

Box Hill Institute

# Annual Report

2023



# Acknowledgement of Country

Box Hill Institute (BHI) proudly acknowledges that our learning sites in Box Hill, Lilydale and in the Melbourne CBD are situated on the ancestral lands of the Wurundjeri people of the Kulin Nations.

For tens of thousands of years, the Wurundjeri people have been innovators, keenly aware of their environment. The Wurundjeri's connection to land is underpinned by cultural and spiritual values. They recognise the value of knowledge and pass this on to future generations through words, dance and art, preserving this rich history and culture.

We recognise Aboriginal people as Victoria's first teachers, artists and scientists, and we value the ongoing contribution of First Nations people and communities to Victorian life and how this enriches us all.

We acknowledge Aboriginal people as Australia's First Peoples and as the Traditional Owners and Custodians of the land and waters on which we rely. We pay respect to Elders past and present, and we work to support emerging Aboriginal leaders.

We embrace the spirit of reconciliation as we work together to deliver the Victorian Government's commitment to Voice, Treaty and Truth.



# About this report

The BHI 2023 Annual Report is a report to the Parliament of Victoria required under Section 45 of the Financial Management Act 1994 Standing Directions and Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.

This document describes the operations of BHI during 2023, including consolidated financial statements, performance statements and other information required. In the preparation of this report, BHI has followed the reporting guidelines issued by the Department of Jobs, Skills, Industry and Regions (DJSIR).

This report is based on the model annual report and guidelines issued, in accordance with the Financial Management Act 1994, Australian Accounting Standards, Statement of Accounting concepts, authoritative pronouncements of the Australian Accounting Standards Board and other legislative requirements.

All financial information presented is consistent with the audited consolidated financial report for BHI.

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# About us

At BHI, we are driven by our desire to create positive change. By providing people with opportunities to expand their knowledge, experience and understanding of the world, we empower them to change their lives.

As a trusted Vocational Education and Training (VET) provider in Victoria, we have helped people achieve genuine employment opportunities for 100 years. We empower over 25,000 students each year to become productive participants in the economy.

Our campuses in Box Hill, Lilydale and Melbourne's central business district are hubs where over 1,500 employees engage our students in safe and supportive learning environments. Our reputation for training has also seen us partner with the Department of Defence and Corrections Victoria for contracted delivery, as well as partnerships overseas in China, Kuwait, Singapore, Vietnam and through the Global Education Network (GEN).

Across our faculties and education delivery arms, we provide training for essential industries. With more than 500 courses, from community services to health, hospitality to trades, our students can pursue everything from short courses through the Centre for Adult Education (CAE), Victorian Certificate of Education (VCE), VCE Vocational Major (VCE VM), Victorian Pathways Certificate (VPC), pre-apprenticeships to certificates, diplomas, and higher education degrees. We support our students' ambitions to study through our well-equipped classrooms, as well as remotely with blended and online courses.

We believe learning should be accessible to all Victorians. We enable this through leveraging the Government's Free TAFE initiative, which supports industries with critical workforce needs. Through the Adult Migrant English Program (AMEP), we enable migrants and humanitarian entrants to improve their language skills while settling in Australia. We also work with community partners to create scholarships that recognise and encourage students in their efforts, as well as operate a hardship fund to support students experiencing financial difficulties.

To ensure our education meets Victoria's workforce needs, we maintain strong connections with our industry partners. We continue to establish pathways into, and after TAFE, by connecting with schools and universities, so we can support students in their journey for lifelong learning.

At BHI, we are more than an educational institution; we are a vibrant, interconnected ecosystem. Our success story is built on the foundation of meaningful connections—with our students, communities, employers, and industries.

We believe that through these connections, we have the power to facilitate authentic, life changing learning.



We empower over 25,000 students each year to become productive participants in the economy





Our 2023 Certificate III and IV graduation ceremony



# Message from our Board Chair and Chief Executive Officer

**The past 12 months have seen the Institute embark on a series of enabling activities to strengthen our foundations for future operations.**

This involved a comprehensive program of engagement with employees at all levels of the organisation to create and launch the 2024 – 2028 Strategic Plan. Our ground-up consultation approach gave every member of our organisation the opportunity to contribute their insights throughout this process. The strategic plan, launched in October, reflects our vision of skilled people shaping a better world and the role we will play in achieving this.

To support our strategic plan, a new education strategy was also launched in October. It sets a clear direction for how we will connect people with life changing learning and identifies the areas of focus for our education portfolio. Included are plans for delivering high-quality vocational education and training, higher education and short courses to meet the needs of our students, employers and industry partners.

Engagement with employees is a critical driver of our success, and in 2023 it was a key priority. A series of development programs were rolled out to build internal leadership capability and ensure our people leaders can confidently execute our future plans.

This investment in our people strengthened their commitment and dedication to BHI, which was demonstrated in our 2023 People Matter Survey results. We achieved our highest participation rate to-date, with 84% of our employees taking the time to share their input.

From the survey outcomes, we identified three key focus areas for our Listening & Taking Action campaign. Sponsored by members of our Executive Leadership Team, these programs ensured our employees remained engaged and supported with skills development and career growth opportunities.

The driver for all this work is also why BHI exists – for our students. We made sure that education was accessible to our students through the provision of scholarships and student support services. We connected our students with industry partners who enhanced their knowledge and improved career outcomes, through events such as our Careers Fair and student fashion runway show.

2023 was the year when we evaluated our current position and established plans for our next chapter. As we enter our 100th year, there is confidence and energy across our organisation. With a clear direction and committed and aligned employees, we look forward to delivering on our plans.

We also extend our heartfelt appreciation and gratitude to the Board of Directors, Executive team and our valued employees for their outstanding contributions in 2023.

On behalf of BHI and the Board, we are pleased to present the 2023 Annual Report.



Tracey Cooper  
Board Chair



Grant Radford  
Chief Executive Officer



# Our strategic direction

At BHI, we are focused on nurturing people's desire for lifelong learning. We believe education should be accessible to everyone, and that student-centred learning experiences lead to high-quality outcomes for individuals, their employers and the community.

With almost a century devoted to the education and training of Victoria's workforce, we recognise that our employees are critical to our success, and that achieving our goals requires collective effort. By taking a whole-of-organisation approach, we ensured the knowledge and experience of our people was reflected in our plans.

It is also imperative for everyone in our institution to forge stronger partnerships with our employer and industry networks. This will ensure a meaningful learning experience for the people who matter most – our students.

Our new Strategic Plan was launched to employees in October, so our people could see how their insights helped inform our future direction. We were united in our enthusiasm and energy to begin work on our next chapter.

Our aspiration is for BHI to be the preferred choice for students, employers and employees in the years ahead, creating measurable impacts within Victoria and beyond.

Restauranter and BHI alumnus Frank Camorra delivering a masterclass with our Commercial Cookery students

We've been changing lives for the better since 1924, and we're committed to continuing to make this world a better place for all.

We believe that everyone deserves to have the skills to live an enriching and fulfilling life. Empowered individuals, equipped with emotional, technical, social, and communication skills, can build successful careers and contribute meaningfully to their communities.

This empowerment enables them to thrive as productive members of society. We see a future where everyone has the hope, imagination and agency to shape a better world. Doing so benefits the planet and contributes to Victoria's cultural, social, and economic success. Together we can create a more sustainable approach to our economy that ensures no person, and no living thing, gets left behind.

At BHI, we connect people and inspire change. We nurture our students with the knowledge, support, and skills they need to build rewarding lives. We provide industry with innovative workforces that help them evolve. We work with our peers and partners to create strong networks that meet the needs of every student.

We know that life changing learning happens in both big and small ways, whether that's leaping into a whole new career or making new friends between classes. That's why our role is to create a safe, welcoming, and informed space where every student can take their next step with confidence. No matter where a student is on their education journey, we will help them on the pathway to their future.

## Our Vision

**Skilled people shaping a better world**

## Our Role

**Connecting people to life changing learning**







**In 2023, we collaborated extensively across the organisation to create and launch our new 2024 – 2028 Strategic Plan. Every member of BHI had the opportunity to contribute, ensuring that our work together will continue to cultivate an inspired, skilled and proud team.**

An employee engagement session to develop our organisational strategy



# Strategic Plan 2024–2028

## Our Vision

Skilled people shaping a better world

## Our Role

Connecting people to life changing learning

## Strategic Goals

### Goal 1: Lifelong learning

We partner with our networks to create a seamless learning experience.

### Goal 2: Our employees

Our employees are inspired, skilled and proud.

### Goal 3: Strong foundations

We build strong foundations to strategically innovate and grow.

### Goal 4: Leading the evolving economy

We are leaders in our approach to the environment, society and the economy.

## Objectives

- 1

We make finding, enrolling and commencing a course a seamless experience for students and employers.
- 2

We provide a student-centred learning experience that is accessible, engaging and high-quality.
- 3

We create well-supported educational pathways for learning and participation in the workforce.
- 4

We attract and retain employees who are passionate about our vision and role.
- 5

We empower our people and create a diverse and inclusive workplace.
- 6

We provide the support, training and resources our employees need to foster a high-performance culture.
- 7

We continually improve the technology, systems and processes that support our work.
- 8

We tailor our learning experiences in response to the needs of schools, employers, and students.
- 9

We innovate to improve employee, student and stakeholder experience and grow our market share.
- 10

We model environmental, social and financial best practice at every level of the organisation.
- 11

We create campuses that are sustainable and connect our communities.
- 12

We work with students and employers to help them be ready for the demands of the evolving economy.

## Measuring our success

- › Student satisfaction
- › Stakeholder engagement
- › Employee engagement
- › Operating margin
- › Market share
- › Carbon emissions





Our employees are actively engaged in student success

## Education strategy

In 2023, we undertook a rigorous, data-led analysis of the market and our competitive position to develop the BHI Education Strategy. This evidence-based approach focuses on our aspiration to grow our student cohort and partnerships with industry and community.

Focused on academic quality, this strategy is designed to support our five-year strategic plan. It ensures our education portfolio remains efficient, financially sustainable and resonates with our core purpose as a public education provider.

It outlines the implications of BHI's institutional strategy across our education portfolio, covering our core in vocational education and training, higher education qualifications, our offer to international cohorts, contracted delivery and the CAE.

The Education Strategy was designed in line with the following principles:

1

**MARKET SMART:**  
our portfolio meets the needs of students, employers, industry and community, now and into the future

2

**MARGIN CONSCIOUS:**  
the strategy considers the efficiency and sustainability of the portfolio

3

**MISSION-CENTRED:**  
our portfolio resonates with the core purpose and brand of BHI

We strive for quality in the learners' experiences of teaching practices and assessment. We recruit and develop high performing educators, support learners and use high quality teaching and assessment resources to ensure student and industry satisfaction.

Quality education occurs when we collectively move beyond concentrating on the minimum requirements for regulatory compliance to a culture of continuous improvement, which is guided by our strong focus on academic governance.

Continuous improvement includes actively engaging with, and supporting, learners and employers to ensure that we fully understand their needs and implement strategies that support and prepare them to reach their learning goals.

We believe this new education strategy will help us continue to create change by connecting people to life changing learning.

## Our impact in 2023



**28,393**  
students



**6,977,467**  
student contact hours



**11,810**  
students  
born overseas



**84%**  
participation rate  
in our employee  
engagement survey



**8,099**  
Culturally and  
Linguistically  
Diverse (CALD)  
students



**2,278**  
people received  
assistance from  
our Skills and  
Jobs Centre



**Over \$121,000**  
awarded to students in hardship  
scholarships and study grants



**In 2023, we undertook a rigorous, data-led analysis of the market and our competitive position to develop the BHI Education Strategy. This evidence-based approach focuses on our aspiration to grow our student cohort as well as partnerships with industry and community.**

We teach our students technical knowledge paired with practical skills





Our students:  
the skilled  
workforce of  
the future



A model wears a student creation at our 2023 student fashion show





Hololens in action



WorldSkills delegation visit



Design student Laura Mazzarella

## Free TAFE

The Free TAFE Government initiative is aimed at providing tuition-free education for high-demand vocational courses. In 2023, BHI offered 27 Free TAFE courses which enabled over 3,000 students to access education and training with us. We continue to offer Free TAFE courses with the aim of addressing skilled shortages in specific industries.

## Industry-informed education

During the 2023 WorldSkills competition, we hosted a visit from committee members who toured the Refrigeration and Climate Control Centre of Excellence (RCCC).

Our teacher and subject matter expert, Leonard Raines, spoke about the way we work with our industry partners such as Daikin, Samsung and Mitsubishi to create a facility and curriculum that meets the needs of the sector. Committee members also heard from Certificate III Refrigeration and Air-Conditioning student, Lachlan, about his positive learning experience at BHI.

Our Automotive area also enhanced our offering with the completion of a new training room dedicated to electric vehicles (EV) systems. This facility enables students to receive training on the servicing and maintenance of EVs for the rapidly evolving automotive industry.

Our 2023 fashion runway show, ‘Mystique’, also brought industry-connected learning to life. Students from across the Institute, including Fashion, Hair and Makeup, Music, Floristry and Hospitality, came together to produce a full-scale professional production.

The event was attended by hundreds of people, including representatives from our industry partners at RAW Group, Supre, Mitch Dowd and Converse, as well as other partner organisations.

The event culminated with an award ceremony that recognised the hard work, dedication and talent displayed by our Bachelor of Fashion students over the course of their studies. The highlight was third year student, Laura Mazzarella, securing her place as the 2023 RAW Group UK Internship winner. This wonderful opportunity will allow Laura to spend time embedded in RAW Group UK’s Brands, License and Design teams in 2024.



Launching our new Nursing Cadetship Program with Ramsay Health

## Partnerships prepare our nurses for the future

Industry partnerships are critical to ensuring that TAFE students have the knowledge, skills and experience they need to be successful in their future careers.

In February 2023, we began a new chapter to the ongoing partnership with Ramsay Healthcare through a new Nursing Cadetship Program.

This partnership allowed our nursing students to become cadets at Ramsay Health facilities that suited them.

The skills they learn during their cadetship brought context and understanding to their studies, ensured they were job-ready and gave them the experience needed to thrive in their future careers.

Cadets were also guaranteed an interview on completion of their studies and if successful, entered a two-year Ramsay Graduate Fellowship Program.

Director of Health, Community, Disability & Animal Sciences, Heidi Wenk, said “This is the single biggest opportunity of its kind for our nursing students to date.”

“We are always very happy to receive Box Hill students,” said Ramsay Health Clinical Facilitator, Bessie Cacopardo. “They are professional, engaged learners who embrace their learning opportunities while on placement.”

This successful program continues in 2024.



## Bronze at WorldSkills helps Liam follow in his father's footsteps

Liam Papas grew up in his father's auto shop, eager to get under the bonnet of the vehicles and play with his tools of the trade. Inspiration eventually struck in the form of a relative's hot rod and he knew he'd found his future career path.

After school and during the holidays, he was glued to his father's side, eager to ask questions and learn as much as he could about engines and the intricate systems that supported them.

Knowing what he wanted to become, Liam enrolled at BHI's VET Delivered to School Students (VDSS) automotive program and began his journey in earnest.

His passion and dedication were recognised when he was nominated to compete at the 2023 WorldSkills National Championship, held in Melbourne. He walked away with the bronze medal, to the pride of his teachers and family. He has already committed to the 2024 competition and is hungry for more success.

"I received a lot of support from the team but most importantly, it was fun. I'm looking forward to competing again," said Liam.

"Liam is a fantastic student – he knew his end goal and worked enthusiastically towards it from day one. He will be starting his apprenticeship with us this year and I can't wait to teach him again as an apprentice," said his teacher, Dino Rajapakse.

Liam's dream is to follow in his father's footsteps and own his own auto shop. While he's focused on his future success, he also wants to help train the next generation so they can contribute to the industry he loves.

"TAFE...provides great opportunities to jobseekers and is setting Victoria up with the skilled workers we need now and into the future."

**- The Hon. Gayle Tierney MP, Minister for Skills and TAFE, 30 June 2022**

VDSS student Liam Papas demonstrating his skills at the 2023 WorldSkills competition



## Partnerships to broaden the student experience

A new reverse articulation agreement with Deakin University was signed in October. This provides Deakin Bachelor of Exercise and Sport Science students with the opportunity to gain dual qualifications with our Certificate IV Fitness. This partnership also enables students to gain work experience in their industry during their studies.

We also collaborated with Swinburne University of Technology and Deakin University, providing our Bachelor of Music Industry students with the opportunity to compose music for short films created by their university counterparts.

In addition, our ongoing partnership with the Meadow Music Festival in Bamba, Victoria, gave over 30 Music Industry students the chance to gain industry experience, working on the recording and release of a song by two artists in this year's line-up.

Throughout 2023, 20 Sports and Fitness students completed practical placements with our partners IMG, Monash City Council, Waverley Basketball, Kilsyth Basketball and Box Hill Action Indoor Sports.

Many of these placements led to employment opportunities, like Diploma of Sport student, Jamie, who completed her work placement with Waverley Basketball NBL1, then secured an internship at the Southside Flyers (WNBL).



BHI Executive Director Education Delivery, Michelle Mason-Woods and Deakin Professor Brad Aisbett signing the Reverse Articulation agreement



G Flip at the 2023 ARIA Awards

## Student awards and recognition

When our students are recognised by industry through nominations and awards, it is a testament to our ability to connect them to life changing learning. Through this, they are empowered to pursue success in their future careers.

