Annual Report

2011–12

CRICOS No. 03020E

Southbank Institute of Technology

Interpreter

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Southbank
Institute of Technology

Annual Report

2011–12

30 August 2012

The Honourable Minister John-Paul Langbroek MP
Minister for Education, Training and Employment

Level 22, Education House
30 Mary Street
Brisbane QLD 4000

Dear Minister Langbroek

I am pleased to present the Annual Report 2011–12 and financial statements for Southbank Institute of Technology.

I certify that this Annual Report complies with:

- The prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- The detailed requirements set out in the Annual Report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be accessed at www.southbank.edu.au/annualreport.

Yours sincerely

Warren Tapp
Chair of the Board
Southbank Institute of Technology

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ABOUT US

Southbank Institute of Technology (SBIT) has a proven record as Queensland's leading provider of high-level Vocational Education and Training (VET) – delivering high-quality, industry ready graduates to meet the needs of a robust global economy.

SBIT strives to be Australia's leading provider of education and training services, in accordance with the *Vocational Education, Training and Employment Act 2000 (VETE Act)*.

SBIT became a statutory authority on 1 April 2008, leading the Queensland Government's policy initiative to drive better outcomes for students, employers and industry by positioning the Institute to deliver more training places, particularly at the higher qualification levels.

On Tuesday 3 April 2012, Education, Training and Employment Minister John-Paul Langbroek was sworn in to the Legislative Assembly of Queensland by the Queensland Governor, Her Excellency Penelope Wensley AC, with Saxon Rice MP appointed as the Assistant Minister for Technical and Further Education.

As a statutory TAFE Institute, SBIT is subject to state Government policy, and considers whole-of-government targets and strategic frameworks when planning the strategic direction and daily activities of the business.

SBIT has a strong focus on the delivery of quality education and has earned its long-standing reputation for both student and business satisfaction. This Institute's attentiveness to its students has been developed through the unique offerings of what's referred to as the 'Southbank Experience'.

The on-campus experience is additionally exciting as students can step from a vibrant learning hub into the heart of Brisbane, Queensland. Students enjoy easy access to the city centre, a variety of cultural and entertainment facilities, and sophisticated student accommodation.

SBIT is made up of 12 schools of study and offers a wide variety of courses across highly sought after disciplines. These include: health sciences, engineering, multimedia, hospitality and tourism, creative industries, and business and community services.

In 2008, SBIT completed a multimillion dollar redevelopment to create a world-class campus where students learn and develop skills using state-of-the-art training facilities. Students have access to cutting-edge scientific and IT teaching laboratories, professional gig and recording studios, industrial kitchens, and simulated learning environments in nursing, child care, beauty and fitness. SBIT is extremely proud to be at the forefront of technology-assisted learning and the accelerated learning opportunities that it provides to its students.

Flexibility is a high priority at SBIT particularly when developing education and training to meet the needs of a diverse population. A wide range of study options are offered to support student endeavours including starting a new career, building skills, increasing further study opportunities or gaining practical hands-on skills to support existing university qualifications.

The Institute looks to bridge the gap between the technical education and university training, removing many barriers to continued education, hence the reason why education from SBIT is commonly referred to as a life-changing experience.

SBIT will continue to provide, as part of its core business, high-level vocational and technical education to address significant skills shortages in a range of areas. The result of an education at SBIT is a job-ready graduate, equipped with the confidence and contacts to achieve in the global economy, and to support the needs of the state.

CHAIR AND CHIEF EXECUTIVE OVERVIEW

2011–12 has been a year of significant change for SBIT. Our Board (appointed in May 2011) has settled into the organisation having overseen the change process from a governance perspective, and importantly has driven a number of key successes during the year.

The Board has reviewed all parts of the governance systems and structure, including Terms of Reference for subcommittees to ensure appropriate control and monitoring of the operations. The Board has also undertaken professional development through a tailored governance session and a briefing around the new WH&S legislation introduced in January. With a combination of strong commercial and educational backgrounds, the Board has driven a more commercial framework through SBIT and strengthened the quality of commercial thinking and planning.

