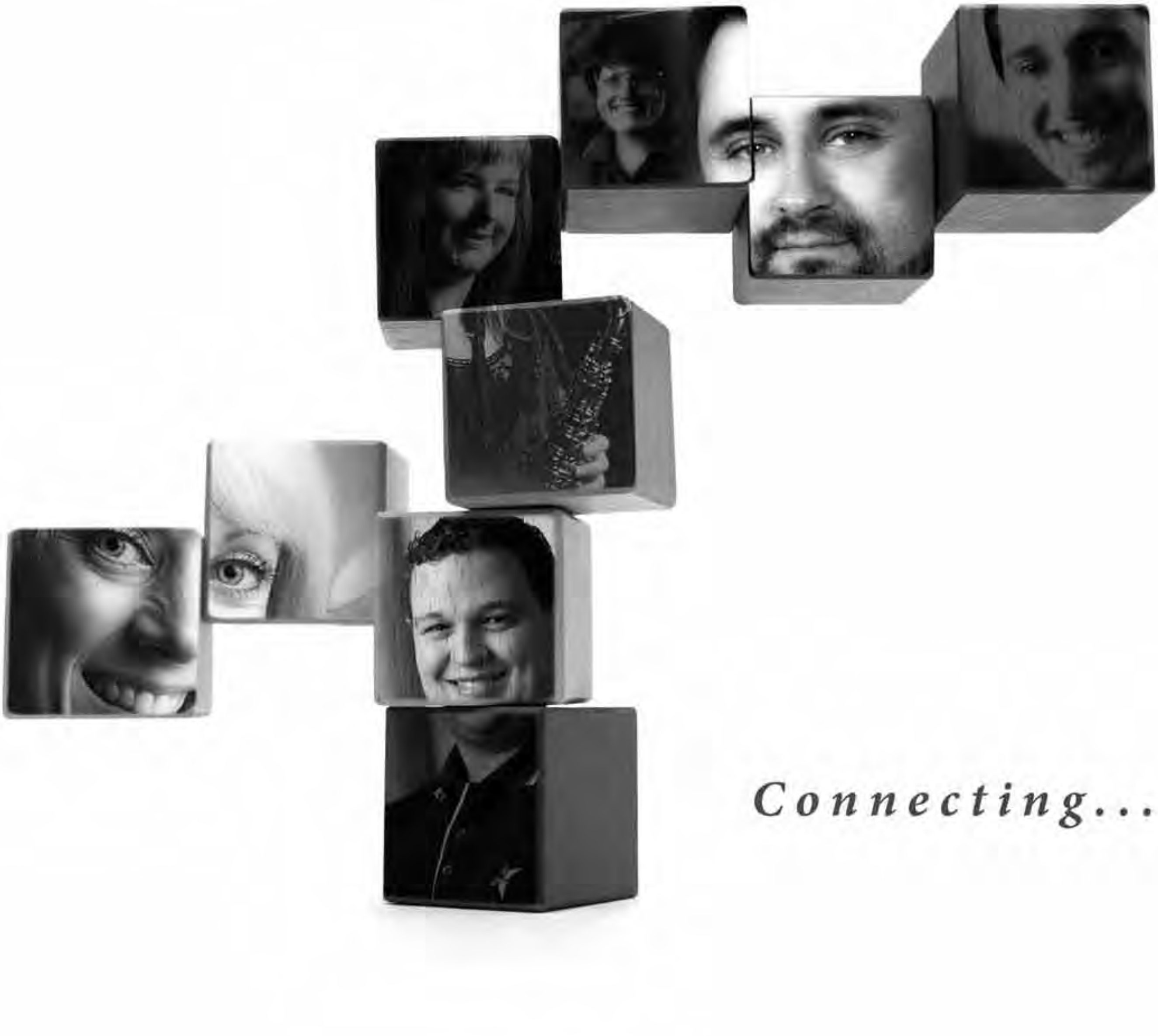
BOX HILL INSTITUTE
Global Educators
Melbourne - Australia

FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2010



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BOX HILL INSTITUTE OF
TECHNICAL AND FURTHER EDUCATION

AUSTRALIAN COMMITTEE OF VOCATIONAL EDUCATION
AND TRAINING STATISTICS (ACVETS)

FINANCIAL REPORTING FRAMEWORK
31st DECEMBER 2010

	Note	Consolidated		Institute	
		2010 $'000	2009 $'000	2010 $'000	2009 $'000
NOTE A1 - OPERATING STATEMENT					
Total operating expenses					
Delivery provision and support activity	A2	71,399	69,324	71,198	69,409
Administration and general services activity	A3	30,621	31,426	29,630	29,526
Property plant and equipment services activity	A4	13,518	14,064	13,200	14,016
Student and other services activity	A5	6,880	6,151	4,957	4,543
Total operating expenses		**122,418**	**120,965**	**118,985**	**117,494**
NOTE A2 - OPERATING STATEMENT					
Delivery provision and support activity					
Salaries, wages, overtime and allowances		50,980	51,449	50,082	50,463
Superannuation		4,329	4,334	4,242	4,261
Payroll tax		2,881	2,575	2,822	2,531
Other employee benefits		754	716	714	694
Purchases of supplies and consumables		3,091	3,033	4,290	4,319
Travel and motor vehicle expenses		3,095	2,874	2,899	2,874
Depreciation, amortisation and impairment		4,523	2,580	4,509	2,571
Other direct delivery expenses		1,746	1,763	1,640	1,696
		71,399	**69,324**	**71,198**	**69,409**
NOTE A3 - OPERATING STATEMENT					
Administration and general services activity					
Salaries, wages, overtime and allowances		15,763	15,478	15,693	15,471
Superannuation		1,284	1,254	1,284	1,254
Payroll tax		836	769	836	769
Other employee benefits		-5	307	-5	307
Purchases of supplies and consumables		439	460	650	663
Communication expenses		1,452	1,746	1,309	1,606
Fees and charges		2,812	2,507	2,798	2,445
Travel and motor vehicle expenses		666	1,186	666	980
Depreciation, amortisation and impairment		1,919	1,131	1,876	1,090
Other expenses		5,455	6,588	4,523	4,941
		30,621	**31,426**	**29,630**	**29,526**

	Note	Consolidated 2010 $'000	Consolidated 2009 $'000	Institute 2010 $'000	Institute 2009 $'000
NOTE A4 - OPERATING STATEMENT					
Property, plant and equipment services activity					
Salaries, wages, overtime and allowances		1,853	1,885	1,853	1,885
Superannuation		167	163	167	163
Payroll tax		109	101	109	101
Other employee benefits		28	26	28	26
Purchases of supplies and consumables		54	94	80	77
Depreciation, amortisation and impairment		844	524	836	523
Minor equipment		2,306	4,404	2,280	4,377
Occupancy expenses		1,322	1,285	1,321	1,285
Contract and other services		1,351	1,427	1,345	1,427
Rent/leasing charges		3,045	2,188	2,814	2,204
Building repairs and maintenance		2,080	1,659	2,063	1,639
Other expenses		359	308	304	309
		13,518	**14,064**	**13,200**	**14,016**
NOTE A5 - OPERATING STATEMENT					
Student and other services activity					
Salaries, wages, overtime and allowances		3,613	3,333	2,901	2,633
Superannuation		290	260	239	211
Payroll tax		203	169	164	137
Other employee benefits		53	43	41	34
Purchases of supplies and consumables		187	132	242	212
Depreciation, amortisation and impairment		330	187	314	174
Other expenses		2,204	2,027	1,056	1,142
		6,880	**6,151**	**4,957**	**4,543**

BOX HILL INSTITUTE OF
TECHNICAL AND FURTHER EDUCATION

F I N A N C I A L S T A T E M E N T S
3 1 s t D E C E M B E R 2 0 1 0

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Box Hill Institute of Technical and Further Education

The Financial Report

The accompanying financial report for the year ended 30 December 2010 of Box Hill Institute of Technical and Further Education which comprises the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration by the President of the Board, Chief Executive Officer, and Chief Finance and Accounting Officer has been audited. The financial report includes the consolidated financial statements of the economic entity, comprising the Box Hill Institute of Technical and Further Education and the entity it controlled at the year's end or from time to time during the financial year as disclosed in note 22 to the financial statements.

The Board Members' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Level 24, 35 Collins Street, Melbourne Vic. 3000

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Independent Auditor's Report (continued)

Electronic Publication of the Audited Financial Report

It is our understanding that the Institute intends to electronically present the audited financial report and auditor's report on its internet website. Responsibility for the electronic presentation of the financial report on the Institute's website is that of the Board Members of the Institute. The security and controls over the information on the website should be addressed by the Board Members to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of the audited financial report on the Institute's website is beyond the scope of the audit of the financial report

Independence

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

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Box Hill Institute of Technical and Further Education and the economic entity as at 31 December 2010 and their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
3 March 2011

D D R Pearson
Auditor-General

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BOX HILL INSTITUTE OF TECHNICAL AND FURTHER EDUCATION
FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER, 2010

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

We certify that the attached financial report for the Box Hill Institute of Technical and Further Education and the consolidated entity has been prepared in accordance with Standing Direction 4.2 of the Financial Managment Act 1994, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2010 and financial position of the Institute and the consolidated entity as at 31 December 2010.

