



Box Hill Institute

Annual Report 2020

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WOMINJEKA, Welcome to Box Hill Institute

Box Hill Institute respectfully acknowledges that our learning sites – at Box Hill, Lilydale and in Melbourne's CBD – are situated on the ancestral lands of the Wurundjeri people of the Kulin Nations. We pay our respects to the traditional custodians of the lands and their Elders – past, present, and emerging.

Box Hill Institute is committed to supporting and empowering our Aboriginal and Torres Strait Islander staff, students, and communities by providing quality teaching and relevant learning opportunities.

What does Wominjeka mean?

Wominjeka means Hello/Welcome in the Woiwurrung language of the Wurundjeri people of the Kulin Nations – the traditional owners of Melbourne.

Chair's Statement

After a challenging year that has changed the landscape for all TAFE organisations, I am pleased to present the 2020 Annual Report for Box Hill Institute.

We began 2020 with a sustainable financial plan that forecast a positive position for Box Hill Institute. The COVID-19 pandemic impacted our operations and while we continued to deliver, the changing international and local landscape, meant we were unable to achieve this target.

Through the year, we were impressed with the innovation and transformation of our course delivery that brought to life our focus on quality education, regardless of the environment.

Our campuses continued to grow with works commencing on Box Hill Institute's Integrated Centre for Sustainable Construction Technologies at the Lilydale Lakeside campus. Once completed in 2021, this building will provide specialist facilities to enable courses to be taught addressing key training gaps in Melbourne's outer east to meet the region's growing demand for skilled workers.

TAFEs will play an essential role in the State's economic recovery from the global pandemic. The need to reskill and upskill for many industries will be met by Box Hill Institute – through the JobTrainer initiative and the continuing endorsement of Free TAFE for Priority Courses.

As we look ahead to 2021, our recovery will be underpinned by our commitment to provide a quality education and experience that support our students in gaining the skills needed to get a job. Central to our focus in 2021 is our ongoing collaboration with industry, employers, our commercial partners and Government to deliver the important role of TAFE in our community and economic recovery.

The staff and students at Box Hill Institute have continued to show their loyalty and belief in our organisation throughout some challenging times. Their demonstrated commitment and resilience have been pivotal to working together to achieve successful and rewarding outcomes.

On behalf of the board, I would like to thank our CEO / Managing Director, Vivienne King, for her strong leadership, which has guided Box Hill Institute through 2020. We would also like to thank the Executive Team and all Box Hill Institute staff for their dedication throughout this challenging year.

We will continue to work in partnership with the Executive team and Box Hill Institute staff to enable the recovery of our organisation from the impact of the pandemic, as a part of the broader recovery of Victoria.



Mr Jack Diamond
Board Chair
25 February 2021

CEO's Statement

2020 has been a year like no other at Box Hill Institute.

When we commenced classes in February of this year, we were completely unaware of the challenges that were ahead. Never had we been faced with the unimaginable need to transition the entire organisation to a remote working and learning environment.

The swift action and innovative thinking of Box Hill Institute staff was inspiring. Collaborating across teams, we set up virtual classrooms and online working spaces, and upskilled our teachers to conduct classes from home.

Our teachers did not just deliver classroom-based lessons online, they took the opportunity to rise to the challenge and transformed their classes into a virtual experience. Examples of this innovation include our Sports and Recreation Management students who developed an *International Varsity eSports Championship*, our Music students brought their songs to life through online ensembles and our Hairdressing team hosted a *Virtual Hair Experience*. We supported our Industry partners who ran virtual masterclasses for Trades and our Animal Studies students embarked on virtual excursions to support their learning. The list goes on.

When the time came for our annual Open day, we did not let COVID-19 restrictions hold us back. We flipped the event into a Virtual Open Day platform – where prospective students joined the online community, listened to success stories, and explored advice from our experts and advisors. The first of its kind, the platform was developed in partnership with the Department of the Future and positioned us as a leader in virtual student engagement across the TAFE sector.

This year, we showed how truly impressive our students are. We are thrilled for Nicole Barrow (Certificate IV in Veterinary Nursing) who was awarded Trainee of the Year, and Van Sui Thawng (Certificate III in Electrotechnology Electrician) who was awarded School-Based Apprentice for Trainee of the Year at the 2020 Victorian Training Awards. Taking out the top state award in their categories, these Box Hill Institute students are passionate, dedicated and a testament to the quality teachers in our organisation.

In November, Box Hill Institute was named Cyber Security Educator of the Year at the Australian Information Security Awards. This award highlighted the quality of our Cyber Security programs, which deliver industry ready graduates to market.

Throughout the year, we collaborated with our many industry partners and maintained strong client relationships with strategic contract partners, to ensure that we were stronger together. Substantial contracts with Department of Defence, Adult Migrant English Program and Department of Justice, all performed well during 2020 with delivery methods flexing

as needed to respond to changing COVIDSafe requirements.

Though most of us were working remotely and away from campuses, works on the Box Hill Institute Integrated Centre for Sustainable Construction Technologies at Lilydale Lakeside campus progressed rapidly. Due to be completed in 2021, this centre will showcase innovative training in trades for carpentry, plumbing and electrical with a sustainability focus that will address future skill needs in the region.

The safety response to the Coronavirus pandemic was calculated and well executed, where we implemented new protocols that kept our staff and students safe. We also took this opportunity to be leaders in the sector, by developing three of the four infection control skill sets on behalf of the Victorian Government to directly respond to the pandemic.

2020 has been a challenging year and has forever reshaped Box Hill Institute. I am proud to lead an organisation that has shown the resilience, strength and determination to overcome the challenges that have transpired.

Through it all, the strategic direction of Box Hill Institute came to life. We valued our people and their commitment to the Institute, and we continued to always place our students at the very heart of what we do. This commitment was reflected in our internal staff satisfaction survey carried out late 2020, which showed an increase in staff recommending BHI as an employer. Our unwavering focus on our staff and students resulted in both our VET and HE student satisfaction and outcomes increasing.

Our international students had to make the extremely difficult decision about whether to return home to their families overseas, or to stay and endure the uncertainty of life during a global pandemic. Through our Student Life and International teams, we supported the students who stayed onshore, and we look forward to welcoming more international students again as soon as it is safe to do so.

As we look to 2021 and to our recovery from the impacts of this year, we will be focused on the innovation gained and harnessing the passion of our organisation to provide quality education to positively impact the lives of our students. I know, all the staff at Box Hill Institute are with me in meeting this goal for 2021.

I would like to thank the Box Hill Institute Board for its support and commitment in 2020. The Executive team and I look forward to working in partnership with our Board and emerging from this pandemic as a stronger, more innovative and dynamic training institution.



Ms Vivienne King
Managing Director / Chief Executive Officer
25 February 2021

Our Vision

To help students grow into proud and successful learners who are valued by industry and community.

MAKE A DIFFERENCE | LAND A JOB | SHAPE LIVES

Our Purpose

To support community prosperity and industry growth by delivering learning experiences that meet society's future needs.

GREAT PEOPLE | EASY ACCESS | RELEVANT LEARNING

Our Values

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

What We Do

Known for its collaborative, industry-connected and practical approach to teaching and learning, Box Hill Institute (BHI) is a leading secondary, vocational, and higher education provider.

Beginning in 1924 with just 65 local students, the Institute now operates in 10 countries and offers a wide range of globally recognised courses to more than 40,000¹ students.

Over its almost 100-year history, BHI has focused on working with industry to deliver career-relevant learning experiences that innovate, create and uplift the community. From apprenticeships to degrees and short courses to diplomas, BHI's practical, flexible approach to education leads to proven success – over 85 per cent of students find employment within six months of graduating*.

* National Centre for Vocational Education Research 2019 and Graduates Outcome Survey 2017-2019.

Box Hill Institute is proud to serve its communities through the education, training and lifelong learning that we offer. We work with a broad range of stakeholders across our communities to provide meaningful skills, education and employment outcomes.

In doing this:

- We meet the needs of a diverse student body
- We give our students the practical skills and resilience for their career and life paths
- We provide relevant lifelong learning and future opportunities
- We partner with industries to meet their current and future skill needs.

As we approach our 100-year anniversary in 2024, our focus is on simplifying and aligning what we do in our organisation. We will play to our major strengths and expand our reach through effective and varied partnering. We will create new business focusing on opportunities that enhance our student experience and meet industry expectations.

The Centre for Adult Education (CAE) is part of Box Hill Institute, providing learning to the community through a wide range of pre-accredited and vocational programs and services. It is also one of the largest providers of the Victorian Certificate of Education (VCE) for adults in Victoria, assisting those who would like to return to study in a flexible environment.

Box Hill Institute has an influential role to play in the future development of a skilled workforce for Melbourne, Victoria and Australia. To support this objective, we renewed our strategic direction in 2019 to continue to focus on delivering quality education into the future with the new Strategic Plan 2019-2024.

¹ Figure includes 5,013 CAE short course and language enrolments

Establishment

Functions, Powers and Duties

Our functions, powers and duties are detailed in the Education and Training Reform Act 2006 and the 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.

During 2019, the Victorian Government passed amendments to the Education and Training Reform Act 2006 to allow the Government to merge Box Hill Institute and CAE into one entity, effective as of 30 June 2019.

Locations

Located in Victoria, Box Hill Institute has sites in Box Hill, Lilydale and Melbourne's central business district. We continue to deliver offshore training and education services around the world, at locations including:

- China
- Indonesia
- Iran
- Kuwait
- Malaysia
- South Korea
- Vietnam.

We also provide training and education services through a number of large contracts, including Department of Defence, Department of Justice across eight Corrections Victoria facilities, and in many workplace locations.

Relevant Minister

Our Minister in 2020 was The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education.

Specialist Centres

Box Hill Institute is home to a range of Specialist Centres and Centres for Excellence, delivering the highest standards of industry focused training solutions across the following key areas:

- Biosecurity Training Centre of Excellence
- Specialist Centre for Cyber Security Training
- Specialist Centre for Small to Medium Enterprises
- Specialist Centre for Information and Communications Technology
- Nursing Skills Centre of Excellence
- Refrigeration and Climate Control Centre of Excellence.

Workplace Training Facilities

Box Hill Institute offers many authenticated training workplaces which provide real life experience in a working environment for our students. The facilities operated when possible during 2020, in line with government mandated COVID-19 conditions and restricted or closed facilities when advised.

- Flowers on Elgar
- Fountains Restaurant
- Hair and Beauty Salon on Elgar
- Lilydale Lakeside Children's Centre
- Pets on Elgar
- Music Venue – continued to live-stream performances in 2020, but the Recording Studio and Artists in Residence Program were briefly suspended during lockdown.

Awards and Achievements

We are proud of our students and teams for their many prestigious awards and achievements over 2020. Presented by industry bodies and governments, these awards recognise the quality and relevance of our programs and teaching. Each year we encourage and support our staff and students to enter awards, which are highly regarded. In line with developing our reputation for academic success, in 2020 our staff and students were shortlisted for:

BHI

- Cyber Security Educator of the Year Award – Education Body at the Australian Information Security Awards (AISA)
- Our Teaching Innovations team won two Platinum Awards at the 2020 LearnX Live! Virtual Summit & Awards Show 2020. The team won Best eLearning widespread adoption and Best video eLearning design
- The WTIF Agritourism project received a Platinum Award at the LearnX 2020 Awards in the category of Best Video eLearning Project
- Victorian Training Awards: Finalist in four categories – Large Training Provider, Inclusive Training Provider, Trainee of the Year and School-Based Apprentice/Trainee of the Year.

Student

- Student Alumni Talina Edwards won the Building Designers Association of Australia (BDAA) National Design Excellence Award – Passive House
- Nicole Barrow (Certificate IV in Veterinary Nursing) was awarded Trainee of the Year at the 2020 Victorian Training Awards and Student of the Year at Box Hill Institute

- Van Sui Thawng (Certificate III in Electrotechnology Electrician) was awarded School-Based Apprentice for Trainee of the Year at the 2020 Victorian Training Awards
- Cert II in Equine Studies student, Lindsey Ware, won Equestrian Victoria, Dressage Young Rider of the Year
- Building Design graduate, Michael Boer, won the joint student award for *Best Digital Presentation* at the 2020 Design Matters awards for his impressive animation and drawing of a mid-rise CLT building
- Student Alumni Sven Maxa won three state awards in the Design Matters 2020 Building Design Awards – Building Design of the Year, Environmentally Sustainable and Residential New House (\$1m - \$3m)
- Blaize Marshall – finalist in Melbourne Fashion Week for Student Design Award 2020.

BHI Teacher

- Victorian Learn Local Practitioner Award Winner – Vivian Della Valle, CAE
- Music staff member, Shane O'Mara, won best folk album at the Victorian Music Awards
- Joel Ma, Production and Hip-Hop teacher, won *Producer of the Year* at the Victorian Music Awards
- Stephanie Elkington – finalist in Australian Hair Industry Awards, Educator of the Year
- APRA Virtual Art Music Awards: The Richard Gill Award for Distinguished Services to Australian Music awarded to Ros Bandt, a music teacher in creative improvisation in the Master program.



student
life

Key Initiatives and Projects 2020

Partnerships

Industry relationships and partnerships are critical to providing students with relevant and leading edge learning to ensure they are job ready for the jobs that exist now. Box Hill Institute collaborates with business partners on a range of programs including the Adult Migrant English Program, which enables adult migrants to improve their English and connect with the community. In 2020 AMEP moved to remote online learning and continued to offer English language education to 2,136 students. Our Transnational partnerships continued to prove robust with several programs being offered online at Kuwait, Fuzhou, Koto, Guangzhou, Selangor, Shanghai, Selangor, Sichuan and Zhejiang, covering industries such as teacher education, biotechnology, engineering and human resources.

Despite the impact of COVID-19, Box Hill Institute continued to collaborate with the TAFE network and industry sponsors and partners to address skill gaps and prepare graduates for work in industries of the future, including cyber security and sustainable construction technologies. We partnered with industry experts on emerging construction technologies and established a new prefabricated building systems workshop, a cloud-based building information modelling learning environment, and other innovative practices to deliver courses in sustainable construction, including Passive House.

BHI prides itself on creating strong partnerships which are an important element of our student experience, existing partnerships continued with AusCyber, Sing Music, Australian Hotels Association for Hospitality, Lincoln Electric Australia, AMCA Refrigeration, Telecommunications Industry Ombudsman (TIO), CFA and Reece Plumbing. BHI continue to engage with a range of employers, manufacturers and industry across all sectors to ensure relevant and integrated learning for our students. In 2020 a CFA participant was awarded BHI Student of the Year.

A key partner is Defence and Box Hill Institute continued to successfully deliver specialised apprenticeship training within the Army school's Electrical and Electronic Systems Wing, North Bandiana, Victoria, in partnership with Wodonga Institute of TAFE. Alongside this, BHI, as the primary contractor, delivered excellent student outcomes in a range of programs including in Telecommunications and Cyber security at the Simpsons Barracks, Victoria.

We also continue to implement the Victorian Government's Reconnect initiative, giving education and employability assistance to people who are not in education, training or full-time employment. We delivered training and programs with Corrections Victoria, Nadrasca and other disability support service organisations.

BHI delivered the Youth Cadetship program for the Department of Jobs, Precincts and Regions, also known as Jobs Victoria. The program concluded in November 2020 on time and with 100 per cent completion rate. Due to the success of this program, Contracted Delivery has commenced delivery of the Youth Employment Program training short course "Work Effectively in the Public Sector" in partnership with Melbourne Polytechnic.