Some of the highlights include:

- Facilitated and developed three year strategic plan
- Renewed and approved organisational vision and values
- Clarified and defined clear organisational KPIs
- Sold Morningside Campus
- Reviewed and renewed SBIT policies
- Reviewed and approved revised contracts for directly engaged staff
- Reviewed and improved the delegations manual
- Reviewed remuneration incentives for executive and other managerial staff
- Advocated with Government and our Minister on a range of sector-wide issues
- Provided leadership within the TAFE Chairs' committee
- Approved a new executive structure
- Strengthened audit activities (financial and academic)
- Improved focus on risk management frameworks
- Established an Education Board to oversee the establishment and performance of an Institute Academic Board
- Reviewed the aims and objectives of the Staff, Student, and Community Voice Board committee
- Improved communications with staff through road shows and support of staff awards and student graduation
- Established SBIT Foundation

The Board and incoming CE inherited a significant forecasted budget deficit ($9.9 million) for 2011–12.

Notwithstanding the fiscal challenges around the budget deficit, SBIT outperformed its operating expectations through a programme of austerity, cost cutting, and productivity gain (the latter achieved through non-replacement of non-teaching staff). The final result, an operating surplus of $3.5 million, is an outstanding result and a budget improvement of over $13 million. Total revenues outperformed budget by around $3 million while total operating costs were cut to budget by more than $10 million.

As well as the significant turnaround in its operating result, SBIT has focused on several other significant improvements. As an educational institution the institute's core business is teaching. The VET sector is a service industry focused on people. Students remain the Institute's key focus. Since students choose SBIT for their training and education, teaching quality must remain our first priority.

The Institute has renewed its commitment to teaching and educational quality. The development of a clear strategic plan outlining a three year vision has been integral to this objective. For the first time the Institute is establishing a formal academic board structure with a range of sub-committees to support a culture of quality improvement and academic rigour. The membership of the academic board is dominated proportionally by academic staff. Teaching staff need a greater voice in assuring more modern and successful teaching practices.

To further empower teaching staff, a more decentralised approach is being encouraged. Parameters have been established for school budgets and central overhead contributions. For the first time the budget process has been a "bottom up" process. Centralised directorates have been restructured to focus more strongly on supporting schools and teaching quality in particular.

The Board approved a new structure for the Executive Leadership Team with the aim of promoting our educational values while encouraging a more commercial and business approach to the Institute. Three new executive roles replaced the previous roles and these resulted in three new executive staff appointments; Dr Christina Hong (Deputy Chief Executive), Jared Dawson (Chief Financial Officer), Christa George (Director, Support Services). Further restructuring across the new directorates is occurring at third tier.

On the delivery side of the Institute, the aim is for more consistency in the size of our schools and improved resourcing at a school level to provide greater support for teachers. Faculty and school structures are currently being reviewed.

Throughout the change it has been important to bring our staff with us. There has been an improvement in internal communications and openness and a transparency of decision making has been a focus on improving staff culture both from a professionalism and loyalty perspective. These relationships are two-way and institutional leadership has endeavoured to role model those same values. It was reassuring that our recent staff survey highlighted significant improvements in staff satisfaction across the board.

SBIT is committed to supporting government priorities for training and education. The Institute works closely with DETE to ensure the state meets training targets for the future. We continue to strive towards meeting the needs of our stakeholders (eg students, industry, and government). We continue to develop opportunities for pathways and through partnerships and collaborations with other providers. As the largest and most modern TAFE in Queensland, and one of only two statutory TAFEs, we see our responsibility partly as one of leadership. Our recent initiative of establishing and promoting Group of Eight (G8) TAFEs across Australia is an example of that leadership role.

We would like to acknowledge firstly the hard work and professionalism of staff through this period of significant change. During the past eight months of restructuring our core business of education has continued with mostly positive feedback from students.

We would also like to acknowledge the hard work of the Board and Executive. They have worked tirelessly to ensure SBIT continues to progress and improve through challenging economic times in order to position the Institute in the best possible position for further change across the sector.

Last but not least we acknowledge our students. Without their support we would not be here. We wish you all the best in achieving your life and career aspirations. Thank you for choosing SBIT.