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

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

Barbara Elizabeth White
President of the Board

Date: 28 Feb **2011**

Box Hill, Melbourne

John David Maddock
Chief Executive Officer

Date: 28 Feb **2011**

Box Hill, Melbourne

Giovanna James
Chief Finance & Accounting Officer

Date: 28 Feb **2011**

Box Hill, Melbourne

BOX HILL INSTITUTE OF TECHNICAL AND FURTHER EDUCATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Consolidated		Institute	
		2010	2009 Restated	2010	2009 Restated
		$'000	$'000	$'000	$'000
Continuing operations					
Income from transactions					
Government contributions - operating	2(a)(i)	62,330	61,328	62,330	61,328
Government contributions - capital	2(a)(ii)	6,292	6,991	6,292	6,991
Sale of goods and services	2(b), 25	54,998	54,143	50,177	48,560
Interest	2(c)	1,806	1,654	1,408	1,333
Total fair value of assets & services received free of charge or for nominal consideration	2(d)	143	310	143	310
Other income	2(e)	1,704	**1,403**	3,645	3,417
Total income from transactions		**127,273**	**125,829**	**123,995**	**121,939**
Expenses from transactions					
Employee benefits	3(a)	83,138	82,863	81,169	80,940
Depreciation and amortisation	3(b)	7,615	4,422	7,535	4,358
Grants and other transfers	3(c)	116	94	113	94
Expenditure using Government Contributions - Capital	3(d)	1,446	1,455	1,446	1,455
Supplies and services	3(e)	14,307	15,809	14,692	16,392
Other operating expenses	3(f)	15,796	16,322	14,030	14,255
Total expenses from transactions		**122,418**	**120,965**	**118,985**	**117,494**
Net result from transactions (net operating balance)		**4,855**	**4,864**	**5,011**	**4,445**
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	4(a)	(265)	306	(267)	306
Net gain/(loss) on financial instruments and statutory receivables/payables	4(b)	(318)	(190)	(312)	(189)
Other gains/(losses) from other economic flows	4(c)	(241)	332	(213)	324
Total other economic flows included in net result		**(824)**	**448**	**(792)**	**441**
Net result from continuing operations		**4,031**	**5,312**	**4,218**	**4,886**
Net result		**4,031**	**5,312**	**4,218**	**4,886**
Comprehensive result		**4,031**	**5,312**	**4,218**	**4,886**

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

BOX HILL INSTITUTE OF TECHNICAL AND FURTHER EDUCATION

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Note	Consolidated		Institute	
		2010	2009 Restated	2010	2009 Restated
		$'000	$'000	$'000	$'000
Assets					
Financial assets					
Cash and cash equivalents	5	46,042	33,920	36,505	23,733
Receivables	6, 25	8,090	8,054	7,886	7,871
Investments, loans and other financial assets	7	-	5,019	-	5,019
Total financial assets		**54,132**	**46,993**	**44,391**	**36,623**
Non-financial assets					
Inventories	8	855	856	773	767
Other non-financial assets	9	258	264	238	241
Property, plant and equipment	10	148,298	149,616	148,222	149,490
Intangible assets	11	268	235	186	190
Total non-financial assets		**149,679**	**150,971**	**149,419**	**150,688**
Total assets		**203,811**	**197,964**	**193,810**	**187,311**
Liabilities					
Payables	12	11,443	10,263	9,206	7,530
Provisions	13	16,107	15,471	15,635	15,031
Total liabilities		**27,550**	**25,734**	**24,841**	**22,561**
Net assets		**176,261**	**172,230**	**168,969**	**164,750**
Equity					
Accumulated surplus/(deficit)	14(c), 25	59,875	55,844	52,583	48,364
Reserves	14(b)	89,262	89,262	89,262	89,262
Contributed capital	14(a)	27,124	27,124	27,124	27,124
Total equity		**176,261**	**172,230**	**168,969**	**164,750**
Commitments	16	9,098	4,950	8,530	4,866
Contingencies	17	-	-	-	-

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

BOX HILL INSTITUTE OF TECHNICAL AND FURTHER EDUCATION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

		Consolidated		Institute	
	Note	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Cash flows from operating activities					
Receipts					
Government contributions - operating		67,030	68,788	67,030	68,788
Receipts from customers		62,288	54,248	56,997	49,531
Goods and services tax recovered from the ATO		-	2,791	-	2,529
Interest received		1,806	1,654	1,408	1,333
Distribution received		-	-	2,000	2,000
Total receipts		**131,124**	**127,481**	**127,435**	**124,181**
Payments					
Payments to suppliers and employees		(117,219)	(122,048)	(113,282)	(118,512)
Goods and services tax paid to the ATO		(209)	-	(203)	-
Total payments		**(117,428)**	**(122,048)**	**(113,485)**	**(118,512)**
Net cash provided by/(used in) operating activities	**15 (a)**	**13,697**	**5,433**	**13,949**	**5,669**
Cash flows from investing activities					
Proceeds from termination of investment		5,019	5,719	5,019	5,719
Payments for non-financial assets		(6,873)	(21,666)	(6,812)	(21,604)
Proceeds from sale of non-financial assets		281	533	281	533
Repayments of loans from other parties		-	-	334	-
Net cash provided by/(used in) investing activities		**(1,573)**	**(15,414)**	**(1,178)**	**(15,352)**
Net increase / (decrease) in cash and cash equivalents		**12,123**	**(9,981)**	**12,771**	**(9,683)**
Cash and cash equivalents at the beginning of the financial year		33,920	43,901	23,733	33,416
Cash and cash equivalents at the end of the financial year	**5**	**46,043**	**33,920**	**36,504**	**23,733**

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

BOX HILL INSTITUTE OF TECHNICAL AND FURTHER EDUCATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2010

Consolidated

			Changes due to		
		Equity at 1 Jan 2010	Total Comprehensive result	Transactions with owners in their capacity as owners	Equity at 31 Dec 2010
	Note	$'000	$'000	$'000	$'000
Restated accumulated surplus/(deficit)	14, 25	**55,844**	4,031	-	59,875
Restated accumulated surplus/(deficit) at the end of the year		**55,844**	**4,031**	-	**59,875**
Contributed capital	14	**27,124**	-	-	27,124
Contribution by owners at the end of the year		**27,124**	-	-	**27,124**
Assets revaluation reserve - land	14	**39,787**	-	-	39,787
Assets revaluation reserve - building	14	**42,775**	-	-	42,775
Institute development fund	14	**6,700**	-	-	6,700
		89,262	-	-	**89,262**
Total equity at the end of the year	**14**	**172,230**	**4,031**	-	**176,261**

Institute

			Changes due to		
		Equity at 1 Jan 2010	Total Comprehensive result	Transactions with owners in their capacity as owners	Equity at 31 Dec 2010
	Note	$'000	$'000	$'000	$'000
Restated accumulated surplus/(deficit)	14, 25	**48,364**	4,218	-	52,582
Restated accumulated surplus/(deficit) at the end of the year		**48,364**	**4,218**	-	**52,582**
Contributed capital	14	**27,124**	-	-	27,124
Contribution by owners at the end of the year		**27,124**	-	-	**27,124**
Assets revaluation reserve - land	14	**39,787**	-	-	39,787
Assets revaluation reserve - building	14	**42,775**	-	-	42,775
Institute development fund	14	**6,700**	-	-	6,700
		89,262	-	-	**89,262**
Total equity at the end of the year	**14**	**164,750**	**4,218**	-	**168,968**

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

BOX HILL INSTITUTE OF TECHNICAL AND FURTHER EDUCATION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2010

Consolidated

			Changes due to		
	Note	Equity at 1 Jan 2009	Total Comprehensive result	Transactions with owners in their capacity as owners	Equity at 31 Dec 2009
		$'000	$'000	$'000	$'000
Restated accumulated surplus/(deficit)	14, 25	**50,532**	5,312	-	55,844
Restated accumulated surplus/(deficit) at the end of the year		**50,532**	**5,312**	-	**55,844**
Contributed capital	14	**27,124**	-	-	27,124
Contribution by owners at the end of the year		**27,124**	-	-	**27,124**
Assets revaluation reserve - land	14	**39,787**	-	-	39,787
Assets revaluation reserve - building	14	**42,775**	-	-	42,775
Institute development fund	14	**6,700**	-	-	6,700
		89,262	-	-	**89,262**
Restated total equity at the end of the year	**14, 25**	**166,918**	**5,312**	-	**172,230**

Institute

			Changes due to		
	Note	Equity at 1 Jan 2009	Total Comprehensive result	Transactions with owners in their capacity as owners	Equity at 31 Dec 2009
		$'000	$'000	$'000	$'000
Restated accumulated surplus/(deficit)	14, 25	**43,478**	4,886	-	48,364
Restated accumulated surplus/(deficit) at the end of the year		**43,478**	**4,886**	-	**48,364**
Contributed capital	14	**27,124**	-	-	27,124
Contribution by owners at the end of the year		**27,124**	-	-	**27,124**
Assets revaluation reserve - land	14	**39,787**	-	-	39,787
Assets revaluation reserve - building	14	**42,775**	-	-	42,775
Institute development fund	14	**6,700**	-	-	6,700
		89,262	-	-	**89,262**
Restated total equity at the end of the year	**14, 25**	**159,864**	**4,886**	-	**164,750**

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

1. Statement of Significant accounting and policies

This financial report includes the consolidated financial statements and notes of Box Hill Institute of TAFE and its controlled entity ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Box Hill Institute of TAFE as an individual parent entity ('Parent Entity').

Statement of compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards and Interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards.

In complying with AASs, the entity has, where relevant, applied those paragraphs applicable to not-for-profit entities.

1.01 Basis of preparation

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

Critical accounting estimates and judgments

The Institute evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Institute.

Estimates

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

Judgements

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2010 and the comparative information presented for the year ended 31 December 2009.

Compliance with IFRSs

The financial statements and notes of Box Hill Institute of TAFE comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

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

1. Statement of Significant accounting and policies

1.02 Reporting entity

The financial statements include the consolidated financial statements and notes of the Box Hill Institute of TAFE and its controlled entity and the separate financial statements and notes of the Institute as an individual parent entity.

The Institute is a statutory authority of the State of Victoria, established by an Order in Council dated 25 January 1984, under the Victorian Post - Secondary Education Act 1978.

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

1.03 Basis of consolidation

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

As at reporting date, the assets and liabilities of the controlled entity have been incorporated into the consolidated financial statements as well as their results for the year then ended.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Joint ventures

Joint ventures entities

Joint ventures are contractual arrangements between the Institute and one or more other parties to undertake an economic activity that is subject to joint control. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Interests in jointly controlled entities are accounted for in the consolidated financial statements using the equity method. Under this method, the Institute's share of the post-acquisition profits or losses of jointly controlled entities is recognised in the statement of comprehensive income and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying value of the jointly controlled entity.