In 2023, the following students were recognised as high achievers across a variety of different disciplines:

- › Certificate III in Floristry students won a bronze medal at the Melbourne International Flower and Garden Show
- › VDSS Automotive student, Liam Papas, received the bronze medal at the 2023 WorldSkills competition
- › Bachelor of Fashion student, Olivia Ferronato, was a finalist in Melbourne Fashion Week's student runway
- › Nursing student, Kyle Gaffe, was the Victorian nominee for the Australian Nursing and Midwifery Federation Student Nurse Award.

BHI graduates featured in the 2023 ARIA awards. Drummer and 2015 Bachelor of Music graduate G Flip won ARIAs for Best Music Video and Best Australian Live Act.

The band Surprise Chef, made up of our 2017 Bachelor of Applied Music graduates, as well as 2022 Bachelor of Sound Production graduate Sinj Clarke, were also recognised through nominations for Best Jazz Album.

## Alternative senior secondary education pathways

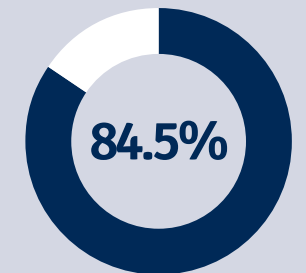
In 2023, we created a new Foundation Education College, bringing together pathways that support the diverse learning journeys experienced by many people.

This includes our Work Education, VCE, VCE VM, VPC, Adult, Community, and Further Education (ACFE), Reconnect, Micro-credentials, and Learning Support programs.

The College caters to learners in need of an alternative to traditional school settings, providing more relaxed, flexible environments that help them reconnect with learning.

For VCE graduate Sarah, coming to BHI to resume her study after leaving high school in year 10 was "one of the best decisions [she's] ever made".

From our VCE VM cohort, 89% of students achieved successful completion of their studies, with the most popular pathways being into Beauty, Electrotechnology, Plumbing and Music.



**This year, 84.5% of our students were able to successfully complete their VCE, with over 87% of those receiving further study offers.**

2023 VCE graduate Sarah is proud of her achievements





## The Centre for Adult Education

Beyond the delivery of short courses at our Melbourne CBD campus, our CAE educators took part in many community support programs.

For several years, our team partnered with Abbotsford-based health provider Thorne Harbour Health, to deliver a program that teaches participants how to grow their own vegetables and incorporate them into healthy, homemade meals.

Due to the success of this program, Thorne Harbour Health requested to expand our partnership to include an arts program for their Positive Living Centre (PLC) in Prahran.

We created two visual arts programs, designed to guide students to create a folio of work using paint or drawing, finding personal expression and learning to observe the world in a different way. These programs have now empowered 20 people to reconnect with their community as well as develop valuable skills of self-expression.

We also worked with experts at Deaf Children Australia to deliver a program on how to help hearing-impaired people communicate with confidence in the workplace.

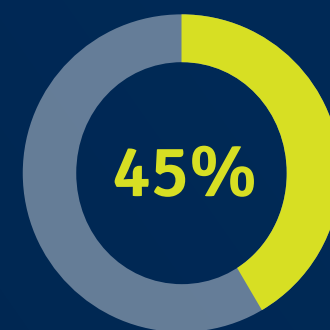
The participants and training coordinator at Deaf Children Australia reported a substantial boost in their confidence in English expression and understanding of workplace communication.

## Yarra Ranges Tech School

Yarra Ranges Tech School (YRTS) provides Science, Technology, Engineering, and Mathematics (STEM) learning programs for students and educators across its network of 23 partner high schools. All programs are structured around the principles of design thinking, where students are presented with real-world challenges.

Student engagement in 2023 reached a record number, with over 4,000 students participating in a variety of STEM programs. YRTS also provided approximately 480 hours of professional development for teachers, ensuring they have the knowledge and training to return to their classrooms and prepare their students for more in-depth engagement with their STEM studies.

World of Work is one such program that encourages female students in years seven to 10 to participate in STEM. In partnership with tap-and-go digital payment company, Square, students completed a week-long coding challenge using Python scripts to create tap-and-go payment solutions.



**Following the World of Work program, 45% of participating students said they were more, or highly likely, to consider a career in STEM.**



Robots are just one of the learning tools we utilise at YRTS

**“(CAE trainer) Jacquie Wise hit the brief extremely well and we were very happy with the training we received. Our staff provided 100% positive feedback internally”**

**- Franky Triolo, HR Executive Assistant, Deaf Children Australia**





Students are attracted to the hands-on learning we offer

# Supporting our students



**We recognise education empowers people to pursue fulfilling careers and become active, engaged participants in the economy.**

For those who begin the journey with significant challenges, completing their study can seem like a goal beyond their grasp. Our Work Education programs help vulnerable learners or learners living with a disability, gain foundational personal and life skills that can help them on the journey to independence. Engagement with these learners begins early, with support commencing through the enrolment process through to graduation.

This year, we were able to help 85 Work Education students achieve their qualifications, with several students offered employment opportunities following their work experience.

Reconnect is another program we offer through a Victorian Government initiative to help those disconnected from learning overcome barriers to education, training and employment. As part of the TAFE network, we were able to successfully help many people transition back into study this year.

One student from our 2023 class had experienced mental health challenges and homelessness in their youth, rendering them unable to continue with their study. Their counsellor referred them to us through the Reconnect program.

They were able to complete their VCE study, however additional challenges impacted their ability to pursue any further education. Reconnect collaborated with a team of support workers to secure funding and support so the student could study the Certificate IV in Screen and Media.

They successfully completed their Certificate IV this year and are now exploring further study to help others experiencing disadvantage.

Some of the 2023 Work Education graduating class



A proud Work Education student with her family

## Student success with our partners at Menzies

After successfully completing a work placement, four students secured paid jobs with our partner, Menzies Facility Services.

The work placement is part of the Certificate I and II in Work Education courses for students with special needs and helps students develop important life and employment skills.

Contract Manager for Menzies, Steve Hladni, said the students were “enthusiastic and truly engaged”, impressing their supervisors with their skills, including how to follow instructions and meet the required standards. The students also demonstrated reliability, punctuality and improvement in their soft skills.

Following the work placement, one parent said she saw a big turnaround in her son, who is now participating in life more fully and considering his future path.

“Never underestimate the power you have to influence, inspire and encourage, even if you don’t always see it! I’m telling you it sinks in, and you make a difference. I just wanted to say thank you and acknowledge your collective efforts,” said one proud parent.

Manager for the Disability Department, Robyn Fletcher, applauded Menzies for their genuine commitment to providing employment opportunities to students and said we needed more organisations like Menzies to provide rewarding and meaningful work placements.





The new sensory space at YRTS



NAIDOC week celebrations



Students receive on-the-job training across our retail businesses

## Student support to remove barriers

Neurodiverse students with conditions such as autism, Attention Deficit Hyperactivity Disorder (ADHD), dyslexia and others can experience sensory overload in the classroom, which impedes their ability to learn.

This year, YRTS and our Nelson campus both opened dedicated sensory spaces to help neurodiverse students learn, while looking after their wellbeing. The spaces are equipped with a range of smart technology and sensory tools that provide respite for students.

Education can be an important foundation for success, but it's often more difficult to access for students from disadvantaged backgrounds. In 2023, we awarded more than \$121,000 in scholarships and hardship grants to help students continue to pursue their dreams of life changing learning.

As part of our focus on supporting our First Nations people, our Student Life team includes an Aboriginal and Torres Strait Islander Unit who provide support to Indigenous students.

In 2023, the team implemented a robust case management approach called TAPS (Tertiary Academic and Pastoral Support) so that every student who identified as Aboriginal or Torres Strait received direct monthly contact. Through this, 153 Aboriginal and Torres Strait Islander students at BHI were engaged through the system, with tailored individualised support.

We also acknowledged First Nations peoples during key events such as NAIDOC week, with celebrations held at both our Nelson and Lilydale campuses. Wurundjeri Elder Uncle Shane Charles joined us to educate students and employees with stories of the history, richness and complexity of his culture. Smoking ceremonies and flag-raising were held, as well as traditional dance performances to promote cross-cultural learning.

## Connecting communities through language

The language barrier for new migrants can create a significant challenge, impacting their ability to engage with their new communities.

AMEP is a free service to help eligible migrants and humanitarian entrants with low levels of English to improve their language skills and settle into Australia. Language lessons are paired with cultural information that helps students become more familiar with their new home.

In 2023, AMEP delivered English language education to over 3,200 students. Empowered by their new friendships with classmates and their improved ability to communicate, these students are better equipped to become active and contributing members of their communities and local economy.



800 attendees were drawn to our inaugural 2023 Careers Expo

## Bridging the gap from courses to careers

The drawcard of TAFE education is that students receive the skills and training that connects them to their future careers. To further this objective, we hosted our inaugural Careers Expo, in partnership with the Suburban Rail Loop Authority.

We connected current and prospective students with teachers and employers, including Marriott International, Eastern Health and Reece Group. Feedback from the event was overwhelmingly positive. With 800 attendees engaging with us at the event, it was clear that people appreciated having the opportunity to understand their potential career outcomes.

Our Certificate III Beauty student, Angel, said the event provided an opportunity to gain career guidance and develop connections with industry professionals.

"I just finished my Certificate III today, and I'm looking at furthering my studies and opening my own salon. The expo created an opportunity for me to figure out what I want to do, and to be able to meet people that actually do it and get their perspective."



# Education beyond our campuses



Vet Nursing students learn on the job, helping patients like Henry the puppy





Food Handling skills help Dhurringile Correctional Centre students prepare for future employment

Life changing learning takes many forms and happens in locations far beyond a traditional classroom. By offering access to education beyond our campuses, we aim to offer life changing learning to those who need a flexible location.

### Contracted training delivery

We have delivered offsite training for the Australian Defence Force (ADF) since 2014, at four on-site locations across the state and online nationwide. To make sure we meet their needs, our training is continuously refreshed to cover the latest skills required by our Defence personnel to keep Australia safe. This year, our programs were updated to include new and emerging technology such as artificial intelligence.

A similar approach is taken by our teams who deliver training in partnership with Corrections Victoria. In addition to teaching practical and employment-connected skills, our team also continually sought out opportunities that would help students connect their learning to community outreach.

As part of their training, Food Handling students at Dhurringile Correctional Centre prepared over 120 sandwiches twice a term for disadvantaged primary school students. At H.M Prison Barwon, students produced school items for the St Vincent De Paul Society, including library bags, pencil cases and aprons, which benefitted 400 local children from several schools within the Geelong Region.

“Having the right mix of programs, both long-term and short-term, is a must to encourage even the most despondent prisoner to engage and participate in education, to create opportunities for future work, for good health, both mental and physical, so that they can take up a purposeful role in the community upon release.”

- Operations Manager for Corrections, Michelle Tester



992

students through the  
Department of Defence



10

offshore partners, delivering  
15 qualifications across  
seven study areas



Over 25,000

hours of training provided  
to Defence students



More than

500

students graduated from  
BHI offshore programs



4,228

students enrolled through Corrections Victoria,  
with over 11,000 course enrolments





GEN exchange students enjoyed their outdoors adventures during their exchange

## Our partnership with the Global Education Network

Our partnership with the Global Education Network (GEN) saw many milestones throughout 2023. We hosted the 2023 Conference at our Box Hill campus, welcoming our partners from Southern Alberta Institute of Technology (SAIT), Kirkwood Community College (KCC) and the Institute of Technical Education (ITE), Singapore.

Significant progress was made during the conference as we reviewed our achievements against the 2021-2023 GEN Strategic Plan and developed the next GEN strategic plan. The culmination of the conference was marked by the signing of a new four-year Memorandum of Understanding (MOU) between BHI and our three Network partners.

We also hosted 32 students in September as part of the student exchange program. Visiting students were able to complement the studies in their home countries with the new approach we offered, as well as expanding their cultural awareness of Australia.

“Our dedicated Innovations Manager works hand-in-hand with the Australian Defence Force (ADF) to provide their members with modern skills, equipment and knowledge, as well as incorporating new technologies that are used to protect Australia.”

- Martin Bottos, Director – Defence Education

## Upskilling our Victorian Public Service (VPS) partners

This year, we successfully concluded a two-year training initiative with the VPS focused on retraining, upskilling and creating employment pathways for public service employees.

The program covered seven specialist areas to address specific skills shortages such as investigations, management and project work, with 59 students from various departments completing courses. A further 78 employees participated in Public Sector Management and Service Delivery training, with students reporting high levels of satisfaction.





Connecting people with life changing learning goes beyond our campuses

# Overseas operations





Our 2023 Shanghai Pharmaceutical School graduates

## Shanghai Pharmaceutical School graduation ceremony

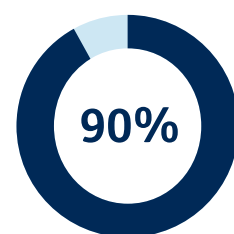
Over the past 20 years, we have forged a strong relationship with our partner at Shanghai Pharmaceutical School. Through this partnership, we offer Certificate III qualifications in Pharmaceutical Manufacturing, Business and Supply Chain Operations.

We were delighted to be able to attend the 2023 graduation ceremony to congratulate 90 newly qualified students. They are now part of our global community of graduates, making a positive impact in Australia, China and around the world.

### Overseas operation performance

We continued delivery of our transnational educational (TNE) programs in 2023. Ongoing monitoring and reviews supported our focus on delivering an exceptional student experience.

Our TNE programs were delivered through collaborative partnerships with institutions in China, Kuwait, Malaysia and Vietnam.



**In 2023, we had over 2000 students enrolled in offshore programs and overall student satisfaction for these courses were above 90%.**

### Overseas operations outcomes

In 2023, over 500 students graduated from courses delivered overseas. These courses, spanning seven academic areas comprised of 15 qualifications, helped students access our life changing learning in their home countries.

We continued to prioritise the quality of our educational delivery programs with our partners in China, Kuwait, Malaysia and Vietnam. With the aim of continuous improvement, we undertook internal performance assessments in 2023 and continued to develop Compliance Plans for transnational operations.

These plans ensured a strong monitoring system is in place to continually improve our offshore operations.

### Management of overseas operational risk

We continued to effectively identify, manage and mitigate risk for overseas operations by working collaboratively with our in-house legal counsel and the Academic Quality function across all TNE programs.

Our focus remained on enriching the overall student experience by providing genuine opportunities linked to employability outcomes. We worked together to deliver outstanding learning experiences, while also identifying growth opportunities through diversification that aligns with our strengths and offshore industry demands.

Risks identified through the monitoring and implementation of the BHI Risk Management Plan were continually reviewed with initiatives to mitigate risks and improve the experience of our overseas operations.

### Quality enhancement

Ensuring the quality of overseas operations is paramount in all of our partnerships. We collaborated with partners to establish a more transparent and regular monitoring system. We also implemented initiatives to effectively mitigate risks, which were subject to regular reviews.

We closely monitored our overseas operations, employing a series of monthly reporting measures such as:

- › Project status reports for each international partner
- › Business development pipeline reports
- › Financial reports.

We developed a robust business case process, which is required prior to the commencement of any new international activity. Through rigorous quality processes and a commitment to continuous improvement, we ensure compliance with the Australian Skills Quality Authority (ASQA) requirements for overseas delivery.



# Our greatest asset: our employees



Our employees are engaged, passionate and proud of what they do



The first step to creating a safe, inclusive and supportive environment for our students is to ensure we are following these principles for our employees.

We genuinely believe that employee engagement is paramount to our success. We achieved an 84% participation rate in our 2023 People Matter Survey, a 26% increase on the previous year that demonstrated our employees felt more engaged than ever and were keen to provide their input. Results from the survey also showed an improvement in 95% of survey metrics compared to 2022, and results were higher than the average TAFE score in most metrics.

The survey identified three key focus areas where we could make a positive difference to our people. Through our Listening and Taking Action campaign, work began to promote and address these areas of opportunity:

1

**PROMOTING PRODUCTIVITY AND WELLBEING:**

Deepening understanding of opportunities for process improvement, in turn providing our people with more time to focus on ‘the moments of truth’ for our students and stakeholders. Listening and partnering with employee groups to understand work-related stress concerns in order to identify and jointly deploy one significant strategy to support our people.

2

**BRING YOUR BEST SELF:** Embedding positive and constructive behaviours across all employee levels at BHI to work towards ‘target zero’ for negative behaviour. BHI also aims to promote the awareness, confidence and capability of our people to act on inappropriate behaviour. We began work on promoting a positive culture through training and awareness that aims to support employees to lead by example and hold each other to account.

3

**PROGRESSION AND LEARNING:** Increasing opportunities and equity in recruitment, promotion, progression and the availability of learning and development opportunities for all employees.

A program of learning activities is rolling out across all levels and includes an all employee professional development day covering education and non-education topics.



Teacher Len Raines is helping prepare the next generation of skilled workers

## Preparing our own future workforce

Our people are responsible for training the skilled workforce of the future, so we must continue to nurture their own desire for lifelong learning. We facilitate this through a variety of development opportunities.