Warren Tapp
Chair of the Board
Southbank Institute of Technology

Pim Borren
Chief Executive
Southbank Institute of Technology

STRATEGIC PLAN — MAKING IT HAPPEN

SBIT supports the Government's statement of objectives for the community, known as 'Getting Queensland Back on Track'. SBIT contributes to the Government's objective to grow a four pillar economy by delivering world-class education and training, providing educational development pathways and enhanced skills for a global market. Our industry partnerships deliver skilling solutions that increase workforce participation and build organisational capability through our high-level vocational education and technical training.

Towards this endeavour we have made significant strides including the re-development of a three year strategic plan. The plan focuses on improving the experience of staff and students, improving academic quality and operational efficiency, developing more commercial partnerships and building a stronger market position which will ultimately see stronger financial growth for the Institute.

SBIT's Strategic Plan is designed as a live document, reviewed and updated annually. The Board uses the plan to monitor the performance of management and to ensure it remains focused on strategic and commercial issues as well as enhancing academic quality and operational efficiency. The plan details SBIT's vision, purpose, competencies and values.

SBIT's vision

SBIT will be Australia's leading provider of education and training.

SBIT's purpose

SBIT will support the ongoing growth of Queensland's economy through training high quality, job ready graduates. We are leaders in meeting industry skills needs, through applied learning.

SBIT's competencies

SBIT's core organisational competencies, vital to achieving our purposes are:

- Educational expertise and industry currency
- Strong industry partnerships
- Customer service and marketing capability to build reputation
- Strategic product development and speed to market
- Internal efficiency and effectiveness
- Customer service culture of continuous improvement, quality and performance.

SBIT's values

SBIT's values will support everything we do. They are:

- Integrity
- Quality
- Innovation
- Care and Respect.

These will be used to build greater alignment and meaning to the desired behaviours needed for success across the Institute's activities with students, curriculum, industry partners and other stakeholders as well as providing clarity of accountability and performance expectations for SBIT's staff.

SBIT's strategic goals

SBIT identified seven strategic goals and a number of associated strategies in its Strategic Plan.

Strategic goal	Strategies
Industry Engagement	Develop industry partnerships by having relevant products which produce work-ready graduates
	Implement SBIT's Industry Engagement Strategy
Student Experience	Develop a student experience to match SBIT's students' expectations and needs
Teaching and Learning Quality	Maximise quality learning experiences and outcomes for each student
	Publish SBIT's Framework for Education to staff and students
	Implement SBIT's Teaching and Learning Framework
Productive Partnerships	Grow existing, and identify new, commercial partnerships
Our People	Attract, develop and retain highly qualified professional staff
Sustainable Products	Focus on innovative products and learning modes for the future
	Implement a scholarship of teaching expectations
Future Tertiary Models	Continually ensure the optimal business and organisational model for the Institute in the tertiary sector
	Continually improve operational effectiveness within the Institute

Measures	2011–12 Actual	2011–12 Target	2010–11 Actual
Total qualifications completed	6,964	8,700	7,920
Total number of students			
• Certificate III and above	14,577	16,000	15,406
Employment/further study outcome	84.2%	90%	87.5%
Number of full fee paying international students	1,809	2,015	2,885
Percentage of successful competencies as a proportion of all attempted competencies	81%	84%	83%
Satisfaction rating			
• Business client satisfaction rating	90%	81%	80%
• Student satisfaction rating	90%	89%	89%
Number of articulation pathways	258	160	189

PERFORMANCE SUMMARY

SBIT performed well against its targets set for 2011–12 while operating in a challenging domestic and international market.

Despite the tightening of resources and the operational changes that took place during the reporting period, SBIT managed to increase its student satisfaction rating by 1 per cent.

In addition, SBIT can report that its business client satisfaction rating jumped 10 per cent with a 90 per cent satisfaction outcome, a strategic win for SBIT's strong industry ties and its reputation for producing job-ready graduates.

In 2011–12, the number of our pathway programs increased from 189 to 258. This remarkable increase has been a focus of SBIT to provide greater flexibility for students to go onto further study at university. SBIT is extremely pleased to also report an increase in a number of key areas behind why students choose SBIT to study. SBIT ranked higher in the reason of; Good reputation, Quality of Training and Availability of flexible study options.