Joint controlled assets

Interests in jointly controlled assets are accounted for in the financial statements by recognising in the Institute's financial statements its proportionate share of the assets, liabilities and any income and expenses of such joint ventures.

1.04 Events after reporting date

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

1. Statement of Significant accounting and policies

1.05 Goods and Services Tax (GST)

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

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

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

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

1.06 Income from transactions

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

Government contributions

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

Sale of goods and services

(i) Student fees and charges

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

(ii) Fee for Service

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

(iii) Revenue from sale of goods

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

(a) the significant risks and rewards of ownership of the goods have transferred to the buyer;

(b) the Institute retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) the amount of revenue can be reliably measured;

(d) it is probable that the economic benefits associated with the transaction will flow to the Institute and;

(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1. Statement of Significant accounting and policies

1.06 Income from transactions (Continued)

Interest

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

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

Other income

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

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

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

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

1.07 Expenses from transactions

Employee benefits

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

Depreciation and amortisation

Depreciation

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

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

Class of asset	Method	2010	2009
		Rate/Rates	Rate/Rates
Buildings	Straight	1.25%-10%	1.25%-10%
Plant & equipment	Straight	3.3%-20%	3.3%-20%
Leasehold improvements	Straight	33.3%	33.3%
Computers	Straight	33.3%	33.3%
Motor vehicles	Straight	50.0%	50.0%
Library collections	Straight	10.0%	10.0%

1. Statement of Significant accounting and policies

1.07 Expenses from transactions (Continued)

Amortisation

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

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

Grants and other transfers (Other than contribution by owners)

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

Other operating expenses

Supplies and services

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

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

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

1.08 Other economic flows included in net result

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

Net gain/(loss) on non-financial assets

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

Disposal of non-financial assets

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

Impairment of assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount and so require write downs).

All other assets are assessed annually for indications of impairment, except for:

- Inventories;

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

1. Statement of Significant accounting and policies

1.08 Other economic flows included in net result (Continued)

Impairment of assets (Continued)

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

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes impairment of receivable, discount on loans to other parties and foreign currency transaction losses.

Revaluations of financial instruments at fair value

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

Impairment of financial assets

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

Other gains/(losses) from other economic flows

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

1.09 Financial assets

Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts, which are included as interest bearing liabilities on the balance sheet.

Receivables

Receivables consist predominately of debtors in relation to goods and services, accrued demand funding, accrued investment income and GST input tax recoverable. A provision for doubtful debts is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

Investments, loans and other financial assets

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Institute becomes a party to the contractual provisions of the instrument. Trade date accounting (the date on which the Institute commits to purchase or sell the asset) is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

1. Statement of Significant accounting and policies

1.09 Financial assets (Continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Institute no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through the statement of comprehensive income when they are held-for-trading purposes, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Fair value is determined in the manner described in Note 23.

(ii) Loans and receivables

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

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

1.10 Leases

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Institute as lessor

Amounts due from lessees under finance leases are recorded as receivables. Finance lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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

Institute as lessee

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

1. Statement of Significant accounting and policies

1.10 Leases (Continued)

Lease incentives

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

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

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

1.11 Non-Financial Assets

Inventories

Inventories include goods and other property held either for sale or for distribution at no or nominal cost in the ordinary course of business operations. It includes land held-for-sale and excludes depreciable assets.

Inventories, which include supplies and consumables and finished goods, are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses and other costs incurred in bringing inventories to their present location and condition are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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

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

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

1. Statement of Significant accounting and policies

1.11 Non-Financial Assets (Continued)

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown initially at cost, then subsequently at their fair value.

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

Plant and equipment

Plant and equipment are measured at fair value less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Institute to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Institute includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Library collections

Library collections are measured at cost less accumulated depreciation.

Revaluations of non-current physical assets

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

Net revaluation increase (where the carrying amount of a class of assets is increased as a result of a revaluation) is recognised in other comprehensive income and accumulated in equity under the revaluation reserve, except that the net revaluation increase shall be recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except that the net revaluation decrease shall be recognised in other comprehensive income to the extent that a credit balance exists in the revaluation reserve in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation reserve.

1. Statement of Significant accounting and policies

1.11 Non-Financial Assets (Continued)

Revaluations of non-current physical assets (Continued)

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

When revalued assets are sold, it is Institute policy to transfer the amounts included in revaluation reserves in respect of these to accumulated surplus/(deficit).

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

Non-current physical assets constructed by the Institute

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

Intangibles

Intangible assets represent identifiable non-monetary assets without physical substance.
Intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Institute.

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

	2010	2009
Capitalised software development cost (years)	3-5	3-5

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which It is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

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

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

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

1. Statement of Significant accounting and policies

1.12 Liabilities

Payables
Payables consist predominantly of creditors and other sundry liabilities.

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

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

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

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

(i) Wages and salaries, annual leave and sick leave

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

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

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

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

The components of this current liability are measured at :
- present value - component that is not expected to be settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

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

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow (refer to Note 4(c)).

1. Statement of Significant accounting and policies

1.12 Liabilities (Continued)

Employee benefits (Continued)

(iii) Termination benefits

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

(iv) Employee benefits on-costs

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

(v) Performance Payments

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

(vi) Retirement benefit obligations

Defined contribution plan

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

Defined benefit plans

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

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

1. Statement of Significant accounting and policies

1.12 Liabilities (Continued)

Onerous contracts

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

1.13 Commitments

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

1.14 Contingent assets and liabilities

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

1.15 Equity

Contributed capital

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

1.16 Foreign currency translations

Functional and presentation currency

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

1.17 Materiality

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

(a) influence the economic decisions of users taken on the basis of the financial report; and

(b) affect the discharge of accountability by the management or governing body of the entity.

1.18 Rounding of amounts

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

1. Statement of Significant accounting and policies

1.19 Comparative information

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

1.20 Change in accounting policy

There was no change in accounting policy for the financial year ending 31 December 2010.

1.21 New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2010 reporting period.

As at 31 December 2010 the following standards and interpretations (applicable to the Institute) had been issued but were not mandatory for financial year ending 31 December 2010. The Institute has not, and does not intend to, adopt these standards early.

Standard and/or Interpretation	Title	Summary of Amendment	Application date (financial years	Expected Impact
AASB 9	*Financial Instruments*	Replaces the requirements of AASB 139 for the classification and measurement of financial assets. This is the result of the first part of Phase 1 of the IASB's project to replace IAS 39.	1-Jan-13	Impact expected to be insignificant.
2009-11	*Amendments to Australian Accounting Standards arising from AASB 9*	These amendments arise from the issuance of AASB 9 *Financial Instruments,* issued in December 2010. Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12.	1-Jan-13	Impact expected to be insignificant.
2010-7	*Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*	These amendments arise from the issuance of AASB 9 *Financial Instruments,* issued in December 2010. Amends AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127 for amendments to AASB 9 in December 2010	1-Jan-13	Impact expected to be insignificant.
2009-10	*Amendments to Australian Accounting Standards – Classification of Rights Issues*	Amends AASB 132 to clarify the requirements for classification of rights, options and warrants.	1-Feb-10	Not applicable.
AASB 124	*Related Party Disclosures*	Revised standard. The definition of a related party is simplified to clarify its intended meaning and eliminate inconsistencies from the application of the definition.	1-Jan-11	Impact expected to be insignificant.

1. Statement of Significant accounting and policies

1.21 New accounting standards and interpretations (continued)

Standard and/or Interpretation	Title	Summary of Amendment	Application date (financial years	Expected Impact
2009-12	*Amendments to Australian Accounting Standards*	Amends AASB 8 Operating Segments as a result of the revised AASB 124. Amends AASB 5, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052 as a result of the annual improvement project.	1-Jan-11	Not applicable.
2009-14	*Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement*	Amends Interpretation 14 AASB 119 – The limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.	1-Jan-11	Not applicable.
AASB 1053	*Application of Tiers of Australian Accounting Standards*	This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements.	1-Jul-13	All not applicable- Reduced disclosure requirements are not available due to the level of public
2010-2	*Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements and amends AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052.	1-Jul-13	All not applicable- Reduced disclosure requirements are not available due to the level of public accountability.
2010-1	*Amendments to Australian Accounting Standards – Limited Exemption from Comparative AASB 7Disclosures from First-time Adopters*	Amends AASB 1 *First-time Adoption of Australian Accounting Standards;* and AASB 7 *Financial Instruments: Disclosures.* Principally give effect to extending transitional provisions of AASB 2009-2.	1-Jul-10	Not applicable.
2010-3	*Amendments to Australian Accounting Standards arising from the Annual Improvements Project*	Transition requirements for amendments arising as a result of AASB 127 *Consolidated and Separate Financial Statements.* Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised AASB 3 (2008). Amends AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139 as a result of the annual improvements project.	1-Jul-10	Not applicable.

1. Statement of Significant accounting and policies

1.21 New accounting standards and interpretations (continued)

Standard and/or Interpretation	Title	Summary of Amendment	Application date (financial years	Expected Impact
2010-4	*Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*	Amendments include accounting policy changes in the year of adoption, revaluation basis as deemed cost, use of deemed cost for operations subject to rate regulation, clarification of disclosures and clarification of statement of changes in equity. Amends AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13 as a result of the annual improvements project.	1-Jan-11	Impact expected to be insignificant.
2010-5	*Amendments to Australian Accounting Standards*	The standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to text of IFRSs by the IASB. Amends AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042 for editorial corrections	1-Jan-11	Impact expected to be insignificant.
2010-6	*Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets*	This Standard adds and amends disclosure requirements about transfers of financial assets, including in respect of the nature of the financial assets involved and risks associated with them.	1-Jul-11	Impact expected to be insignificant.
Interpretation 19	*Extinguishing Financial Liabilities with Equity Instruments*	This Interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. It does not address the accounting by the creditor.	1-Jul-10	Not applicable.
2009-13	*Amendments to Australian Accounting Standards arising from Interpretation 19*	This Standard amends to AASB 1 as a result of the issuance of Interpretation 19.	1-Jul-10	Not applicable.
2010-8	*Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets*	Amends AASB 112 to introduce a rebuttable presumption that an investment property is recovered entirely through sale for the purposes of measuring deferred tax.	1-Jan-12	Not applicable.
2010-9	*Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	Amends AASB 1 for first-time adopters	1-Jul-11	Not applicable.