Lilydale Campus

Box Hill Institute continues to achieve strong student enrolment numbers at our Lilydale Lakeside campus, with over 2,300 enrolments during its fourth year of operation.

Lilydale Lakeside Childcare centre operated throughout 2020, incorporating COVID-19 safe practices and providing the local community with a valuable service and unique offering. The centre supports our students with an engaging, supportive workplace to experience, learn and grow a future career in childcare. During 2020, there were several months where students were not able to attend our centre for practical placement due to COVID-19. Students were able to re-commence placements from the start of Term 4 2020.

Construction commenced on the Integrated Centre for Sustainable Construction Technologies with an expected completion in 2021.

We continue connecting and building stronger collaborations with local government, Yarra Ranges Council, industry, businesses, community organisations and the community, to ensure the future sustainability and growth within each area of our operations.

Yarra Ranges Tech School

The Yarra Ranges Tech School (YRTS) is a high-tech shared learning hub which delivers exciting and engaging education programs using leading edge technology placed in a real-world context. Since 2017 YRTS has been a collaborative approach for Box Hill Institute, the Department of Education and Training, industry partners, Yarra Ranges Council, Deakin University and local Partner Schools. YRTS engages the Lilydale campus drawing on both the commercial and educational assets of Box Hill to provide users with a unique experience in the region.

More than 10,100 students have physically attended programs at the Tech School since opening, with an additional 2,500 students completing virtual programs over Terms 2, 3 and 4 of 2020. To date more than 500 teachers have undertaken formal Teacher Professional Development at Yarra Ranges Tech School.

Key Initiatives and Projects 2020

YRTS programs are built around Human Centred Design Thinking which empowers students to work in teams to understand and define an issue and then use a range of technologies to create a solution. This model introduces students to the skills and knowledge they will require in their future careers such as teamwork, critical and creative thinking, communication, and digital literacy. It also allows demonstration of the diverse range of jobs, skills and areas that science, technology, engineering, arts and mathematics (STEAM) studies can lead to.

Over 2020 YRTS pivoted its programs, transforming them into virtual programs delivered to students but retaining our core focus of introducing students to real-world contexts, environments, and leading-edge technologies. In addition, our community engagement activities moved to virtual with our Women in STEAM series providing the opportunity for students and community members to hear from a variety of women working with or in STEAM focused industries. This included a digital designer, environmental engineers, cybersecurity professionals and robotics specialists. YRTS made its comprehensive library of activities and resources available to the broader Victorian school community and supported BHI to enhance the learning experience of students, teachers and the broader community.

Through its curriculum aligned student and teacher programs, community maker space, workshops, after-school and holiday programs, YRTS represents a community learning hub where a variety of technologies can be accessed including:

- Virtual and Augmented Reality
- Autonomous Vehicles
- Artificial Intelligence
- Robotics and Coding
- Sensors and Electronics
- Precision Manufacturing including:
 - 3D printing – polymers
 - 3D printing – Food and Chocolate
 - CNC milling
 - Laser cutting
 - Waterjet Cutting
- Digital design
- Green screen and digital video creation and editing
- Small-scale and soilless farming processes and technologies
- Exhibition and co-working spaces.

Over 2021, YRTS will move into delivering multi-day programs with a greater focus on student immersion in addition to working closely with partner schools, industry

partners and Box Hill Institute, to develop focused programs for senior secondary schools, particularly in VCAL and vocational programs. We will also explore how we use our virtual delivery learnings to provide greater reach of YRTS programs and activities, whilst also consolidating and growing our existing industry and community partnerships. A STEM camp for regional and rural students supported by the Department of Education and Training, being one example of this approach.

Skills First TAFE Community Service Funding

The Skills First TAFE Community Service Funding enables the delivery of vital support services for our students and community, including Skills and Jobs Centres, counselling services, literacy and numeracy support services, and library services. These integrated support services are essential in delivering quality learning outcomes and providing a positive experience for our students and communities.

Box Hill Institute student support services are tailored to ensuring access, inclusion and equity, and quality and learning outcomes at all levels, within a lifelong learning approach. Our Skills and Jobs Centres continue to collaborate with community organisations and provide career advice and support for students with educational and career pathway options that best match their skills, interests and career goals.

Jobs Engagement Team

Apprenticeship Support Officer Program

The Apprenticeship Support Officers Program provides advice, guidance, mentoring and support to first year apprentices experiencing vocational and/or non-vocational barriers to continuing their apprenticeship. New apprentices can face many challenges and may not have the personal support networks to be able to overcome them. This program provides an important service to improve an apprentice's ability to successfully complete their apprenticeship. The Apprenticeship Support Officers contacted 2,117 apprentices across 99 postcodes throughout the year.

Loss of employment due to economic downturn brought additional referrals to the Program staff this year, including second to fourth year apprentices who no longer had employment in their trade.

The Apprenticeship Support Officers worked with a total of 70 "Out of Trade" Apprentices from all year levels and, with assistance from the Skills and Jobs Centres, more than 20 of these apprentices were transitioned into new employment.

Key Initiatives and Projects 2020

Due to the advocacy work, many were able to recommence their previous roles once restrictions eased.

Skills and Jobs Centres

The Skills and Jobs Centres continued to deliver a professional and tailored career service, providing a range of services including one on one career advice appointments, training and pathway information, and a range of Job Search Skills and Careers workshops within the Box Hill Institute's catchment regions. This year, Centre staff efficiently adapted to delivering services remotely, as well as developing practical solutions to support students and the wider community through pre-recorded workshop sessions, virtual career nights and live online mock interview programs.

The Skills and Jobs Centres provide a range of services for Box Hill Institute's local communities, often collaborating with other community organisations to achieve specific outcomes. For the Gateway LLEN (Local Learning and Employment Network), staff provided a recording of an "Interview Techniques" masterclass which Gateway could distribute to their participants. To assist 10 local Senior Schools to fill the void created by the cancellation of the Year 10 work experience program, the Skills and Jobs Centre provided a series of four pre-recorded applicable skill sessions to use in their Remote Learning Schedule. In Lilydale, the Skills and Jobs Centre teamed up with the Yarra Ranges Council, Working for Victoria, Agriculture Victoria and the Cherry Association, to design and co-deliver a live online session: Seasonal Worker Information Session, to help overcome regional labour shortages during the picking season.

The following table provides an overview of some of the main components of the Skills and Jobs Centres' regular work throughout the year.

	TOTAL
New Participants Registered	2,039
Job Readiness Workshops/Seminars delivered	84
No. of people attending Workshops/Seminars	1,711
Career/Training Workshops/Expos	57
No. of people attending Career/Training Workshops/Expos	1,314
New Jobs Registered	100
No. of Engagements with Employers/Industry	115
No. of Engagements with Community Organisations	127
One on One Career Advice Sessions	807
BHI Course Advice Sessions	618

Disability Employment Services

Disability Employment Services help people with a disability find and retain work. Through Disability Employment Services, people with a disability, injury or health condition may be able to receive assistance to prepare for, find and keep a job.

After gaining approval from the Commonwealth, Box Hill Institute passed the contract onto another provider and successfully transferred over 200 active clients and two staff members ensuring a continuous service for all clients.

Teaching Innovations

BHI are committed to continuously developing our resources and providing training for our staff to support course development, delivery and assessment to enhance our students learning. During the year, significant effort was focused on resource development and training for our virtual online learning environment, StudentWeb.

In 2020, we provided a Professional Development program to more than 1,000 members of staff and more than 3,000 one-on-one support sessions. Student views of the video and active learning platform exceeded 150,000. In response to the COVID-19 pandemic, the team rapidly pivoted to design and develop a suite of training and supporting online resources for "Remote Ready" to support teachers in remote delivery. The Educational Design Team used engaging learning technologies to create over 110 dynamic online resources across multiple areas. The team was able to respond to additional requests from the Department of Education and Training to create infection control skillsets.

Teaching Innovations continues to excel in the eLearning sector. As part of the COVID-19 response, the process was captured in the application for the Best eLearning widespread adoption for the 2020 LearnX Live Awards (Platinum Award). Additionally, the video learning resource mode used in the online Agritourism course was also awarded platinum for Best Learning Design Video.

Women in Non-Traditional Trade Areas

The Women in Non-Traditional Trade Areas (WINTA) program provides a unique blend of support, skills development, and role modelling for women and girls training or pursuing a career in trades or non-traditional areas. The WINTA program saw 81 women participate in 2020 with a sharp drop occurring in second semester due to COVID-19. All students are contacted at least twice by the program mentors and manager. The program has continued to receive positive feedback from participants. A new initiative for 2020 was to engage with our younger students undertaking VET

Key Initiatives and Projects 2020

Delivered to Secondary Students. For this, each student meets with the mentors as a group to introduce themselves and talk about their experiences in the non-traditional trade space.

Women in Cyber

In 2020, Women in Cybersecurity represent approximately 22 per cent of the cybersecurity workforce nationally. As a result of our dedicated focus on promoting women entering the field of Cybersecurity, Box Hill Institute has contributed to the increased number of women entering this crucial field. When we ran our first Certificate IV in Cyber course in 2016, there were no females enrolled; subsequently, with a strong focus and commitment to address this, we have increased numbers to 99 females for this course in 2020.

In 2020, we focused on a diversity drive in our Commonwealth Supported Places and our Graduate Certificate in Cyber had 39 per cent female students – well above the national average. In 2021, we will continue to drive a community of practice for women that focuses on mentoring and networking females in Cyber Security. Box Hill Institute's Head of Cyber and IT, is the National program Manager for Cadets at Australian Women in Security Network., They strongly support BHI female cyber students in growing their skills, providing mentoring and leadership, as well as assisting the network to pathway graduates into employment.

Accreditation Audit Compliance

Box Hill Institute maintains absolute focus on quality in education through successful audits, accreditation of its training products and re-registrations, to deliver senior secondary programs and courses to international students.

Accreditation and Audit Compliance

In 2020, Box Hill Institute successfully completed important re-registrations and audits by our State regulators. The 2020 successes include:

External Audit

- Department of Education and Training (Vic) Foundation Skills programs delivered through an approved subcontracting arrangement
- Victorian Curriculum and Assessment Authority (VRQA) Initial desk-based assessment of the Institute's Non-school Senior Secondary Provider re-registration

- Victorian Curriculum and Assessment Authority (VCAA) Application for re-authorisation for non-school provider to deliver senior secondary VCE and VCAL courses

VET Accreditation (ASQA)

10863NAT Graduate Certificate in Dispute Resolution (Industry)

CRICOS registration (international inbound students)

Higher Education Course Accreditation (TEQSA)

- Bachelor of Music Industry
- Associate Degree of Music Industry
- Diploma of Music Industry
- Undergraduate Certificate of Biosecurity Science
- Undergraduate Certificate in Information and Communication Technology
- Undergraduate Certificate in Networking and Cybersecurity
- Graduate Certificate in Cybersecurity
- CRICOS registration (international inbound students)

Registration

VCAA re-authorised Box Hill Institute to deliver senior secondary including Victorian Certificate of Applied Learning (VCAL) and selected Victorian Certificate of Education (VCE) studies.

VRQA re-registered Box Hill Institute as a non-school senior secondary education provider, which grants BHI delivery of VCE and VCAL.

Marketing Events

2020 saw us adjusting to a new normal of remote and virtual events due to the COVID-19 pandemic. In place of the traditional on campus information sessions, a series of virtual webinars were delivered from May 1 to July 10. Box Hill Institute hosted 54 individual webinars in partnership with Educational Delivery and the Skills and Jobs Centre. This momentum continued to our Virtual Open Day in October and throughout the Information and Enrolment Sessions between October and December.

For the BHI Virtual Open Day, a new virtual platform was developed which embraced the new normal by optimising blended learning on campus and online, creating a unique engagement experience for prospective students taking part. The full virtual experience offered users many of the opportunities and services they would have otherwise experienced at an on campus Open Day. Prospective students familiar with Facebook, found the BHI platform similar

Key Initiatives and Projects 2020

to use, post and interact with staff, students and other key areas. They could also watch videos, post and reply to comments, and more on the day. The virtual platform also let them engage, communicate, and form relationships with other students, as well. The industry unique platform generated over 4,600 page views for the launch event.

In 2020, more than 2,300 prospective students attended a virtual event, from webinar series, Open Day, or Information Sessions.

Campus Improvement

Box Hill Institute is committed to providing facilities with modern, comfortable amenities and relevant resources and equipment to support a positive learning environment for students.

During 2020, several campus improvements were undertaken including:

- Creation of a new Student Hub to provide an integrated offering for our students, where they could access important student services such as Library, Student Life, International students, and literacy and numeracy support.
- During 2019, the State Government announced funding for a new Integrated Centre of Sustainable Construction Technologies to be located at our Lilydale Lakeside site. When completed, this will include training in plumbing, carpentry, and electrical trades. Construction started in 2020 and has progressed well throughout the challenges COVID-19 imposed.
- Box Hill Institute has continued its collaboration with a property developer to deliver a new nurse training facility on Spring Street in Box Hill. This includes the construction of three levels for nurse training, with residential apartments on the upper floors. The negotiation and design process began in 2018 and planning approvals were granted in 2019. Planning processes and COVID-19 have resulted in some delays to the progress of the project throughout 2020 and a re-design stage has commenced, which is due for finalisation in early 2021.
- Box Hill Institute received funds as part of the Stronger TAFE program related to on-going maintenance of assets and was also successful in receiving funds from the TAFE Asset Maintenance Fund. Successful submissions were for the Elgar Hospitality School – including Fountains Restaurant and teaching spaces – and the Campus Wide fund, which included various projects across all campuses, for example, wayfinding and painting upgrades.

- In 2020 a Master Planning exercise was undertaken for the Box Hill campus to provide the Box Hill Institute Master Plan for the next five-to-ten-year strategy. This important plan will inform the future planning for Box Hill to deliver to our students and the community. A Master Plan for the Lilydale campus will commence in 2021. A consultancy has been approved to start the process in January and completion is expected in Q2 2021.

Centre for Adult Education

In 2020, Centre for Adult Education (CAE) continued to deliver quality education and lifestyle programs to over 7,675 students. This included an unplanned transition to 100 per cent online delivery in April for the remainder of 2020 teaching calendar. Highlights included the delivery of 280 short courses to 1,754 students and language courses to 1,982 students. There were 314 language courses delivered in 2020.

Languages Centre of Excellence

CAE has over 30 years' experience in delivering language training. Building on this expertise, the Languages Centre of Excellence (LCE) was established in 2015 to consolidate our market-leading language expertise and service offerings. LCE is responsible for the development and delivery of all Box Hill Institute's language courses and training for languages other than English, encompassing modern and classic languages such as Latin and Ancient Greek.

LCE runs an extensive language short course program, offering 18 different languages from beginner to advanced levels. Our commitment is to support students to enhance their language skills and gain linguistic and cultural competence in the languages of their choice. In 2020, almost 2,000 students enrolled in LCE courses. The LCE service portfolio includes group and one on one classes, special purpose and customised courses for education and business groups.

LCE consistently offers courses at intermediate and advanced levels, with continuation courses making up 66 per cent of its total revenue in 2020. For the last 17 years, LCE has run specialised conversation courses in French, Spanish, Italian, German and reading literature groups in Latin. In recent years, Korean and Arabic have become more popular and rank in the top five most popular language courses.