The 'motivation' behind what brings students to SBIT is also an important indicator for the Institute. Knowing that there are trends towards more people wishing to change their career, to up-skill and to receive that 'piece of paper' are crucial when looking at how the Institute markets its courses and its overall branding strategy. For this reason, SBIT introduced a new branding campaign in 2011–12, with an 'Update your status' tagline. This marketing approach by the Institute was chosen to appeal to the many target audiences and the many motivations for study.

One market that was again impacted significantly by many factors out of SBIT's control was SBIT's international student numbers. The Australian education industry has come under increasing pressure due to various adverse factors, including changes to the Australian Skilled Migration program, the rising value of the Australian dollar, and increased competition locally and internationally. Further, changes to immigration policies have also weakened the international student market.

Overall, SBIT closed out the 2011–12 reporting period with a good understanding of the areas it reported well against and how the new executive team can continue to work towards a better Institute and ultimately the vision to be Australia's leading provider of education and training.

FINANCIAL POSITION

Financial summary

The Institute finished its fourth full financial year returning an operating surplus of $3.523 million before the sale of land at Morningside, a further improvement on the 2010–11 surplus of $2.584 million. The operating surplus represents a $13.472 million improvement against the budgeted operating deficit of $9.949 million. This was achieved through management of expenditure, delay in some ICT projects while reviews were completed and reduced personnel costs due to stage one of the organisational restructure.

In December 2011, the Institute sold 9.135 hectares of land at Morningside campus for $13.500 million. As the carrying value of the land was $17.233 million, the Institute incurred a net loss of $3.888 million. In addition to the loss, under Cabinet approved funding arrangements for the Southbank Education and Training Precinct (SETP), a $12.500 million contribution is to be paid back to Department of Education, Training and Employment by June 2013 out of the proceeds of the sale.

The operating surplus has been achieved despite the pricing pressures in the domestic market due to increased competition in the Vocational Education and Training (VET) and Higher Education sectors and the decline in the International student market affected by immigration policy changes and the strong Australian dollar. SBIT continues to increase the number of eligible VET courses as a VET FEE-HELP provider. In 2011–12, the Institute had over 19,500 enrolments compared to 13,450 enrolments in 2010–11.

As a Statutory Authority, the Institute's business model is focussed on driving commercial outcomes with a continued shift away from a reliance on government grants and contributions to increased user charges which now represents 61 per cent of our total revenue. The Institute has no related party transactions to report.

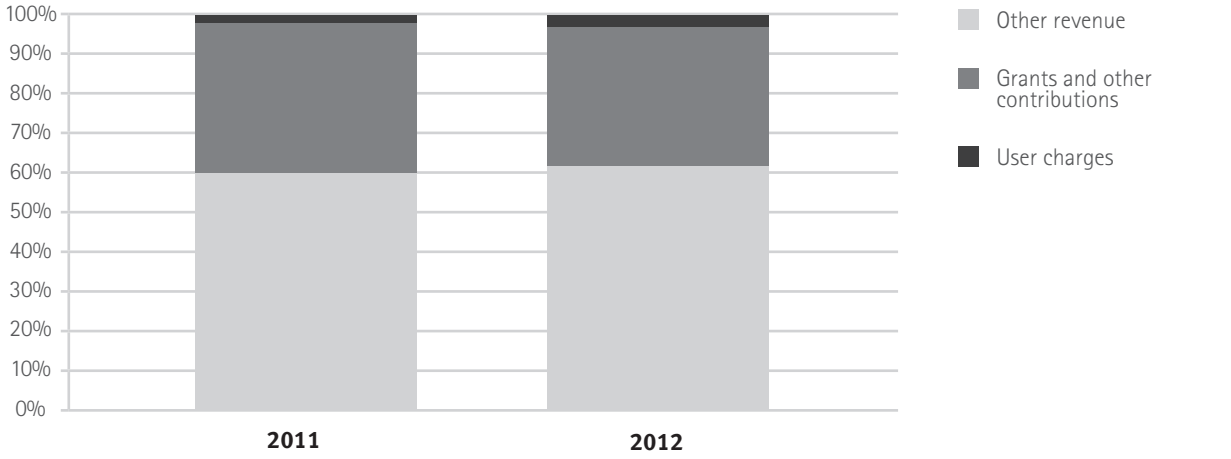
With 2012–13 shaping up to be an equally challenging economic time, the Institute is developing strategies to continue to strengthen our financial position, exploring new markets, and developing a culture of educational excellence.

