEFINITION	2014 ACTUAL	2014 TARGET	VARIANCE	2013 ACTUAL
Student employment outcomes	1	Proportion of graduates employed after training (as at 30 May 2014)	77.0%	83.0%	(6.0%)	82.0%
Learner engagement	2	NQI LQ overall satisfaction	85.0%	85.0%	-	85.0%
Competency completions	3	Module load completion rate (MLCR)	85.0%	86.0%	(1.0%)	87.0%
Employer satisfaction	4	NQI EQ overall satisfaction	84.0%	75.0%	9.0%	75.0%
Student satisfaction	5	Proportion of graduates satisfied with the overall quality of learning.	84.0%	78.0%	6.0%	89.0%
Revenue	6	Revenue including government contribution – operating and capital, sale of goods and services, interest income, fair value of assets & services received free of charge or for nominal consideration and other income	102,851	117,709	(14,857)	119,094
Net result	7	Total income less total expenses from transactions, add other economic flows and discontinued operations.	(7,358)	3,380	(10,738)	163
Net result as % of revenue (operating margin)	8	Net result / revenue	(7.2%)	2.9%	(10.0%)	0.1%
Return on non-current assets (RONCA)	9	Net result / non-current assets	(3.4%)	1.6%	(5.0%)	0.1%
Employee costs as % of revenue	10	Employee costs / net result	75.5%	66.0%	(9.6%)	68.8%

Notes: Explanation of Variances.

Note 1. Decrease in vocational, particularly trades. This KPI only includes Box Hill Institute.

Note 2. This KPI only includes Box Hill Institute.

Note 3. Increased withdrawals in 2014. This KPI only includes Box Hill Institute.

Note 4. Major strategic focus in 2013. This KPI only includes Box Hill Institute.

Note 5. Major strategic focus in 2013. This KPI only includes Box Hill Institute.

Note 6.1. Lower overall demand across a range of government subsidised programs due to economic and competition factors and also increased restrictions on eligibility from the Government (2014: $33,008 million, 2013: $43.441 million).

Note 6.2. A decline in demand for fee for service vocational programs and commercial work (2014: $64.283 million, 2013 $66.273 million).

Note 6.3. A lower level of capital grant contributions resulting from the completion of the Integrated Technology Hub in 2013, and the cessation of state funded capital grants for equipment (2014: $0.730 million, 2013: $3.950 million).

Note 7. The decreases in income (as outlined in Note 6 above) were only partially offset by decreases in expenditure of $7.297 million, resulting in the $10.74 million negative variance to the target. During the year, the Box Hill Institute Group embarked on an organisational realignment, and a review and refinement of its operations to maximise efficiencies, with the full effect of these changes to be delivered in 2015 and beyond.

Note 8. Unfavourable variance as a result of the recorded Net Result loss of $7.358 million.

Note 9. Unfavourable variance as a result of the recorded Net Result loss of $7.358 million.

Note 10. Unfavourable variance as revenue declined at a greater rate than expenditure decreased. As noted above, the Box Hill Institute Group embarked on an organisational realignment, with the full effect to be delivered in 2015 and beyond.

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		REPORT OF OPERATIONS	
		Charter and Purpose	
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2	FRD 22E	Objectives, functions, powers and duties	2-3
3	FRD 22E	Nature and range of services provided including communities served	2-3
		Management and Structure	
4	FRD 22E	Organisational structure and chart, including accountabilities	13
5	FRD 22E	Names of Board members	11, 78
		Financial and Other Information	
6	FRD 03A	Accounting for Dividends	N/A
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10	FRD 19	Private provision of public infrastructure	N/A
11	FRD 20A	Accounting for State motor vehicle lease arrangements prior to 1 Feb 2004	N/A
12	FRD 22E	Operational and budgetary objectives, performance against objectives and achievements	14, 85
13	FRD 22E	Occupational health and safety statement including performance indicators, performance against those indicators and how they affected outputs	24
14	FRD 22E	Workforce data for current and previous reporting period including a statement on employment and conduct principles	28-30
15	FRD 22E	Summary of the financial results for the year including previous 4 year comparisons	15
16	FRD 22E	Significant changes in financial position during the year	15
17	FRD 22E	Major changes or factors affecting performance	14-15
18	FRD 22E	Post-balance sheet date events likely to significantly affect subsequent reporting periods	80
19	FRD 22E	Summary of application and operation of the *Freedom of Information Act 1982*	18
20	FRD 22E	Statement of compliance with building and maintenance provisions of the *Building Act 1993*	20
21	FRD 22E	Statement on National Competition Policy	17
22	FRD 22E	Summary of application and operation of the *Protected Disclosure Act 2012*	18
23	FRD 22E	Summary of Environmental Performance	19