1. Statement of Significant accounting and policies

1.21 New accounting standards and interpretations (continued)

Standard and/or Interpretation	Title	Summary of Amendment	Application date (financial years	Expected Impact
2010-10	*Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters*	Amends AASB 1 for first-time adopters	1-Jan-13	Not applicable.

1.22 Correction of prior period error.

In 2010, the Institute received information relating to an amount recorded as revenue receivable at 31st December 2009 which identified that an error had been made in the calculation of the accrual. Consequently comparatives for prior year have been restated with the resulting impact on income, assets and equity shown at Note 25.

	Consolidated		Institute	
	2010	2009 Restated	2010	2009 Restated
2 Income from transactions	$'000	$'000	$'000	$'000
(a) Grants and other transfers (other than contributions by owners)				
Government financial assistance				
(i) Government contributions - operating				
Commonwealth government recurrent specific funded programs	18,802	18,298	18,802	18,298
State government recurrent specific funded programs	29,818	36,114	29,818	36,114
TAFE - Training on demand with contestable funding	9,690	1,062	9,690	1,062
Other contributions	4,020	5,854	4,020	5,854
Total government contributions - operating	**62,330**	**61,328**	**62,330**	**61,328**
(ii) Government contributions - capital				
Commonwealth capital	4,907	2,586	4,907	2,586
State capital	1,385	4,405	1,385	4,405
Total government contributions - capital	**6,292**	**6,991**	**6,292**	**6,991**
Total government financial assistance	**68,622**	**68,319**	**68,622**	**68,319**
(b) Sales of goods and services				
Course fees and charges	8,927	6,447	8,927	6,447
Rendering of services				
Fee for service - Government	7,690	7,318	7,683	7,318
Fee for service - International operations (Refer note 25)	25,282	27,230	20,901	21,951
Fee for service - other	10,342	10,301	10,340	10,301
Total rendering of services	**43,314**	**44,849**	**38,924**	**39,570**
Other non-course fees and charges				
Sales of Goods	2,757	2,847	2,326	2,543
Total other fees and charges	**2,757**	**2,847**	**2,326**	**2,543**
Total revenue from sale of goods and services	**54,998**	**54,143**	**50,177**	**48,560**
(c) Interest				
Interest from financial assets not at fair value through P/L:				
Interest on bank deposits	1,806	1,654	1,408	1,333
Total interest revenue from financial assets not at fair value through P/L	**1,806**	**1,654**	**1,408**	**1,333**
Net interest income	**1,806**	**1,654**	**1,408**	**1,333**
(d) Fair value of assets and services received free of charge or for nominal consideration:				
Assets:				
Plant & Equipment	-	60	-	60
Total Assets	**-**	**60**	**-**	**60**
Services	143	250	143	250
Total fair value of assets and services received free of charge *or* for nominal consideration	**143**	**310**	**143**	**310**
(e) Other income				
Distributions				
Controlled Entity	-	-	2,000	2,000
Total Dividends	**-**	**-**	**2,000**	**2,000**
Donations, bequests and contributions	80	79	68	79
Bad debts reversal	-	28	-	16
Other	1,624	1,296	1,577	1,322
Total other income	**1,704**	**1,403**	**3,645**	**3,417**

3 Expenses from transactions	Consolidated 2010 $'000	Consolidated 2009 $'000	Institute 2010 $'000	Institute 2009 $'000
(a) Employee benefits				
Salaries, wages, overtime and allowances	66,497	66,452	64,981	65,005
Superannuation	6,070	6,011	5,932	5,889
Payroll tax	4,029	3,614	3,931	3,538
Worker's compensation	770	875	728	856
Long service leave	1,480	1,812	1,425	1,643
Annual leave	4,233	3,881	4,122	3,804
Other	59	217	50	205
Total employee benefits	**83,138**	**82,863**	**81,169**	**80,940**
(b) Depreciation and amortisation				
Depreciation of non-current assets				
Buildings	2,137	1,566	2,137	1,566
Plant and equipment	3,920	1,196	3,905	1,182
Motor vehicles	314	495	314	495
Library collections	165	189	165	189
Computer Equipment	311	288	307	287
Total depreciation	**6,847**	**3,734**	**6,828**	**3,719**
Amortisation of non-current physical and intangible assets				
Leasehold improvements	663	622	615	573
Software	105	66	92	66
Total amortisation	**768**	**688**	**707**	**639**
Total depreciation and amortisation	**7,615**	**4,422**	**7,535**	**4,358**
(c) Grants and other transfers (other than contributions by owners)				
Grants and subsidies apprentices and trainees	81	93	81	93
Grants and subsidies other Vet Programs	35	1	32	1
Total grants and other payments	**116**	**94**	**113**	**94**
(d) Expenditure using government contributions - capital				
Grants and subsidies apprentices and trainees	1,194	1,319	1,194	1,319
Grants and subsidies other Vet Programs	252	136	252	136
Total grants and other payments	**1,446**	**1,455**	**1,446**	**1,455**
(e) Supplies and Services				
Purchase of supplies and consumables	3,770	3,719	5,262	5,271
Communication expenses	1,452	1,746	1,309	1,606
Contract and other services	1,351	1,427	1,346	1,427
Cost of goods sold/distributed (ancillary trading)	1,740	1,666	839	946
Building repairs and maintenance	2,080	1,659	2,063	1,639
Minor equipment	1,102	3,085	1,075	3,058
Fees and charges	2,812	2,507	2,798	2,445
Total supplies and services	**14,307**	**15,809**	**14,692**	**16,392**

3 Expenses from transactions	Consolidated 2010 $'000	Consolidated 2009 $'000	Institute 2010 $'000	Institute 2009 $'000
(f) Other Expenses				
General Expenses				
Marketing and promotional expenses	3,943	4,366	2,974	3,301
Occupancy expenses	1,322	1,285	1,322	1,285
Audit fees and services	165	141	159	134
Staff development	938	887	866	812
Travel and motor vehicle expenses	3,804	4,060	3,566	3,854
Other expenses	2,723	3,250	2,137	2,520
Total other expenses	**12,895**	**13,988**	**11,024**	**11,906**
Fair value of assets and services provided free of charge or for nominal consideration:				
Services	191	145	191	145
Total fair value of assets and services provided free of charge or for nominal consideration	**191**	**145**	**191**	**145**
Operating lease rental expenses:				
Minimum lease payments	2,710	2,188	2,815	2,204
Total operating lease rental expenses	**2,710**	**2,188**	**2,815**	**2,204**
Subtotal	15,796	16,322	14,030	14,255
Total other operating expenses	**15,796**	**16,322**	**14,030**	**14,255**

	Consolidated		Institute	
	2010	2009	2010	2009
4 Other economic flows included in net result	$'000	$'000	$'000	$'000
(a) Net gain/(loss) on non-financial assets (including PPE and intangible assets)				
Impairment of non-financial assets	(268)	15	(268)	15
Write off of property, plant and equipment	(37)	91	(37)	91
Net gain/(loss) arising from non-financial assets	38	200	38	200
Total net gain/(loss) on non-financial assets and liabilities	**(265)**	**306**	**(267)**	**306**
(b) Net gain/(loss) on financial instruments and statutory receivables/payable				
Loans and receivables	51	(16)	51	(16)
Net gain/(loss) arising from revaluation of financial assets at fair value through profit and loss	(296)	(23)	(290)	(22)
Net FX gain/(loss) arising from financial instruments	(73)	(151)	(73)	(151)
Total net gain/(loss) on financial instruments	**(318)**	**(190)**	**(312)**	**(189)**
(c) Other gains/(losses) from other economic flows				
Net gain/(loss) arising from revaluation of long service leave liability	(241)	332	(213)	324
Total other gains/(losses) from other economic flows	**(241)**	**332**	**(213)**	**324**

	Consolidated		Institute	
	2010	2009	2010	2009
5 Cash and cash equivalents	$'000	$'000	$'000	$'000
Cash at bank and on hand	4,971	10,377	4,892	8,957
Deposits at call	41,071	23,543	31,613	14,776
Total cash and cash equivalents	**46,042**	**33,920**	**36,505**	**23,733**

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

	Consolidated		Institute	
	2010	2009	2010	2009
(a) Reconciliation to cash at the end of the year	$'000	$'000	$'000	$'000
Balances as above	46,042	33,920	36,505	23,733
Balance as per cashflow statement	**46,042**	**33,920**	**36,505**	**23,733**

(b) Cash at bank and on hand

Cash at bank and on hand attact floating interest rates between 0% and 1.50% (2009: 0 to 3.75%)

(c) Deposits at call

The deposits are bearing floating interest rates between 3.80% and 4.90% (2009 - 0.73% and 3.75%). The deposits have an average maturity of 32 days

	Consolidated		Institute	
	2010	2009 Restated	2010	2009 Restated
6 Receivables	$'000	$'000	$'000	$'000
Current receivables				
Contractual				
Trade receivables[1]	4,308	5,906	4,241	5,713
Provision for doubtful contractual receivables (Refer note 6 (a) below)	(271)	(65)	(271)	(2)
Revenue receivable (Refer note 25)	3,862	1,801	3,859	1,758
Amount receivable from:				
related parties	-	-	322	-
Total contractual	**7,899**	**7,642**	**8,151**	**7,469**
Statutory				
GST receivable from ATO	116	4	(340)	(7)
Total statutory	**116**	**4**	**(340)**	**(7)**
Total current receivables	**8,015**	**7,645**	**7,811**	**7,462**
Non-current receivables				
Contractual				
Loans to other parties	-	334	-	334
Security bonds paid	75	75	75	75
Total contractual	**75**	**409**	**75**	**409**
Total non-current receivables	**75**	**409**	**75**	**409**
Total receivables	**8,090**	**8,054**	**7,886**	**7,871**

1 The average credit period on sales of goods and services is 14 days. Debtors with outstanding balances in excess of 30 days are sent reminder notices. If the outstanding balances are still outstanding after a further 30 days the debtors are then sent a reminder notice indicating they have a further 7 days to make payment otherwise their debt will be referred to a debt collection agency. A provision has been made for estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience.