Across our organisation, we delivered a suite of programs from our Leadership Plan. These programs were designed to support leadership capability, as well as uplift and align the development of our current and potential leaders.

The Leadership Team participated in bi-monthly forums which provided strategic business updates, paired with half-day professional development workshops mapped to engagement survey results and organisational priorities. Topics included a six-month ‘Leaders Who Ask’ coaching program, Child Safe Standards, and Psychological Safety & Workload Management.

We also identified a need to begin upskilling our potential pool of future leaders and ran an in-depth Emerging Leaders program. Employees selected for this program undertook detailed learning into some of the more nuanced aspects of being leaders, with overwhelmingly positive feedback from participants.





Employees and students came together to support the 2023 Midsumma Pride March

## Diversity and inclusion

Our 2023 employee data showed that over 50% of our people managers and over 56% of our Executive Leadership Team identify as women. 68% of employees were over the age of 35 years, with 35% of people working part-time and 74% participating in other flexible work practices, delivering work in a way that complements their work life balance.

Our cultural diversity is supported through an annual Inclusion and Connection program, embracing a framework of 'we all belong'. This comes to life through a combination of programs, events and communication.

Through participation, employees are encouraged to acknowledge, celebrate and reflect on diversity and inclusion throughout the year, strengthening the feeling of belonging. Key events included International Pride March, International Women's Day, International Day Against Homophobia, Biphobia, Intersexphobia and Transphobia (IDAHOBIT Day), NAIDOC Week, R U OK? Day and Movember.

Our employees and students joined together, along with the broader Victorian TAFE network, to celebrate the LGBTIQ+ communities at the Melbourne Midsumma Pride March.

This support is part of our Inclusion and Connection framework and is critical in creating a safe, welcoming environment where all employees and students can be themselves without fear of exclusion or harassment.

In October, we became a partner organisation of the Work180 and LGBTI Jobs recruitment services. These organisations evaluate applicants based on their approach to diversity, equity and inclusion, as well as their commitment to progress. We are proud to be the first Australian TAFE to be accepted to both these services.

# 2023 highlights in building a skilled workforce:



Introduced the **Educator Passport** allowing staff to track and develop skills aligned with the learner experience.



Introduced the **Accessibility Hub** acknowledged as a leading inclusivity tool at the ADCET Accessibility in Action Awards.



Officially recognised as a **Work180 and LGBTI Jobs employer** signifying our commitment to equality and diversity.



**Launched a pre-accredited training course** to support industry professionals in transitioning to become teachers.



**Initiated professional development forums** for people leaders, designed to enhance skills based on direct employee feedback.



Delivered a range of **targeted development programs** aligned to strategic workforce requirements, including an Emerging Leaders program and our Teacher Pathways program, to support the transition from teaching to management roles.





Celebrating our people at our 2023 Employee Awards celebration event



## Celebrating our people

We recognise and celebrate our people's outstanding achievements through our annual Staff Achievement and Recognition Program. In 2023, there were 27 finalists across eight award categories, with winners receiving a grant for professional development, team building or office equipment.

This year's Achiever of the Year, Sharon Norton, spent her grant on professional development through a Strategic Communications & Writing unit at Deakin University while undertaking a Bachelor of Communications (Advertising).

"Being recognised as Achiever of the Year at the Institute has been humbling and inspires me to continue to grow and evolve as an employee. It encourages me to bring my best self and to share my knowledge to benefit others in the organisation," she said.

Annie Carney, one of our Innovation Award winners, put her grant toward attending the 2023 conference for the Australasian Society for Computers in Learning in Tertiary Education (ASCILITE) in New Zealand, where she presented on our Accessibility Hub.

Annie said "Receiving the award for the Accessibility Hub created an opportunity for me to step into a Learning & Accessibility specialist position. I feel empowered to continue to innovate and champion this area, for which I feel great passion and reward."

"You and your team have shown innovation and dedication to striving to create a more accessible world. Your achievements deserve acknowledgement."

**- Australian Disability Clearinghouse on Education and Training (ADCET) Accessibility in Action Awards**



# Management and structure





## Governance

BHI is governed by a board established under the Constitution of the Box Hill Institute, made under the powers conferred by the Education and Training Reform Act 2006 (Vic). The Board is comprised of members who have diverse experience in government, industry and the community.

The Board's role is to oversee and govern BHI and take all reasonable steps for the advancement of BHI objectives under the Act and the Constitution and 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 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 BHI. Membership of the Board and committees is for the full year unless otherwise specified.

## Board members

Board members are either appointed by the Minister, co-opted by the Board or elected by employees.

### 2023 Board members

Full name	Term	Category
Tracey Cooper, Chairperson	Full year	Minister Appointed Director
Grant Radford, Chief Executive Officer and Managing Director	Full year	Chief Executive Officer
Phillip Davies	Full year	Board Appointed Director
Jane Foley	Full year	Minister Appointed Director
Allan Moore	Full year	Board Appointed Director
Tony Nippard	Full year	Minister Appointed Director
Annabelle Roxon	Full year	Minister Appointed Director
Carol Webb	From 1 September 2023	Staff Elected Director
Amanda Brook	1 January 2023 – 28 February 2023, and from 1 November 2023	Board Appointed Director
Elizabeth Camilleri	From 1 December 2023	Minister Appointed Director
Natasha Ritchie	From 1 December 2023	Minister Appointed Director
Susan Pelka	Until 19 January 2023	Board Appointed Director
Ashley Van Krieken	Until 26 May 2023	Staff Elected Director
Haydn Pound	Until 31 May 2023	Minister Appointed Director



# Committees

As of 31 December 2023, the following Board Committees assisted the Board in fulfilling its duties:

- › Audit and Risk Committee
- › Infrastructure Committee
- › Education Quality Committee
- › Remuneration and Nomination Committee.

The role of each committee is defined by the individual committee Terms of Reference, which are reviewed and approved by the BHI Board.

## Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board on the achievement of its strategic objectives by ensuring that appropriate governance is implemented across the organisation, including ensuring the control and compliance and risk frameworks operating across the organisation are operating effectively and that its external accountability responsibilities are met.

Committee Membership during 2023 consisted of:

- › Allan Moore (Committee Chair)
- › Jane Foley
- › Annabelle Roxon
- › Amanda Brook (to 28 February 2023).

## Infrastructure Committee

The objective of the Infrastructure Committee is to assist the Board to achieve its strategic objectives in relation to asset management planning, development and implementation, capital works and information and communications technology.

Committee Membership during 2023 included:

- › Tony Nippard (Committee Chair)
- › Allan Moore
- › Phillip Davies
- › Grant Radford
- › Susan Pelka (to 19 January 2023)
- › Ashley Van Krieken (to 26 May 2023)
- › Haydn Pound (to 31 May 2023).

## 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.

Committee Membership during 2023 included:

- › Jane Foley (Committee Chair)
- › Annabelle Roxon
- › Grant Radford
- › Amanda Brook (from 1 November 2023)
- › Susan Pelka (to 19 January 2023)
- › Ashley Van Krieken (to 26 May 2023)
- › Haydn Pound (to 26 May 2023).

## Remuneration and Nomination Committee

The Remuneration and Nomination Committee assists the Board in fulfilling its responsibilities in relation to the evaluation and maintenance of appropriate skills and diversity required by the Board, the competency, selection, and nomination for the appointment of Co-opted Directors.

In addition, the 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, and that practices are consistent with all relevant policies.

Committee Membership during 2023 included:

- › Tracey Cooper (Committee Chair)
- › Phillip Davies
- › Jane Foley
- › Allan Moore
- › Tony Nippard
- › Annabelle Roxon
- › Amanda Brook (1 January 2023 – 28 February 2023 and from 1 November 2023)
- › Elizabeth Camilleri (from 1 December 2023)
- › Natasha Ritchie (from 1 December 2023)
- › Susan Pelka (to 19 January 2023)
- › Haydn Pound (to 31 May 2023).

# Executive Management Structure

As of 31 December 2023





## Manner of establishment

BHI is established under the Education and Training Reform Act 2006 (ETRA). Its functions, powers and duties are detailed in the Box Hill Institute Act and the Constitution. On 30 June 2019, the Constitution was amended to reflect its merger of the Centre for Adult Education (CAE).

Under the Act, the Minister and the governing body of each Institute exercise specific powers in relation to the institution's operation. The Minister is responsible to Parliament for the exercise of these powers. BHI is a registered training organisation with the Australian Skills Quality Authority and The Tertiary Education Quality and Standards Agency (TEQSA). BHI's Minister in 2023 was The Hon. Gayle Tierney MP, Minister for Skills and TAFE.

## Locations

Located in Victoria, BHI has facilities in Box Hill, Lilydale and Melbourne's Central Business District. BHI partners with institutions that deliver education in the following countries:

- › China
- › Kuwait
- › Malaysia and
- › Vietnam.

BHI also provides training and education services through commercial contracts, including with the Department of Defence and across eight Corrections Victoria facilities.

## Workplace training facilities

BHI offers multiple authenticated training workplaces which provide industry experience in a working environment for students.

- › Flowers on Elgar
- › Fountains Restaurant at Elgar
- › Hair and Beauty Salon at Elgar
- › Barber Shop at Elgar
- › Pets on Elgar
- › An in-house recording studio and record label.

### Jobs Victoria

In 2023, a 24-month training collaboration was completed with Jobs Victoria, giving eligible students the chance to earn a qualification, gain job-ready skills, and be matched with employers eager to hire. This partnership with the Victorian Government helped 663 students find jobs with 503 employers.

Courses were delivered across a broad range of study areas including the care sector (health, aged care, social assistance), trades, IT, cybersecurity, hospitality, commercial cookery, patisserie, hairdressing and barbering, with students earning a Certificate III or Certificate IV. In addition to qualifications, students undertook job readiness training, participated in industry-relevant masterclasses, and received mentoring to help build their capabilities and confidence.

### Lilydale Lakeside Childcare Centre

The Lilydale Lakeside Children's Centre offers long day care, three and four-year-old kindergarten programs, a Maternal and Child Health centre, family services and a playgroup, providing the local community with a valuable service for up to 126 children.

The Centre supported students with an engaging and supportive workplace for them to learn and progress in this demanding career pathway.



Students learn on the job at Pets on Elgar

The trainee program continued with seven BHI Childcare trainees completing their Certificate III in Early Childhood while working full-time in the Centre.

BHI was delighted to see several graduates accept ongoing employment with the Centre and further their careers in the industry and local community.

### Skills and Jobs

Skills and Jobs Centres are an important Victorian Government initiative connecting current and prospective students, job seekers and employers.

This year, cost of living pressures saw an increase in demand from parents seeking support to return to work. Parents such as Linda, who studied a Certificate III in Early Childhood with us but struggled to find a work placement. The BHI Skills and Jobs team helped Linda update her resume and brush up her interview skills. Linda was introduced to Women's Health East, where she successfully secured a placement and was ultimately offered a job.

Demand for career counselling almost doubled but with more people looking for work in Victoria, fewer employers asked Skills and Jobs for help to find employees.

	RESULT
Number of unique clients receiving one-on-one support	2,278
Number of unique clients attending a one-on-one careers counselling session	666
Number of workshops delivered	223
Number of unique workshop participants	5,478
Number of employers provided with support	138

Encouraging women to enter trades is another focus for BHI. In partnership with Empowered Women in Trades, Skills and Jobs facilitated workshops in various schools throughout Melbourne giving young women a chance to experience plumbing, electrical and welding trades. Over 260 female participants took part in 10 tailored workshops focusing on opportunities for women in the construction trades at regional and metro locations in 2023.

The team also ran workshops and provided career advice to 90 AMEP students, empowering them to pursue further education and careers that would help them achieve their goals.



## Infrastructure investment

BHI is committed to providing high quality education and supporting the Victorian Economy with future skills. As part of its overall investment in infrastructure, BHI received \$5.8m in Asset Maintenance Funding from the Department of Jobs, Skills, Industry and Regions. The funding provided an opportunity for maintenance enhancements and renewal of student facilities.

Projects undertaken include:

**Wayfinding:** New high-level branding and key directional signage was installed across all campuses to enhance the student experience and allow students to navigate with greater ease.

**Student lounge:** A significant refresh of the Student Lounge was completed in April, providing more seating options and modernising the space to align it with the look and feel of the ground floor café.

Safety and accessibility concerns were addressed by replacing the existing stairway with one that adheres to the latest building codes and regulations. The project also included a new wheelchair-accessible kitchen for students, to cater to the needs of individuals with special requirements.

**Atrium:** Revitalisation of the main entry to the Elgar Road campus commenced, with the objective to reduce emissions by upgrading inefficient heating and cooling systems within the space.

**Auditorium:** The enhancement of the Auditorium aimed to upgrade acoustic treatments, flooring, seating, and lighting systems to create a more flexible and welcoming environment.

Improved audiovisual capability and disability access transformed the existing space into a more versatile venue. The foyer has been positioned as a multi-functional space that can be used for conference and events as well as creating new spaces to collaborate for students and employees.

**Flinders Lane campus:** The refurbishment of the common areas on Level 2, encompassing the student reception area, support facilities, and the dining areas was to provide an environment that encouraged students to connect, importantly make them feel welcome. The project also improved wheelchair-accessibility to access the refurbished facilities.

**Electrotechnology:** This project involved creating advanced teaching spaces tailored for the new Certificate III in Electronics and Communications course. New, state-of-the-art equipment and dedicated classrooms ensure students are receiving a quality learning experience and outcomes.

## Information Communications Technology (ICT)

Further investment in ICT continued across 2023, with priority on initiatives to drive greater business efficiencies, address core business system capability gaps, and better manage a number of strategic and operational risks, including cyber security.

These initiatives were delivered under the Business Enablement Program, which will continue through to 2024.

The 2023 highlights and achievements from this program included:

- › The successful migration of two locally hosted enterprise systems onto Software-as-a-Service (SaaS) systems
- › The introduction of a new Health, Safety and Wellbeing system to more easily allow reporting and action management of incidents, near misses and hazards, including a convenient and mobile friendly interface.
- › The deployment of a new Risk and Compliance Management system, leveraging an existing program to provide the organisation with return on this investment.

The planning, design and procurement activities for the Campus Network Upgrade project were completed, with the upgrade and replacement of all network infrastructure to be undertaken in 2024.

## Compliance

### Financial Management Compliance Attestation Statement

"I, Ms Tracey Cooper, on behalf of the Responsible Body, certify that for the period 1 January 2023 to 31 December 2023, BHI has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions."

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

Tracey Cooper  
Board Chair

### Statements of pecuniary interests

The Institute has policies and procedures that require relevant officers of BHI entities to complete a Declaration of Interests. All such declarations have been duly completed.

Information about declarations of interests by all relevant officers should be directed to: Email: [conflicts@boxhill.edu.au](mailto:conflicts@boxhill.edu.au)

### 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 (FOI) (see contact details below).

### Freedom of Information

BHI operates under a policy and procedures that, subject to privacy constraints, facilitate all reasonable requests for information from students, employees and the public under the provisions in the Freedom of Information Act 1982 (Vic) (the FOI Act).

BHI may levy a charge for information provided that is the subject of a freedom of information request, in accordance with the relevant legislative requirements.

The revitalised main entry to the Elgar Road campus





BHI received five formal requests for information under the FOI Act during the 2023 reporting period.

BHI's Privacy and Freedom of Information Policy and Procedure can be viewed online at: <https://www.boxhill.edu.au/about-us/policies-and-procedures/>

Requests under the FOI Act should be directed to the Freedom of Information Officer:

Email: [foi@boxhill.edu.au](mailto:foi@boxhill.edu.au)  
Post: Directorate Office, Box Hill Institute, 465 Elgar Road, Box Hill, Vic, 3128

Students may request access to their personal records including for replacement result transcripts and certificates by applying in writing to Student Administration - Registrar's Department. A fee applies for replacement documents.

Email: [studentadmin@boxhill.edu.au](mailto:studentadmin@boxhill.edu.au)  
Post: Student Administration – Registrar's Department, Box Hill Institute, 465 Elgar Road, Box Hill, Vic, 3128

Employees do not have to file an FOI application to access their personal file. An employee may access their personnel file by contacting:

Email: [HRAssist@boxhill.edu.au](mailto:HRAssist@boxhill.edu.au)  
Post: Human Resources, Box Hill Institute 465 Elgar Road Box Hill, VIC 3128

#### **Building and maintenance provisions**

BHI confirms that it is fully compliant with the building and maintenance provisions of the Building Act 1993 across all campuses and facilities.

#### **National Competition Policy**

BHI has policies and procedures to ensure compliance with the National Competition Policy and which take account of the Victorian Government's Competitive Neutrality Policy and related legislation.

#### **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**

BHI levies a compulsory student services and amenities fee to provide services of direct benefit to students. The fee helps to pay for important student services such as libraries, counselling, welfare services, recreational services, and printing.

The processes for the collection and disbursement of the services and amenities fees are managed by BHI and are not paid to any student organisations. Total student services and amenities fees collected for BHI for the year ending 31 December 2023 was \$1.4M.

#### **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 a policy and procedure to promote the protection of persons who make a protected disclosure under the Act. BHI's Public Interest Disclosure Policy and Procedure can be viewed online at: <https://www.boxhill.edu.au/about-us/policies-and-procedures/> or from its Public Interest Disclosure Coordinator at [protecteddisclosure@boxhill.edu.au](mailto: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 Independent Broad-based Anti-corruption Commission (IBAC) online at <https://www.ibac.vic.gov.au/report>.