Key Initiatives and Projects 2020

Senior Secondary School Results

Box Hill Institute and Centre for Adult Education offer VCE to youth and mature-aged students returning to study, and VCAL to students seeking to fast track into their vocational careers or wanting an alternative way of learning than school.

2020 VCE and VCAL Results:

- 55 VCE students received their certificates
- 98 VCAL students received their certificates
- 7 Subject Study Scores results ≥ 40
- Top Subject study score is 45

ATAR Scores:

- Highest: 98.5
- Next: 98.4
- 6 students ATAR ≥ 90
- 4 students ATAR between 80 and 89
- Average ATAR for all those who received an ATAR = 56.8

15 (36%) students were offered places in their first preference of University/course.

Outlook

Box Hill Institute is dedicated in supporting the Victorian Government initiatives to rebuild the economy and continue to grow our education system as a pathway for lifelong learning. We are committed to working in an integrated and efficient manner to deliver services to meet future needs and support the vision of the DET Strategic Plan. Key campus improvements include the launch of the State Government funded, Integrated Centre of Sustainable Construction Technologies to be located at our Lilydale Lakeside site and a new nurse training facility on Spring Street in Box Hill. In addition to our focused efforts in delivering a world-class student experience, we endeavour to provide access to quality services, manage risks and challenges, and ensure we align with long term economic trends.

Overseas Operations

Overseas Operations Performance

The global impact of COVID-19 on international education has been significant. Despite this disruption, Box Hill Institute overseas operations continued to focus on enriching the international student experience both onshore and offshore, offering blended and online learning during this difficult period, and working with individuals and partners to support the needs of students.

Through strategic cooperation and global partnerships, Box Hill Institute seeks to continue our long standing reputation as an international education provider. With strong relationships across many continents, BHI services partner networks – serving inbound international students from over 50 countries, including six transnational partner countries.

Box Hill Institute continues to implement changes to our operating model and improve efficiency, leveraging our resources globally to service the needs of our international partners. Areas that have been recognised as critical skills gaps in existing and potential partners include:

- Biosecurity Science
- Community Service and Health Sciences
- Cyber Security and ICT
- Engineering Technology
- Education and Training
- Hospitality Management

Box Hill Institute's overseas operations are part of the annual budget process with monthly identification and reporting of revenue and surplus. Any significant variances are highlighted and discussed with the Executive, the Board, and the relevant sub-committees.

Overseas Operations Outcomes

In 2020, Box Hill Institute worked with new and existing partners broadening our resource diversity and expanding our global reputation. A continuing priority was to strengthen the quality of our programs, as well as upgrading teacher credentials across our overseas partner network with existing partners in China, Vietnam, Malaysia and the Middle East.

In 2020, successful new international partnerships included:

- Centre of Excellence in Teacher Training, Vietnam
- China Education Association for International Exchange (CEAIE) to deliver a tutorial led online Certificate IV in Training and Assessment program, China
- Online Teacher Training, China
- Retooling program – Online Fusion Welding, Indonesia

- Online English Program, South Korea.

While Box Hill Institute experienced a decline in international inbound students in 2020, there was a 6.2 per cent increase in transnational delivery with 2,636 enrolments.

Overseas Operational Risks

To effectively identify, manage and mitigate risk, Box Hill Institute manages our strategic and operational risks for our international operations in accordance with our organisational frameworks. We believe in excellence through quality, identifying growth through diversification that aligns with local industry demands, and enriching the student experience with a focus on global employability as key priorities for our offshore operations. Risks are addressed through the Institute's Risk Management Plan, including those associated with overseas operations. These are continually reviewed to mitigate risk to students, staff and business operations.

Risk Management Strategies

Strategies employed to mitigate our risk are reviewed on a regular basis with the executive team, the Board, and relevant sub-committees. The appropriate management of overseas operations is a priority and, as such, the Institute prepares:

- A monthly project status report for each international project
- A monthly business development pipeline report for the Board
- Monthly financial reports to the Board, including the Institute's delivery overseas showing targets and actual results
- A business case for each new major international activity for consideration and approval before the activity commences.

Through robust quality processes and continuous improvement, BHI ensures we meet the Australian Skills Quality Authority requirements for offshore delivery and the requirements of the *Education Services for Overseas Students Act 2000*.

Governance

Box Hill Institute is governed by a board established under the Constitution of the Box Hill Institute and the *Education Training and Reform Act 2006* (the Act). The Board is comprised of members who have experience in government, industry and the community. Its role is to oversee and govern Box Hill Institute and take all reasonable steps for the advancement of the Institute objectives under the Act and the Constitution, and to operate in accordance with the economic and social objectives and public sector management policy established from time to time by the Government of Victoria.

The Board is committed to ensuring that the community has effective access to vocational and further education programs that are responsive to its needs. The Board is also committed to ethical conduct in all areas of its responsibilities and authority. The Board is ultimately responsible to the Victorian Government for the governance and management of Box Hill Institute.

Board Members

Board members are either appointed by the Minister, co-opted by the Board, or elected by staff. The CEO is an ex officio director.

The following Directors served on the Board during 2020:

- Ms Alison Currie (until 17 February 2020)
- Mr Allan Moore
- Ms Amanda Brook
- Ms Annabelle Roxon (from 1 June 2020)
- Mr Haydn Pound (from 1 June 2020)
- Ms Helen Buckingham OAM
- Mr Jack Diamond (Chairperson)
- Ms Jane Foley
- Prof John Rosenberg (until 31 May 2020)
- Mr Phillip Davies
- Dr Sam McCurdy
- Ms Susan Pelka (from 20 January 2020)
- Ms Tracey Cooper
- Ms Vivienne King

Committees

In 2020, the following Board Committees assisted the Board in fulfilling its duties:

- Audit, Finance and Risk Committee
- Asset Management Committee
- Education Quality Committee
- Nominations Committee
- Remuneration Committee

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 organisation is operating effectively, and that its external accountability responsibilities are met.

The financial statements in the Annual Report have been reviewed by the members of the Audit, Finance and Risk Committee and formally adopted by the Institute's Board.

Committee Membership during 2020 included:

- Mr Allan Moore (Committee Chair)
- Ms Amanda Brook
- Ms Jane Foley
- Ms Tracey Cooper
- Ms Annabelle Roxon (from 4 June 2020)
- Ms Vivienne King

Asset Management Committee

The objective of the Asset Management Committee is to assist the Board in ensuring that plans and projects relating to the use of the Institute's assets align to the approved annual Asset Management Plan, and that the Board is fully informed of the processes and options being considered.

Membership during 2020 included:

- Mr Allan Moore
- Mr Haydn Pound (from 20 November 2020)
- Ms Helen Buckingham OAM
- Mr Phillip Davies
- Dr Sam McCurdy
- Ms Susan Pelka (from 20 January 2020)
- Ms Tracey Cooper (Committee Chair)
- Ms Vivienne King

Management and Structure

Nominations Committee

The Nominations Committee assists 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 the appointment of Co-opted Directors.

Membership during 2020 included:

- Ms Alison Currie (until 17 February 2020)
- Mr Allan Moore
- Ms Amanda Brook
- Ms Annabelle Roxon (from 1 June 2020)
- Mr Haydn Pound (from 1 June 2020)
- Ms Helen Buckingham OAM
- Mr Jack Diamond (Chairperson)
- Ms Jane Foley
- Prof John Rosenberg (until 31 May 2021)
- Mr Phillip Davies
- Dr Sam McCurdy
- Ms Susan Pelka (from 20 January 2020)
- Ms Tracey Cooper
- Ms Vivienne King

Remuneration Committee

The Remuneration Committee assists 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 Victorian Public Sector Commission and Ministerial directions to TAFE Institutes.

Membership during 2020 included:

- Mr Jack Diamond (Committee Chair)
- Ms Alison Currie (until 17 February 2020)
- Mr Allan Moore
- Ms Amanda Brook
- Ms Annabelle Roxon (from 1 June 2020)
- Mr Haydn Pound (from 1 June 2020)
- Ms Helen Buckingham OAM
- Ms Jane Foley
- Ms Tracey Cooper
- Mr Phillip Davies
- Ms Susan Pelka
- Prof John Rosenberg (until 31 May 2020)

Education Quality Committee

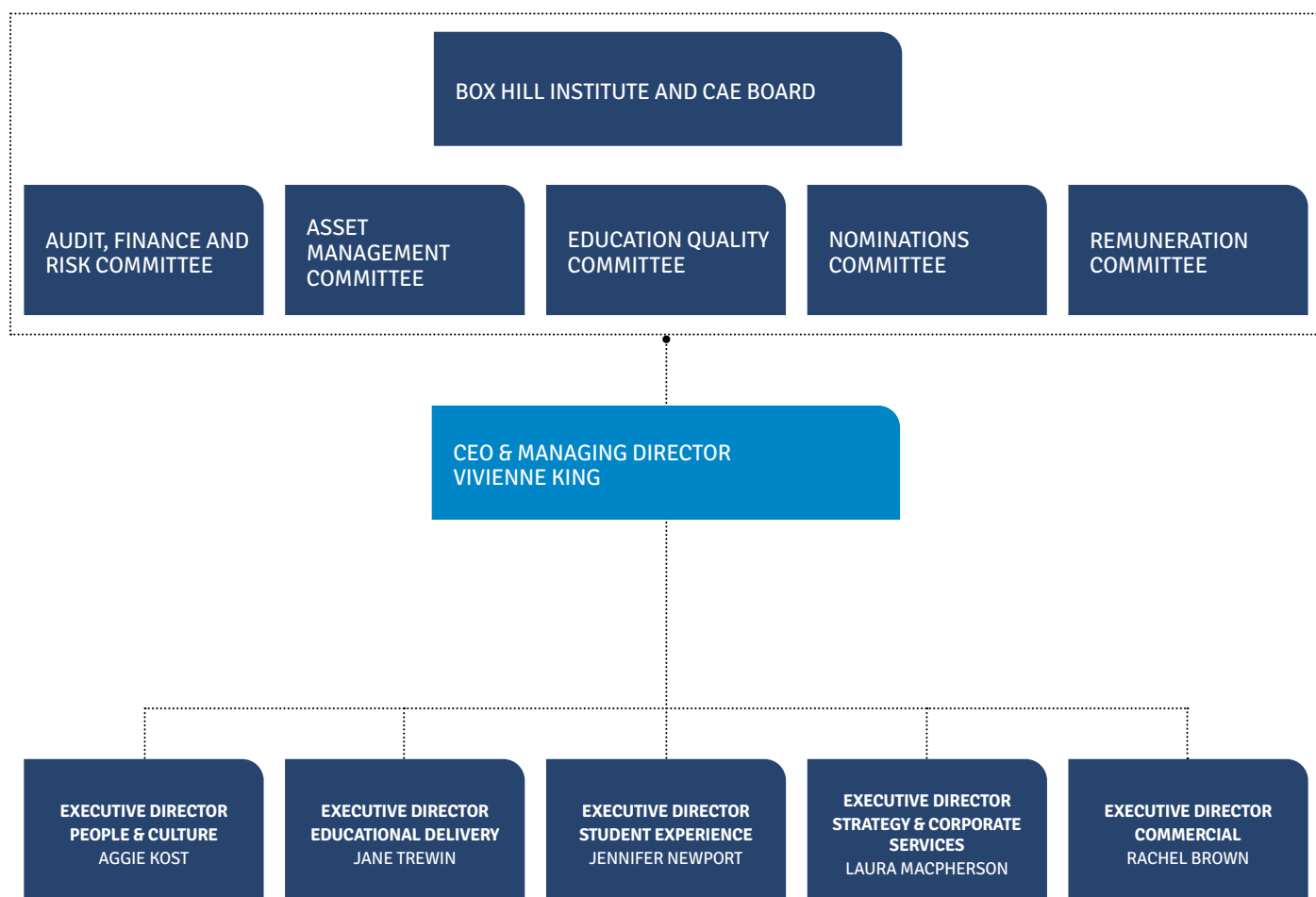
The Education Quality Committee assists the Board in fulfilling its responsibilities to oversee the maintenance of educational quality and relevance to market and industry needs, together with the development and transformation of training delivery and services in line with the Strategic Plan.

Membership during 2020 included:

- Ms Annabelle Roxon (from 13 November 2020)
- Mr Haydn Pound (from 4 June 2020)
- Ms Helen Buckingham OAM (Committee Chair)
- Ms Jane Foley
- Prof John Rosenberg (until 31 May 2020)
- Dr Sam McCurdy
- Ms Susan Pelka (from 20 January 2020)
- Ms Vivienne King

Executive Management Structure 2020

Organisational Chart as at 31 December 2020



Board and Committee members are listed in the Governance section.

Financial Performance 2020

Box Hill Institute Five Year Consolidated Financial Summary

YEAR ENDED 31 DECEMBER	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
Summary of Financial Performance					
Government Contributions - Operating	71,657	61,141	66,007	63,776	46,675
Sale of goods and services	54,824	76,855	72,699	57,963	50,884
Other income	5,964	7,620	5,341	4,993	4,975
TOTAL INCOME FROM TRANSACTIONS (Excluding Capital Grants)	132,445	145,616	144,047	126,732	102,534
TOTAL EXPENSES FROM TRANSACTIONS (Excluding Depreciation and Expenditure from capital contributions)	(122,104)	(140,047)	(132,790)	(117,213)	(103,390)
EARNINGS BEFORE DEPRECIATION, CAPITAL GRANTS AND OTHER ECONOMIC FLOWS	10,341	5,569	11,257	9,519	(856)
Government Contributions - Capital	4,880	590	1,520	264	12,100
Depreciation and Amortisation	(14,973)	(15,072)	(9,618)	(8,882)	(8,218)
Expenditure using government contributions - capital	-	-	-	-	-
Other economic flows included in net result	1,551	1,224	8,389	837	(590)
Net result from discontinued operations	-	-	-	-	-
Net result	1,799	(7,689)	11,548	1,738	2,436

Comprehensive Operating Statement

The improved results for 2020 compared to 2019 was driven by the increase in government contributions and lower level of payments made for supplies and services due to COVID-19.

- Revenue from government contributions – contestable funding increased compared to 2019 due to the provision of business continuity grants to support BHI with responding to the pandemic. The purpose of this funding was to support the retention of staff, to assist BHI with its transition to online and remote learning, and to maintain government funding at pre-pandemic levels. Other operating contributions of \$26 million were received (2019: \$20 million).
- Employee expenses increased due to MEA award increase and work from home allowances

Financial Performance 2020

Balance Sheet

YEAR ENDED 31 DECEMBER	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
Summary of Balance Sheet Performance					
Assets	517,297	523,933	495,356	500,557	293,039
Liabilities	(69,749)	(78,089)	(41,817)	(58,547)	(35,063)
NET ASSETS	447,548	445,844	453,539	442,010	257,976
Accumulated Surplus	109,832	109,677	117,206	105,488	103,867
Reserves	310,592	309,043	309,209	309,398	126,985
Contributed Capital	27,124	27,124	27,124	27,124	27,124
NET WORTH	447,548	445,844	453,539	442,010	257,976

Box Hill Institute's overall net worth increased by \$1.7 million, in line with the 2020 net result.

- Asset and liability balances have decreased due to the lower balances in receivable, payable and revenue in advance.
- Increase in assets, primarily work in progress due to trade school project.
- Increase in investments on CBLA due to increase equity share and profit.
- Lower student debtors as a result of more rigorous review and control due to collectability uncertainty.
- Increase in non-current borrowings due to deferral of loan repayment to 2023.