Operating performance

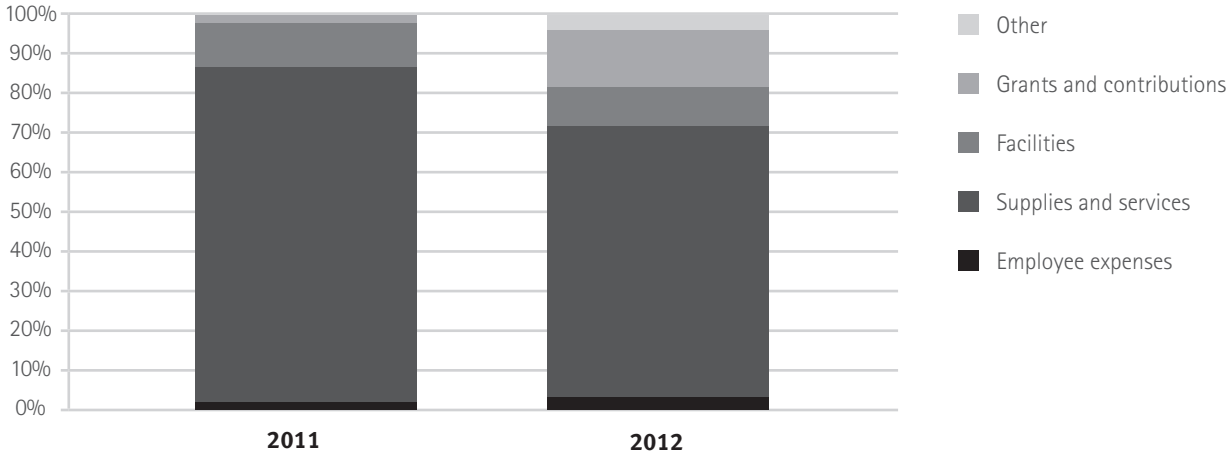
	2011–12	2010–11
	$'000	$'000
Income	100,413	96,494
Operating expenses	96,890	93,910
Operating surplus/Deficit before Morningside transactions	3,523	2,584
Operating surplus/(Deficit) after the sale of Morningside and payment of the contribution to DETE	12,876	-
Cash and cash equivalents	27,880	28,986
Total assets	59,666	63,708
Total equity	14,628	27,504
Operating margin before Morningside transactions	3.51%	2.70%
Current ratio	1.28	1.18
User charges / Total revenue	61%	60%

For 2011–12, the Institute grew revenue by 4 per cent over 2010–11 and managed to contain expenses within 3 per cent of 2010–11 improving the operating margin (like for like comparison) to 3.5 per cent.

Revenue comparison



Expenditure comparison



SBIT'S STUDENTS AND THE VET AND HIGHER EDUCATION MARKET

Operating performance

SBIT continues to be a leading public provider of quality Vocational Education and Training (VET) in Queensland. SBIT services local, state, national and international demand for VET and higher education training, and specialises in the associate or paraprofessional market. It has a broad client base, catering to local and international students, as well as corporate and community clients.

The marketplace

SBIT supports the ongoing growth of Queensland's economy through training high quality, job ready graduates. As a vocational training provider focused on being Australia's leading education and training institute, it continues to lead by example in meeting industry skills needs, through applied learning, and continual review of its strategic plan.

SBIT works hard to ensure its courses are relevant and meet the needs of the industry, government and student body. Our outcomes in the areas of Engineering, Nursing and Allied Health are consistent with job growth in these areas.

At a national level, one of the largest growth areas over the next five years is expected to be in the Health Care and Social Assistance field with some expected 241,800 jobs or 26.4 per cent of new jobs. SBIT is ideally placed to provide these qualifications.