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**

BHI meets 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.

#### **Gender Equality Act 2020**

In 2023, several initiatives were implemented to align to the BHI Gender Equality Action Plan including training (cultural awareness, unconscious bias, custodian of culture and active bystander), awareness (Family Violence and Cultural awareness) and engagement events which have had a positive impact on employee wellbeing and feelings of connection to the Institute.

#### **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
- › \$1 million in regional Victoria

During 2023, we commenced one new Local Jobs First – Local Industry Development Plan (LIDP) applicable procurement contract, and continued one other such contract totalling an estimated \$18,565,000 (excluding GST) over the life of the contracts.

These contracts are metropolitan based and include commitments for standard Victorian created hours and specific local content. Data from completed LIDP applicable contracts will be reported in the relevant future annual report.

#### **Compliance Statement - Infringements Act 2006 and Public Records Act 1973**

BHI functions as an enforcement agency under the Infringements Act 2006 and is empowered to issue and enforce parking infringement notices. BHI complies with the Infringements Act 2006 and Public Records Act 1973 and maintains proper internal review records that meet the requirements of the Public Records Act 1973.

#### **Employment and conduct principles**

All employees are required to comply with the requirements in BHI's Code of Conduct and the Code of Conduct for Victorian Public Sector Employees.

BHI 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 accordance with relevant regulation and legislation, including but not limited to the Public Administration Act 2004, the Occupational Health and Safety Act 1992, the Victorian Child Safe Standards, the Victorian Public Sector and BHI Codes of Conduct, and within BHI policy and procedures. All employees have been correctly classified in workforce data collections.

#### **Victorian Public Service Travel Policy**

BHI has in place policies and procedures in relation to domestic and international travel and accommodation. These apply to all employees of BHI and BHI-controlled entities and align to the Victorian Public Service Travel Policy as issued by the Department of Treasury and Finance.



## Occupational health and safety

Health, safety, and wellbeing were a continued focus during 2023, with initiatives and programs focused on ensuring continued commitment to providing a safe working and learning environment. This focus was a guiding principle, steering the development of targeted programs and initiatives, designed to enhance engagement, fortify connections, and raise awareness.

Key milestones throughout 2023 aimed at preventing injury and illness and supporting employee wellbeing and connection included:

- › Implementation of an online incident reporting system including the ability for mobile reporting by employees, students, and members of the public.
- › Partnered with a new employee assistance provider, increasing connection and access to early proactive resources mental health and wellbeing resources.
- › Implementation of initiatives aligned to the BHI Gender Equality Action Plan including training (cultural awareness, unconscious bias, custodian of culture and active bystander), awareness (Family Violence and Cultural awareness) and engagement events which have had a positive impact on employee wellbeing and feelings of connection to BHI.

- › A dedicated wellbeing strategy, including targeted initiatives and resources, on three key themes of physical, emotional, and financial wellbeing. Key initiatives included financial awareness sessions, health and skin checks, flu vaccinations, walking challenges in support of mental health, and mental health/resilience training.
- › A dedicated Inclusion and Connection calendar of events encouraged employees to acknowledge, celebrate and reflect on activities throughout the year, strengthening the feeling of belonging. Hero events included International Pride March, International Women's Day, IDAHOBIT Day, NAIDOC Week, R U OK? Day and Movember.
- › Growing the Mental Health First aid network and creating awareness of resources and support around Mental Health for employees and people leaders.

Employees provided positive insights via the completion of the 2023 People Matter Survey for safety and wellbeing performance. The survey achieved a completion rate of 84%, a 28% increase compared to the previous year, and the results showed progress and commitment to the work being delivered to continue growth in our safety culture and providing a safe and connected workplace.

During 2023, there were positive improvements within the reporting of safety metrics, highlighting alignment with our safety culture, commitments and activities.

CRITERIA	2023	2022	2021
The number of reported hazards for the year per 100 full-time equivalent staff members	12.57	23.05	38.64
The number of reported incidents for the year per 100 full-time equivalent staff members	144.14	97.25	72.65
The number of Lost Time Standard Claims for the year per 100 full-time equivalent staff members	0.94	1.35	1.4
The number of Lost Time Standard Claims	9	12	13
The average cost per claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe)	\$19,245	\$21,960	\$58,038
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.	0	0	1

There was an increase in the number of incidents (per 100 full-time equivalent staff members) reported during 2023. The increase reflects continued growth of our reporting culture. The overall increase of reports is influenced by a year-on-year increase in reported near misses, a decrease of reported injuries and an increase in annual FTE numbers.

There was a reduction in the number of Lost Time Standard Claims as well as a decrease in the average cost per claim. Psychological claims continue to be the highest driver of claims, with extended periods of lost time/days away from the workplace being the strongest influencer of claim costs. Programs are underway to explore operational risk profiles, including psychological risks, to ensure appropriate strategies and resources are in place to support our people.

## Key highlights include:



87% of respondents reported BHI provides a physically safe work environment.



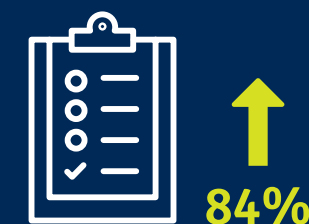
88% of respondents reported feeling culturally safe in the workplace.



86% of respondents reported positive feedback about senior leader's value of psychological health.



BHI received an employee engagement index of 69, a two-point increase from 2022 and four points above the comparator group.



The survey achieved a completion rate of 84%, a 28% increase compared to the previous year.



### Child safety

As an education provider, BHI is focused on providing a welcoming and safe environment for everyone, especially children and young people. In 2023, the organisation committed to build awareness and engagement related to child safety.

Due to the diversity of operations, an external expert was engaged to develop and deliver targeted refresher training to key areas of the organisation: the childcare centre, school's unit, education delivery teams and the BHI leadership team, with 40% of employees attending refresher training during 2023.

Additional activities to embed child safety awareness during 2023 included updating employee induction content, refreshing policy documents, and a communication campaign 'I feel safe' focused on students. Ongoing commitment and activities will further embed child safety principles across BHI.

### Workforce data

**Table 1. Performance and Accountability Framework FTE – for years ending 31 December 2022 and 2023**

FTE of all employees during the reporting year.

YEAR ENDING 31 DECEMBER 2023							
	Full-time		Part-time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	233.8	111.3	38.8	30.3	NA	27.0	441.2
Executive	0.0	8.7	0.0	0.0	NA	0.0	8.7
Other	9.3	3.6	3.0	26.5	NA	13.5	56.0
Teacher	158.6	99.7	60.8	74.8	62.4	NA	456.4
<b>Total</b>	<b>401.7</b>	<b>223.4</b>	<b>102.6</b>	<b>131.6</b>	<b>62.4</b>	<b>40.6</b>	<b>962.2</b>

YEAR ENDING 31 DECEMBER 2022							
	Full-time		Part-time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	234.5	114.5	35.9	28.6	NA	20.3	433.9
Executive	0	7.8	0	0	NA	0	7.8
Other	6.5	2.4	1.6	27.9	NA	11.4	49.7
Teacher	156.8	116.5	52.0	79.0	61.5	NA	465.8
<b>Total</b>	<b>397.7</b>	<b>241.4</b>	<b>89.5</b>	<b>135.5</b>	<b>61.5</b>	<b>31.7</b>	<b>957.3</b>

Staff employed under Common Law contract are reported against "Other" in the above table. This has been confirmed as the correct interpretation of the classification for this report and is consistent with 2022 reporting.



**Table 2. Workforce disclosures (December 2022 – December 2023)**

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 2023							
		All employees		Ongoing			Fixed term and casual	
		Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
	Gender							
	Women Executives	4	4	0	0	0	4	4
	Women (total staff)	697	508	208	120	273	369	235
	Men Executives	5	5	0	0	0	5	5
	Men (total staff)	468	379	203	48	228	217	151
	Self-described Executives	0	0	0	0	0	0	0
	Self-described (total staff)	0	0	0	0	0	0	0
	Age							
	15-24	68	41	10	6	14	52	27
	25-34	158	124	69	15	75	74	49
	35-44	263	208	91	30	104	142	104
	45-54	277	211	9	41	120	137	91
55-64	296	229	107	49	138	140	91	
Over 64	112	82	35	27	50	50	31	
Total employees	1174	896	411	168	501	595	395	

There was a continuing shift from casual employment to full/part time employment under the 2018 Multi Enterprise Agreement. There was a reduction in teaching employees due to a slight decrease in student enrolments. There was an increase in professional support employees to deliver organisation wide projects.

DEMOGRAPHIC DATA	DECEMBER 2022							
		All employees		Ongoing			Fixed term and casual	
		Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
	Gender							
	Women Executives	4	4	0	0	0	4	4
	Women (total staff)	708	545	216	112	276	380	269
	Men Executives	4	3	0	0	0	4	3
	Men (total staff)	478	400	197	31	214	250	187
	Self-described Executives	0	0	0	0	0	0	0
	Self-described (total staff)	1	0	0	0	0	1	0.2
Age								
15-24	96	60	9	0	9	87	51	
25-34	170	141	58	17	67	95	75	
35-44	256	208	91	26	104	139	105	
45-54	307	247	122	42	141	143	106	
55-64	283	230	111	44	139	128	91	
Over 64	83	59	22	14	30	47	28	
Total employees	1,195	945	413	143	490	639	456	



## Environmental responsibility

The Greener Government Buildings program began in 2021 and initiatives included upgrades in Lighting, Solar Photovoltaics, Water Efficiency and Tenancy Sub-metering. In 2023, the Building Management System, and Timetable Integration was completed. This integration has resulted in the operation of the Heating and Cooling system in compatible spaces to operate when the space is booked in the CELCAT timetabling system, resulting in ongoing energy savings.

Practical completion of BHI's Greener Government Buildings Energy Performance Contract was accepted on 20 September 2023.

### Reporting of environmental data by Government entities

An expanded scope for environmental reporting came into effect in June 2022. The purpose of Financial Reporting Direction 24 (FRD24): Reporting of environmental data by government entities, is to provide further transparency in the environmental performance of public sector organisations and promote continuous improvement in the collection and reporting of environmental data.

Changes to previous reporting includes expanded collection and representation of emissions figures, statements on the performance of new and high value construction or leased properties, and information on social procurement and other policy initiatives related to sustainability.

The 2022 Environmental Reporting Tool and its associated emissions factors and other calculations were used for this report. As a result of the new reporting requirement, 2022 data is not included.

### Electricity usage

INDICATOR	2023
<b>EL1 Total electricity consumption segmented by source (megawatt hours)</b>	
Purchased electricity	6,503
Not directly purchased (tenancy)	287 <sup>a</sup>
Self-generated	413 <sup>b</sup>
<b>Total</b>	<b>7,203</b>
<b>EL2 On site-electricity generated (megawatt hours)</b>	
Consumption behind the meter	413 <sup>c</sup>
Exports	0 d
<b>Total</b>	<b>413</b>
<b>EL3 On-site installed generation capacity (megawatts)</b>	
Solar PV	0.4
<b>Total</b>	<b>0.4</b>
<b>EL4 Total electricity offsets segmented by offset type (percentage)</b>	
GreenPower	0%

Notes:

a Full year data has not yet been received. Figures has been normalised from received data.

b 381kW of 437kW installed Solar PV is monitored.

c 56kW of installed solar PV is not currently metered. Future projects related to B1 and B8 solar PV installations will include installation of metering capability.

d Exports will be recorded in 2024 for future reporting.

### Stationary fuels

INDICATOR	2023
<b>F1 Total fuels used in buildings and machinery segmented by fuel type (megajoules)</b>	
Buildings	
Natural gas	24,291,607
Machinery	
Diesel	38,600 <sup>a</sup>
<b>Total</b>	<b>24,330,207</b>
<b>F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (tonnes CO2-e)</b>	
Natural gas	1,252
Diesel	3
<b>Total</b>	<b>1,255</b>

Notes:

a Estimated use of 1000L for standby generators and re-fuelling of machinery based on invoices, container size and frequency of equipment testing.

### Transportation

INDICATOR	2023
<b>T1 Total energy used in transportation within the entity segmented by fuel type and vehicle category (megajoules)</b>	
Road Vehicles	
Petrol (Unleaded/Premium)	459,777
Petrol (E10)	7,373
Diesel	221,307
<b>Total</b>	<b>688,457</b>
<b>T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category</b>	
Passenger Vehicles	
Petrol	15
Diesel	10
Range-extended electric vehicle	10
Goods Vehicles	
Diesel	4
<b>Total</b>	<b>39</b>
<b>T3 Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category (tonnes CO2-e)</b>	
Passenger Vehicles	
Petrol (Unleaded/Premium)	31.1
Petrol (E10)	0.4
Diesel	15.6
Total	47.1
<b>T4 Total distanced travelled by commercial air travel (kilometres)</b>	
<b>Total</b>	<b>399,471</b>



#### Total energy use

INDICATOR	2023
<b>E1 Total fuels used in buildings and machinery segmented by fuel type (megajoules)</b>	
Total energy usage from stationary fuels (F1)	24,330,207
Total energy usage from transport (T1)	688,457
<b>Total</b>	<b>25,018,663</b>
<b>E2 Total energy usage from electricity (megajoules)</b>	
Total energy usage from electricity (EL1)	25,932,296
<b>E3 Total energy usage segmented by renewable and non-renewable sources (megajoules)</b>	
Renewable	6,042,898
Non-Renewable	44,908,062
<b>Total</b>	<b>50,950,960</b>
<b>E4 Units of energy used normalised by FTE (962) (megajoules per FTE)</b>	
<b>Total</b>	<b>52,950</b>

#### Sustainable buildings and infrastructure

INDICATOR	2023
<b>B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings.</b>	
BHI is currently developing Design Standard Guidelines. The guidelines will include standards for applying ESD principles on all future construction and refurbishment.	

#### Greenhouse gas emissions

INDICATOR	2023
<b>G1 Total scope one (direct) greenhouse gas emissions (tonnes CO2e)</b>	
Methane (CH4)	2.445
Nitrous oxide (N2O)	0.941
F2 GHG emissions from stationary fuel	1,254.5
T3 GHG emissions from vehicle fleet	47.1
<b>Total</b>	<b>1,298.2</b>
<b>G2 Total scope two (indirect electricity) greenhouse gas emissions - excluding non-voluntary LGCs (tonnes CO2e)</b>	
Market-based calculation	5,276.2
<b>G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)</b>	
Commercial Air Travel	93.260
Waste emissions	402.2
<b>Total</b>	<b>495.5</b>

#### Water use

INDICATOR	2023
<b>W1 Total units of metered water consumed by water source (kilolitres)</b>	
Potable water consumption (from town water supply) <sup>a</sup>	23,926
<b>W2 Units of metered water consumed normalised by FTE (962) (kilolitre per FTE)</b>	
<b>Total</b>	<b>25</b>

Notes:

a Rain water collection is not currently metered. Future installation of metering will be explored during future upgrades.

#### Waste and recycling

INDICATOR	2023
<b>WR1 Units of waste disposed by waste stream and disposal method (kilogram)</b>	
Landfill	309,449
Recycling	60,186
e-Waste	9,240
<b>Total<sup>ab</sup></b>	<b>378,875</b>
<b>WR2 Percentage of office sites covered by dedicated collection services for each waste stream (percentage)</b>	
Printer cartridges	100%
Batteries	0%
e-waste	100%
Soft plastics	0%
<b>WR3 Total units of waste disposed normalised by FTE (962) (kilogram per FTE)</b>	
<b>Total</b>	<b>394</b>
<b>WR4 Recycling Rate (percentage)</b>	
<b>Total</b>	<b>15.83%</b>
<b>WR5 Greenhouse gas emissions associated with waste disposal (tonnes CO2-e)</b>	
<b>Total</b>	<b>404.47</b>

Notes:

a BHI's waste services provider changed during 2023, February, March and April figures have been calculated based on an average

b December data was pending at time of writing, figures have been calculated based on an average.

BHI has dedicated collection services for hard plastics, metal and timber.



Government advertising expenditure

In 2023, there were four government advertising campaigns with total media spend of \$100,000 or greater (exclusive of GST). The details of each campaign are outlined below.

Campaign Name	Summary	Start/ end date	Advertising - Media (excl. GST) (\$)	Creative Campaign Development (excl. GST) (\$)	Print & Collateral Expenditure (excl. GST) (\$)	Research & Evaluation Expenditure (excl. GST) (\$)	Other Campaign Expenditure (excl. GST) (\$)	Total (excl. GST)
2023 S1 Student Enrolment Campaign (Phase 2)	VTAC & Direct Entry	Jan 23 - Mar 23	517,640	0	0	0	0	517,640
2023 S2 Student Enrolment Campaign (Mid-Year)	Direct Entry Mid Year student enrolment campaign	Apr 23 - Jul 23	475,786	0	0	0	0	475,786
2024 S1 Student Enrolment Campaign (Phase 1)	VTAC & Direct Entry	Oct 23 - Dec 23	399,900	0	0	0	0	399,900
CAE Campaign	CAE Short Courses & Languages advertising	Jan 23 - Dec 23	152,100	0	0	0	0	152,100
Total								1,545,426

Consultancies summary for 2023

In 2023, there were 29 consultancies where the total fees payable to each was \$10,000 or greater. The total expenditure incurred during 2023 in relation to these consultancies was \$1,975,284 (exc. GST). Details of individual consultancies can be viewed at [www.boxhill.edu.au](http://www.boxhill.edu.au).