ITEM NO	SOURCE REFERENCE	SUMMARY OF REPORTING REQUIREMENT	IDENTIFY RELEVANT PAGE(S)
		REPORT OF OPERATIONS (Continued)	
24	FRD 22E	Consultants: Report of Operations must include a statement disclosing each of the following 1. Total number of consultancies over $10,000 2. Location (e.g. website) of where details of these consultancies over $10,000 have been made publicly available 3. Total number of consultancies individually valued at less than $10,000 and the total expenditure for the reporting period AND publication on TAFE institute website required, for each consultancy more than $10,000, of a schedule listing: > Consultant engaged > Brief summary of project > Total project fees approved > Expenditure for reporting period > Any future expenditure committed to the consultant for the project	16
25	FRD 22E	Statement, to the extent applicable, on the application and operation of the *Carers Recognition Act 2012* (Carers Act), and the actions that were taken during the year to comply with the Carers Act	N/A
26	FRD 22E	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at (a) – (l) in the FRD)	17, 20
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28	FRD 25B	Victorian Industry Participation Policy Disclosures	18
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30	FRD 29	Workforce Data Disclosures on the public service employee workforce	21-22
31	SD 4.5.5	Provide an attestation that risk identification and management is consistent with AS/NZS ISO31000:2009 or equivalent	17
32	SD 4.2 (g)	Qualitative and Quantitative information to be included in Report of Operations, and provide general information about the entity and its activities, together with highlights and future initiatives	1-10
33	SD 4.2 (h)	The Report must be prepared in accordance with requirements of the relevant Financial Reporting Directions	17
34	SD 4.2 (j)	The Report of Operations must be signed and dated by a member of the Responsible Body	26
35	CG 10 (clause 27)	Major Commercial Activities	17
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		Financial Statements required under Part 7 of the *Financial Management Act 1994*	
37	SD 4.2(a)	The financial statements must be prepared in accordance with: > 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	31
38	SD 4.2(b)	The financial statements are to comprise the following: > income statement; > balance sheet; > statement of recognised income and expense; > cash flows statement; and > notes to the financial statements	27-80
		Other Requirements under Standing Direction 4.2	
39	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: > 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 applicable Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views)	26
40	SD 4.2(d)	Rounding of amounts	44
41	SD 4.2(e)	Review and recommendation by Audit Committee or responsible body	26
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43	FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	78-79
44	FRD 101	First time adoption	N/A
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51	FRD 107A	Investment properties	N/A
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55	FRD 114A	Financial instruments – general government entities and public non-financial corporations	69-77
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57	FRD 120H	Accounting and reporting pronouncements applicable to the reporting period	31-46
		Part 7 of the *Financial Management Act 1994* (FMA)	
58	FMA s49(a)	Must contain such information as required by the Minister	26-80
59	FMA s49(b)	Must be prepared in a manner and form approved by the Minister	26-80
60	FMA s49(c)	Must present fairly the financial transactions of an institute during the financial year to which they relate	26-80
61	FMAs 49 (d)	Must present fairly the financial position of an institute as at the end of the year	26-80
62	FMAs 49 (e)	Must be certified by the Accountable Officer for an institute in the manner approved by the Minister	26
		COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES	
63	Legislation	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: > *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* > *Financial Management Act 1994* > *Freedom of Information Act 1982* > *Building Act 1993* > *Protected Disclosure Act 2012* > *Victorian Industry Participation Policy Act 2003*	20
64	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2014	17
65	Policy	Statement that the TAFE institute complies with the Victorian Public Sector Travel Principles	18
		PRESENTATION OF REPORT AND PERFORMANCE INFORMATION	
		Audited Statements of Key Performance Measures (KPIs) must include an audited statement of performance for certain KPIs	
66	FRD 27B	Reporting and performance should be presented using KPIs as set out in the Statement of Corporate Intent agreed with the Minister, comparing 2014 actual performance against the 2014 target and 2013 actual performance, and providing an explanation of any variance between the 2014 actual performance and 2014 target for each KPI. The KPIs must also include the Return on Investment	85

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ACFE	Adult Continuing Further Education
AMCA	Air Conditioning and Mechanical Contractors Association
APTC	Australia-Pacific Technical College
BHI	Box Hill Institute
BHI Group	Comprising Box Hill Institute, Centre for Adult Education, Box Hill Enterprises Limited, and controlled entities
CAE	Centre for Adult Education
CET	Continuous Education and Training
CST	Command Support Training
DPC	Department of Premier and Cabinet
HEP	Higher Education Providers
ICT	Information and Communication Technology
ITH	Information Technology Hub
iVCAL	Online Victorian Certificate of Applied Learning
LASH	Lighting and Sound Hire
LLN	Language, Literacy and Numeracy
MiBO	Music Industry Business Office
NSCE	Nursing Skills Centre of Excellence
OHS	Occupational Health & Safety
ONTrac	Peter Mac Victorian Adolescent & Young Adult Cancer Service
PP	Program Partner
RCCC	Refrigeration and Climate Control Centre of Excellence
RTO	Registered Training Organisation
TAFE	Technical and Further Education
TEQSA	Tertiary Education Quality and Standards Agency
TIO	Telecommunications Industry Ombudsman
TVET	Technical and Vocational Education and Training
VCAL	Victorian Certificate of Applied Learning
VET	Vocational Education and Training
VETiS	Vocational Education Training in Schools

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