Our student market

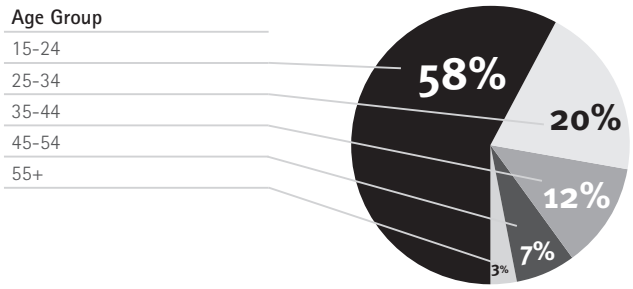
SBIT's student market comes from varied demographic groups. As outlined in the diagrams shown, SBIT's primary student market was once again dominated by the 15-24 age category.

Interestingly, SBIT saw a significant 9 per cent increase on the number of female students in 2011–12. Of the 17,364 students, 42 per cent were male and 58 per cent female, whereas in the previous year it was approximately 50:50. This differs from the national average of 53 per cent male and 47 per cent female.

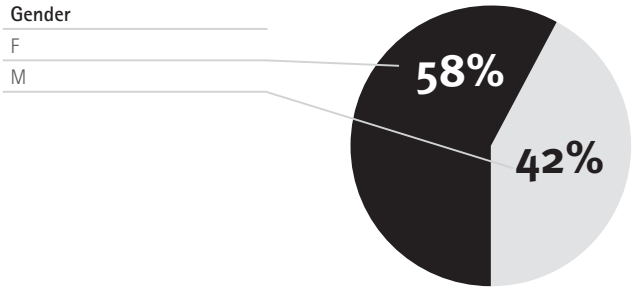
Most of SBIT's students are Australian-born, and live in Brisbane's surrounding suburbs. The contingent that closely follows this group, are those students that commute from Brisbane's satellite cities of Ipswich, the Gold Coast and Sunshine Coast.

SBIT's international students come from 79 countries. The largest contingent of the international student body (studying in Australia and offshore through our partner networks) comes from China, followed by Korea and Vietnam. Saudi Arabia dropped from SBIT's third largest contingent in 2010–11 to the fourth, switching place with Vietnam.