In 2023, there were 15 consultancies where the total fees payable to each was less than \$10,000. The total expenditure incurred during 2023 in relation to these consultancies was \$70,882 (exc. GST).

ICT expenditure (\$'000,000)

BAU ICT expenditure	Non-BAU ICT expenditure	Operational expenditure	Capital expenditure
Total	Total = A+ B	A	B
6.73	3.74	3.00	0.74

Compliance with other legislation

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

- › Directions of the Minister for Skills and TAFE (or predecessors)
- › Building Act 1993
- › Education and Training Reform Act 2006 (ETRA)
- › Australian Skills Qualifications Authority Standards for Registered Training Organisations 2015
- › Tertiary Education Quality and Standards Agency Act 2011
- › Financial Management Act 1994
- › Freedom of Information Act 1982
- › Equal Opportunity Act 2010
- › Gender Equality Act 2020
- › Local Jobs First Act 2003
- › Occupational Health & Safety Act 2004
- › Privacy and 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 (2016)
- › Worker Screening Act 2020
- › Carers Recognition Act 2012
- › Fair Work Act 2009
- › Child Wellbeing and Safety Act 2005
- › Child Safe Standards (2022)
- › Disability Act 2006
- › Modern Slavery Act 2018
- › Infringements Act 2006
- › Public Records Act 1973

Additional information available on request

BHI has also prepared the following 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.

Enquires should be addressed to:  
Freedom of Information Officer  
Email: [foi@boxhill.edu.au](mailto:foi@boxhill.edu.au)  
Post: Directorate Office, Box Hill Institute,  
465 Elgar Road, Box Hill, Vic, 3128



# Financial overview

BHI five year consolidated financial summary

YEAR ENDED 31 DECEMBER	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Summary of Financial Performance					
Total income from transactions	155,740	152,473	141,726	132,445	145,616
Total expenses from transactions	(174,671)	(161,911)	(147,772)	(137,077)	(155,119)
Net operating result	(18,931)	(9,437)	(6,046)	(4,632)	(9,503)
Other economic flows included in net result	4,656	9,025	8,984	6,431	1,814
Net result	(14,275)	(413)	2,938	1,799	(7,689)

### Comprehensive operating statement

The reduction in the 2023 net operating result is most notably due to a \$5.3M year-on-year increase in depreciation expense and once-off loan forgiveness of \$7.5M in 2022. An increase in employee related expenditure was due to higher salaries and associated on-cost rates, as well as additional grant-funded roles.

The increase in total income was driven by increased fee for service delivery volumes and delivery related grant funding, which was partially offset by a decrease in once-off COVID related support payments without any specific delivery obligations.

Increases in operating expenses are linked to higher volumes of non-recurring project related activity, inflationary pressure on both the labour and non-labour elements of the cost base and increased depreciation rates reflective of revised useful life estimates on building assets provided by the Victorian Valuer General’s Office.

### Balance sheet

YEAR ENDED 31 DECEMBER	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Summary of Balance Sheet Performance					
Assets	576,260	597,953	596,094	517,297	523,933
Liabilities	(58,163)	(65,561)	(71,198)	(69,749)	(78,089)
NET ASSETS	518,097	532,391	524,896	447,548	445,844
Accumulated Surplus	97,667	111,942	112,355	109,832	109,677
Reserves	393,306	393,325	385,417	310,592	309,043
Contributed Capital	27,124	27,124	27,124	27,124	27,124
NET WORTH	518,097	532,391	524,896	447,548	445,844

### Balance Sheet

Box Hill Institute’s overall net worth reduced by \$14.4 million throughout 2023.

Reduction in assets is driven by a reduction in the net carrying amount of physical assets (buildings) - a product of the additional depreciation expense referenced above.

The reduction in liabilities reflects the conclusion of some grant funded, delivery based once-off project activities in 2023 (in 2022 funding was received in advance of training delivery completed throughout 2023, these receipts were held as a liability in the 2022 accounts).

# Financial Statements

For the year ended  
31 December 2023



Independent Auditor’s Report



To the Board of Box Hill Institute

Opinion	<p>I have audited the financial report of Box Hill Institute (the institute) which comprises the:</p> <ul style="list-style-type: none"><li>balance sheet as at 31 December 2023</li><li>comprehensive operating statement for the year then ended</li><li>statement of changes in equity for the year then ended</li><li>cash flow statement for the year then ended</li><li>notes to the financial statements, including significant accounting policies</li><li>declaration by the Board Chair, Chief Executive Officer/Managing Director and Chief Financial Officer.</li></ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the entity as at 31 December 2023 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 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’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>

Level 31 / 35 Collins Street, Melbourne Vic 3000  
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor’s responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"><li>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.</li><li>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.</li><li>evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.</li><li>conclude on the appropriateness of 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’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 to cease to continue as a going concern.</li><li>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.</li></ul> <p>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.</p>
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MELBOURNE  
12 March 2024

Charlotte Jeffries  
as delegate for the Auditor-General of Victoria

Box Hill Institute

# Financial Report for the year ended 31 December 2023

## Declaration by Board Chair, Chief Executive Officer and Managing Director, and Chief Finance and Accounting Officer

The attached financial statements for Box Hill Institute have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer issued under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

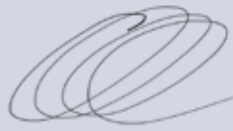
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2023 and financial position of the Institute and the consolidated entity as of 31 December 2023.

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 Finance and Accounting Officer sign this declaration as delegates of, and in accordance with a resolution of the Board of Box Hill Institute.



Tracey Cooper  
**Board Chair**  
Date: 21 February 2024  
Place: Box Hill, Victoria



Grant Radford  
**Chief Executive Officer/  
Managing Director**  
Date: 21 February 2024  
Place: Box Hill, Victoria



Matthew Graver  
**Chief Finance and  
Accounting Officer**  
Date: 21 February 2024  
Place: Box Hill, Victoria

BOX HILL INSTITUTE

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Box Hill Institute has presented its audited general-purpose financial statements for the financial year ended 31 December 2023 in the following structure to provide users with the information about the Institutes's stewardship of resources entrusted to it.

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# Comprehensive Operating Statement

For the year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
<b>CONTINUING OPERATIONS</b>			
<u>Revenue and income from transactions</u>			
Government grants			
Operating grants - revenue	2.1	42,512	38,501
Operating grants - income	2.1	47,231	43,270
Revenue from fees, charges and sales	2.2	57,498	56,276
Other revenue	2.3	4,297	3,727
Other income	2.3	4,202	10,700
<b>Total revenue and income from transactions</b>		<b>155,740</b>	<b>152,473</b>
<u>Expenses from transactions</u>			
Employee benefits	3.1	112,775	106,008
Depreciation and amortisation	3.6	18,653	13,198
Supplies and services	3.3	32,331	31,562
Finance costs	3.5	755	832
Other operating expenses	3.4	10,157	10,310
<b>Total expenses from transactions</b>		<b>174,671</b>	<b>161,911</b>
<b>Net result from transactions</b>		<b>(18,931)</b>	<b>(9,437)</b>
<u>Other economic flows included in net result</u>			
Net gain/(loss) on financial instruments	9.1a	(63)	(42)
Other gains/(losses) from other economic flows	9.1b	4,719	9,067
<b>Total other economic flows included in net result</b>		<b>4,656</b>	<b>9,025</b>
<b>Net result</b>		<b>(14,275)</b>	<b>(413)</b>
<u>Other economic flows - other comprehensive income</u>			
Items that will not be reclassified to net result			
Gain/(loss) on revaluation of physical assets		(19)	7,945
<b>Comprehensive result</b>		<b>(14,294)</b>	<b>7,532</b>

The accompanying notes form part of these financial statements.

# Balance Sheet

As at 31 December 2023

	Note	2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<u>Financial assets</u>			
Cash and cash equivalents	6.1	13,536	28,294
Receivables	5.1	8,798	5,095
Investments and other financial assets	4.5	11,073	9,790
<b>Total financial assets</b>		<b>33,407</b>	<b>43,179</b>
<u>Non-financial assets</u>			
Contract assets	5.2	3,369	4,738
Property, plant and equipment	4.1	498,549	523,912
Right of use assets	6.4	20,593	22,841
Intangible assets	4.2	58	157
Other non-financial assets	5.3	3,605	3,126
Non-financial physical assets classified as held for sale	4.4	16,679	-
<b>Total non-financial assets</b>		<b>542,853</b>	<b>554,774</b>
<b>Total assets</b>		<b>576,260</b>	<b>597,953</b>
<b>LIABILITIES</b>			
Payables	5.4	8,546	8,636
Contract liabilities	5.5	6,433	12,409
Employee provisions	5.6	15,703	15,171
Other provisions	5.7	2,318	2,286
Borrowings	6.2	3,125	3,125
Lease liabilities	6.4	22,038	23,934
<b>Total liabilities</b>		<b>58,163</b>	<b>65,561</b>
<b>Net assets</b>		<b>518,097</b>	<b>532,391</b>
<b>EQUITY</b>			
Accumulated surplus / (deficit)		97,667	111,942
Contributed capital	6.3	27,124	27,124
Reserves	9.2	393,306	393,325
<b>Net worth</b>		<b>518,097</b>	<b>532,391</b>

The accompanying notes form part of these financial statements.

## BOX HILL INSTITUTE

## Statement of Changes in Equity

For the year ended 31 December 2023

	Physical assets revaluation surplus \$'000	Restricted Funds \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
As at 1 January 2022	384,234	1,183	112,355	27,124	524,896
Net result for the year	-	-	(413)	-	(413)
Other economic flows - other comprehensive income	7,945	-	-	-	7,945
Transfer to accumulated surplus	-	(37)	-	-	(37)
<b>Year ended 31 December 2022</b>	<b>392,179</b>	<b>1,146</b>	<b>111,942</b>	<b>27,124</b>	<b>532,391</b>
Net result for the year	-	-	(14,275)	-	(14,275)
Other economic flows - other comprehensive income	(19)	-	-	-	(19)
Transfer to accumulated surplus	-	-	-	-	-
<b>Year ended 31 December 2023</b>	<b>392,160</b>	<b>1,146</b>	<b>97,667</b>	<b>27,124</b>	<b>518,097</b>

The accompanying notes form part of these financial statements.

## BOX HILL INSTITUTE

## Cash Flow Statement

For the year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Government contributions		80,253	80,910
Receipts from customers - fees, charges and sales		64,554	67,092
Interest received		981	472
<b>Total receipts from operating activities</b>		<b>145,788</b>	<b>148,473</b>
<u>Payments</u>			
Payments to employees		(115,652)	(106,108)
Payments to suppliers		(36,938)	(40,518)
Goods and services tax paid to the ATO		(503)	(251)
Short-term, low value and variable lease payments		(1,136)	(851)
Interest paid – lease liability		(706)	(832)
<b>Total payments from operating activities</b>		<b>(154,935)</b>	<b>(148,560)</b>
<b>Net cash flows from / (used in) operating activities</b>	<b>6.1.1</b>	<b>(9,147)</b>	<b>(87)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from investment in associate		3,958	6,280
Payments for property, plant and equipment		(7,691)	(7,863)
Proceeds from sales of non-financial assets		18	-
<b>Net cash flows from / (used in) investing activities</b>		<b>(3,715)</b>	<b>(1,583)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities		(1,896)	(2,383)
Proceeds from borrowings		-	3,125
<b>Net cash flows from / (used in) financing activities</b>		<b>(1,896)</b>	<b>743</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(14,758)</b>	<b>(927)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>28,294</b>	<b>29,221</b>
<b>Cash and cash equivalents at end of year</b>	<b>6.1</b>	<b>13,536</b>	<b>28,294</b>

The accompanying notes form part of these financial statements.



## 1. ABOUT THIS REPORT

Box Hill Institute (BHI) 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 4(a)*.

Box Hill Institute is a Technical and Further Education (TAFE) provider, based predominantly in Box Hill, Victoria.

Its registered office and principal address is:

Box Hill Institute  
465 Elgar Rd  
Box Hill, Victoria 3128  
Australia

### 1.1 Basis of preparation

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

Judgements made by management in the application of Australian Accounting Standards (AAS) that have significant effects on the financial statements relate to:

- determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring BHI's satisfaction of a performance obligation (refer to Note 2.1);
- AASB 16 *Leases* and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.4);

Estimates and assumptions made by management in the application of Australian Accounting Standards (AAS) that have significant effects on the financial statements relate to:

- 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 5.6);
- the loss rate used in calculating the allowance for expected credit losses (refer to Note 7.1.2);
- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3); and
- the fair value of assets measured at current replacement cost as a result of rising costs of construction and inflation.

These 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.

### 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.

## 1. ABOUT THIS REPORT

### Funding risk

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 has substantial economic dependency on Government operating contributions in particular, the Department of Jobs, Skills, Industry and Regions.

BHI manages funding risk by continuing to diversify and increase funding from commercial activities, both domestically and offshore.

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

### 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.

### 1.3 Impact of COVID-19

In 2023, the impacts of the COVID-19 pandemic, including movement and density restrictions, were no longer significant to BHI's operations.

Between 2020 and 2022, various restrictions such as self-isolation and border entry rules were enforced and implemented by the government in order to contain the spread of the virus and to prioritise the health and safety of our communities. BHI conducted classes through remote learning where possible, held examinations online, placed restrictions on non-essential work, performed COVID-19 testing and implemented work from home arrangements where possible. The Department of Jobs, Skills, Industry and Regions (formerly Department of Education) also provided grants to assist BHI with response to the pandemic in order to retain staff, assist with the transition to online and remote learning and maintain government funding at pre-pandemic levels.

Following the easing of restrictions in 2022, learning returned to campus and no further funding was provided by the Department in relation to the pandemic.

2. HOW WE EARNED OUR FUNDS

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

2.1 Government grants

Revenue and income from government grants

	2023 \$'000	2022 \$'000
Grants and other transfers		
Government grants – operating revenue		
State government – contestable	42,512	38,501
Total government grants - operating revenue	42,512	38,501
Government grants – operating income		
State government – other grants	46,949	42,907
Commonwealth government grants	282	363
Total government grants - operating income	47,231	43,270
Total government grants – operating	89,743	81,770

Revenue and income from government grants

BHI is first required to determine whether the government grants received should be accounted for as Revenue per AASB 15 or Income per AASB 1058.

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

Revenue from government grants

BHI's revenue streams are predominately for transactions relating to the delivery of courses to students and education services to clients. In all cases, the total transaction price for these services is allocated amongst the various performance obligations based on the consideration specified in the contract with the customer. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time as the Institute satisfies the performance obligations by transferring the promised goods or services to its customers. Where government grants have been received for services to be delivered in the following year, these amounts are deferred as a contract liability (Note 5.5).

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.

2. HOW WE EARNED OUR FUNDS

Income from government grants

Income from government grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when BHI has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, BHI recognises any related grants by owners, increases in liabilities and decreases in assets ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- a lease liability in accordance with AASB 16
- a financial instrument, in accordance with AASB 9
- a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Specific criteria in relation to determining whether government grants are accounted for as revenue per AASB 15 or income per AASB 1058 are set out below.

Source of Funding	Nature	Performance obligation	Timing of satisfaction
State government – contestable	Refers to Victorian state government funding for which the Institute must compete with other registered training providers. Funding is allocated primarily through a combination of a 'User Choice' system for all providers and a competitive tendering process for private providers.	The funding agreement for these grants outlines the performance obligations to provide education services to eligible students. These grants are recognised as revenue from contracts with customers in line with the requirements of AASB15.	Revenue is recognised over time, on the basis of the number of units of training delivered to eligible students over the life of the agreement.
State government – other grants	Refers to funding that is not recognised as contestable and includes specific purpose grants.	In general, funding agreements for these grants do not contain sufficiently specific performance obligations and are therefore recognised as income under AASB 1058. The Institute recognises income immediately in the comprehensive operating statement when control is achieved over the funds which occurs on execution of the relevant contract.	
		Where performance obligations are sufficiently specific in accordance with AASB15.	Revenue is recognised over time in the comprehensive operating statement as the performance obligations are delivered.



2. HOW WE EARNED OUR FUNDS

Transaction price allocated to remaining performance obligations

Revenue is recognised on a quantitative basis using the time bands that are most appropriate for the duration of the remaining performance obligations.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date:

	2024 \$'000	2025 \$'000	2026 \$'000
Revenue expected to be recognised	6,324	109	-

2.2 Revenue from fees, charges and sales

	2023 \$'000	2022 \$'000
Student fees and charges	7,767	6,864
Fee for service – government	34,340	33,202
Fee for service – international operations – onshore	3,275	3,256
Fee for service – international operations – offshore	1,380	1,480
Fee for service – other	6,641	7,679
<b>Other non-course fees and charges</b>		
Student amenities and services	4,095	3,794
<b>Total revenue from fees, charges and sales</b>	<b>57,498</b>	<b>56,276</b>

Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.