	Consolidated		Institute	
	2010	2009 Restated	2010	2009 Restated
6 (a) Movement in the provision for doubtful contractual receivables	$'000	$'000	$'000	$'000
Balance at beginning of the year	(65)	(201)	(2)	(72)
Reversal of unused provision recognised in the net result	-	28	-	16
Increase in provision recognised in the net result	(206)	-	(269)	-
Reversal of provision for receivables written off during the year as uncollectible	-	108	-	54
Balance at end of the year	**(271)**	**(65)**	**(271)**	**(2)**

6 (b) Ageing analysis of contractual receivables

Please refer to Note 23.4 for the ageing analysis of contractual receivables.

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

Please refer to Note 23 for the nature and extent of credit risk arising from contractual receivables.

	Consolidated		Institute	
	2010	2009	2010	2009
7 Investments, loans and other financial assets	$'000	$'000	$'000	$'000
Fixed Interest bearing bills, bonds/Term Deposits	-	5,019	-	5,019
Total investments, loans and other financial assets	**-**	**5,019**	**-**	**5,019**

(a) Ageing analysis of investments, loans and other financial assets

Please refer to Note 23.4 for the ageing analysis of investments, loans and other financial assets.

(b) Nature and extent of risk arising from investments, loans and other financial assets

Please refer to Note 23 for the nature and extent of risks arising from investments, loans and other financial assets.

	Consolidated		Institute	
	2010	2009	2010	2009
8 Inventories	$'000	$'000	$'000	$'000
Current				
Supplies and consumables - at cost	-	89	-	-
Inventories held-for-sale - at cost	855	767	773	767
Total current inventories	**855**	**856**	**773**	**767**

	Consolidated		Institute	
	2010	2009	2010	2009
9 Other non-financial assets	$'000	$'000	$'000	$'000
Current other non-financial assets				
Prepayments	258	264	238	241
Total current other non-financial assets	**258**	**264**	**238**	**241**
Total other non-financial assets	**258**	**264**	**238**	**241**

10 Property, plant and equipment [1]	Land	Buildings	Work in Progress	Plant & Equipment	Motor Vehicles	Leasehold Improvements	Library	Computers	Total
Consolidated	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 January 2009									
Carrying amount	52,015	67,546	4,838	12,338	1,538	378	1,930	8,863	**149,446**
Accumulated depreciation	-	(1,548)	-	(4,779)	(455)	(281)	(971)	(8,523)	**(16,557)**
Net carrying amount	**52,015**	**65,998**	**4,838**	**7,559**	**1,083**	**97**	**959**	**340**	**132,889**
Year ended 31 December 2009									
Opening net carrying amount	52,015	65,998	4,838	7,559	1,083	97	959	340	**132,889**
Additions	-	2,553	13,283	2,293	835	1,846	231	269	**21,310**
Disposals	-	-	-	-	(333)	-	-	-	**(333)**
Impairment loss through profit and loss	-	-	-	4	-	-	-	11	**15**
Depreciation expense	-	(1,566)	-	(1,196)	(495)	(622)	(189)	(288)	**(4,356)**
Write off	-	-	-	91	-	-	-	-	**91**
Closing net carrying amount	**52,015**	**66,985**	**18,121**	**8,751**	**1,090**	**1,321**	**1,001**	**332**	**149,616**
At 31 December 2009									
Carrying amount	52,015	70,099	18,121	14,675	1,549	1,991	2,161	9,011	**169,622**
Accumulated depreciation	-	(3,114)	-	(5,924)	(459)	(670)	(1,160)	(8,679)	**(20,006)**
Net carrying amount	**52,015**	**66,985**	**18,121**	**8,751**	**1,090**	**1,321**	**1,001**	**332**	**149,616**
Year ended 31 December 2010									
Opening net carrying amount	52,015	66,985	18,121	8,751	1,090	1,321	1,001	332	**149,616**
Additions	-	19,351	(17,443)	2,785	455	172	183	1,235	**6,738**
Disposals	-	-	-	-	(243)	-	-	-	**(243)**
Impairment loss through profit and loss	-	-	-	(256)	-	-	(11)	-	**(267)**
Depreciation expense	-	(2,137)	-	(3,920)	(314)	(663)	(165)	(311)	**(7,510)**
Write off	-	-	-	(37)	-	-	-	-	**(37)**
Closing net carrying amount	**52,015**	**84,199**	**678**	**7,323**	**988**	**830**	**1,008**	**1,256**	**148,297**
At 31 December 2010									
Carrying amount	52,015	89,450	678	16,519	1,556	2,018	2,344	4,374	**168,953**
Accumulated depreciation	-	(5,251)	-	(9,196)	(567)	(1,188)	(1,336)	(3,118)	**(20,656)**
Net carrying amount [2]	**52,015**	**84,199**	**678**	**7,323**	**988**	**830**	**1,008**	**1,256**	**148,298**

10 Property, plant and equipment [1] (Continued)	Land	Buildings	Work in Progress	Plant & Equipment	Motor Vehicles	Leasehold Improvements	Library	Computers	Total
Institute	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2009									
Carrying amount	52,015	67,546	4,838	12,096	1,538	233	1,930	8,801	**148,997**
Accumulated depreciation	-	(1,548)	-	(4,613)	(455)	(233)	(971)	(8,461)	**(16,281)**
Net carrying amount	**52,015**	**65,998**	**4,838**	**7,483**	**1,083**	**-**	**959**	**340**	**132,716**
Year ended 31 December 2009									
Opening net carrying amount	52,015	65,998	4,838	7,483	1,083	1,846	959	340	**134,562**
Additions	-	2,553	13,283	2,287	835	-	231	258	**19,447**
Disposals	-	-	-	-	(333)	-	-	-	**(333)**
Impairment loss through profit and loss	-	-	-	4	-	-	-	11	**15**
Depreciation expense	-	(1,566)	-	(1,182)	(495)	(573)	(189)	(287)	**(4,292)**
Closing net carrying amount	**52,015**	**66,985**	**18,121**	**8,683**	**1,090**	**1,273**	**1,001**	**322**	**149,490**
At 31 December 2009									
Cost	52,015	70,099	18,121	14,427	1,549	1,846	2,161	8,938	**169,156**
Accumulated depreciation	-	(3,114)	-	(5,744)	(459)	(573)	(1,160)	(8,616)	**(19,666)**
Net carrying amount	**52,015**	**66,985**	**18,121**	**8,683**	**1,090**	**1,273**	**1,001**	**322**	**149,490**
Year ended 31 December 2010									
Opening net carrying amount	52,015	66,985	18,121	8,683	1,090	1,273	1,001	322	**149,490**
Additions	-	19,351	(17,443)	2,769	455	172	183	1,235	**6,722**
Disposals	-	-	-	-	(243)	-	-	-	**(243)**
Impairment loss through profit and loss	-	-	-	(256)	-	-	(11)	-	**(267)**
Depreciation expense	-	(2,137)	-	(3,905)	(314)	(615)	(165)	(307)	**(7,443)**
Write off	-	-	-	(37)	-	-	-	-	**(37)**
Closing net carrying amount	**52,015**	**84,199**	**678**	**7,254**	**988**	**830**	**1,008**	**1,250**	**148,222**
At 31 December 2010									
Carrying amount	52,015	89,450	678	16,254	1,556	2,018	2,344	4,301	**168,616**
Accumulated depreciation	-	(5,251)	-	(9,000)	(567)	(1,188)	(1,336)	(3,051)	**(20,394)**
Net carrying amount [2]	**52,015**	**84,199**	**678**	**7,254**	**988**	**830**	**1,008**	**1,250**	**148,222**

1 Property, plant & equipment includes all operational assets.

2 Property, plant & equipment is revalued in accordance with accounting policies outlined in note 1, with the next formal revaluation due for year ending 31st December 2011.

	Consolidated		Institute	
	2010	2009	2010	2009
11 Intangible assets	$'000	$'000	$'000	$'000
Non Current				
Computer software at cost	1,375	1,328	1,250	1,253
Accumulated amortisation	(1,107)	(1,093)	(1,064)	(1,063)
Total cash and cash equivalents	**268**	**235**	**186**	**190**
Movement in intangible assets				
Opening net book value	235	68	190	68
Additions	138	233	88	188
Amortisation charge	(105)	(66)	(92)	(66)
Closing net book value	**268**	**235**	**186**	**190**

	Consolidated		Institute	
	2010	2009	2010	2009
12 Payables	$'000	$'000	$'000	$'000
Current				
Creditors and accruals	4,763	4,505	4,471	4,276
Revenue in Advance	6,680	5,758	4,735	3,224
Related Party Payable - Parent Entity	-	-	-	30
Total current payables	**11,443**	**10,263**	**9,206**	**7,530**
Total payables	**11,443**	**10,263**	**9,206**	**7,530**

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

Foreign currency risk				
Australian Dollars	11,443	10,263	9,206	7,530
	11,443	**10,263**	**9,206**	**7,530**

	Consolidated		Institute	
	2010	2009	2010	2009
13 Provisions	$'000	$'000	$'000	$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	3,160	3,090	3,048	3,004
Long service leave	963	803	919	732
Accrued days off	93	113	60	86
Other	609	546	599	541
Other provisions (Refer 13 (a) below)	704	127	704	127
Total current provisions expected to be settled within 12 months	**5,529**	**4,679**	**5,330**	**4,490**
Current provisions expected to be settled after 12 months				
Employee benefits				
Annual leave	1,112	892	1,068	849
Long service leave	8,084	8,415	7,885	8,225
Total current provisions expected to be settled after 12 months	**9,196**	**9,307**	**8,953**	**9,074**
Total current provisions	**14,725**	**13,986**	**14,283**	**13,564**
Non-current				
Employee benefits:				
Long service leave	1,198	958	1,168	940
Other Provisions (Refer 13 (a) below)	184	527	184	527
Total non-current provisions	**1,382**	**1,485**	**1,352**	**1,467**
Total provisions	**16,107**	**15,471**	**15,635**	**15,031**