Compliance

Financial Management Compliance Attestation Statement

'I, Mr Jack Diamond on behalf of the Responsible Body, certify that for the period 1 January 2020 to 31 December 2020, the Box Hill Institute has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.'

The Audit, Finance and Risk Committee (AFRC) has reviewed and verified the Institute's compliance assessment.

Jack Diamond
Board Chairperson
25 February 2021

Statements of Pecuniary Interests

The Institute has policies and procedures that require relevant officers of Box Hill Institute 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
Private Bag 2014
Box Hill, VIC 3128

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 (see contact details above).

National Competition Policy

Box Hill Institute has policies and procedures to ensure compliance with the National Competition Policy and which consider the Victorian Government's Competitive Neutrality Policy and related legislation.

Freedom of Information

Box Hill Institute has implemented a policy and procedures that, subject to privacy constraints, facilitate all reasonable requests for information from students, staff and the public under the provisions in the *Freedom of Information Act 1982*. Requests under the Freedom of Information Act should be addressed to the Freedom of Information Officer (contact details set out above).

Box Hill Institute may levy a charge for information provided that is the subject of a Freedom of information request in accordance with the relevant requirements.

Box Hill Institute received two formal requests for information under the Freedom of Information Act during the 2020 reporting period.

Students may access their personal records by applying to:

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

A staff member may access their personnel file by applying to:

General Manager Human Resources
Box Hill Institute
465 Elgar Road
Box Hill, VIC 3128

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.

Compulsory Student Services and Amenities Fee

Box Hill Institute levies 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 provisions 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 Box Hill Institute and are not paid to any student organisations. Total Student Services and Amenities Fees collected for Box Hill Institute for the year ending 31 December 2020 were \$1.3 million.

Public Interest Disclosures Act

The purpose of the *Public Interest Disclosures Act 2012* is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to persons who make disclosures in accordance with the Act.

The Institute has policies and procedures to promote the protection of persons who make a protected disclosure under the Act, which can be accessed via the Institute's website

at www.boxhill.edu.au/about-us/policies-and-procedures or from the Public Interest Disclosure Coordinator at protecteddisclosure@boxhill.edu.au.

Officers, members, employees and contractors of the Institute as well as members of the public, may make a disclosure of improper conduct or detrimental action under the Act to the Independent Broad-based Anti-corruption Commission (IBAC) online at <https://www.ibac.vic.gov.au/reporting-corruption/report/complaints-form>.

The Institute's Public Interest Disclosure Coordinator cannot receive disclosures. They must be made directly to IBAC. The Coordinator is responsible for coordinating disclosures and the welfare of disclosers.

Carers Recognition Act

The Box Hill Institute meets its obligations under the *Carers Recognition Act 2012*. Carer recognition principles are included in the relevant policies covering flexible working arrangements, diversity and inclusion, part-time work opportunities and a supportive workplace environment.

Local Jobs First Act

The Local Jobs First Act 2003 requires departments and public sector bodies to apply the Local Jobs First policy to all projects over \$3 million in metropolitan Melbourne or state-wide, and \$1 million in regional Victoria. In 2020 there were no applicable projects commenced and/or no applicable projects completed. The total value of Local Jobs First projects within the 2020 reporting period is \$0.

Conduct Principles

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

Victorian Public Sector Travel Principles

Box Hill Institute has 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 and its controlled entities and considers the Victorian Public Sector Travel Policy, issued by the Department of Premier and Cabinet in December 2006, and the Department of Education and Early Childhood Development Policy and Guidelines 2014.

Occupational Health and Safety

The strategic theme of Valuing Our People reinforced our commitment to a safe and healthy environment for staff, students, contractors and visitors during the year. The COVID-19 pandemic impacted how we delivered our core business activities and OHS operational activities and protocols were either updated or established to manage the risks associated with COVID-19 and to support the Institute's response.

A proactive focus on pandemic management, injury and illness prevention, and physical and psychological wellbeing continues to form an integral component of our organisation and teaching cultures. There was a strong emphasis on health and wellbeing programs and initiatives, supported by increased staff participation and engagement during the year including:

- Creating and implementing COVID-19 plans, routine monitoring and ongoing support for the business
- Positive feedback from staff, affirming the continued commitment to health, safety and wellbeing embedded as part of our approach and culture
- Maintaining focus on OHS training participation, enhancing compliance and awareness of OHS obligations
- Continued high levels of participation in our Occupational Health and Safety committee, with both employees, manager and Health Safety Representatives
- Delivering through the Mental Health Strategy, with strong staff participation in awareness sessions and wellbeing initiatives, such as mental first aid training and manager training.

Compliance

Criteria	2020	2019	2018
The number of reported hazards for the year per 100 full-time equivalent staff members	70.24	166.42	168.23
The number of reported incidents for the year per 100 full-time equivalent staff members	95.56	44.06	34.97
The number of 'lost time' standard claims for the year per 100 full-time equivalent staff members;	1.73	0.73	0.66
The number of Lost Time Standard Claims	16	7	6
The average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe)	\$49,608	\$53,028	\$4,687
In the event of a fatality, a discussion of the circumstances that led to the fatality and the preventive measures that have been taken to prevent recurrence. If the fatality is under investigation or subject to an inquiry, a statement to that effect shall be included.	1	0	0

The BHI Community, unfortunately, suffered one fatality during 2020, where an Aviation student who died as part of the practical component of their NSW based course. BHI is working strongly with our training partner and will participate in all external investigations associated with the incident. Our commitment in providing a safe learning environment for all students remains and we will look to understand the incident and opportunities to improve the safety for all our students.

In 2020 the number of reported workplace hazards was lower than 2019 and 2018. This was attributed to transition of our people working and studying remotely for sustained periods during 2020.

The number of reported incidents increased primarily due to proactive reporting from BHI Lilydale Lakeside Children's Centre. Over 97% of the Childcare's reported incidents relate to minor injuries, in most instances, treatment included reassurance and minor first aid, with no lasting symptoms to the injured child.

The number of Lost Time Standard Claims (and Lost Time claims per 100 staff) increased significantly attributed to psychological injuries and physical injuries which resulted in lengthy treatment plans, delayed as a response to COVID-19 availability within the healthcare industry.

Even with the increase in claim numbers, our WorkCover policy continues to perform better than the industry comparison rate. Proactive claims management principles – embedded into our return to work protocols – and increased communications, offer support and guidance to injured employees and managers. The increase in the average claim cost is attributed to three psychological claims and investigative treatment for physical injuries.

Environmental Performance

Energy Use		2018	2019	2020
Total energy usage, segmented by primary source	Electricity	27,025,880 MJ	26,154,443 MJ	22,105,548 MJ
	Natural Gas	18,616,603 MJ	25,554,520 MJ	8,226,731 MJ
	Total Energy	45,642,483 MJ	51,708,963 MJ	30,332,279 MJ
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets		Not applicable	Not applicable	Not applicable
Percentage of electricity purchased as Green Power		0%	0%	0%
Total greenhouse gas emissions associated with energy use		8,573 tonnes	8,651 tonnes	5,697 tonnes
Units of energy used (per effective full time employee)		50,506 MJ	53,590 MJ	32,827 MJ
Units of energy used per unit of building area (MJ per m2)		504.69 MJ	571.77 MJ	335.40 MJ

Waste Production		2018	2019*	2020
Total units of office waste disposed of by destination (kg per year)	General Waste (landfill)	216,974 kg	255,534 kg	149,614 kg
	Total recycling	73,339 kg	69,240 kg	111,450 kg
	TOTAL	290,313 kg	324,774 kg	261,064 kg
Total units of office waste disposed of per full time employee by destination (kg per FTE)	Landfill	240 kg	265 kg	162 kg
	Recycling	81 kg	72 kg	121 kg
Recycling rate (% of total waste by weight)		25%	21%	43%
* 2019 figures do not include December for Box Hill and CAE sites as a new tender commenced				

Paper Use		2018*	2019	2020
Total units of A4 equivalent copy paper used (reams)		10,400 reams	10,400 reams	3,600 reams
Units of equivalent copy paper used per full time employee (reams per FTE)		11.51 reams	10.78 reams	3.90 reams
Percentage of recycled content in copy paper purchased		10% and Carbon Neutral Certified, ISO 9001 and ISO 14001 Certified	10% and Carbon Neutral Certified, ISO 9001 and ISO 14001 Certified	10% and Carbon Neutral Certified, ISO 9001 and ISO 14001 Certified
* This figure is inclusive of Box Hill Institute and CAE paper use				

Compliance

Water consumption		2018	2019	2020
Total units of metered water consumed by water source (kilolitres)		Data not available	Data not available	30,926 kl
Units of metered water consumed in offices per FTE (kilolitres per FTE)		Data not available	Data not available	33.47 kl
Units of metered water used in offices per unit of office area (kilolitres per m2).		Data not available	Data not available	0.34 kl

Box Hill Institute has been successful in applying for a Greening Government Buildings interest free loan to embark on a raft of energy saving initiatives. The program will commence next month and will take approximately two years to implement. The initiatives will improve our efficiency with all utilities across our sites.

Future Environmental Targets

Staff and students throughout Box Hill Institute must continue to be mindful of consumption patterns that foster unhealthy habits regarding energy, gas, water and waste. Wherever possible, old lighting across all campuses continues to be upgraded to LED lighting.

Building management systems and chillers also continue to be upgraded and solar opportunities are being explored, through the State Government's Greener Government Buildings project. Stricter plumbing and timber waste recycling have been implemented, with faculties instructed to reduce the amount of contaminated waste collected from these bins.

ICT Expenditure (\$'m)

BAU ICT Expenditure Total (\$'m)	Non-BAU ICT Expenditure (\$'m)	Operational expenditure (OPEX) (\$'m)	Capital expenditure (CAPEX) (\$'m)
Total	Total = A + B	A	B
5.31	1.32	1.26	0.06

Australian Skills and Qualifications Authority Aviation Audit

In October 2019, Box Hill Institute was notified by the Australian Skills and Qualifications Authority (ASQA) of the provisional outcome of its audit of the aviation program. ASQA finalised the compliance audit outcome of our Aviation program in June 2020. Conditions were imposed on the type of aeroplanes used for delivery of an advanced manoeuvre unit and the Institute directed to address outstanding non-compliances.

Compliance with Other Legislation

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

- *Building Act 1993*
- *Directions of the Minister for Training and Skills (or predecessors)*
- *Education and Training Reform Act 2006*
- *Financial Management Act 1994*
- *Freedom of Information Act 1982*
- *Local Jobs First Act 2003*
- *Occupational Health & Safety Act 2004*
- *Privacy & Data Protection Act 2014*
- *Public Interest Disclosures Act 2012*
- *Public Administration Act 2004*
- TAFE Institute Commercial Guidelines
- TAFE Institute Strategic Planning Guidelines
- The Constitution of the Box Hill Institute
- *Working with Children Act 2005*

Additional Information Available on Request

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

- a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- c) details of publications produced by the entity about itself, and how these can be obtained
- d) details of changes in prices, fees, charges, rates, and levies charged by the entity

- e) details of any major external reviews carried out on the entity
- f) details of major research and development activities undertaken by the entity
- g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- i) details of assessments and measures undertaken to improve the occupational health and safety of employees
- j) a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- k) a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved
- l) details of all consultancies and contractors including:
 - i. consultants/contractors engaged
 - ii. services provided

iii. expenditure committed to for each engagement.

Enquiries should be addressed to:

The Freedom of Information Officer
 Box Hill Institute
 Private Bag 2014
 Box Hill VIC 3128
 Telephone: (03) 9286 9222

Campaigns

2020 Actual Expenditure of Campaigns More than \$100k									
Campaign Name	Summary	Start Date	End Date	Advertising (Media) (excl. GST)* (\$)	Creative & Campaign Development (excl. GST) (\$)	Print & Colateral (excl. GST) (\$)	Research and evaluation (excl. GST) (\$)	Other Campaign (excl. GST) (\$)	Total (excl. GST) (\$)
2020 Student Enrolment Campaign, S1	VTAC & Direct Entry Phase 2	1/1/20	7/2/20	125,550	-	15	-	-	125,565
Let Passion Guide Your Future, S2	Mid Year student enrolment campaign	1/5/20	31/07/20	364,706	-	-	-	-	364,706
Let Passion Guide Your Future, S1	VTAC & Direct Entry Phase 1	22/11/20	31/12/20	215,190	-	-	-	-	215,190
Total				705,446	-	15	-	-	705,461

* does not include Agency fees

Compliance

Consultancies over \$10,000

In 2020, there were 19 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020 in relation to these consultancies is \$1,306,648. Details of individual consultancies can be viewed at www.boxhill.edu.au.

Consultant	Total Project Fees Approved (Ex GST) (\$)	Expenditure for the Reporting Period (2020) (Ex GST) (\$)	Brief Summary of Projects Involved	Any future expenditure committed to the consultant for the project (\$)
Architectus Australia Pty Ltd	200,195	200,195	Provision of advice on campus master plan	-
Ashurst Australia	225,866	188,180	Provision of legal advice pertaining to aviation matters	-
Caramar Group Pty Ltd	16,367	16,367	Provision of ANMAC project advice	-
Colombini, Donna Maree	109,500	109,500	Provision of curriculum development	-
J Jacobs & N L Kark T/A Dynamic Marketing Consulting	96,900	96,900	Provision of marketing advice	-
Job Toolbox Pty Ltd	32,193	10,568	Provision of establishment consultancy work	21,625
Livetiles APAC Pty Ltd	37,720	37,720	Provision of advice pertaining to the Intranet Project	-
Logie-Smith Lanyon	106,075	78,803	Provision of legal advice pertaining to employment matters	27,273
Mercer (Australia) Pty Ltd	16,200	16,200	Provision of advice pertaining to employment matters	-
Nous Group Pty Ltd	26,000	26,000	Provision of independent review of governance for higher education	-
PCC Lawyers Pty Ltd	50,000	16,220	Provision of legal advice pertaining to employment matters	33,780
Playmakers Consulting Services Pty Ltd	53,600	53,600	Provision of curriculum development	-
Pricewaterhouse Coopers Consulting (Australia) Pty Ltd	306,122	306,122	Provision of strategic advice & analysis exercise across educational products	-
Sandra Patricia Roberts T/A Private Training Provider Consulting	11,520	11,520	Provision of ICT strategy development	-
Svenson Barristers Trust T/A Svenson Barristers	46,447	46,447	Provision of legal advice pertaining to employment matters	-
Tesoriero Anita T/A Mindspire	15,150	15,150	Provision of curriculum development	-
The Shape Agency Pty Ltd	70,350	30,650	Provision of communication advisory services in relation to aviation	39,700
The Trustee for Norton Crumlin & Associates Unit Trust	22,178	22,178	Provision of Supporting executive leadership team development	-
Victorian TAFE Association	24,328	24,328	Provision of Contribution to consultancy fees for Victorian Tafe Copyright Agreement	-

Consultancies under \$10,000

In 2020, there were 32 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2020 in relation to these consultancies is \$98,862.

Number of Engagements	32
Total Fees Incurred (\$)	98,862



Workforce Data

Table 1. Performance and Accountability Framework FTE Table (December 2019 – December 2020)

FTE of all staff employed during reporting year.