The following table provides a breakdown of contractual sales with customers based on campus location:

	2023 \$'000	2022 \$'000
Box Hill campus	24,833	24,970
City campus	7,901	7,215
Lilydale campus	4,301	4,634
Off-site delivery	19,084	17,972
Overseas Delivery	1,379	1,485
<b>Total revenue from fees, charges and sales</b>	<b>57,498</b>	<b>56,276</b>

Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.

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.

The expansion of eligible Free TAFE courses contributes to a reduction in student fees as this is replaced by Free TAFE funding.

Other non-course fees and charges are recognised as the service is delivered to the student. For example, student amenities and services revenue is recognised as BHI provides the service to the student.

BHI uses actual student contact hours and performance obligations to recognise revenue over time in line with AASB 15.

2. HOW WE EARNED OUR FUNDS

Revenue Type	Nature	Performance obligation	Timing of satisfaction
Student fees and charges	BHI provides educational services to eligible domestic students.  Student fees and charges revenue includes student tuition fees and course materials received or to be received from eligible students for the provision of these services.	Provision of education services	Student fees and charges are recognised in accordance with the relevant enrolment terms and conditions and over the period that the education and training services are provided.  Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.
Fee for service – government	Relates to course fees funded by State government departments (excluding revenue/income recognised in note 2.1.1).	Provision of services	Revenue is recognised over time 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 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.
Fee for service – International onshore/offshore	Relates to international student course fees and other revenue for onshore and offshore training operations.		
Fee for service – other	Relates to revenue from training programs to domestic students (who are <b>not</b> eligible for a government funded subsidy) and private organisations (industry)		
Revenue from sale of goods		Delivery of goods	Revenue is recognised at a point in time when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable). Payment of transaction price is due immediately.

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 how much relates to performance obligations that were satisfied in a prior year:

	2023 \$'000	2022 \$'000
Opening Balance Contract Liabilities	12,409	5,880
Fees and charges	64,413	72,873
Less revenue recognised in the period	(70,389)	(66,344)
	<b>6,433</b>	<b>12,409</b>

Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.

Payment terms

The payment terms for student fees are as follows:

- up-front payment via cash, EFTPOS or credit card prior to course commencement;
  - payment plan via a third party (Debit success);
  - federal government assistance (VET Student Loan); and/or
  - invoice to a third party (e.g. a student's employer or workers' compensation provider), where a credit check has been performed on the party being invoiced (payment terms are 30 days).
- Students are generally entitled to a refund (less administration fee) if they withdraw from a course prior to census date. Students who withdraw after this time are generally not entitled to a refund.

2. HOW WE EARNED OUR FUNDS

2.3 Other Revenue and income

	2023 \$'000	2022 \$'000
Childcare revenue	3,496	3,370
Car park revenue	801	357
Total other revenue	4,297	3,727
Interest income	981	472
Rental income	1,086	952
Income from sub-leasing right-of-use assets	967	967
Loan Forgiveness	-	7,500
Other income	1,168	810
Total other income	4,202	10,700
Total other revenue and income	8,499	14,427

Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.

During 2022 BHI received a deed from the Department of Education and Training which agreed to forgive, discharge and release in full the debt relating to its interest-free loan. The total value of the debt forgiven was \$7.5m.

Other Revenue Type	Nature	Performance obligation	Timing of satisfaction
Childcare revenue	Childcare services	Provision of childcare services	Recognised evenly over the period of providing services.
Car park revenue	Car parking for students and staff	Provision of car parking for students and staff	Recognised as services are rendered.
Interest	Interest received on bank deposits and other investments and the unwinding over time of the discount on financial assets.	None	Recognised taking into account the effective interest rates applicable to the financial assets
Rental income	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. BHI also receives rental income from long term lease arrangements with third parties.  Refer to Note 2.3.1 for BHI's lessor accounting policy.	Provision of building tenancy	Rental income is recognised on a time proportional basis and is brought to account when BHI's right to receive the rental is established.
Donations and bequests	From time to time, generous benefactors may provide donations or gifts to further the objectives of the TAFE. Typically, donations and bequests do not contain performance obligations that are sufficiently specific.	None	Recognised on receipt, when there are no sufficiently specific performance obligations. Typically, the stated purpose of the gift is not specific enough for the requirements of the AASB 15. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied.
Other income	Other income generating activities	Other income is recognised when BHI's right to receive payment is established.	

2. HOW WE EARNED OUR FUNDS

2.3.1 Leases receivable

	2023 \$'000	2022 \$'000
Receivable:		
Within one year	1,676	1,403
Later than one year but not later than five years	1,990	415
Later than five years	349	-
Total leases receivable	4,015	1,817
GST payable on the above	(365)	(165)
Net operating leases receivable	3,650	1,652

When BHI is a lessor, a lease is classified as an operating lease when it does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset. Indicators such as whether the lease is for the major part of the economic life of the asset are considered as part of this assessment. Payments received under operating leases are recognised as income on a straight-line basis over the lease term and are included under the line item - rental income.



### 3. HOW WE EXPENDED OUR FUNDS

#### 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.

	2023 \$'000	2022 \$'000
Salaries, wages, overtime and allowances	84,895	82,333
Superannuation	10,061	8,915
Payroll tax	5,416	5,051
Mental health levy	492	481
Workers compensation	1,160	511
Annual leave	7,743	6,625
Long service leave	1,915	1,737
Termination benefits	1,070	340
Other	23	15
<b>Total employee benefits</b>	<b>112,775</b>	<b>106,008</b>

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. BHI recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits which are expected to be wholly-settled more than 12 months after balance sheet date are discounted to present value.

#### 3.2 Superannuation

BHI employees are entitled to receive superannuation benefits and BHI contributes to both defined benefit and defined contribution plans. The total amount of defined contribution plan payments made by BHI in 2023 was \$10.0M (2022 \$8.8M). 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 2023 was \$104K (2022, \$116K).

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.

### 3. HOW WE EXPENDED OUR FUNDS

#### 3.3 Supplies and services

	2023 \$'000	2022 \$'000
Building repairs and maintenance	4,825	5,795
General consultancy	5,529	3,753
Payment to contractors	13,124	13,922
Purchase of Services Non-Public Sector- 3rd party training providers	2,074	2,352
Communication expenses	363	377
Cost of goods sold / distributed (ancillary trading)	1,315	1,087
Legal expenses	1,187	493
Minor equipment	116	57
Purchase of supplies and consumables	3,798	3,726
<b>Total supplies and services</b>	<b>32,331</b>	<b>31,562</b>

*Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.*

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.

#### 3.4 Other operating expenses

	2023 \$'000	2022 \$'000
Audit fees and services	373	318
Insurance	659	599
Equipment below capitalisation threshold	388	500
Marketing and promotional expenses	2,039	2,399
Staff development	1,340	1,045
Travel and motor vehicle expenses	601	337
Utilities	1,699	1,922
Variable lease payments not included in the measurement of lease liability	1,010	808
Expenses relating to short-term leases	61	69
Expenses relating to low-value leases	65	43
Other	1,922	2,270
<b>Total other operating expenses</b>	<b>10,157</b>	<b>10,310</b>

*Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.*

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.

#### 3.5 Finance costs

	2023 \$'000	2022 \$'000
Interest on debt	4	-
Interest on lease liabilities	751	832
<b>Total finance costs</b>	<b>755</b>	<b>832</b>

#### 3.6 Depreciation and amortisation

	2023 \$'000	2022 \$'000
Buildings	10,823	4,852
Plant and equipment	4,287	4,255
Motor vehicles	9	17
Leasehold improvements	449	458
Right of use assets	2,986	3,066
Amortisation of intangible assets	99	550
<b>Total depreciation and amortisation</b>	<b>18,653</b>	<b>13,198</b>

## 4. THE ASSETS WE INVESTED IN

### 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 (used by the Australian Bureau of Statistics to classify expenses and acquisitions of non-financial assets of the public sector and general government sector), 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	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	269,136	285,236	-	-	269,136	285,236
Buildings	216,171	211,900	(10,610)	(168)	205,561	211,731
Construction in progress	3,801	3,856	-	-	3,801	3,856
Plant and equipment	52,343	50,531	(35,789)	(31,412)	16,554	19,119
Motor vehicles	312	347	(193)	(205)	119	142
Leasehold improvements	16,369	16,369	(13,530)	(13,081)	2,839	3,288
Cultural assets	539	539	-	-	539	539
<b>Total carrying amount</b>	<b>558,671</b>	<b>568,779</b>	<b>(60,122)</b>	<b>(44,867)</b>	<b>498,549</b>	<b>523,912</b>

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

Where there is an indication that the value of property, plant and equipment has changed, these assets 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 that are considered to have nominal value.

Specialised land and specialised 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.

For the majority of BHI's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2022. For the year ended 31 December 2023, an assessment was conducted using indices provided by the Valuer-General Victoria. No revaluation was required as a result of this assessment.

#### 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.

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

## 4. THE ASSETS WE INVESTED 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
<b>2023</b>								
Opening net book amount	285,236	211,731	3,856	19,120	141	3,288	539	523,912
Additions	-	-	5,585	2,019	-	-	-	7,604
Revaluations	-	-	-	-	-	-	-	-
Disposals	-	-	-	(3)	(14)	-	-	(17)
Transfers	(16,100)	5,019	(5,640)	43	-	-	-	(16,678)
Impairment	-	(366)	-	(337)	-	-	-	(703)
Depreciation	-	(10,823)	-	(4,287)	(9)	(449)	-	(15,568)
<b>Net carrying amount</b>	<b>269,136</b>	<b>205,561</b>	<b>3,801</b>	<b>16,554</b>	<b>119</b>	<b>2,839</b>	<b>539</b>	<b>498,549</b>
<b>2022</b>								
Opening net book amount	298,893	190,594	6,021	18,176	160	3,596	328	517,768
Additions	-	3,382	1,146	3,104	-	150	-	7,782
Revaluations	(13,657)	21,391	-	-	-	-	211	7,945
Disposals	-	-	-	-	-	-	-	-
Transfers	-	1,216	(3,311)	2,095	-	-	-	-
Impairment	-	-	-	-	(2)	-	-	(2)
Depreciation	-	(4,852)	-	(4,255)	(17)	(458)	-	(9,582)
<b>Net carrying amount</b>	<b>285,236</b>	<b>211,731</b>	<b>3,856</b>	<b>19,120</b>	<b>141</b>	<b>3,288</b>	<b>539</b>	<b>523,912</b>



## 4. THE ASSETS WE INVESTED IN

### 4.1.2 Capital commitments

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

	2023 \$'000	2022 \$'000
<b>Payable</b>		
Within one year	6,595	1,103
<b>Total capital expenditure commitments</b>	<b>6,595</b>	<b>1,103</b>
GST payable on the above	(659)	(110)
<b>Total</b>	<b>5,936</b>	<b>993</b>

### 4.1.3 Gain / loss on property, plant and equipment

	2023 \$'000	2022 \$'000
Net gain/(loss) on disposal of property plant and equipment	18	10
<b>Net gain/(loss) on disposal of property plant and equipment</b>	<b>18</b>	<b>10</b>

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

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

## 4. THE ASSETS WE INVESTED IN

### 4.2 Intangible assets

<b>Software</b>	2023 \$'000	2022 \$'000
<b>Gross carrying amount</b>		
Opening balance	1,258	4,685
Additions	-	6
Impairment relating to cloud upgrade	-	(3,433)
<b>Closing balance</b>	<b>1,258</b>	<b>1,258</b>
<b>Gross carrying amount of accumulated amortisation</b>		
Opening balance	(1,101)	(3,085)
Amortisation charge	(99)	(550)
Software Impairment relating to cloud upgrade	-	2,534
<b>Closing balance</b>	<b>(1,200)</b>	<b>(1,101)</b>
<b>Net carrying amount at end of the year</b>	<b>58</b>	<b>157</b>

Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.

### Initial recognition

*Configuration and customisation costs incurred related to a Software as a Service (SaaS) arrangement*

SaaS arrangements are service contracts providing BHI with the right to access the software provider's application software over the contract period. Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where BHI has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset. Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide BHI with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs capitalised as a prepayment are recognised as expenses over the duration of the SaaS contract.

Judgement is required in determining whether:

- costs incurred result in the creation of an intangible asset that meets the recognition criteria in AASB 138;
- the configuration and customisation costs provide a distinct service where such costs do not give rise to the recognition of an intangible asset.

### Subsequent measurement

Intangible assets are amortised on a straight-line basis over their useful lives. Intangible assets have useful lives of 3-5 years.

Intangible assets recognised in accordance with AASB 1059 are subsequently measured under the revaluation model.

## 4. THE ASSETS WE INVESTED IN

### 4.2 Intangible assets (continued)

#### Impairment of intangible assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. 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. Impairment of goodwill is not reversed.

### 4.3 Depreciation and amortisation

Depreciation and amortisation is provided on software, property, plant and equipment, freehold buildings, right-of-use assets.

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. Right-of-use assets and leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight-line method. The only exception is where BHI expects to obtain ownership of the leased asset at the end of the lease term, where in such instances, the right-of-use assets and leasehold improvements will be depreciated over their expected useful lives.

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	3 – 30 years	Straight Line
Motor vehicles	3 – 6 years, residual 44-60%	Straight Line
Leasehold improvements	8 – 20 years	Straight Line
Right of use assets	Lease term	Straight Line
Intangible assets	3 – 5 years	Straight Line
Software	5 – 10 years	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. The current year depreciation rates have been updated in line with advice from the Valuer-General Victoria to reflect the remaining useful life of buildings. The total useful life of BHI's assets remains within the ranges outlined in the table above.

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

### 4.4 Non financial physical assets classified as held for sale

	Consolidated 2023 \$'000	2022 \$'000
Land held for sale	16,100	-
Buildings held for sale	579	-
<b>Non financial physical assets classified as held for sale</b>	<b>16,679</b>	<b>-</b>

#### Measurement of non financial physical assets

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

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition
- the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification

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

## 4. THE ASSETS WE INVESTED IN

### 4.5 Investments and other financial assets

	2023 \$'000	2022 \$'000
<b>Current investments and other financial assets</b>		
Unit holding receivable	7,927	3,958
Provision for share of earnings	1,686	4,372
<b>Non-current investments and other financial assets</b>		
Unit holding	1,460	1,460
<b>Total investments and other financial assets</b>	<b>11,073</b>	<b>9,790</b>

*Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.*

BHI's investment relates to the unitholding and distribution receivable from Cambridge Boxhill Language Assessment Unit Trust. Income is recognised from BHI's investments each reporting year based on the unitholding portion of the profit distribution. This is accounted for under AASB 128. The investment is carried at Fair Value to profit and loss and the yearly profit distribution is accounted for in the other economic flows.



## 5. BALANCES FROM OPERATIONS

### 5.1 Receivables

	2023 \$'000	2022 \$'000
<b>Current</b>		
Trade receivables	7,284	3,707
Loss allowance on trade receivables	(821)	(2,156)
Contestable Funding	2,278	2,113
Other receivables	57	1,309
<b>Total</b>	<b>8,798</b>	<b>4,973</b>
<b>Statutory</b>		
GST input tax credit recoverable	-	122
<b>Total</b>	<b>8,798</b>	<b>5,095</b>

Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.

**Receivables** consist of:

- contractual receivables, which include mainly debtors in relation to goods and services.
- statutory receivables, predominantly GST input tax credits recoverable

Receivables other than sale of goods and services are stated exclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are recognised and measured similarly to contractual receivables, but are not classified as financial instruments and are not included in the category of financial assets at amortised cost, because they do not arise from a contract.

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 unless they contain significant financing components, when they are recognised at fair value. 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 approximates the 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.

The movement in the allowance for impairment in respect of trade receivables during the year is shown in the following table.

	2023 \$'000	2022 \$'000
<b>Balance at the beginning of the year</b>	2,156	2,100
Amounts written off	(1,493)	(140)
Reversal of unused loss allowance recognised in net result	3	(354)
Increase in loss allowance recognised in net result	156	550
<b>Balance at the end of the year</b>	<b>822</b>	<b>2,156</b>

## 5. BALANCES FROM OPERATIONS

### 5.1 Receivables (continued)

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.

#### Ageing analysis of contractual receivables

	Carrying amount \$'000	Not past due and not \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
<b>2023</b>						
Trade receivables	7,261	4,482	1,802	180	192	605
Loss allowance on Trade Receivables	(821)	-	-	(24)	(192)	(605)
Amount receivable from government	2,336	57	2,279	-	-	-
Other receivables	22	22	-	-	-	-
<b>Total</b>	<b>8,798</b>	<b>4,561</b>	<b>4,081</b>	<b>156</b>	<b>-</b>	<b>-</b>
<b>2022</b>						
Trade receivables	3,766	1,877	643	397	343	505
Loss allowance on trade receivables	(2,156)	-	(911)	(397)	(343)	(505)
Amount receivable from governments	3,421	-	3,421	-	-	-
Other receivables	(58)	(58)	-	-	-	-
<b>Total</b>	<b>4,973</b>	<b>1,819</b>	<b>3,153</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: The disclosures above exclude statutory receivables (e.g. GST credits).

Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.

The average credit period on receivables is 30 days.