13 (a) Movements in Other Provisions

Movements in other provisions (other than employee provisions) during the financial year are set out below:				
Current Provisions expected to be settled within 12 months				
Carrying amount at start of year	127	1,171	127	1,171
Additional provisions recognised	577	-	577	-
Amounts used	-	(1,044)	-	(1,044)
Carrying amount at end of year	**704**	**127**	**704**	**127**
Non Current Provisions				
Carrying amount at start of year	527	522	527	522
Additional provisions recognised	-	5	-	5
Amounts used	(343)	-	(343)	-
Carrying amount at end of year	**184**	**527**	**184**	**527**

14 Equity	Consolidated 2010 $'000	Consolidated 2009 Restated $'000	Institute 2010 $'000	Institute 2009 Restated $'000
(a) Contributed Capital				
Balance at 1 January	27,124	27,124	27,124	27,124
Balance at 31 December	**27,124**	**27,124**	**27,124**	**27,124**
(b) Reserves				
Composition of Reserves				
Asset revaluation reserve [1]				
Land	39,787	39,787	39,787	39,787
Buildings	42,775	42,775	42,775	42,775
Institute Development Fund [2]	6,700	6,700	6,700	6,700
Balance at 31 December	**89,262**	**89,262**	**89,262**	**89,262**
(c) Accumulated surplus / (deficit)				
Balance at 1 January (Refer note 25)	55,844	50,532	48,364	43,478
Net operating result for the year (Refer note 25)	4,031	5,312	4,218	4,886
Balance at 31 December (Refer note 25)	**59,875**	**55,844**	**52,583**	**48,364**
Total equity	**176,261**	**172,230**	**168,968**	**164,750**

14 Movements in Reserves	Consolidated 2010 $'000	Consolidated 2009 $'000	Institute 2010 $'000	Institute 2009 $'000
Asset Revaluation Reserve - Land				
Balance at 1 January	39,787	39,787	39,787	39,787
Balance at 31 December	**39,787**	**39,787**	**39,787**	**39,787**
Asset Revaluation Reserve - Buildings				
Balance at 1 January	42,775	42,775	42,775	42,775
Balance at 31 December	**42,775**	**42,775**	**42,775**	**42,775**
Institute Development Fund				
Balance at 1 January	6,700	6,700	6,700	6,700
Balance at 31 December	**6,700**	**6,700**	**6,700**	**6,700**

[1] **Asset Revaluation Reserve**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 10.

[2] **Institute Development Fund**

The Institute development fund is used to set aside funds for the future development of the Institute through the purchase of properites and investments in strategic initiatives as identified by the Board.

15 Cash flow information	Consolidated 2010 $'000	Consolidated 2009 Restated $'000	Institute 2010 $'000	Institute 2009 Restated $'000
Reconciliation of operating result after income tax to net cash flows from operating activities				
Net operating result for the year (Refer note 25)	4,031	5,312	4,218	4,886
Non-cash flows in operating result				
Depreciation and amortisation of non-current assets	7,615	4,422	7,535	4,358
Net (gain) / loss on sale of non-current assets	(38)	(200)	(38)	(200)
Fair value of assets received free of charge	-	(60)	-	(60)
Write-off of property, plant & equipment	37	91	37	91
Discount on loan to other parties	-	16	-	16
Impairment of non-current assets	267	(15)	267	(15)
Total non-cash flows in operating result	**7,881**	**4,254**	**7,801**	**4,190**
Change in operating assets and liabilities				
Decrease / (increase) in trade receivables	(36)	(1,628)	(348)	(2,019)
Decrease / (increase) in inventories	(3)	42	(6)	60
Decrease / (increase) in other non financial assets	6	(96)	3	(99)
Increase / (decrease) in payables	1,180	(2,669)	1,676	(1,389)
Increase / (decrease) in employee benefits	402	1,257	369	1,079
Increase/ (decrease) in provisions	235	(1,039)	235	(1,039)
Total change in operating assets and liabilities	**1,784**	**(4,133)**	**1,930**	**(3,407)**
Net cash flows provided by/(used in) operating activities	**13,697**	**5,433**	**13,949**	**5,669**

16 Commitments	Consolidated 2010 $'000	Consolidated 2009 $'000	Institute 2010 $'000	Institute 2009 $'000
(a) Capital commitments				
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:				
Property, Plant and Equipment				
Payable:				
Within one year	2,638	619	2,638	619
Total Property, Plant and Equipment	**2,638**	**619**	**2,638**	**619**
Net Commitments Property, Plant and Equipment	**2,638**	**619**	**2,638**	**619**

	Consolidated		Institute	
	2010	2009	2010	2009
16 Commitments (Continued)	$'000	$'000	$'000	$'000
(b) Lease commitments				
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	2,096	1,470	1,915	1,396
Later than one year but not later than five years	3,747	2,233	3,360	2,223
Later than five years	617	628	617	628
Total lease commitments	**6,460**	**4,331**	**5,892**	**4,247**
Net commitments Operating leases	**6,460**	**4,331**	**5,892**	**4,247**
Representing:				
Non-cancellable operating leases	6,460	4,331	5,892	4,247
Total lease commitments	**6,460**	**4,331**	**5,892**	**4,247**

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

17 Contingencies

Contingent Asset

At 31 December, 2010 the Institute has over achieved its delivery of student contact hours in relation to its youth compact with Skills Victoria. The funding associated with 2010 over delivery has been recognised as a receivable and related income. In addition it is estimated that additional funding ranging from $5.0 million to $7.0 million is due to the Institute as a consequence of exceeding its minimum targets for youth compact delivery during the year. The exact amount and timing for payment can not be confirmed at the date of this report as it can only be confirmed once all performance agreement targets have been reconciled and confirmed by Skills Victoria.

Contingent Liabilities

At 31 December 2010 the Institute had no contingent liabilities that may have had a material effect on the financial operations of the Institute. (2009: nil)

18 Events occurring after the balance sheet date

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

	Consolidated		Institute	
	2010	2009	2010	2009
19 Remuneration of auditors	$'000	$'000	$'000	$'000
Remuneration of Victorian Auditor General's Office for:				
Audit of the financial report	38	35	38	35
Audit of subsidiary	5	5	-	-
Total remuneration of Victoria Auditor General's Office	**38**	**35**	**38**	**35**
Remuneration of other auditors				
Other assurance services	121	162	117	159
Total remuneration of other auditors of subsidiaries	**121**	**162**	**117**	**159**
Total Remuneration of auditors	**160**	**197**	**155**	**194**

20 Superannuation

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

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

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

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

	Consolidated		Institute	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Paid Contribution for the Year				
Defined benefit plans:				
State Superannuation Fund – revised and new	1,084	897	1,073	891
Other	13	16	13	16
Total defined benefit plans	**1,097**	**913**	**1,086**	**907**
Defined contribution plans:				
VicSuper	2,971	2,985	2,922	2,939
Other	1,186	1,168	1,123	1,116
Total defined contribution plans	**4,157**	**4,153**	**4,045**	**4,055**
Total paid contribution for the year	**5,254**	**5,066**	**5,131**	**4,962**
Contribution Outstanding at Year End				
Defined benefit plans:				
State Superannuation Fund – revised and new	-	200	-	198
Other	-	3	-	3
Total defined benefit plans	**-**	**203**	**-**	**201**
Defined contribution plans:				
VicSuper	668	654	656	641
Other	147	88	145	85
Total defined contribution plans	**815**	**742**	**801**	**726**
Total	**815**	**945**	**801**	**927**

The bases for contributions are determined by the various schemes.

The above amounts were measured as at 31 December each year, or in the case of employer contributions they relate to the years ended 31 December.

21 Key management personnel disclosures

Responsible persons related disclosures

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

(i) Minister

The relevant Minister is Mr Peter Hall, State Member of Parliament for Eastern Victoria Region. Remuneration of the Ministers is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members interests which is completed by each member of the Parliament.

(ii) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of the Institute during the year:

The responsible Minister was the Hon. Jacinta Allan MP, Minister for Skills and Workforce Participation from 1 January to 19 January 2010. From 20 January 2010 to 1 December 2010 the relevant Minister was the Jon. Bronwyn Pike MP, Minister for Skills and Workforce Participation.

Following the state election in November 2010, the Hon. Peter Hall, MLC was sworn is as Minister for Higher Education and Skills taking effect from 2 December 2010.