Year ending 31 December 2019							
	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	246.4	78.2	36.1	17.8	NA	46.0	424.5
Executive	-	16.1	-	-	NA	-	16.1
Other	3.7	0.5	-	7.4	NA	28.5	40.1
Teacher	153.4	90.4	67.5	57.1	115.9	NA	484.3
Total	403.5	185.2	103.6	82.3	115.9	74.5	965.0

Year ending 31 December 2020							
	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	225.4	72.6	39.8	18.4	NA	39.1	395.3
Executive	2.0	14.2	-	-	NA	-	16.2
Other	4.8	0.1	1.3	18.0	NA	15.5	39.7
Teacher	143.3	102.0	69.1	82.5	75.9	NA	472.8
Total	375.5	188.9	110.2	118.9	75.9	54.6	924.0

Table 2. Workforce Disclosures (December 2019 – December 2020)

- The ongoing and fixed term/casual employees to be counted are those who are active and employed in the last full pay period of the reporting year.
- An active employee is a person who attends work and is paid, or who is on paid leave.

Demographic data	December 2019							
		All employees		Ongoing			Fixed term and casual	
		Number (Headcount)	FTE	Full-time (headcount)	Part-time (Headcount)	FTE	Number (headcount)	FTE
	Gender							
	Women Executives	12.0	8.7	-	-	-	12.0	8.7
	Women (total staff)	1,352.0	557.3	256.0	128.0	299.4	968.0	257.9
	Men Executives	13.0	7.4	-	-	-	13.0	7.4
	Men (total staff)	904.0	391.4	192.0	51.0	207.7	661.0	183.7
	All Executives	25.0	16.1	-	-	-	25.0	16.1
	Total staff	2,281.0	964.9	448.0	179.0	507.1	1,654.0	457.7
	Self-described							
	Age							
	15-24	174.0	39.8	9.0	-	6.6	165.0	33.2
	25-34	353.0	152.3	81.0	22.0	81.3	250.0	71.0
	35-44	488.0	207.5	91.0	42.0	102.0	355.0	105.5
	45-54	534.0	246.5	122.0	46.0	137.7	366.0	108.8
	55-64	533.0	252.3	124.0	42.0	145.8	367.0	106.5
	Over 64	199.0	66.5	21.0	27.0	33.8	151.0	32.7
	Total employees	2,281.0	964.9	448.0	179.0	507.1	1,654.0	457.7

2019 data updated due to a re-alignment of the total FTE under the correct job type category and age bracket.

Workforce Data

Demographic data	December 2020							
		All employees		Ongoing			Fixed term and casual	
		Number (Headcount)	FTE	Full-time (headcount)	Part-time (Headcount)	FTE	Number (headcount)	FTE
	Gender							
	Women Executives	11.0	8.1	1.0	-	1.0	10.0	7.1
	Women (total staff)	1,213.0	528.9	220.0	146.0	279.9	848.0	250.0
	Men Executives	10.0	8.1	1.0	-	1.0	9.0	7.1
	Men (total staff)	785.0	378.9	188.0	49.0	203.8	547.0	174.2
	All Executives	21.0	16.2	2.0	-	2.0	19.0	14.2
	Total staff	2,019.0	924.0	410.0	195.0	485.7	1,414.0	438.4
	Self-described							
	Age							
	15-24	166.0	35.9	5.0	1.0	3.8	160.0	32.1
	25-34	307.0	137.0	68.0	20.0	68.4	220.0	68.7
	35-44	417.0	200.4	81.0	39.0	95.4	297.0	105.0
	45-54	489.0	240.6	112.0	58.0	138.6	319.0	102.0
	55-64	464.0	247.9	123.0	43.0	143.5	297.0	104.4
	Over 64	176.0	62.2	21.0	34.0	36.0	121.0	26.2
	Total employees	2,019.0	924.0	410.0	195.0	485.7	1,414.0	438.4

This year, there was a significant decrease in total employee numbers in both academic and professional services sector due to a direct adverse impact caused by COVID-19 pandemic, which resulted in a lower casual engagement throughout the restricted and lockdown period.

Compared to last year, a continued shift from casual employment to full/part time employment under the 2018 Multi Enterprise Agreement and the growth in program delivery at the Lakeside Childcare Centre led to an increase in BHI's full time/part time employees in academic and professional services sector, respectively.

Employment and Conduct Principles

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

Independent Auditor's Report

To the Board of Box Hill Institute

Opinion	<p>I have audited the consolidated financial report of Box Hill Institute (the institute) and its controlled entity (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> • consolidated entity balance sheet as at 31 December 2020 • consolidated entity comprehensive operating statement for the year then ended • consolidated entity statement of changes in equity for the year then ended • consolidated entity cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration by Board Chair, Chief Executive Officer/Managing Director and Chief Financial Officer. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the consolidated entity as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 institute and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the institute and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the institute and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the institute and the consolidated entity. I remain solely responsible for my audit opinion.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Box Hill Institute - Financial Report for the year ended 31 December 2020

Declaration by Board Chair, Chief Executive Officer/Managing Director and Chief Financial Officer

The attached financial statements for the Box Hill Institute and the consolidated entity have been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards including interpretations, 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 accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2020 and financial position of the Institute and the consolidated entity as at 31 December 2020.

At the date of signing this financial report, we are not aware of any circumstances that would render any particulars included in the financial report to be misleading or inaccurate.

The Board Chair, Chief Executive Officer/Managing Director, and Chief Financial Officer sign this declaration in accordance with a resolution of the Board of Box Hill Institute.



Jack Diamond, Board Chair

Date 18 March 2021

Place Box Hill, Melbourne



Vivienne King, Chief Executive Officer/Managing Director

Date 18 March 2021

Place Box Hill, Melbourne



Matthew Graver, Chief Financial Officer

Date 18 March 2021

Place Box Hill, Melbourne

Box Hill Institute - Financial Report for the year ended 31 December 2020

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Box Hill Institute - Financial Report for the year ended 31 December 2020

Comprehensive Operating Statement

For the year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
CONTINUING OPERATIONS			
<u>Revenue and income from transactions</u>			
Revenue from government contributions	2.1	76,537	61,731
Revenue from fees, charges and sales	2.2	54,824	76,855
Other income	2.3	5,964	7,620
Total income from transactions		137,325	146,206
<u>Expenses from transactions</u>			
Employee benefits	3.1	96,218	94,965
Depreciation and amortisation	4.3	14,973	15,072
Supplies and services	3.4	16,245	33,125
Other operating expenses	3.5	9,641	11,957
Total expenses from transactions		137,077	155,119
Net result from transactions		248	(8,913)
<u>Other economic flows included in net result</u>			
Net gain/(loss) on non-financial assets	9.1c	(7)	10
Other gains/(losses) from other economic flows	9.1b	4,677	2,271
Net gain/(loss) on financial instruments	9.1a	(3,119)	(1,057)
Total other economic flows included in net result		1,551	1,224
Net result		1,799	(7,689)
Comprehensive result		1,799	(7,689)

Box Hill Institute - Financial Report for the year ended 31 December 2020

Balance Sheet

As at 31 December 2020

	Note	2020 \$'000	2019 \$'000
ASSETS			
Financial assets			
Cash and deposits	6.1	25,961	27,130
Receivables	5.1	12,997	15,779
Investments and other financial assets	4.4	6,549	2,714
Total financial assets		45,507	45,623
Non-financial assets			
Property, plant and equipment	4.1	437,221	435,657
Right of use assets	6.3	29,185	36,600
Intangible assets	4.2	1,907	2,416
Other non-financial assets	5.2	3,477	3,637
Total non-financial assets		471,790	478,310
Total assets		517,297	523,933
LIABILITIES			
Payables	5.3	6,056	7,278
Contract liabilities	5.4	7,990	11,085
Revenue in advance	5.5	2,816	1,593
Employee provisions	3.3	13,738	12,042
Other provisions	5.6	2,775	2,739
Borrowings	6.2	7,500	8,000
Lease liabilities	6.3	28,874	35,352
Total liabilities		69,749	78,089
Net assets		447,548	445,844
EQUITY			
Accumulated surplus / (deficit)		109,832	109,677
Contributed capital		27,124	27,124
Reserves		310,592	309,043
Net worth		447,548	445,844

Box Hill Institute - Financial Report for the year ended 31 December 2020

Statement of Changes in Equity For the year ended 31 December 2020

	Physical assets revaluation surplus \$'000	Restricted Funds Reserve \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
As at 1 January 2019	307,836	1,373	117,206	27,124	453,539
Impact of change in accounting policy- Leases	-	-	233	-	233
Net result for the year	-	-	(7,689)	-	(7,689)
Transfer to accumulated surplus	-	(118)	-	-	(118)
Adjustments to Opening Retained Earnings	(48)	-	(73)	-	(121)
Year ended 31 December 2019	307,788	1,255	109,677	27,124	445,844
Net result for the year	-	-	1,799	-	1,799
Transfer to accumulated surplus	(482)	(72)	-	-	(554)
Adjustments to Opening Retained Earnings	2,103	-	(1,644)	-	459
Year ended 31 December 2020	309,409	1,183	109,832	27,124	447,548

Box Hill Institute - Financial Report for the year ended 31 December 2020

Cash Flow Statement

For the year ended 31 December 2020

	Note	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Government contributions- operating		71,657	61,141
Government contributions- capital		6,104	2,120
User fees and charges received		58,418	80,903
Interest received		160	405
Total receipts from operating activities		136,339	144,569
<u>Payments</u>			
Payments to suppliers and employees		(119,596)	(136,584)
Interest and other borrowing costs paid		(38)	(228)
Goods and services tax paid to the ATO		(1,243)	(329)
Short-term, low value and variable lease payments		(416)	(73)
Interest paid – lease liability		(1,038)	(1,233)
Total payments from operating activities		(122,331)	(138,447)
Net cash flows from / (used in) operating activities	6.1.1	14,008	6,122
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investment in associate		(500)	-
Proceeds from investment in associate		-	2,375
Purchase of non financial assets		(11,841)	(5,825)
Proceeds from sales of non-financial assets		1,477	10
Net cash flows from / (used in) investing activities		(10,864)	(3,440)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(500)	(2,000)
Payment of lease liabilities		(3,813)	(3,587)
Net cash flows from / (used in) financing activities		(4,313)	(5,587)
Net increase / (decrease) in cash and cash equivalents		(1,169)	(2,905)
Cash and cash equivalents at beginning of year		27,130	30,035
Cash and cash equivalents at end of year	6.1	25,961	27,130

Box Hill Institute - Financial Report for the year ended 31 December 2020

1. About this report

Box Hill Institute is a statutory body corporate, established pursuant to an Act made by the Victorian Government under the Education and Training Reform Act 2006 Section 3.1.12 (a).

1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of Box Hill Institute (BHI) and its controlled entity. These financial statements have been prepared in accordance with the historical cost convention, unless a different measurement basis is specifically disclosed in the notes associated with the item measured on a different basis. Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

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.

Judgements, estimates and assumptions are required to be made about the financial information being presented. 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 Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3);
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3);
- the recognition of revenue in relation to contracts with customers (refer to Note 2);
- AASB 16 *Leases* and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.3);

These financial statements cover BHI and its controlled entity as an individual reporting entity and include all the controlled activities of BHI.

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST.

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.

Basis of consolidation

In accordance with AASB 10 Consolidated Financial Statements, BHI consolidates its controlled entities on the basis that control exists when an entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of entities included in the consolidated financial statements are from the date on which control commences until the date on which control ceases.

In preparing consolidated financial statements for BHI, all material transactions and balances between consolidated entities are eliminated.

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 Assistant Treasurer.

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2017. For the year ended 31 December 2020, an assessment was conducted using indices provided by the Office of the Victorian Valuer-General. No revaluation was required as a result of this assessment. COVID-19 has caused an increase to the estimation uncertainty around the fair value of non-physical financial assets. The value assessed at 31 December 2020 may therefore change significantly over a relatively short period of time.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

Box Hill Institute - Financial Report for the year ended 31 December 2020

1. About this report

1.1 Basis of preparation (continued)

Going Concern

The impact of the COVID-19 pandemic on TAFE finances is expected to continue in 2021, which may require TAFEs to draw on their cash reserves to cover their operating costs. Where there is a risk of a low cash reserve position, the Department of Education and Training (the Department) has provided a Letter of Comfort to guarantee the cash solvency of BHI as a state-owned entity.

The Letter of Comfort provides assurance that financial assistance will be made available to BHI until April 2022 (if required) and to enable BHI to continue as a going concern. On that basis, the financial statements for BHI have been prepared on a going concern basis.

Impact of COVID-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate.

1.2 Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA), and applicable 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 AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

For the purposes of preparing financial statements, BHI 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. Accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

Box Hill Institute - Financial Report for the year ended 31 December 2020

2. How we earned our funds

This section presents the sources and amounts of revenue raised by BHI. Contributions are received from both State and Commonwealth Government, and from other fees and charges.

2.1 Government contributions

	2020 \$'000	2019 \$'000
Grants and other transfers		
Government contributions – operating		
State government – contestable	44,518	40,935
State government – other contributions	26,036	20,043
Commonwealth Government- other contributions	1,103	163
Total government contributions – operating	71,657	61,141
Government contributions – capital		
State government – capital	4,880	590
Total government contributions – capital	4,880	590
Total government contributions	76,537	61,731

In 2020, BHI received \$5.1 million in crisis support funding to assist them with its immediate response to the pandemic, and \$7.6 million in business continuity grants to support the retention of staff, transition to on-line and remote learning, and to maintain government funding at pre-pandemic levels.

Significant judgement is applied to assess if a grant or contract is enforceable and contains sufficiently specific performance obligations.

Revenue is measured at the amount of consideration to which BHI expects to be entitled in exchange for transferring promised goods or services to a customer. Specific revenue recognition criteria are set out below.

Government Contributions- Operating

BHI recognises income immediately in the comprehensive operating statement when control is achieved over the funds and the contract is not enforceable or the performance obligations are not sufficiently specific. Where performance obligations are sufficiently specific, the asset and related liability are recognised with the residual being directly recognised in the Comprehensive Operating Statement.

In relation to contestable funding BHI satisfies the performance obligation as training and course materials are delivered. Revenue earned prior to census date might be reversible due to student withdrawals.

Capital grants

Where BHI receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by BHI, the asset and the corresponding deferred income are recognised on the balance sheet and any residual is recognised immediately as income. When the contractual obligations are satisfied, additional income is recognised.

2.2 Revenue from fees, charges and sales

	2020 \$'000	2019 \$'000
Student fees and charges	7,774	15,386
Fee for service – government	15,385	14,957
Fee for service – international operations – onshore	5,836	9,463
Fee for service – international operations – offshore	1,391	1,796
Fee for service – other	20,417	29,433
Other non-course fees and charges		
Sale of goods	4,021	5,820
Total revenue from fees, charges and sales	54,824	76,855

(i) Fee for service - other includes revenue from degree courses, commercial training contracts and income from non-accredited short courses.

Student Fees and Charges and fee for service international operations - offshore and onshore have both been impacted by COVID-19 during 2020.

Total fees and charges are sales from contracts with customers as per AASB 15.

Box Hill Institute - Financial Report for the year ended 31 December 2020

2. How we earned our funds

2.2 Revenue from fees, charges and sales (continued)

BHI's breakdown of contractual sales with customers above represents the segments in which they operate.

The timing of satisfaction of a sufficiently specific performance obligation and the amount of revenue to be allocated to each performance obligation involves significant judgement. The accounting policy below outlines the material performance obligations and, how and when these are satisfied.

Revenue from sales of goods and services is measured based on the consideration specified in a contract with a customer. BHI recognises revenue when it satisfies the performance obligation and/or transfers control of good/service to the customer.