There are no financial assets that have their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

### 5.2 Contract assets

	2023 \$'000	2022 \$'000
<b>Current</b>		
Contract assets	3,369	4,738
Loss allowance on contract assets	-	-
<b>Total contract assets</b>	<b>3,369</b>	<b>4,738</b>

Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.

Contract assets are recognised when BHI has transferred goods or services to the customer but where the Institute is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

### 5.3 Other non-financial assets

	2023 \$'000	2022 \$'000
<b>Current</b>		
Prepayments	3,366	2,920
Inventories	239	206
<b>Total current other non-financial assets</b>	<b>3,605</b>	<b>3,126</b>
<b>Total other non-financial assets</b>	<b>3,605</b>	<b>3,126</b>

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 items held either for sale or for distribution at a zero or nominal cost, or for consumption in the ordinary course of business operations.

Cost, includes an appropriate portion of fixed and variable overhead expenses. Cost is assigned to other high value, low volume inventory items on a specific identification of cost basis. Cost for all other inventory is measured on the basis of weighted average cost.

## 5. BALANCES FROM OPERATIONS

### 5.4 Payables

	2023 \$'000	2022 \$'000
<b>Current</b>		
<b>Contractual</b>		
Supplies and services	4,637	4,122
Refund liability	39	45
Other payables	2,943	3,768
<b>Total contractual payables</b>	<b>7,619</b>	<b>7,935</b>
<b>Statutory</b>		
FBT payable	13	23
GST input tax debit payable	260	-
Other taxes payable	654	678
<b>Total statutory payables</b>	<b>927</b>	<b>701</b>
<b>Total current payables</b>	<b>8,546</b>	<b>8,636</b>

**Payables** consist of:

- contractual payables, such as accounts payable and refund liabilities. 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.

#### Ageing analysis of contractual payables

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
<b>2023</b>						
Supplies and services	4,637	4,637	4,637	-	-	-
Refund liability	39	39	39	-	-	-
Other payables	2,943	2,943	2,572	16	42	313
<b>Total</b>	<b>7,619</b>	<b>7,619</b>	<b>7,248</b>	<b>16</b>	<b>42</b>	<b>313</b>
<b>2022</b>						
Supplies and services	4,122	4,122	4,122	-	-	-
Refund liability	45	45	45	-	-	-
Other payables	3,768	3,768	3,350	42	313	63
<b>Total</b>	<b>7,935</b>	<b>7,935</b>	<b>7,517</b>	<b>42</b>	<b>313</b>	<b>63</b>

*Note: The disclosures above exclude statutory payables (e.g. GST debits).*

*Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.*

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

Due to their short-term nature, the carrying amounts of trade and other payables are not considered to be materially different to their fair values.

## 5. BALANCES FROM OPERATIONS

### 5.5 Contract and other liabilities

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

	2023 \$'000	2022 \$'000
<b>Contract liabilities</b>		
Student fees	4,864	4,970
Fee for service	99	238
Other	12	12
Government contributions - other contributions	1,458	7,189
<b>Total contract liabilities</b>	<b>6,433</b>	<b>12,409</b>

*Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.*

#### 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.

### 5.6 Employee benefits in the balance sheet

	2023 \$'000	2022 \$'000
<b>Current provisions</b>		
<b>Employee benefits</b>		
<b>Annual leave</b>		
Unconditional and expected to settle within 12 months	3,815	3,885
Unconditional and expected to settle after 12 months	541	567
<b>Long service leave</b>		
Unconditional and expected to settle within 12 months	979	891
Unconditional and expected to settle after 12 months	6,174	5,858
<b>On costs</b>		
<b>Annual leave</b>		
Unconditional and expected to settle within 12 months	738	635
Unconditional and expected to settle after 12 months	105	93
<b>Long service leave</b>		
Unconditional and expected to settle within 12 months	189	145
Unconditional and expected to settle after 12 months	1,195	957
<b>Total current provisions</b>	<b>13,736</b>	<b>13,030</b>
<b>Non-current provisions</b>		
<b>Long service leave</b>		
Conditional and expected to settle after 12 months	1,648	1,841
<b>Long service leave - on costs</b>		
Conditional and expected to settle after 12 months	319	301
<b>Total non-current provisions</b>	<b>1,967</b>	<b>2,141</b>
<b>Total employee provisions</b>	<b>15,703</b>	<b>15,171</b>

The leave obligations cover BHI's liabilities for long service leave and annual leave, which are classified as either other long-term benefits or short-term benefits.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro rata payments in certain circumstances. The entire amount of the provision of \$4,356K (2022: \$4,451K) is presented as current, since BHI does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, BHI does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.



## 5. BALANCES FROM OPERATIONS

The following amounts reflect leave that is not expected to be taken or paid within the next 12 months:

	2023 \$'000	2022 \$'000
Unconditional and expected to settle within 12 months	5,721	5,555
Unconditional and expected to settle after 12 months	8,015	7,474
<b>Total current employee provisions</b>	<b>13,736</b>	<b>13,030</b>

### 5.7 Other provisions

	2023 \$'000	2022 \$'000
<b>Non-current</b>		
Make good provision	2,318	2,286
<b>Total other provisions</b>	<b>2,318</b>	<b>2,286</b>

#### 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.

## 6. HOW WE FINANCED OUR OPERATIONS

### 6.1 Cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash at bank	3,596	3,078
Deposits at call	9,940	25,216
<b>Total cash and deposits</b>	<b>13,536</b>	<b>28,294</b>

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call.

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

	2023 \$'000	2022 \$'000
<b>Net result for the year</b>	<b>(14,275)</b>	<b>(413)</b>
<b>Non-cash movements</b>		
Depreciation / amortisation of non-financial assets	18,653	13,198
Net (gain) / loss on sale of non-financial assets	(18)	(10)
Impairment and forgiveness of loans and receivables	63	(7,475)
Impairment of non-financial assets	690	902
Share of profits of associates and joint venture	(1,283)	(2,561)
<b>Other cash movements</b>		
Share of profits of associates and joint venture	(3,958)	(6,280)
<b>Movements in assets and liabilities</b>		
Decrease / (increase) in receivables, including contract assets	(3,038)	1,729
Decrease / (increase) in other assets	(479)	(264)
(Decrease) / increase in payables	(90)	2,712
(Decrease) / increase in provisions	564	(952)
(Decrease) / increase in contract liabilities	(5,976)	(672)
<b>Net cash flows from / (used in) operating activities</b>	<b>(9,147)</b>	<b>(87)</b>
<b>Per cash flow statement</b>	<b>(9,147)</b>	<b>(87)</b>

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

## 6. HOW WE FINANCED OUR OPERATIONS

### 6.2 Borrowings

	2023 \$'000	2022 \$'000
<b>Current</b>		
Advances from Government	625	-
<b>Non-current</b>		
Advances from Government	2,500	3,125
<b>Total borrowings</b>	<b>3,125</b>	<b>3,125</b>

#### Advances from Government

Advances from Government are initially measured at fair value, being the cost of the interest bearing liabilities, and where applicable, adjusted for transaction costs unless BHI designated a financial liability at fair value through profit or loss.

The measurement basis subsequent to initial recognition depends on whether BHI has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost.

For advances at amortised cost, any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

During 2022 BHI received a deed from the Department of Education and Training which agreed to forgive, discharge and release in full the debt relating to its interest-free loan. The total value of the debt forgiven was \$7.5m.

#### Changes in liabilities arising from financing activities

	Advances from Government \$'000
Balance at 1 January 2022	7,500
Advances from Government	3,125
Forgiveness of Loan	(7,500)
<b>Balance as at 31 December 2022</b>	<b>3,125</b>
<b>Balance as at 31 December 2023</b>	<b>3,125</b>

The fair values were not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

### 6.3 Contributed capital

	2023 \$'000	2022 \$'000
Balance at 1 January	27,124	27,124
<b>Balance at 31 December</b>	<b>27,124</b>	<b>27,124</b>

Funding that is in the nature of contributions by the Victorian State Government are treated as contributed capital when designated in accordance with UIG Interpretation 1038 *Contribution by Owners Made to Wholly-Owned Public Sector Entities*. Capital funds provided by the Commonwealth Government are treated as income.

## 6. HOW WE FINANCED OUR OPERATIONS

### 6.4 Leases

#### Policy

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. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- the contract involves the use of an identified asset;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

#### As a lessee

BHI recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. 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). Generally, BHI uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that BHI is reasonably certain to exercise, lease payments in an optional renewal period if BHI is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless BHI is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured:

- when there is a change in future lease payments arising from a change in an index or rate;
- if there is a change in BHI's estimate of the amount expected to be payable under a residual value guarantee; or
- if BHI changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

#### Peppercorn leases

Right-of-use assets that arise from below market (including peppercorn) leases which are to be measured at cost in accordance with FRD 123.



## 6. HOW WE FINANCED OUR OPERATIONS

### 6.4 Leases (continued)

Right of use assets	Property \$'000	Vehicles \$'000	Other \$'000	Total \$'000
<b>2023</b>				
Balance as at 1 January 2023	21,038	382	1,421	22,841
Additions	571	204	-	775
Modifications	-	(37)	-	(37)
Amortisation	(2,566)	(86)	(334)	(2,986)
<b>Balance as at 31 December 2023</b>	<b>19,043</b>	<b>463</b>	<b>1,087</b>	<b>20,593</b>
<b>2022</b>				
Balance as at 1 January 2022	23,608	454	1,759	25,821
Additions	-	105	-	105
Modifications	-	(20)	-	(20)
Amortisation	(2,570)	(157)	(338)	(3,065)
<b>Balance as at 31 December 2022</b>	<b>21,038</b>	<b>382</b>	<b>1,421</b>	<b>22,841</b>
<b>Lease liabilities</b>				
			<b>2023 \$'000</b>	<b>2022 \$'000</b>
<b>Maturity analysis – contractual undiscounted cash flows</b>				
Within one year			2,979	2,763
Later than one year but not later than five years			12,348	12,351
Later than five years			6,710	8,820
<b>Total discounted lease liabilities as at 31 December</b>			<b>22,037</b>	<b>23,934</b>
Current			2,979	2,763
Non-current			19,058	21,171
<b>Total lease liabilities</b>			<b>22,037</b>	<b>23,934</b>

## 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

	<b>2023 \$'000</b>	<b>2022 \$'000</b>
<b>Contractual financial assets</b>		
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	13,536	28,294
Trade receivables	6,463	1,552
Amount receivable from Government	2,278	2,113
Revenue receivable	57	1,262
Other receivables (security deposits)	-	47
<b>Financial assets measured at fair value through profit or loss</b>		
Investment and other financial assets	11,073	9,790
<b>Total contractual financial assets</b>	<b>33,407</b>	<b>43,057</b>
<b>Contractual financial liabilities</b>		
<b>Loans and payables</b>		
Supplies and services	4,637	4,122
Other payables (lease incentive liabilities)	2,943	3,768
Refund liability	39	45
<b>At amortised cost</b>		
Borrowings (Advances from Government)	3,125	3,125
<b>Total contractual financial liabilities</b>	<b>10,744</b>	<b>11,060</b>

Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.

Note: The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and taxes payable).

#### 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).

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.

7. MANAGING RISKS AND UNCERTAINTIES

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.

BHI's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of BHI. BHI uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

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

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 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 and financial standing; and
- customers that do not meet BHI's strict credit policies may only purchase via credit cards or EFT.

The trade receivables balances at 31 December 2023 and 31 December 2022 largely relate to student debtors, sponsor debtors, other debtors who engage BHI to provide training services or short courses as well as government agencies. These balances do not include any counterparties with external credit ratings.

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

In addition, 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 which are individually determined to be impaired.

7. MANAGING RISKS AND UNCERTAINTIES

7.1.2 Credit risk(continued)

Credit quality of contractual financial assets that are neither past due nor impaired

	Financial institutions (AA-rating) \$'000	Government agencies (AAA-rating) \$'000	Other counterparty \$'000	Total \$'000
2023				
Cash and cash equivalents	13,536	-	-	13,536
Receivables	-	7,793	1,005	8,798
Investments and other financial assets	-	-	11,073	11,073
Total contractual financial assets	13,536	7,793	12,078	33,407
2022				
Cash and cash equivalents	28,294	-	-	28,294
Receivables	-	4,859	114	4,973
Investments and other financial assets	-	-	9,790	9,790
Total contractual financial assets	28,294	4,859	9,904	43,057

Note: The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and taxes payable).

Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.

AASB 9 uses an 'expected credit loss' (ECL) model. Under this model, loss allowances are measured on either of the following bases:

• 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; or

• lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.



## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.1.2 Credit risk(continued)

In measuring expected credit losses, trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 60 months, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. BHI has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2023:

	Estimated gross carrying amount \$'000	Weighted average loss rate %	Estimated loss allowance \$'000	Credit impaired (yes / no)
<b>31-Dec-23</b>				
Current (not past due)	4,561	0%	-	No
31 – 60 days past due	7,448	0%	-	No
61 – 90 days past due	180	13%	(24)	No
More than 90 days past due	797	90%	(718)	No
	<b>12,986</b>		<b>(742)</b>	
<b>31-Dec-22</b>				
Current (not past due)	1,819	0%	-	No
31 – 60 days past due	8,803	10%	(911)	No
61 – 90 days past due	397	100%	(397)	No
More than 90 days past due	848	100%	(848)	No
	<b>11,867</b>		<b>(2,156)</b>	

Loss rates are based on actual credit loss experience. These rates are multiplied by scale factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and BHI's view of economic conditions over the expected lives of the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with BHI, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

### 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 Note 7.1.

BHI manages liquidity risk by:

- maintaining adequate short term reserves and banking facilities that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial market; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

BHI's exposure to liquidity risk is deemed to be not material based on prior periods' data and current assessment of risk.

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

## 7. MANAGING RISKS AND UNCERTAINTIES

### 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 the 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.

### 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 has minimal exposure to foreign currency risk.

### 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.

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

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:

### Interest rate exposure of financial instruments

			Interest rate exposure		
	Weighted average interest rate	Carrying amount at 31 December \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000
<b>Consolidated 2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	4.27%	13,536	13,536		
Trade receivables	0%	7,284			7,284
Other receivables	0%	2,335			2,335
<b>Total financial assets</b>		<b>23,155</b>	<b>13,536</b>	<b>-</b>	<b>9,619</b>
<b>Financial liabilities</b>					
Trade and other payables	0%	8,546			8,546
Borrowings	0%	3,125			3,125
<b>Total financial liabilities</b>		<b>11,671</b>	<b>-</b>	<b>-</b>	<b>11,671</b>

			Interest rate exposure		
	Weighted average interest rate	Carrying amount at 31 December \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non- interest bearing \$'000
<b>Consolidated 2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1.51%	28,294	28,294		
Trade receivables	0.00%	3,707			3,707
Other receivables	0.00%	3,543			3,543
<b>Total financial assets</b>		<b>35,544</b>	<b>28,294</b>	<b>-</b>	<b>7,251</b>
<b>Financial liabilities</b>					
Trade and other payables	0.00%	8,636			8,636
Borrowings	0.00%	3,125			3,125
<b>Total financial liabilities</b>		<b>11,761</b>	<b>-</b>	<b>-</b>	<b>11,761</b>

## 7. MANAGING RISKS AND UNCERTAINTIES

### Sensitivity analysis and assumptions

	Carrying amount at 31 December	Interest rate risk			
		-1% (100 basis points) Result \$'000	Equity \$'000	+1% (100 basis points) Result \$'000	Equity \$'000
<b>Consolidated 2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	13,536	(241)		241	
<b>Total impact</b>		<b>(241)</b>	<b>-</b>	<b>241</b>	<b>-</b>

	Carrying amount at 31 December	Interest rate risk			
		-1% (100 basis points) Result \$'000	Equity \$'000	+1% (100 basis points) Result \$'000	Equity \$'000
<b>Consolidated 2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	28,294	(318)		318	
<b>Total impact</b>		<b>(318)</b>	<b>-</b>	<b>318</b>	<b>-</b>

## 7. MANAGING RISKS AND UNCERTAINTIES

### 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.

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

Contingent assets of \$114K for 2023 (2022 (\$55K)).

Management are aware of some legal matters that could have a material impact on the Institute. There is a lack of certainty around the likely timing or amount of cash outflow that could be required in respect of these matters.

### 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 2023.



## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.3 Fair value determination (continued)

#### (a) Fair value determination of non-financial assets including right of use assets

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

BHI, in conjunction with the 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.

Right of use assets that arose from below market (including peppercorn) leases, were measured at cost in accordance with FRD 123 Transitional requirements on the application of AASB 16 Leases.

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	Unobserva ble inputs \$'000
2023				
Non-specialised land	69,561	-	69,561	-
Specialised land	199,575	-	-	199,575
Total land at fair value	269,136	-	69,561	199,575
Buildings	205,561	-	-	205,561
Total buildings at fair value	205,561	-	-	205,561
Plant and equipment	16,554	-	-	16,554
Vehicles	119	-	-	119
Leasehold improvements	2,839	-	-	2,839
Artworks	539	-	539	-
Right of use assets	20,593	-	-	20,593
Total other assets at fair value	40,644	-	539	40,105
2022				
Non-specialised land	85,661	-	85,661	-
Specialised land	199,575	-	-	199,575
Total land at fair value	285,236	-	85,661	199,575
Buildings	211,731	-	-	211,731
Total buildings at fair value	211,731	-	-	211,731
Plant and equipment	19,119	-	-	19,119
Vehicles	142	-	-	142
Leasehold improvements	3,288	-	-	3,288
Artworks	539	-	539	-
Right of use assets	22,841	-	-	22,841
Total other assets at fair value	45,929	-	539	45,390

## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.3 Fair value determination (continued)

#### 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 current 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.