Ms Barbara Elizabeth White (Chair)
Mr John David Maddock
Ms Christine Kilmartin (resigned 31/08/2010)
Mr Francis Bruce Thompson
Ms Noelene Duff
Ms Helen Buckingham
Mr Jason Hetherington (resigned 31/03/10)
Mr Philip Douglas Belcher
Mr Christopher Lobb
Mr Glen Walker (appointed 19/02/2010)
Ms Rosie Forbes
Mr Ian Hind (appointed 27/07/10)
Ms Mary Richardson (appointed 01/04/2010)
Ms Janet Compton (appointed 14/10/2010)

	Consolidated		Institute	
Remuneration of responsible persons	**2010 $'000**	**2009 $'000**	**2010 $'000**	**2009 $'000**
Remuneration received, or due and receivable from the Institute in connection with the management of the Institute. Includes termination payments and bonuses paid at end of contracts.	357	314	357	314
Remuneration received, or due and receivable from the Institute in connection with the management of any related party entity.	-	-	-	-

	No.	No.	No.	No.
Income range				
The number of Responsible Persons whose remuneration from the Institute was within the specified bands are as follows:				
$0	12	12	12	12
$60,000 - $69,999	1	1	1	1
$240,000 - $249,999	-	1	-	1
$260,000 - $269,999	1	-	1	-
Total number of Responsible Persons	**14**	**14**	**14**	**14**

21 Key management personnel disclosures (Continued)

Remuneration of responsible persons (Continued)

Retirement benefits of responsible persons

There were no amounts paid by the Institute in connection with the retirement of the responsible persons during the financial year 2010 (2009: Nil)

Related party transactions

Loans and other transactions with key management personnel

Loans and other transactions requiring disclosure under the Directions of the Minister of Finance have been considered and there are no matters to report. (2009: Nil)

	Consolidated		Institute	
Executive Officers' Remuneration	**2010 $'000**	**2009 $'000**	**2010 $'000**	**2009 $'000**
The number of executive officers, other than Responsible Persons, included under "Remuneration of Responsible Persons" above whose total remuneration exceeded $100,000 during the financial year are shown in their relevant income bands. The base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.				
Base remuneration of executive officers	**2,327**	**2,145**	**2,327**	**2,145**
Total remuneration of executive officers	**2,472**	**2,271**	**2,472**	**2,271**

	Total Remuneration		Based Remuneration	
	No	**No**	**No**	**No**
Income range				
The number of Responsible Persons whose remuneration from the Institute was within the specified bands are as follows:				
$100,000-$109,999	-	-	-	-
$130,000-$139,999	-	-	-	3
$140,000-$149,999	-	3	-	2
$150,000-$159,999	-	4	-	5
$160,000-$169,999	2	4	2	3
$170,000-$179,999	4	2	4	-
$180,000-$189,999	2	-	2	1
$190,000-$199,999	4	1	3	-
$200,000-$209,999	2	-	3	-
Total number of Responsible Persons	**14**	**14**	**14**	**14**

	Consolidated		Institute	
Key management personnel disclosures	**2010 $'000**	**2009 $'000**	**2010 $'000**	**2009 $'000**
Short-term employee benefits	2,282	2,058	2,282	2,058
Post-employment benefits	190	213	190	213
Total key management personnel compensation	**2,472**	**2,271**	**2,472**	**2,271**

22 Subsidiaries

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

	Country of Incorporation incorporation	Class of Shares	Equity holding 2010 %	Equity holding 2009 %
Box Hill Enterprise	Australia	Limited by guarantee	100%	100%

23.1 Financial Instruments

Financial risk management

(i) Financial risk management objectives

The Institute's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Institute's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Institute by adhering to principles on foreign exchange risk, interest rate risk, credit risk and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Institute does not enter into or trade financial instruments for speculative purposes.

The Institute uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and data analysis in respect of investment portfolios to determine market risk.

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

(ii) Financial risk exposures and management

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

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

Market risk

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

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

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

Foreign currency risk

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

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

Price risk

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

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

23.1 Financial Instruments (Continued)

Financial risk management (Continued)

(ii) Financial risk exposures and management (Continued)

Interest rate risk

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

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

Funding risk

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

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

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

Concentrations of credit risk

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

There are no material amounts of collateral held as security at 31 December 2010.

Credit risk in sales of goods and services is managed in the following ways:

- payment terms are 14 days from date of invoice;
- debtors with outstanding balances in excess of 30 days are sent a reminder notice
- debtors with outstanding balances in excess of 60 days are sent a reminder notice indicating that they have a further 7 days to make payment otherwise their debt will be referred to a debt collection agency.

Credit risk in cash at bank, deposits at call and term deposits is managed by only utilising banks with a minimum of an "A+" rating.

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

Liquidity risk

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

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

23.2 Financial instruments

Summarised sensitivity analysis

The following table summarises the sensitivity of the Institute's financial assets and financial liabilities to interest rate risk and foreign exchange risk. The Institute did not have any exposures to other price risk at the end of the financial year.

	Carrying amount	Interest rate risk				Foreign exchange risk			
		-100bps		+100bps		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
31 December 2010	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets									
Cash and cash equivalents	4,971	(50)	(50)	50	50	(70)	(70)	70	70
Deposits at call	41,071	(411)	(411)	411	411				
Term deposit, investment & other financial assets	-	-	-	-	-				
Total increase/ (decrease) in financial assets	**46,041**	**(460)**	**(460)**	**460**	**460**	**(70)**	**(70)**	**70**	**70**
Financial liabilities									
Payables	11,443	114	114	(114)	(114)				
Total increase/ (decrease) in financial liabilities	**11,443**	**114**	**114**	**(114)**	**(114)**	-	-	-	-
Total increase/ (decrease)	**57,485**	**(346)**	**(346)**	**346**	**346**	**(70)**	**(70)**	**70**	**70**

	Carrying amount	Interest rate risk				Foreign exchange risk			
		-100bps		+100bps		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
31 December 2009	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets									
Cash and cash equivalents	10,377	(104)	(104)	104	104	(108)	(108)	108	108
Deposits at call	23,543	(235)	(235)	235	235				
Term deposit, investment & other financial assets	5,019	(50)	(50)	50	50				
Total increase/ (decrease) in financial assets	**38,939**	**(389)**	**(389)**	**389**	**389**	**(108)**	**(108)**	**108**	**108**
Financial liabilities									
Payables	4,505	45	45	(45)	(45)				
Total increase/ (decrease) in financial liabilities	**4,505**	**45**	**45**	**(45)**	**(45)**	-	-	-	-
Total increase/ (decrease)	**43,443**	**(344)**	**(344)**	**344**	**344**	**(108)**	**(108)**	**108**	**108**

23.3 Financial instruments

(i) Financial instrument composition and maturity analysis

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

Consolidated 2010	Weighted average effective rate	Floating interest rate	Within 1 year	1-5 years	More than 5 years	Non-Interest Bearing	Total Carrying Amount per Balance Sheet
		$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash and cash equivalents							
Cash at bank and on hand	1.06%	2,427	-	-	-	2,544	4,971
Deposits at call	4.13%	41,071	-	-	-	-	41,071
Contractual receivables							-
Trade receivables	-	-	-	-	-	4,037	4,037
Revenue receivables	-	-	-	-	-	3,862	3,862
Security bond paid	-	-	-	-	-	75	75
Statutory receivables							-
GST receivable from ATO	-	-	-	-	-	116	116
Investment, loans and other financial assets							-
Fixed interest bearing bills, bonds/term deposits	-	-	-	-	-	-	-
Total financial assets		**43,497**	**-**	**-**	**-**	**10,635**	**54,132**
Financial liabilities							
Trade and other payables	-	-	-	-	-	4,763	4,763
Total financial liabilities	**-**	**-**	**-**	**-**	**-**	**4,763**	**4,763**

Consolidated 2009	Weighted average effective rate	Floating interest rate	Within 1 year	1-5 years	More than 5 years	Non-Interest Bearing	Total Carrying Amount per Balance Sheet
		$'000	$'000	$'000	$'000	$'000	$'000
Financial assets							
Cash and cash equivalents							
Cash at bank and on hand	1.46%	10,294	-	-	-	83	10,377
Deposits at call	3.76%	23,543	-	-	-	-	23,543
Contractual receivables							
Trade receivables	-	-	-	-	-	5,841	5,841
Revenue receivables	-	-	-	-	-	1,801	1,801
Receivables from other parties	-	-	-	-	-	334	334
Security bond paid	-	-	-	-	-	75	75
Statutory receivables							
GST receivable from ATO	-	-	-	-	-	4	4
Investments, loans and other financial assets							
Fixed interest bearing bills, bonds/term deposits	4.14%	-	5,019	-	-	-	5,019
Total financial assets		**33,837**	**5,019**	**-**	**-**	**8,138**	**46,994**
Financial liabilities							
Trade and other payables	-	-	-	-	-	4,505	4,505
Total financial liabilities	**-**	**-**	**-**	**-**	**-**	**4,505**	**4,505**

(ii) Ageing analysis of financial assets

	Carrying amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
			Less than 1 month	1-3 months	3 months – 1 year	1-5 years	
	$`000	$`000	$`000	$`000	$`000	$`000	$`000
2010 Receivables							
Contractual receivables							
Trade receivables	4,037	1,346	1,441	1,015	573	6	272
Revenue receivables	3,862	3,862	-	-	-	-	
Receivables from other parties	-	-	-	-	-	-	
Security bonds paid	75	75	-	-	-	-	
Statutory receivables							
GST receivable from ATO	116	116	-	-	-	-	
Investments, loans and other financial assets							
Fixed interest bearing bills, bonds/term deposits	-	-	-	-	-	-	
Total 2010 receivables	**8,091**	**5,399**	**1,441**	**1,015**	**573**	**6**	**272**
2009 Receivables							
Contractual receivables							
Trade receivables	5,841	586	3,376	1,419	345	115	65
Revenue receivables	2,438	2,438	-	-	-	-	-
Receivables from other parties	334	334	-	-	-	-	-
Security bond paid	75	75	-	-	-	-	-
Statutory receivables							
GST receivable from ATO	4	4	-	-	-	-	-
Investments, loans and other financial assets							
Fixed interest bearing bills, bonds/term deposits	5,019	5,019	-	-	-	-	-
Total investments, loans and other financial assets	**13,711**	**8,456**	**3,376**	**1,419**	**345**	**115**	**65**

23.4 Financial instruments

Fair value estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Institute is the current bid price.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The Institute consdiers that the carrying amount of loans to other parties, security bonds paid and investments and othe rfinancaila aseets to be fa fair approximation of their fair values becuase there is an expectation these will be fully paid in accordance with the terms of the contracts entered into.