BHI satisfies the performance obligation as training and course materials are delivered. Revenue earned prior to census date might be reversible due to student withdrawals.

BHI recognises the consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the Balance Sheet. Similarly, when BHI satisfies a performance obligation before it receives the consideration, BHI recognises either a receivable or a contract asset in its Balance Sheet.

Student fees and charges

Revenue is recognised over time by reference to the percentage completion of education and training services provided. A receivable is recognised when the services are delivered and the consideration is unconditional because only the passage of time is required before the payment is due. 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 are treated as revenue in the year of receipt and the balance as contract liabilities.

Fee for service

Fee for service relates to course fees funded by government or students. 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 a contract liability.

Revenue from sale of goods

Revenue from sale of goods relates to course materials, tool kits and revenue earned from sales in the cafeteria. BHI recognises revenue when the significant risks and rewards of ownership of the goods have been transferred to the buyer.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and the movement during the year:

	2020 \$'000	2019 \$'000
Opening Balance Contract Liabilities	11,085	9,306
Student fees and charges	41,958	56,403
Less Income recognised in the period	(45,053)	(54,624)
	7,990	11,085

Transaction price allocated to remaining performance obligations

These amounts will be recognised in revenue in future periods, predominantly during 2021, and reported in the Comprehensive Operating Statement.

Box Hill Institute - Financial Report for the year ended 31 December 2020

2. How we earned our funds

2.3 Other income

	2020 \$'000	2019 \$'000
Interest income	161	405
Child Care revenue	2,766	2,493
Rental income	443	949
Car Park revenue	307	873
Income from sub-leasing right-of-use assets	1,782	1,822
Other Revenue	505	1,078
Total other income	5,964	7,620

Other income

Other income includes amounts generated from the provision of services including car parking, child care services, which are recognised as revenue when the services are provided.

Interest income is recognised in the period it is earned.

BHI receives rental income for certain land and buildings leased out to the general public during the semester break period and when the buildings are excess to the current requirement.

Rental income is recognised on a time proportional basis and is brought to account when BHI's right to receive the rental is established. Expected future rental income is represented in Note 2.3.1.

2.3.1 Leases receivable

	2020 \$'000	2019 \$'000
Receivable:		
Within one year	655	2,446
Later than one year but not later than five years	504	971
Later than five years	83	83
Total leases receivable	1,242	3,500
GST receivable (payable) on the above	(113)	(318)
Net operating leases receivable	1,129	3,182

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

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset.

Box Hill Institute - Financial Report for the year ended 31 December 2020

3. How we expended our funds

This note presents the costs incurred by BHI in delivering its training and education outputs, and relates to benefits consumed within the relevant financial year. BHI's largest cost relates to its employees, including teachers and support staff. Obligations directly associated with current employees that have not been settled at balance date are also presented in this note, in the form of unpaid leave entitlements. In addition, supplies and services expenditure, including costs associated with third-party training providers, are also presented in this note.

3.1 Employee benefits

The present value of employee benefit obligations including annual leave, long service leave and on-costs are determined using various assumptions that may differ from actual developments in the future. These include future salary growth rate, future discount rates, tenure of existing staff, and patterns of leave claims.

All assumptions are reviewed at each reporting date.

	2020 \$'000	2019 \$'000
Salaries, wages, overtime and allowances	75,819	74,945
Superannuation	7,752	7,596
Payroll tax	4,539	4,316
Workers compensation	434	329
Annual leave	5,848	6,055
Long service leave	1,618	1,538
Termination benefits	173	143
Other (i)	35	43
Total employee benefits	96,218	94,965

(i) Ex gratia expenses

Nil ex gratia payments were made to departing staff during 2020 (2019, \$10K)

Employee expenses include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. Superannuation expenses / benefits disclosed above are employer contributions that are paid or payable during the reporting period.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

3.2 Superannuation

BHI employees are entitled to receive superannuation benefits and BHI contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary. The expenses recognised represent the contributions made by BHI to the superannuation plans in respect of current services of current BHI staff which are based on the relevant rules of each plan. The total amount of defined benefit plan payments made by BHI in 2020 was \$183K (2019, \$184K).

BHI 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 income statement.

Box Hill Institute - Financial Report for the year ended 31 December 2020

3. How we expended our funds

3.3 Employee provisions

	2020 \$'000	2019 \$'000
Current provisions		
Employee benefits - Annual leave		
Unconditional and expected to wholly settle within 12 months	3,426	2,648
Unconditional and expected to wholly settle after 12 months	425	333
Employee benefits - Long service leave		
Unconditional and expected to wholly settle within 12 months	1,452	1,291
Unconditional and expected to wholly settle after 12 months	5,156	5,100
Provisions for on-costs		
Unconditional and expected to wholly settle within 12 months	746	593
Unconditional and expected to wholly settle after 12 months	836	818
Total current provisions for employee benefits	12,041	10,783
Non-current provisions		
Employee benefits	1,474	1,094
Employee benefits on-costs	223	165
Total non-current provisions	1,697	1,259
Total employee provisions	13,738	12,042

Unconditional AL and LSL are disclosed in the notes to the financial statements as current liabilities, even where BHI 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.

Depending on the expectation of the timing of settlement, these liabilities are measured at:

- nominal value (undiscounted value) – if BHI expects to wholly settle within 12 months; or
- present value (discounted value) – if BHI does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as 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. The discount rate applied is as advised by the Department of Treasury and Finance.

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

3.4 Supplies and services

	2020 \$'000	2019 \$'000
Building repairs and maintenance	2,247	3,177
Third party program delivery	813	13,490
Contract and other services	6,219	7,229
Cost of goods sold / distributed (ancillary trading)	540	1,494
Fees and charges	2,603	2,763
Operating lease payments	588	1,063
Purchase of supplies and consumables	2,595	3,170
Other supplies and services	640	739
Total supplies and services	16,245	33,125

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

Box Hill Institute - Financial Report for the year ended 31 December 2020

3. How we expended our funds

3.4 Supplies and services (continued)

3.4.1 Non-cancellable lease commitments – short-term and low value leases

BHI have no significant commitments for minimum lease payments for short-term and low-value leases payable in future periods

3.4.2 Other expenditure commitments

There are no significant commitments for future maintenance, repairs or enhancements in existence at reporting date except for capital expenditure commitments at note 4.1.2.

3.5 Other operating expenses

	2020 \$'000	2019 \$'000
Audit fees and services	357	293
Interest on lease liability	1,038	1,233
Staff recruitment	179	289
Student placement	1,230	1,220
Marketing and promotional expenses	2,513	2,102
Staff development	711	994
Travel and motor vehicle expenses	158	1,239
Utilities	1,712	2,309
Agent Commissions	350	853
Communication expenses	405	365
Freight and Courier	69	120
Expenses relating to short-term leases and low value leases	416	73
Minor equipment purchases	400	562
General expenses	103	305
Total other operating expenses	9,641	11,957

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and are recognised when they are incurred and reported in the financial year to which they relate.

Audit fees and services relate to costs associated with internal audit services, as well as remuneration to the Victorian Auditor-General's Office for the audit of the financial statements, refer to note 8.4.

Box Hill Institute - Financial Report for the year ended 31 December 2020

4. The assets we invest in

BHI has a range of physical and intangible assets that provide a benefit over multiple financial years, as presented in this note. BHI's asset capitalisation threshold is \$5,000 for all assets, with the exception of IT assets, which have a threshold of \$700 to reflect the portable and attractive nature of these items. These assets assist BHI to achieve its training outputs through supporting educational delivery: providing a facility for students to learn; tools and equipment required to learn their trade; and equipment to assist with the running of the organisation.

4.1 Property, plant and equipment

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Land	242,000	242,000	-	-	242,000	242,000
Buildings	180,752	178,547	(15,624)	(10,902)	165,128	167,645
Construction in progress	7,357	2,238	-	-	7,357	2,238
Plant and equipment	40,971	37,070	(22,719)	(18,582)	18,252	18,488
Motor vehicles	347	329	(161)	(144)	186	185
Leasehold improvements	15,975	15,902	(12,005)	(11,129)	3,970	4,773
Cultural assets	328	328	-	-	328	328
Net carrying amount	487,730	476,414	(50,509)	(40,757)	437,221	435,657

Refer to 4.1.1 for reconciliation of movements in carrying amount of property, plant and equipment.

Initial recognition

Immediately upon acquisition, items of property, plant and equipment 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.

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

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

Subsequent measurement

Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised by asset category.

Non-specialised land and artworks are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets.

Specialised land and buildings: 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.

The depreciated replacement cost method is used for BHI's buildings.

The fair value of plant, equipment and vehicles is normally determined by reference to the asset's depreciated replacement cost.

Box Hill Institute - Financial Report for the year ended 31 December 2020

4. The assets we invest in

4.1.1 Reconciliation of movements in carrying amount of property, plant and equipment

	Land \$'000	Buildings \$'000	Construction in progress \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Cultural assets \$'000	Total \$'000
2020								
Opening net book amount	242,000	167,645	2,238	18,488	185	4,773	328	435,657
Additions	-	-	8,808	2,989	41	-	-	11,838
Disposals	-	-	-	(8)	(11)	-	-	(19)
Transfers	-	2,687	(3,689)	929	-	73	-	-
Impairment	-	(600)	-	-	-	-	-	(600)
Depreciation	-	(4,605)	-	(4,145)	(29)	(876)	-	(9,655)
Net carrying amount	242,000	165,127	7,357	18,253	186	3,970	328	437,221
2019								
Opening net book amount	234,060	169,420	1,373	20,992	222	5,725	328	432,120
Additions	-	-	3,593	1,776	-	170	-	5,539
Disposals	-	-	-	(116)	(8)	-	-	(124)
Transfers	7,940	2,728	(2,728)	-	-	-	-	7,940
Impairment	-	-	-	(73)	-	-	-	(73)
Depreciation	-	(4,503)	-	(4,091)	(29)	(1,122)	-	(9,745)
Net carrying amount	242,000	167,645	2,238	18,488	185	4,773	328	435,657

Box Hill Institute - Financial Report for the year ended 31 December 2020

4. The assets we invest in

4.1.2 Capital commitments

These capital commitments are recorded below at their nominal value and inclusive of GST.

	2020 \$'000	2019 \$'000
Payable		
Within one year	3,093	75
Later than one year but not later than five years	-	-
Later than five years	-	-
Total capital expenditure commitments	3,093	75
GST reclaimable on the above	(309)	(7)
Net capital expenditure commitments	2,784	68

4.2 Intangible assets

	2020 \$'000	2019 \$'000
Gross carrying amount		
Opening balance	5,721	5,330
Additions	-	391
Closing balance	5,721	5,721
Gross carrying amount of accumulated amortisation		
Opening balance	(3,305)	(2,767)
Amortisation charge	(509)	(406)
Impairment	-	(132)
Closing balance	(3,814)	(3,305)
Net carrying amount at end of the year	1,907	2,416

Initial recognition

When recognition criteria in AASB 138 *Intangible Assets* are met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset for use or sale;
- the ability to use or sell the asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible assets are amortised on a straight-line basis over their useful lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed each annual reporting period.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

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 Comprehensive Operating Statement.

Box Hill Institute - Financial Report for the year ended 31 December 2020

4. The assets we invest in

4.3 Depreciation and amortisation

	2020 \$'000	2019 \$'000
Depreciation of property, plant and equipment	9,655	9,745
Amortisation of right of use assets	4,809	4,921
Amortisation of intangible assets	509	406
Total depreciation and amortisation	14,973	15,072

Depreciation and amortisation is provided on software, property, plant and equipment, and freehold buildings but excluding land.

Depreciation and amortisation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight-line method.

Depreciation and amortisation methods and useful life used for each class of depreciable assets are:

Class of assets	Useful life	Method
Buildings	5 – 60 years	Straight Line
Plant and equipment (including Computers)	3 – 30 years	Straight Line
Motor vehicles	3 – 6 years, residual of 44% – 60%	Straight Line
Leasehold improvements	8 – 20 years	Straight Line
Right of use assets	Lease term	Straight Line

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. There has been some change compared to prior year mainly due to write-off/disposal of assets and capitalisation of new assets with different depreciation rates.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

4.4 Investments and other financial assets

Investments relates to the unitholding and distribution receivable from Cambridge Boxhill Language Assessment Unit Trust.

Box Hill Institute - Financial Report for the year ended 31 December 2020

5. Balances from operations

Operating assets and liabilities are presented in Note 5. These accounting balances arise as a result of transactions from BHI's operations and are generally temporary in nature. They reflect the timing of receipts and payments relative to the period in which BHI consumes or provides the associated goods or services.

5.1 Receivables

	2020 \$'000	2019 \$'000
Contractual receivables		
Trade receivables	8,336	11,781
Loss allowance on accounts receivable	(3,370)	(1,573)
Other receivables	7,882	5,571
Statutory receivables- GST	149	-
Total receivables	12,997	15,779
Current	12,950	15,727
Non Current	47	52
Total receivables	12,997	15,779

Receivables consist of:

- contractual receivables, includes mainly debtors in relation to education delivery. Total contractual receivables mainly consists of \$9.9m contract receivables and \$3.09m contract assets; and
- statutory receivables, i.e GST input tax credits recoverable.

A contract receivable is BHI's right to a consideration that is unconditional, while a contract asset is conditioned by future events, such as performance.

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

Trade receivables are recognised initially at the amount of consideration that is unconditional. BHI holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Due to the short-term nature of current receivables, their carrying amount is considered to be the same as their fair value.

Impairment

BHI measures loss allowances at an amount equal to lifetime Expected Credit Losses (ECLs). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. ECLs are a probability-weighted estimate of credit-losses. Credit losses are measured as the present value of all cash shortfalls.

In respect of trade and other receivables, BHI is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

Box Hill Institute - Financial Report for the year ended 31 December 2020

5. Balances from operations

5.1 Receivables (continued)

Ageing analysis of contractual receivables

	Carrying amount \$'000	Not past due and not impaired \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
2020						
Trade receivables	8,335	473	3,472	1,033	3,187	169
Loss allowance on Trade Receivables	(3,370)	(158)	-	-	(3,043)	(169)
Amount receivable from government	4,661	-	4,661	-	-	-
Other receivables	3,371	-	3,323	-	1	47
Total	12,997	315	11,456	1,033	145	47
2019						
Trade receivables	11,781	70	5,227	3,544	2,940	-
Loss allowance on Trade Receivables	(1,573)	-	-	-	(1,573)	-
Amount receivable from government	3,684	1,202	2,482	-	-	-
Other receivables	1,887	-	1,835	-	-	52
Total	15,779	1,272	9,544	3,544	1,367	52

Note: The disclosures above exclude statutory receivables.

The average credit period on sales of goods is 30 days. No interest is charged on receivables.

5.2 Other non-financial assets

	2020 \$'000	2019 \$'000
Current		
Prepayments	2,570	2,750
Inventories	226	206
Deferred Expenditure	681	681
Total other non-financial assets	3,477	3,637

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.

Inventories include goods and other property held either for sale or for distribution at a zero or nominal cost, or for consumption in the ordinary course of business operations.

Deferred expenditure relates to costs incurred in relation to the sale of property assets, which will be reflected in profit and loss at the time that the relevant sale transactions occur.