#### (b) Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103 Non-financial Physical Assets issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value. Consistent with all government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2022.

For the year ended 31st December 2023 BHI conducted a managerial revaluation and no change to the accounts was required from reviewing the current indices at year end.

During the current year, the RBA have progressively increased the cash rate target from 3.1% at 1 January to 4.35% by year end. The RBA have taken these measures in response to higher than target inflation rates currently being experienced in the Australian economy. The increases in the cash rate target has had a consequential impact on the risk free and capitalisation rates used in determining the fair value of non-financial assets and creates increased estimation uncertainty as the market continues to adjust.

Further, rising costs of construction and inflation creates estimation uncertainty for assets measured at current replacement cost.

**Non-specialised land** is valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land, an independent valuation was performed by the Valuer General Victoria with an effective date of 31 December 2022. 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.

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

## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.3 Fair value determination (continued)

**Specialised land and specialised 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. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as a Level 3 asset.

For BHI's majority of specialised buildings, the current 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. The effective date of the valuation is 31 December 2022.

**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 current 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 in the institute 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 current replacement cost method.

**Leasehold improvements** are held at fair value being current replacement 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.

**Right-of-use assets** are recognised initially at an amount equal to the lease liability according to AASB 16.C8 b(ii) and valued at current replacement costs over the life of the applicable leases. There is no evidence of a reliable market-based fair value (or other relevant fair value indicators) for right-of-use assets and depreciated cost is the fair value for these types of assets. These assets have been classified as level 3 under the fair value hierarchy for 2023 based on significant unobservable inputs. Using current rental and review of ROU assets fair value assessment, the movement is much lower than the 10% threshold hence no managerial revaluation is required and no impact on the fair value of ROU properties.

There were no changes in valuation techniques throughout the period to 31 December 2023.

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

## 7. MANAGING RISKS AND UNCERTAINTIES

### 7.3 Fair value determination (continued)

Reconciliation of level 3 items for the periods ended 31 Dec 2022 and 31 Dec 2023

	Leasehold improvements \$'000	Specialised land and buildings \$'000	Right-of-use assets \$'000	Other assets \$'000
<b>Level 3 Fair value measurements 2022</b>				
<b>As at 1 January 2022</b>	<b>3,596</b>	<b>453,392</b>	<b>25,821</b>	<b>18,336</b>
Additions	150	3,382	105	3,104
Disposals	-	-	(20)	-
Depreciation	(458)	(4,852)	(3,065)	(4,272)
Revaluation	-	3,968	-	-
Write-ups/transfers/(write-offs)	-	1,216	-	2,095
Transfers into or out of Level 3	-	(45,800)	-	-
<b>Balance as at 31 December 2022</b>	<b>3,288</b>	<b>411,306</b>	<b>22,841</b>	<b>19,263</b>
<b>Level 3 Fair value measurements 2023</b>				
<b>As at 1 January 2023</b>	<b>3,288</b>	<b>411,306</b>	<b>22,841</b>	<b>19,261</b>
Additions	-	-	775	2,019
Disposals	-	-	(37)	(17)
Depreciation	(449)	(10,823)	(2,986)	(4,296)
Revaluation	-	-	-	-
Write-ups/transfers/(write-offs)	-	4,653	-	(294)
Transfers into or out of Level 3	-	-	-	-
<b>Balance as at 31 December 2023</b>	<b>2,839</b>	<b>405,136</b>	<b>20,593</b>	<b>16,673</b>

#### Description of significant unobservable inputs to Level 3 valuations

2023 and 2022	Valuation technique	Significant unobservable inputs	Estimated sensitivity
Specialised land	Market approach	Community service obligation (CSO) adjustment and heritage registrations.	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Specialised buildings	Current replacement cost	Useful life of buildings and cost per square metre	A change in the useful life of the buildings and/or cost per square metre would result in a significantly higher or lower fair value
Motor vehicles	Current replacement cost	Useful life of vehicles	A change in the useful life may have an impact on the fair value (higher / lower)
Plant and equipment	Current replacement cost	Useful life of plant and equipment	A change in the useful life may have an impact on the fair value (higher / lower)
Leasehold improvements	Current replacement cost	Useful life of lease	A change in the useful life may have an impact on the fair value (higher / lower)
Right of use assets	Current replacement cost	Useful life of right of use asset lease term	A change in the useful life may have an impact on the fair value (higher / lower)

There were no significant inter-relationships between unobservable inputs that materially affect fair values.



## 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 Skills and TAFE	The Hon. Gayle Tierney MLC	1 January 2023 to 31 December 2023
Board Chair	Ms Tracey Cooper	1 January 2023 to 31 December 2023
CEO / Managing Director	Mr Grant Radford	1 January 2023 to 31 December 2023
Board Member	Mr Allan Moore	1 January 2023 to 31 December 2023
Board Member	Ms Amanda Brook	1 January 2023 to 28 February 2023 and 1 November 2023 to 31 December 2023
Board Member	Ms Annabelle Roxon	1 January 2023 to 31 December 2023
Board Member	Mr Haydn Pound	1 January 2023 to 31 May 2023
Board Member	Ms Jane Foley	1 January 2023 to 31 December 2023
Board Member	Mr Phillip Davies	1 January 2023 to 31 December 2023
Board Member	Ms Susan Pelka	1 January 2023 to 19 January 2023
Board Member	Mr Anthony Nippard	1 January 2023 to 31 December 2023
Board Member	Mr Ashley Van Krieken	1 January 2023 to 26 May 2023
Board Member	Ms Carol Webb	1 September 2023 to 31 December 2023
Board Member	Ms Elizabeth Camilleri	1 December 2023 to 31 December 2023
Board Member	Ms Natasha Ritchie	1 December 2023 to 31 December 2023

#### Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of BHI during the reporting period was in the range: \$430,000 – \$439,999 (2022: \$420,000 – \$429,999).

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

Income range	2023	2022
Less than \$10,000	3	1
\$10,000 – \$19,999	4	-
\$40,000 – \$49,999	5	9
\$70,000 – \$79,999	-	1
\$80,000 – \$89,999	1	-
<b>Total number</b>	<b>13</b>	<b>11</b>
<b>Total remuneration (\$'000)</b>	<b>393</b>	<b>501</b>

Remuneration of the Responsible Minister is included in the State's Annual Financial Report.

## 8. GOVERNANCE DISCLOSURES

### 8.2 Remuneration of executives

The number of executive officers, other than 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.

	2023 \$'000	2022 \$'000
<b>Remuneration</b>		
Short-term employee benefits	2,008	1,368
Post-employment benefits	197	156
Other long-term benefits	6	-
Termination benefits	82	167
<b>Total remuneration</b>	<b>2,293</b>	<b>1,691</b>
<b>Total number of executives</b>	<b>9</b>	<b>11</b>
<b>Total annualised employee equivalents (i)</b>	<b>8</b>	<b>6</b>

(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 (see Note 9.3); and
- all departments and public sector entities that are controlled and consolidated into the whole-of-state consolidated financial statements.

BHI has had material government related party transactions for the period ending 31 December 2023, further information can be found in Note 2.1 and outstanding balances with a government related party at Note 5.1. BHI had no related party transactions with other entities for the period ending 31 December 2023.

## 8. GOVERNANCE DISCLOSURES

### 8.3 Related parties (continued)

Key management personnel of BHI include the Minister for Skills and TAFE, the members of the BHI Board, Chief Executive Officer/Managing Director, and members of the Executive Leadership Team, which at 31 December 2023 comprised:

- Executive Director People and Culture, Aggie Kost
- Executive Director Student Experience, Hemant Kokularupan
- Executive Director Academic Governance, Susan Spozetta
- Executive Director Strategic Engagement, Paul Newnham
- Executive Director Educational Delivery, Michelle Mason-Woods
- Chief Operating Officer, Jane Grover
- Chief Financial Officer, Matthew Graver

#### Compensation of key management personnel

	2023 \$'000	2022 \$'000
<b>Remuneration</b>		
Short-term employee benefits	2,561	2,225
Post-employment benefits	240	227
Other long-term benefits	6	-
Termination benefits	82	167
<b>Total remuneration</b>	<b>2,889</b>	<b>2,618</b>

#### Transactions and balances with key management personnel and other related parties

BHI had no related party transactions with key management personnel for the period ended 31st December 2023.

### 8.4 Remuneration of auditors

	2023 \$'000	2022 \$'000
<b>Remuneration of the Victorian Auditor-General's Office</b>		
Audit of the financial statements	126	127
<b>Total remuneration of the Victorian Auditor-General's Office</b>	<b>126</b>	<b>127</b>
<b>Remuneration of other auditors</b>		
Internal audit services	208	120
Other audit services	39	77
<b>Total remuneration of other auditors</b>	<b>247</b>	<b>197</b>
<b>Total</b>	<b>373</b>	<b>324</b>

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

## 9. OTHER DISCLOSURES

### 9.1 Other economic flows included in net result

	2023 \$'000	2022 \$'000
<b>(a) Net gain/(loss) on financial instruments</b>		
Impairment of loans and receivables	(63)	(42)
<b>Total net gain/(loss) on financial instruments</b>	<b>(63)</b>	<b>(42)</b>
<b>(b) Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability	131	1,096
Net gain/(loss) arising from revaluation of annual leave liability	19	21
Share of net profit of associates excluding dividends	5,241	8,841
Profit on sale of assets	18	10
Impairment of assets	(690)	(902)
Gain on reversal of make good provision	-	-
<b>Total other gains/(losses) from other economic flows</b>	<b>4,719</b>	<b>9,067</b>
<b>Total other economic flows included in net result</b>	<b>4,656</b>	<b>9,025</b>

Prior year figures have been regrouped/reclassified wherever necessary to align to the current year's classification.

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 Other equity reserves

	2023 \$'000	2022 \$'000
<b>Physical asset revaluation surplus</b>		
Balance at 1 January	392,179	384,234
Revaluation increment/(decrement) on non-current assets	(19)	7,945
<b>Balance at 31 December</b>	<b>392,160</b>	<b>392,179</b>
<b>Restricted fund surplus</b>		
Balance at 1 January	1,146	1,183
Transfers from accumulated Surplus	-	(37)
<b>Balance at 31 December</b>	<b>1,146</b>	<b>1,146</b>
<b>Total reserves balance at 31 December</b>	<b>393,306</b>	<b>393,325</b>

Note: The physical asset revaluation surplus arises on the revaluation of land and buildings.



9. OTHER DISCLOSURES

9.3 Ex gratia expenses

	2023 \$'000	2022 \$'000
Compensation for economic loss	-	-
Total ex gratia payments	-	-

No ex gratia payments were made to departing staff during 2023 (2022, Nil)

9.4 Controlled entities

During 2023, BHI's only controlled entity, Box Hill Enterprises (BHE) was wound up on 20 August 2023. All outstanding balances were transferred to the parent entity.

Controlled entities	Country of incorporation	Class of shares	2023 %	2022 %
Box Hill Enterprises Ltd	Australia	Limited by guarantee	N/a	100

9.5 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.

9.6 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 2023 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.

AASB 2021-7c - Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections is effective from 1 January 2022. However, this amendment is part of a series of amendments that defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture to annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.

AASB 2022-5 - Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback amends AASB 16 Leases to add subsequent requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendment is not expected to impact BHI and BHI will not early adopt the standard.

In March 2020, the AASB issued AASB 2020-1 - Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current, which makes amendments to AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

In December 2022, the AASB issued AASB 2022-6 - Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants, which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

The amendment is not expected to impact BHI and BHI will not early adopt the standard.

AASB 2022-10 - Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial assets of Not-for-Profit Public Sector Entities amends AASB 13 Fair Value Measurement, including adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The amendment is not expected to impact BHI and BHI will not early adopt the standard.

AASB 2023-1 - Amendments to Australian Accounting Standards - Supplier Finance Arrangements amends AASB 107 and AASB 7 to require an entity to provide additional disclosures about its supplier finance arrangements. The amendment is not expected to impact BHI and BHI will not early adopt the standard.

9. OTHER DISCLOSURES

9.7 New or amended Accounting Standards and Interpretations adopted

The following Australian Accounting Standards and interpretations are mandatory for the 31 December 2023 reporting period.

AASB 2021-2 - Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates amends:

- AASB 7 - *Financial Instruments* ;
- AASB 101 - *Presentation of Financial Statements* ;
- AASB 108 - *Accounting Policies, Changes in Accounting Estimates and Errors* ; and
- AASB 134 - *Interim Financial Reporting*.

The Standard also makes amendments to AASB Practice Statement 2 Making Materiality Judgements (December 2017). These amendments arise from the issuance by the International Accounting Standards Board (IASB) in February 2022 of the following International Financial Reporting Standards:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2); and
- *Definition of Accounting Estimates (Amendments to IAS 8)*

The amendment has not had a material impact on the consolidated entity's financial statements.

AASB 2022-3 - Amendments to Australian Accounting Standards - Illustrative examples for NFPs accompanying AASB 15 amends the Australian illustrative examples for not-for-profit entities accompanying AASB 15 Revenue from Contracts with Customers to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15. The Basis for Conclusions also document the Board's decision to retain the accounting policy choice on an ongoing basis for NFP private sector lessees to elect to initially measure a class of right-of-use assets arising under concessionary leases at cost or at fair value. The amendment did not have an impact on the consolidated entity's financial statements.

AASB 2022-7 - Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards makes editorial corrections to six Standards and to Practice Statement 2 Making Materiality Judgements. It also formally repeals superseded and redundant Australian Account Standards as set out in Schedules 1 and 2 to the Standard. The amendment did not have an impact on the consolidated entity's 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"> <li>performance statement for the year ended 31 December 2023</li> <li>declaration by the Board Chair, Chief Executive Officer/Managing Director and Chief Financial Officer.</li> </ul> <p>In my opinion, the performance statement of Box Hill Institute in respect of the year ended 31 December 2023 presents fairly, in all material respects, in line with the reporting requirements outlined by the Minister in the statement of priorities.</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 performance statement</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 are responsible for the preparation and fair presentation of the performance statement 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.</p> <p>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 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 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  
12 March 2024

Charlotte Jeffries  
as delegate for the Auditor-General of Victoria



# Performance Statement

for the year ended 31 December 2023 Declaration by Board Chair, Chief Executive Officer and Managing Director, and Chief Finance and Accounting Officer

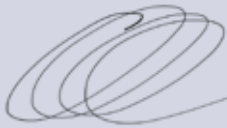
In our opinion, the accompanying Statement of Performance of Box Hill Institute and the consolidated entity in respect of the 2023 financial year is presented fairly in accordance with the Financial Management Act 1994.

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.



Tracey Cooper  
**Board Chair**  
Date: 21 February 2024  
Place: Box Hill, Victoria



Grant Radford  
**Chief Executive Officer/  
Managing Director**  
Date: 21 February 2024  
Place: Box Hill, Victoria



Matthew Graver  
**Chief Finance and  
Accounting Officer**  
Date: 21 February 2024  
Place: Box Hill, Victoria

# Performance Statement

for the year ended 31 December 2023

INDICATOR	DESCRIPTION AND METHODOLOGY	MEASURE	2023 TARGET	2023 ACTUAL	EXPLANATION OF VARIANCES	PRIOR YEAR RESULT
Training Revenue diversity	Breakdown of training revenue by:	%			Demand for Government Funded VET programs was lower than projected in 2023. This was partially offset by increased delivery volumes of Fee for Service contracts to a combination of both Government and non-Government clients.	
	› Government Funded (GF)		49%	44%		45%
	› Fee for Service (FFS)		39%	48%		45%
	› Student Fees and Charges		12%	8%		10%
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  Employment costs + 3rd party training delivery costs / Training Revenue	%	102.1%	117.9%	Delivery related employment costs were contained relative to delivery volumes where possible, however, employment costs relating to broader organisational activities including nonrecurring project activities & grant funded positions contributed to the cost element of this metric, whilst the associated income, which is not classified as training revenue is excluded from this metric.	109.3%
Training revenue per teaching FTE	Training revenue (excl. third-party) per Teaching FTE  Training Revenue (excl. revenue delivered by 3rd parties) / Teaching FTE	\$'000	\$226.0	\$206.0	Lower demand and associated reduction in delivery volumes were partially offset by reductions in staffing volumes. BHI's approach to cost containment was dynamic and diverse to mitigate the downside in training revenue, the majority of these controls related to operating expenses which are not captured in this metric.	\$209.7
Operating margin percentage	Operating margin %  EBIT (excl. capital contributions) / Total revenue (excl. capital contributions)	%	(8.2%)	(11.7%)	The decline in operating margin is predominantly a result of the additional depreciation cost incurred in 2023 relative to 2022. Revised useful life estimates on key assets (buildings) obtained from the Victorian Valuer General's Office were reflected in the 2023 actual depreciation expense. These revisions were not known at the time of setting the operating margin target for 2023.	(5.7%)

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