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

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

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

	2010		2009	
Financial instruments	**Carrying Amount $'000**	**Net Fair Value $'000**	**Carrying Amount $'000**	**Net Fair Value $'000**
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	4,971	4,971	10,377	10,377
Deposits at call	41,071	41,071	23,543	23,543
Contractual receivables		-		-
Trade receivables	4,037	4,037	5,841	5,841
Revenue receivables	3,862	3,862	1,801	1,801
Receivables from other parties	-	-	334	334
Security bonds paid	75	75	75	75
Statutory receivables				
GST receivable from ATO	116	116	4	4
Investments, loans and other financial assets				
Fixed interest bearing bills, bonds/term deposits	-	-	5,019	5,019
Total financial assets	**54,132**	**54,132**	**46,994**	**46,994**
Financial liabilities				
Payables	4,763	4,763	4,505	4,505
Total financial liabilities	**4,763**	**4,763**	**4,505**	**4,505**

23.5 Financial instruments

Terms, conditions and accounting policies

The Institute's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at reporting date, are as follows:

Recognised financial instruments	Note	Accounting policies	Terms and conditions
FINANCIAL ASSETS			
Cash and cash equivalents - cash at bank and on hand	5	Cash at bank is carried at the nominal amount.	Cash at bank is invested as funds permit at varying interest rates between 0% - 1.50% (2009 : 0% - 3.75%)
Cash and cash equivalents - deposits at call	5	Deposits at call are carried at their nominal amounts. Interest revenue is recognised in the statement of comprehensive income when it is earned.	Deposit at call are bearing floating interest rates between 3.80%- 4.90% (2009 0.73%-3.75%)
Receivables - debtors	6	Sales of goods and services are carried at amortised cost less any allowance for doubtful debts. An allowance for doubtful debts is maintained to recognise that collection of the full nominal amount is no longer probable.	Credit sales are on 14 days terms.
Receivables - other debtors	6	Revenue receivables are are carried at amortised cost less any allowance for doubtful debts. An allowance for doubtful debts is maintained to recognise that collection of the full nominal amount is no longer probable.	Credit sales are on 14 days terms.
Receivables - loans to related parties	6	Loans to related parties are stated at amortised cost using the effective interest rate method.	There were no related party loans during the year.
Receivables - loans to other parties-secured	6	Loans to other parties are stated at amortised cost using the effective interest rate method.	Loans are provided to other parties for a term of 5 years at an effective interest rate of 0% (2009: 0%). All secured loans were repaid during the year.
Other financial assets: long term deposits	7	Long term deposits are stated at their amortised cost or fair value depending on their classification on initial recognition. Interest revenue is recognised in the statement of comprehensive income when it is earned.	Term deposits are invested for an average perod of 120 days at the fixed interest rate. The Institute did not hold any long term deposit in 2010. (2009 4.14%)
FINANCIAL LIABILITIES			
Payables creditors and accruals	12	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the Institute.	Trade liabilities are settled as required.

24 Economic Dependency

As identifed in the Statement of Comprehensive Income, a significant volume of income from transactions is generated through the Institute's performance and service agreements with State and Commonwealth governments.

25 Correction of prior period error

In 2010, the Institute received information relating to an amount recorded as revenue receivable at 31st December 2009 which identified that an error of $638,000 had been made in the calculation of the accrual. Consequently the 31st December 2009 published amount for Revenue Receivable (Current) has been corrected and restated. The correction decreases the 31st December 2009 published amount for Receivables, Income and Accumulated surplus by the equivalent amount as shown in the following table.

Financial Report Line Item / Balance Effected	Consolidated		Institute	
	Restated	Published	Restated	Published
Effect on Income from Transactions	2009	2009	2009	2009
Sale of Goods and Services (Restated 2009)	$'000	$'000	$'000	$'000
Sale of Goods	54,143	54,781	48,560	49,198
Total sale of goods and services	**54,143**	**54,781**	**48,560**	**49,198**

	Consolidated		Institute	
	Restated	Published	Restated	Published
Effect on Assets	2009	2009	2009	2009
Receivables (Restated 2009)	$'000	$'000	$'000	$'000
Current receivables				
Contractual				
Trade receivables	5,906	5,906	5,713	5,713
Provision for doubtful contractual receivables (Refer 6 (a) below)	(65)	(65)	(2)	(2)
Revenue receivable	1,801	2,438	1,758	2,396
Total contractual	**7,641**	**8,279**	**7,470**	**8,107**
Statutory				
GST receivable from ATO	4	4	(7)	(7)
Total statutory	**4**	**4**	**(7)**	**(7)**
Total current receivables	**7,645**	**8,282**	**7,462**	**8,100**
Non-current receivables				
Contractual				
Loans to other parties	334	334	334	334
Security bonds paid	75	75	75	75
Total contractual	**409**	**409**	**409**	**409**
Total non-current receivables	**409**	**409**	**409**	**409**
Total receivables	**8,054**	**8,691**	**7,871**	**8,509**

	Consolidated		Institute	
	Restated	Published	Restated	Published
Effect on Equity	2009	2009	2009	2009
Accumulated Surplus (Restated 2009)	$'000	$'000	$'000	$'000
Accumated Surplus/(deficit) at 1st January 2009	50,532	50,532	43,478	43,478
Total Comprehensive result	5,312	5,950	4,886	5,524
Accumulated Surplus / defict at the end of the year	**55,844**	**56,482**	**48,364**	**49,002**

BOX HILL INSTITUTE OF
TECHNICAL AND FURTHER EDUCATION

KEY PERFORMANCE INDICATORS 31st DECEMBER 2010

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Box Hill Institute of Technical and Further Education

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2010 of Box Hill Institute of Technical and Further Education comprises the statement, the related notes and the President of the Board, Chief Executive Officer, and Chief Finance and Accounting Officer declaration.

The Board Member's Responsibility for the Statement of Performance

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

Auditor's Responsibility

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

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

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

Electronic Publication of the Audited Statement of Performance

It is our understanding that the Institute intends to electronically present the audited statement of performance and auditor's report on its internet website. Responsibility for the electronic presentation of the statement of performance on the Institute's website is that of the Board Members of the Institute. The security and controls over information on the website should be addressed by the Institute to maintain the integrity of the data presented. The examination of the controls over the electronic presentation of the audited statement of performance on the Institute's website is beyond the scope of the audit of the statement of performance.

Level 24, 35 Collins Street, Melbourne Vic. 3000

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Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion, the statement of performance of the Box Hill Institute of Technical and Further Education in respect of the 31 December 2010 financial year presents fairly, in all material respects, and in accordance with the *Financial Management Act 1994*.

MELBOURNE
3 March 2011

D D R Pearson
Auditor-General

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BOX HILL INSTITUTE OF TECHNICAL AND FURTHER EDUCATION

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

In our opinion, the accompanying Statement of Performance of Box Hill Institute of Technical and Further Education and the consolidated entity in respect of the 2010 financial year is presented fairly in accordance with the Financial Management Act.

The Statement outlines the performance indicators as determined by the responsible Minister, pre-determined targets where applicable, and the actual results for the year against these indictors, 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.

....
Barbara Elizabeth White
President of the Board
Date: 28 Feb , 2011

....
John David Maddock
Chief Executive Officer
Date: 28 Feb , 2011

....
Giovanna James
Chief Finance & Accounting Officer
Date: 28 Feb , 2011

BOX HILL INSTITUTE OF TECHNICAL AND FURTHER EDUCATION

PERFORMANCE STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

Key Performance Indicator	Note	Definition	2010 Actual	2010 Target
Module Load Completion Rate	1	Scheduled hrs assessed and passed or satisfactorily completed / Total scheduled hrs reported less Hrs recorded with credit transfer and continuing studies outcomes	74.90%	77.60%
Participants of 15-24 year olds	1	No. of Students within the age group	14,830	15,165
Participation of 25-64 year olds	1	No. of Students within the age group	15,021	15,218
Student Satisfaction	1	Proportion of graduates satisfied with the overall quality of learning	85.90%	85.80%
Total Cost per Student Contact Hour (SCH)	2	Total funded expenditure (excl Depreciation) / Total SCH	$10.79	$12.69
Working Capital Ratio	3	Current Assets / Current Liabilities (adjusted for Current Other Long Term Employee Benefits)	3.19	2.34
Net Operating Margin	4	Funded Operating Surplus / Total Revenue (excl Capital)	4.41%	5.30%
Fee For Service Revenue	4	Fee for Service Revenue (excl Sale of Goods)/Total Revenue (incl Capital excl Sale of Goods) %	34.79%	42.43%
Revenue per EFT Staff	4	Total Revenue (excl Capital) / Average EFT Staff	$122,415	$125,093
Student Contact Hours	5	Total no' of student contact hours delivered against contracted delivery	10,643,334	9,710,915
Energy Consumption		Percentage reduction in energy consumption for Electricity, Gas, LPG, Green Power and Heating Oil.	1.0% reduction in energy consumption for electricity and 15.6% increase for gas. 0% increase in purchase of Green energy	Reduce energy consumption by 20% (using 1999 as the base year) and increase the purchase of electricity from green power sources from 10% to 25%.

Notes: Explanation of Significant Variances of 10% or more.

Note 1: As advised in Executive Memo 2007-04, issued on the 12th February 2007, the Institute's actual delivery outcomes for the preceding year pertaining to this KPI represents the baseline for measuring performance in subsequent years. Consequently the target for these indicators represents prior year actuals.

Note 2: The Institute recorded a 15% decrease in funded expenditure per student contact hour as a result of an increase in offshore delivery as a proportion of total delivery, with onshore delivery relating to international students and full fee paying domestic students significantly reduced.

Note 3: The favourable variance in working capital is as a result of the Institute's funding contribution for the Integrated Technology Hub not being required until 2011.

Note 4: Fee for service revenue as a proportion of total revenue is lower than target as a result of the decrease in international students and full fee paying domestic students noted above, offset by better than expected delivery of youth compact hours delivered under contestable funding. The reduction in international and full fee revenue has also resulted in a reduction in revenue per EFT staff member and net operating margin.

Note 5: As with 2009, during the year the Institute recorded a shift towards courses and programs of longer duration, together with increases associated with offshore campus delivery and youth compact. The increases in student contact hours have been offset by the decrease in domestic full fee paying and international student delivery.

Note 6: During 2010 energy consumption for gas increased as a result of an increase in occupied building space available for use and longer hours of operation. There was no percentage increase in the purchase of green energy as the scope for further purchase increases plateaued at 25% in 2009.

Elgar Campus

465 Elgar Road
Box Hill VIC 3128

Nelson Campus

853 Whitehorse Road
Box Hill VIC 3128

Whitehorse Campus

1000 Whitehorse Road
Box Hill VIC 3128

Ceylon Campus

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Nunawading VIC 3131

Automotive, Pre-vocational Studies

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