Box Hill Institute - Financial Report for the year ended 31 December 2020

5. Balances from operations

5.3 Payables

	2020 \$'000	2019 \$'000
Contractual		
Supplies and services	2,338	3,428
Accrued expenses	2,616	2,378
Lease incentive liabilities	563	908
Total contractual payables	5,517	6,714
Statutory		
GST/FBT payable	-	109
Other taxes payable	539	455
Total statutory payables	539	564
Total current payables	6,056	7,278
Current payables	6,056	7,278
Non- current payables	-	-
Total payables	6,056	7,278

Payables consist of:

- contractual payables, such as accounts payable, accrued expenditure and unearned income. Accounts payable represent liabilities for goods and services provided to BHI prior to the end of the financial year that are unpaid, and arise when BHI 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 payable.

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 are not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

Due to their short-term nature, the carrying amounts of trade and other payables are considered to be the same as their fair values.

Ageing analysis of contractual payables

	Carrying/ Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000
2020						
Supplies and services	2,338	2,269	-	69	-	-
Accrued expenses	2,616	2,616	-	-	-	-
Lease incentive liabilities	563	5	16	42	313	188
Total	5,517	4,890	16	111	313	188
2019						
Supplies and services	3,428	3,428	-	-	-	-
Accrued expenses	2,378	2,378	-	-	-	-
Lease incentive liabilities	908	30	61	255	312	250
Total	6,714	5,836	61	255	312	250

Note: The disclosures above exclude statutory payables.

The average credit period is 30 days. No interest charges are applicable on payables.

Box Hill Institute - Financial Report for the year ended 31 December 2020

5. Balances from operations

5.4 Contract liabilities

Refer to note 2.2 for further information around revenue recognised in relation to contract liabilities.

	2020 \$'000	2019 \$'000
Contract liabilities – student fees	6,669	10,133
Contract liabilities – fee for service	1,285	952
Contract liabilities – other	36	-
Total contract liabilities	7,990	11,085

Contract liabilities

Any fees received by BHI during the current financial year in respect of performance obligations that have not been satisfied are classified as a liability and recognised as a contract liability.

5.5 Revenue in Advance

Any fees received by BHI during the current financial year in respect of services to be provided in the following financial year are classified as liabilities and recognised as revenue received in advance. These are capital grants received in advance and revenue will be recognised in future periods as the associated asset is constructed.

5.6 Other provisions

	2020 \$'000	2019 \$'000
Make good provision	2,775	2,739
Total other provisions	2,775	2,739

Make good provision

Provisions are recognised when BHI 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 cash flows. This was previously presented in the payables note 5.3 last year as part of other payables.

Box Hill Institute - Financial Report for the year ended 31 December 2020

6. How we financed our operations

This note presents BHI's financial assets and liabilities, being the balances that allow management to fund the operations of the business.

6.1 Cash and deposits

	2020 \$'000	2019 \$'000
Cash at bank and on hand	2,318	1,138
Deposits at call	23,643	25,992
Total cash and deposits	25,961	27,130

Cash and deposits, including cash equivalents, comprise of cash on hand, cash at bank and deposits at call with CBS (Central Banking System).

BHI maintains a minimum amount of funds in the transactional account for the purpose of meeting short term cash commitments. The remaining funds are held in CBS, as required by the Standing Directions of the *Financial Management Act 1994*.

6.1.1 Reconciliation of operating result to net cash flows from operating activities

	2020 \$'000	2019 \$'000
Net result for the year	1,799	(7,689)
Non-cash movements		
Depreciation / amortisation of non-financial assets	14,973	15,072
Net (gain) / loss on sale of non-financial assets	(1,477)	(10)
Write off of property, plant and equipment	-	19
Impairment and forgiveness of loans and receivables	3,119	1,057
Impairment of non current asset	118	200
Share of profits of associates and joint venture	(2,927)	(2,780)
Movements in assets and liabilities		
Decrease / (increase) in receivables including contract assets	(337)	(4,200)
Decrease / (increase) in other assets	160	1,321
(Decrease) / increase in payables	(21)	(9,799)
(Decrease) / increase in provisions	1,696	1,846
(Decrease) / increase in contract liabilities	(3,095)	11,085
Net cash flows from / (used in) operating activities	14,008	6,122

6.2 Borrowings

	2020 \$'000	2019 \$'000
Current		
Advances from Government	-	2,000
Non-current		
Advances from Government	7,500	6,000
Total borrowings	7,500	8,000

Maturity analysis of borrowings

BHI are not required to make any repayments until 2023 and the loan is expected to be repaid by 2026.

Box Hill Institute - Financial Report for the year ended 31 December 2020

6. How we financed our operations

6.3 Leases

As a lessee

At inception of a contract, BHI will assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

As a lessee, BHI previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to BHI.

BHI recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is subsequently amortised using the straight-line method. The estimated useful lives of right-of-use assets are determined based on lease terms. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate as provided by Treasury Corporation of Victoria (TCV).

Significant judgements

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Peppercorn leases

BHI has elected to apply the option available under AASB 16 which allows not-for-profit entities to not measure right of use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Right of use assets	Property \$'000	Vehicles \$'000	Other \$'000	Total \$'000
2020				
Balance as at 1 January 2020	33,774	377	2,450	36,601
Disposals	(2,607)	-	-	(2,607)
Amortisation	(4,348)	(115)	(346)	(4,809)
Balance as at 31 December 2020	26,819	262	2,104	29,185
2019				
Balance as at 1 January 2019	38,256	299	2,795	41,350
Additions	-	171	-	171
Amortisation	(4,482)	(94)	(345)	(4,921)
Balance as at 31 December 2019	33,774	376	2,450	36,600

Box Hill Institute - Financial Report for the year ended 31 December 2020

6. How we financed our operations

6.3 Leases (continued)

Lease liabilities

	2020 \$'000	2019 \$'000
Maturity analysis		
Within one year	2,896	4,681
Later than one year but not later than five years	12,272	13,366
Later than five years	13,706	17,305
Total lease liabilities as at 31 December	28,874	35,352
Current	2,896	4,681
Non-current	25,978	30,671
Total lease liabilities	28,874	35,352

Short-term and low value leases

BHI has elected not to recognise right of use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, and leases of low-value assets (individual assets worth less than \$10,000), including IT equipment. BHI recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The total expense for the year is \$416K (2019: \$73K).

Box Hill Institute - Financial Report for the year ended 31 December 2020

7. Managing risks and uncertainties

7.1 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 financial instruments

	2020 \$'000	2019 \$'000
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and deposits	25,961	27,130
Trade receivables	4,966	10,208
Amount Receivable from Government	4,661	3,684
Revenue Receivable	3,174	1,887
Investments and other financial assets	6,549	2,714
Other receivables (security deposits)	47	52
Total contractual financial assets	45,358	45,675
Contractual financial liabilities		
Financial liabilities at amortised cost		
Supplies and services	2,338	6,167
Other payables (lease incentive liabilities)	563	908
Accrued Expense	2,616	2,378
Advances from Government	7,500	8,000
Lease liabilities	28,874	35,352
Total contractual financial liabilities	41,891	52,805

Categories of financial instruments

BHI classifies its financial assets at amortised cost only if both of the following criteria met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets measured at amortised cost 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, receivables are measured at amortised cost using the effective interest method (and for assets, less any necessary impairment).

BHI recognises the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).
- investments and other financial assets

Financial liabilities at amortised cost are initially recognised on the date they originate. 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. BHI recognises the following liabilities in this category:

- payables (excluding statutory payables);
- borrowings (including finance lease liabilities); and
- advances from government.
- lease liabilities.

7.1.1 Financial risk management objectives and policies

BHI is exposed to a variety of financial risks, market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk.

Financial risk management is carried out by management under policies approved by the Board. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as credit risk in relation to the collection of trade and other receivables. There has been no significant change in BHI's exposure, or its objectives, policies and processes for managing BHI's financial risks or the methods used to measure the risk from the previous reporting period.

Primary responsibility for the identification and management of financial risks rests with BHI's finance function, overseen by the Audit Finance and Risk Committee of BHI on behalf of the Board.

7. Managing risks and uncertainties

7.1 Financial instruments (continued)

7.1.2 Credit risk

Credit risk refers to the possibility that a customer will default on its financial obligations as and when they fall due. Credit risk arises from the contractual financial assets of BHI, which comprise cash and deposits and non-statutory receivables. BHI's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to BHI.

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

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

The trade receivables balances at 31 December 2020 and 31 December 2019 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

BHI does not hold any security on the trade receivables balance. In addition, BHI does not hold collateral relating to other financial assets.

BHI 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. BHI's policy is to only deal with banks with high credit ratings.

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

There are no material financial assets that are individually determined to be impaired.

BHI's transactional cash holdings are held with commercial authorised deposit-taking institutions with AA- credit ratings.

7.1.3 Liquidity risk

Liquidity risk is the risk that BHI would be unable to meet its financial obligations as and when they fall due.

BHI operates under a 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.

BHI's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet.

BHI manages liquidity risk by maintaining an adequate short term cash reserve and banking facilities that can be drawn at short notice to meet its short-term obligations and careful planning of its financial obligations based on forecasts of future cash flows.

Liquidity risk is closely managed including seeking a letter of support from the Department of Education and Training as required and noted in note 1.

Funding risk is the risk of over-reliance on a particular funding source to the extent that a change in that funding source could impact on the operating results of the current year and future years. BHI manages funding risk by continuing to diversify and increase funding from commercial activities, both domestically and offshore and has no significant change in BHI's policies in managing this risk from the previous reporting period.

7.1.4 Market risk

In its daily operations, BHI, is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse effect on the operating result and /or net worth of the BHI.

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

There has been no significant change in the organisation'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.

Box Hill Institute - Financial Report for the year ended 31 December 2020

7. Managing risks and uncertainties

7.1 Financial instruments (continued)

7.1.5 Foreign currency risk

BHI's exposure to foreign currency risk relates to the delivery of services in currencies other than the Australian dollar, and payables relating to purchases of supplies and consumables from overseas. BHI's foreign currency risk is minimal as there are a limited amount of transactions denominated in foreign currencies and a relatively short timeframe between commitment and settlement. BHI does not have any bank accounts denominated in foreign currency at 31 December 2020.

BHI manages its exposure to foreign currency risk by predominantly transacting in \$AUD. Based on past and current assessment of economic outlook, it is deemed unnecessary for BHI to enter into any hedging arrangements to manage foreign currency risk.

7.1.6 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.

BHI's exposure to interest rate risk is limited, as its cash and deposits are held in short-term facilities with floating interest rates and its borrowings are held on interest-free terms.

There has been no significant change in the organisation'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.

The organisation'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:

The weighted average effective rate for cash at bank for 2020 was 0.3% (2019, 0.9%)

The weighted average effective rate for deposits at call for 2020 was 0.6% (2019, 1.0%)

The weighted average effective rate for lease incentive liabilities for 2020 was 7.9% (2019, 7.9%)

A reasonably possible increase of 50 basis points (2019: 50 basis points) in interest rates at the reporting date would have increased equity and net result by \$130K (2019, \$135k). This analysis assumes that all other variables remain constant. Given current interest rate levels, a decrease in the applicable rate is not considered to be probable, and has not been modelled.

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable are measured at nominal value.

	2020 \$'000	2019 \$'000
Contingent Asset		
Bank Guarantee	580	500
Closing balance	580	500
Contingent Liability		
Bank Guarantee	257	257
Legal Matter	-	250
Closing balance	257	507

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

In addition to the items above management are aware of a potentially material legal matter. There is presently a lack of certainty around the likely timing or amount of any outflow in respect of this matter, and reimbursement of any loss via insurance is possible.

7. Managing risks and uncertainties

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of BHI.

This section sets out information on how BHI determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- land, buildings, plant and equipment, vehicles, and leasehold improvements.

In addition, the fair values of other assets and liabilities that are carried at amortised cost also need to be determined for disclosure purposes.

BHI determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value estimation

A number of inputs are used in determining fair values. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- 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.

BHI determines whether transfers have occurred between levels in the hierarchy by reassessing 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.

A summary of changes between levels can be found in Note 7.3(a).

The Valuer-General Victoria (VGV) is BHI's independent valuation agency.

Fair value determination of financial assets and liabilities

BHI currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full.

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2020.

(a) Fair value determination of non-financial assets

BHI holds property, plant and equipment for which fair values are determined.

BHI, in conjunction with the Valuer-General Victoria (VGV), monitors changes in the fair value of each asset through relevant data sources to determine whether revaluations are required. The recurring fair value measurements of non-financial physical assets, such as land and buildings, are based on Level 2 observable inputs and Level 3 unobservable inputs due to the nature and characteristics of BHI's campus assets. There is little or no observable market evidence of the market selling price of campus assets as they are specialised assets with a Community Service Obligation (CSO) applied.

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7. Managing risks and uncertainties

7.3 Fair value determination (continued)

The table below shows the relevant fair value information relating to those assets.

	Carrying amount at 31 December \$'000	Fair value hierarchy		
		Level 1	Level 2	Level 3
		Quoted prices \$'000	Observable price inputs \$'000	Unobservable inputs \$'000
2020				
Non-specialised land	29,433	-	29,433	-
Specialised land	212,567	-	-	212,567
Total land at fair value	242,000	-	29,433	212,567
Buildings	165,128	-	-	165,128
Total buildings at fair value	165,128	-	-	165,128
Plant and equipment	18,252	-	-	18,252
Vehicles	186	-	-	186
Leasehold improvements	3,970	-	-	3,970
Artworks	328	-	328	-
Total other assets at fair value	22,736	-	328	22,408
2019				
Non-specialised land	29,433	-	29,433	-
Specialised land	212,567	-	-	212,567
Total land at fair value	242,000	-	29,433	212,567
Buildings	167,645	-	-	167,645
Total buildings at fair value	167,645	-	-	167,645
Plant and equipment	18,488	-	-	18,488
Vehicles	185	-	-	185
Leasehold improvements	4,773	-	-	4,773
Artworks	328	-	328	-
Total other assets at fair value	23,774	-	328	23,446

Impairment

Non-financial assets, including items of software, property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows 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.

Box Hill Institute - Financial Report for the year ended 31 December 2020

7. Managing risks and uncertainties

7.3 Fair value determination (continued)

(b) Valuations of property, plant and equipment

An independent valuation was performed for all non-specialised land by the Valuer General Victoria with an effective date of 31 December 2017. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

For the year ending 31 December 2020 BHI conducted a managerial revaluation and no change to the accounts were required from reviewing the current indices at year end.

Non-specialised land are valued using the market approach. Under this valuation method, the assets are compared to sales of comparable assets or recent sales which are considered to have nominal value

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land and specialised buildings: the market approach is also used for specialised land, although is adjusted for the Community Service Obligation (CSO) and heritage registration to reflect the specialised nature of the land being valued.

The CSO and heritage registration 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 and heritage registration are considered as significant unobservable inputs, specialised land would be classified as a Level 3 asset.

For BHI's specialised buildings, the depreciated replacement cost method is used. The replacement cost of specialised buildings is based on comparing the existing building with a modern equivalent, then adjusting for associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of BHI's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO and heritage restrictions. The effective date of the valuation was 31 December 2017.

Construction in progress assets are held at cost. BHI transfers the assets out of construction in progress and into the relevant asset category when they are ready for use

Motor vehicles are valued using the depreciated replacement cost method. BHI acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method

Leasehold improvements are held at fair value being depreciated cost. As there is no evidence of a reliable market-based fair value (or other relevant fair value indicators) for leasehold improvements, depreciated cost is the fair value for these types of assets. The valuation of leasehold improvements is based on significant unobservable inputs and accordingly is classified as a Level 3 asset

There were no changes in valuation techniques throughout the period to 31 December 2020.