Students by age

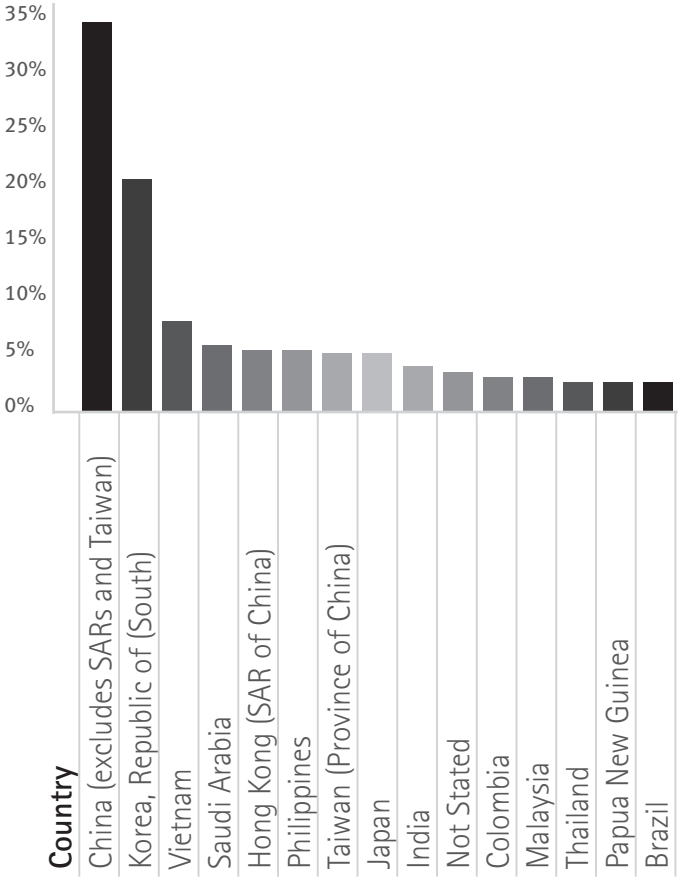


Students by gender

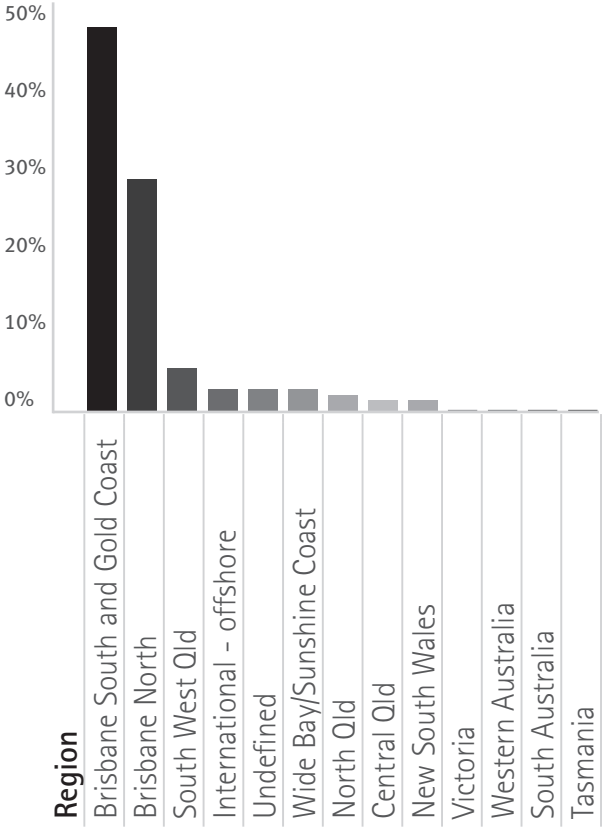


International students by nationality

Top 15 countries out of total of 79 countries:



Students by region



Why students choose SBIT

In 2011–12, SBIT congratulated 6,964 students for graduating in their chosen educational pursuits. On graduation, 82.3 per cent of graduates reported that they achieved, or partly achieved, their main reason for undertaking training. The main motivator for study was to get a job followed by the student's desire to pathway to other study.

The number one reason for choosing SBIT as a training provider was due to SBIT's programs and courses.

Students by reasons for choosing to study at SBIT	2012
Availability of programs and courses	25.86%
Good reputation	15.59%
Quality of training	14.07%
Location close to home	13.69%
Affordable costs	9.13%
Availability of flexible study options	7.98%
Arrangements with work	4.94%
Arrangements with school	3.80%
No other choice in the area	2.28%
Other	2.66%

Students by motivation to study	2012
To get a job	25.00%
Pathway to other study	22.09%
Change to my career	14.53%
To get extra skills for current job	10.47%
To get a qualification or licence for current job	8.72%
To start / improve own business (10%)	5.81%
As a hobby or leisure	5.81%
To get a promotion	4.07%
Other	3.49%

BOARD OF DIRECTORS

SBIT has an experienced Board that is actively involved in the Institute and keeps well informed, ensuring it is able to make the best decisions for SBIT's direction.

The Chair and Chief Executive meet regularly to discuss major operational and policy matters and ensure the Board receives regular updates between official Board meetings (held monthly) as required.

A number of Board subcommittees have been established to undertake specific tasks and subsequently advise the Board on activities in these areas. The Board subcommittees are:

- Audit Finance and Risk and Facilities Committee (AFRFC)
- Remuneration and Nominations Committee
- Staff, Student and Community Voice Committee (SSCV)
- Education Committee

Further information can be found under Risk Management page 41.

During most of 2011–12, the Board comprised the chair and eight non-executive members, all of whom were appointed on the recommendation of the Minister for Employment, Skills and Mining, the Honourable Stirling Hinchliffe on 1 May 2011.