For all assets measured at fair value, the current use is considered the highest and best use.

Description of significant unobservable inputs to Level 3 valuations

2020 and 2019	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment and heritage registrations
Specialised buildings	Current replacement cost	Useful life of buildings and cost per square metre
Motor vehicles	Current replacement cost	Useful life of vehicles
Plant and equipment	Current replacement cost	Useful life of plant and equipment
Leasehold improvements	Current replacement cost	Useful life of lease

Box Hill Institute - Financial Report for the year ended 31 December 2020

8. Governance disclosures

8.1 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons and executive officers for the reporting period.

The persons who held the positions of Ministers and Accountable Officers in BHI were as follows:

Position	Name	Relevant Period
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MP	1 January 2020 until 31 December 2020
Chair	Mr Jack Diamond	1 January 2020 until 31 December 2020
CEO / Managing Director	Ms Vivienne King	1 January 2020 until 31 December 2020
Board Member	Ms Alison Currie	1 January 2020 until 17 February 2020
Board Member	Mr Allan Moore	1 January 2020 until 31 December 2020
Board Member	Ms Amanda Brook	1 January 2020 until 31 December 2020
Board Member	Ms Annabelle Roxon	1 June 2020 until 31 December 2020
Board Member	Mr Haydn Pound	1 June 2020 until 31 December 2020
Board Member	Ms Helen Buckingham	1 January 2020 until 31 December 2020
Board Member	Ms Jane Foley	1 January 2020 until 31 December 2020
Board Member	Prof John Rosenberg	1 January 2020 until 31 May 2020
Board Member	Mr Phillip Davies	1 January 2020 until 31 December 2020
Board Member	Dr Sam McCurdy	1 January 2020 until 31 December 2020
Board Member	Ms Susan Pelka	20 January 2020 until 31 December 2020
Board Member	Ms Tracey Cooper	1 January 2020 until 31 December 2020

Remuneration

Remuneration received or receivable by the Responsible Persons, excluding the Accountable Officer, during the reporting period was in the range:

Income range	2020	2019
\$5 000 - \$29 999	4	2
\$30 000 - \$39 999	-	1
\$40 000 - \$49 999	8	7
\$60 000 - \$69 999	-	1
\$80 000 - \$89 999	1	1
\$350 000 - \$359 999	-	1
\$360 000 - \$369 999	1	-
Total number	14	13
Total remuneration (\$'000)	912	891

Remuneration of the Responsible Minister is included in the financial statements of the Department of Parliamentary Services.

Box Hill Institute - Financial Report for the year ended 31 December 2020

8. Governance disclosures

8.2 Remuneration of executives

The number of executive officers, other than the Minister and the Accountable Officer, and their total remuneration during the reporting period is shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

	2020 \$'000	2019 \$'000
Remuneration		
Short-term employee benefits	3,180	3,317
Post-employment benefits	338	324
Other long-term benefits	16	71
Termination benefits	70	143
Total remuneration	3,604	3,855
Total number of executives	20	25
Total annualised employee equivalents (i)	16	15.4

(i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

8.3 Related parties

Related parties of BHI include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all entities that are controlled and consolidated into BHI's consolidated financial statements; and
- all departments and public sector entities that are controlled and consolidated into the whole-of-state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

- Box Hill Enterprises Ltd

Key management personnel of BHI include the Minister for Training and Skills and Minister for Higher Education, the members of the BHI Board, Chief Executive Officer/Managing Director, and members of the senior Executive Team, which at 31 December 2020 comprised:

- Executive Director Commercial, Rachel Brown
- Executive Director Strategy & Corporate Services, Laura Macpherson
- Executive Director Educational Delivery, Jane Trewin
- Executive Director People and Culture, Aggie Kost
- Executive Director Student Experience, Jennifer Newport

Box Hill Institute - Financial Report for the year ended 31 December 2020

8. Governance disclosures

8.3 Related parties (continued)

Compensation of key management personnel

	2020 \$'000	2019 \$'000
Remuneration		
Short-term employee benefits	2,180	2,470
Post-employment benefits	207	230
Other long-term benefits	16	26
Termination benefits	-	82
Total remuneration	2,404	2,808

Transactions and balances with key management personnel and other related parties

BHI had no related party transactions for the period ending 31 December 2020.

8.4 Remuneration of auditors

	2020 \$'000	2019 \$'000
Remuneration of the Victorian Auditor-General's Office		
(i) Audit of the financial statements	110	110
Total remuneration of the Victorian Auditor-General's Office	110	110
Remuneration of other auditors		
Other Assurance Services	247	158
Total remuneration of other auditors	247	158
Total	357	268

(i) The Victorian Auditor-General's Office is not allowed to provide non-audit services.

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9. Other disclosures

9.1 Other economic flows included in net result

	2020 \$'000	2019 \$'000
(a) Net gain/(loss) on financial instruments		
Impairment of loans and receivables	(3,119)	(1,057)
Total net gain/(loss) on financial instruments	(3,119)	(1,057)
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	323	(290)
Net gain/(loss) arising from revaluation of annual leave liability	61	-
Share of net profit of associates excluding dividends	2,927	2,780
Profit on sale on assets	1,484	-
Impairment/write off non financial assets	(118)	(219)
Total other gains/(losses) from other economic flows	4,677	2,271
(c) Net gain/(loss) on disposal of non financial assets		
Disposal of property plant and equipment	(7)	10
Total net gain/(loss) on disposal of non financial assets	(7)	10
Total other economic flows included in net result	1,551	1,224

Net gain/(loss) from revaluation of long service leave liability and annual leave liability are changes arising due to changes in bond rates.

'Other economic flows' are changes arising from market remeasurements. They include:

- gains and losses from disposals of non-financial assets (refer to Note 4.1);
- revaluations and impairments of non-financial physical and intangible assets (refer to Note 4.1 and Note 4.2);
- remeasurement arising from employee benefits (refer to Note 3.1); and
- fair value changes of financial instruments (refer to Note 7.3).

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

9.2 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entity:

Controlled entities	Country of incorporation	Class of shares	2020 %	2019 %
Box Hill Enterprises Ltd	Australia	Limited by guarantee	100	100

Box Hill Enterprises Ltd (BHE)

BHE is a dormant company previously involved in the commercial delivery of tertiary education.

BHI is deemed to have control over Box Hill Enterprises Ltd (BHE) as BHI holds 100% of the share capital issued by (BHE).

BHI also trades as Centre for Adult Education (CAE)

The CAE is a leading provider of Adult and Community Education in Victoria.

BHI and CAE merger occurred on 1st July 2019. All CAE assets and liabilities as at the merger date have been transferred to BHI.

Box Hill Institute - Financial Report for the year ended 31 December 2020

9. Other disclosures

9.3 Events after reporting date

No matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of BHI, the results of those operations or the state of affairs of BHI in subsequent financial years.

9.4 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2020 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises BHI of their applicability and early adoption where applicable.

As at 31 December 2020, there were no new accounting standards issued by the AASB, which are applicable for the year ending 31 December 2021 that are expected to materially impact BHI.

9.5 New or amended Accounting Standards and Interpretations adopted

There are no new or amended Accountings Standards and Interpretation adopted.

9.6 Transition impact on financial statements

The following accounting standards were adopted for the first time, from 1 January 2019:

- *AASB 15 Revenue from Contracts with Customers*;
- *AASB 1058 Income of Not-for-Profit Entities*; and
- *AASB 16 Leases*.

The impact to BHI on transition can be found in the 2019 comparatives in the financial statements.

Independent Auditor's Report

To the Board of Box Hill Institute

Opinion	<p>I have audited the accompanying performance statement of Box Hill Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"> • performance statement for the year ended 31 December 2020 • declaration by Board Chair, Chief Executive Officer and Chief Financial Officer. <p>In my opinion, the performance statement of Box Hill Institute in respect of the year ended 31 December 2020 presents fairly, in all material respects.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the statement of performance</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the performance statement	<p>The Board is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.</p>

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 institute's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether the performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
1 April 2021



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

BOX HILL INSTITUTE
PERFORMANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

In our opinion, the accompanying Statement of Performance of Box Hill Institute and the consolidated entity in respect of the 2020 financial year is presented fairly in accordance with the *Financial Management Act 1994*.

The Statement includes 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.



.....
Jack Diamond
Chair of the Board
Date: 18 March 2021



.....
Vivienne King
Chief Executive Officer/Managing Director
Date: 18 March 2021



.....
Matthew Graver
Chief Financial Officer
Date: 18 March 2021

Indicator title	Description and methodology	Metric	2020 Target	2020 Actual	Explanation of variances	Prior year result
Training Revenue diversity	Breakdown of training revenue split by Government funded and Fee for Service <i>Training revenue split by:</i> <ul style="list-style-type: none"> Government Funded Fee for Service (FFS) Student F&C 	Percentage	39% 45% 16%	47% 42% 11%	Proportionate increase in Government funding due to COVID-19 support, as well as reductions in the third-party delivery of courses with high student fees	37% 47% 17%
Employment costs as a proportion of training revenue	Employment and Third Party training delivery costs as a proportion of training revenue Government Funded and FFS) <i>Employment costs + 3rd party training delivery costs / Training Revenue</i>	Percentage	82.8%	96.9%	Decreases in training revenue were greater than reductions in staffing	86.6%
Training revenue per teaching FTE	Training Revenue (excl. revenue delivered by third parties) per Teaching FTE <i>Training Revenue (excl. revenue delivered by 3rd parties) / Teaching FTE</i>	\$'000s	\$224.8	\$212.7	Decreases in training revenue were greater than reductions in staffing	\$217.4
Operating margin percentage	Operating margin % <i>EBIT (excluding Capital Contributions) / Total Revenue (excluding Capital Contributions)</i>	Percentage	(3.7%)	(2.7%)	In line with target	(3.8%)

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REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1	FRD 22H 5.4 a	<i>Manner of establishment and the relevant Minister</i>	6
2	FRD 22H 5.4 b 5.5	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	5-14
3	FRD 22H 5.4 c	Nature and range of services provided including the communities served	5-14
MANAGEMENT AND STRUCTURE			
4	FRD 22H 5.4 d 5.6	Organisational chart detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	15-17
FINANCIAL AND OTHER INFORMATION			
5	FRD 03A	Accounting for Dividends	N/A
6	FRD 07B	Early adoption of authoritative accounting pronouncements	70
7	FRD 10A	Disclosure Index	76-79
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9	FRD 22H 5.11 c	Operational and budgetary objectives, including performance against objectives and achievements	18-19, 75
10	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	21-22
11	FRD 22H 5.8	Workforce data for current and previous reporting period, including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections	28-30
12	FRD 22H 5.11 a	Summary of the financial results, with comparative information for the preceding four reporting periods	18-19
13	FRD 22H 5.11 b	Summary of significant changes in financial position	18-19
14	FRD 22H 5.7	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	8-13
15	FRD 22H 5.11 d	Post-balance sheet date events likely to significantly affect subsequent reporting periods	70
16	FRD 22H 5.18 a	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	20
17	FRD 22H 5.12	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	18-19
18	FRD 22H 5.9	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target	N/A
19	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 (exclusive of GST)	25

20	FRD 22H 5.18 e	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform	20
21	FRD 22H 5.18 g	Statement 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	21
22	FRD 22H 5.18 c	Summary of application and operation of the Public Interest Disclosures Act 2012 including disclosures required by the Act	20-21
23	FRD 22H 5.18 h	Summary of Environmental Performance	23-24
24	FRD 22H 5.13 5.14 5.15	<p>Consultants:</p> <p>Report of Operations must include a statement disclosing each of the following:</p> <ol style="list-style-type: none"> 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g., website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period 	26-27
25	FRD 22H 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	24
26	FRD 22H 5.17	<p>An entity shall disclose the following in the report of operations:</p> <ol style="list-style-type: none"> a. Total entity ICT Business as Usual (BAU) expenditure for the full 12-month reporting period; and b. Total entity ICT Non-Business as Usual expenditure for the full 12-month reporting period; and provide a breakdown for: <ol style="list-style-type: none"> i Operational expenditure (OPEX); and ii Capital expenditure (CAPEX). 	24
27	FRD 25D	Local Jobs First	21
28	AASB 16	Leases	58-59
29	SD 5.1.4	<p>Financial Management Compliance Attestation Statement</p> <p>The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions and the Instructions, and disclose all Material Compliance Deficiencies.</p>	20
30	FRD 119A	Transfers through contributed capital	N/A
31	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	34
32	SD 5.2.3	The report of operations must be signed and dated by a member of the Responsible Body.	3-4, 34

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33	CG 10 Clause 27	Summary of Major Commercial Activities	12
34	CG 12 Clause 33	TAFE Institute Controlled Entities	69
FINANCIAL REPORT			
35	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: <ul style="list-style-type: none"> • the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and • the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. 	34
36	SD 5.2.2(a)	An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"> • the Accountable Officer; • subject to Direction 5.2.2(c), the CFO; and • for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. 	34
37	FRD 30D	Rounding of Amounts	41
38	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> • review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament 	15
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
39	FRD 11A	Disclosure of ex-gratia payments	46
40	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	66-68
41	FRD 102A	Inventories	54
42	FRD 103H	Non-financial physical assets	49, 63
43	FRD 105B	Borrowing costs	40, 57
44	FRD 106B	Impairment of assets	49-51, 64
45	FRD 107B	Investment properties	N/A
46	FRD 109A	Intangible assets	51
47	FRD 110A	Cash flow statements	40, 57
48	FRD 112D	Defined benefit superannuation obligations	46
49	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	52, 69
50	FRD 114C	Financial instruments	60-62
51	FRD 120N	Accounting and reporting pronouncements applicable to the reporting period	41-70

COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
52	Legislation	<p>The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • <i>Education and Training Reform Act 2006</i> (ETRA) • TAFE institute constitution • Directions of the Minister for Training and Skills (or predecessors) • TAFE institute Commercial Guidelines • TAFE institute Strategic Planning Guidelines • <i>Public Administration Act 2004</i> • <i>Financial Management Act 1994</i> • <i>Freedom of Information Act 1982</i> • <i>Building Act 1993</i> • <i>Public Interest Disclosure Act 2012</i> • <i>Local Jobs First Act 2003</i> 	24
53	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2020	20
54	Policy	Statement that the TAFE institute complies with the Victorian Public Service Travel Policy	21
55	Key Performance Indicators	<p>Institutes to report against:</p> <ul style="list-style-type: none"> • Employment costs as a proportion of training revenue; • Training revenue per teaching FTE; • Operating margin percentage; • Training revenue diversity. 	75
OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES			
56	PAEC and VAGO (June 2003 Special Review – Recommendation 11)	<ul style="list-style-type: none"> • Financial and other information on initiatives taken or strategies relating to the institute's overseas operations • Nature of strategic and operational risks for overseas operations • Strategies established to manage such risks of overseas operations • Performance measures and targets formulated for overseas operations • The extent to which expected outcomes for overseas operations have been achieved. 	14



BOX HILL INSTITUTE

BOX HILL CAMPUSES

Elgar Campus
465 Elgar Road, Box Hill

Nelson Campus
853 Whitehorse Road, Box Hill

CITY CAMPUS
253 Flinders Lane, Melbourne

LILYDALE LAKESIDE CAMPUS
Jarlo Drive, Lilydale



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