The Chair of the Board is Mr Warren Tapp, and members appointed to the Board are Ms Helen Brodie, Dr Mary Corbett, Ms Sandra Deane, Dr Stephen Clark, Mr David Withers, Mr Ray Heffernan, Mr Chris Burgess and Ms Susan Stephenson. Mr Charles Jia resigned from the Board in October 2011. The Institute's Board provides a diverse mix of qualifications, skills and experience that will ensure SBIT's ongoing success.

The powers of the Board are established under Chapter 6A of the *Vocational Education, Training and Employment and other Legislation Amendment Act 2007*.

Over the 12-month period, 12 Board meetings and approximately 18 committee meetings were held.

Brief summary of SBIT's Board members

Warren Tapp (Chair) brings a wealth of experience to the Board, having chaired seven commercial boards and undertaken governance work with many Australian and overseas organisations, including a number of TAFE institutes in Queensland. He has been a director of the consulting divisions of major accounting firms across a wide range of industries, and was a facilitator on the AICD Company Directors course for 10 years. He is a Fellow of the Australian Institute of Company Directors. His qualifications include an MBA and Master of Laws, as well as a Graduate Diploma of Applied Corporate Governance.

Helen Brodie has broad experience both as a senior executive and as a non-executive director. Helen's particular area of expertise is sales and marketing, with extensive experience and knowledge of the communications, retail and services industries. With over 25 years of experience with Australia Post, Helen held the most senior role in Queensland, leading an extensive sales and retail network. Helen currently holds board positions with a number of organisations in Queensland. Helen is a Fellow of both the Australian Institute of Company Directors and the Australian Institute of Management. Helen also holds qualifications including a Bachelor of Business, Graduate Diploma of Business Administration and an Advanced Company Director Diploma.

Sandra Deane's professional expertise includes contract management and negotiation, dispute resolution and compliance. Sandra is an experienced senior executive and former chair of a statutory authority, with a background in both corporate and professional (legal) sectors. Sandra has had 18 years legal practice. She is a director of a private company, holds the role of president on a not-for-profit board, and has held numerous previous roles with not-for-profit student and community boards.

Dr Mary Corbett (Deputy Chair), has significant board and corporate governance experience, serving on five boards over 10 years, and is also currently Chair of West Moreton Hospital and Health Services, Deputy Chair of the Australian Agriculture College Corporation and the Cotton Research and Development Corporation. Mary is Managing Director of an executive leadership training company and is the only Master Practitioner outside of the USA, in the ESSI Systems Resiliency, EQ and Stress Mapping metrics. She has worked extensively with TAFE institutes over the past 10 years. Mary is a Fellow of AICD and holds PhD and BSc qualifications.

Susan Stephenson has significant experience on boards and advisory councils. She has been a Board member of The University of Queensland's Social Work Department and the Queensland Council of Social Services, and she was President of the Queensland Community Employers Association. Susan is currently a Board member of the Global Learning Centre. Susan has a Bachelor of Arts First Class Honours in the areas of sociolinguistics literature, psychology, history and geography, as well as a Masters in the Arts. Susan's governance experience includes strategic planning, complemented by experience in the vocational education and training sector.

Dr Stephen Clark has over 25 years senior leadership experience, with 14 years as chief executive. He has been a company director for 11 companies since the mid- 1990s, and chair of national organisations such as the National Rural Health Alliance. Stephen has also chaired finance and audit committees for biotech companies. He is a member of the council for the International Accreditation Program of the International Society for Quality in Health Care. He is also a Fellow of the Australian Institute of Management, the Australian Institute of Company Directors and the CEO Institute. He holds qualifications in teaching, psychology, counselling and special education, as well as holding a Doctorate in Philosophy.

David Withers is an experienced executive and company advisor, with broad experience and academic qualifications in governance, risk management, strategy development, finance, economics and engineering. David is the former CEO of Boeing Australia and Asia–Pacific Managing Director of Smiths Aerospace. David currently sits on two private boards and chairs the Aviation Industry Leadership Council. David also co-chaired the Gateway Schools Project between 2006 and 2008, and played a key role in the development and governance of Aviation Australia, the Gateway Schools Project and Aviation High.

Chris Burgess as the past Acting Chair and continuing Board member, brings extensive experience to the Board with a background in education and expertise as a director, gained from his many years as a professional company director. He is currently a non-executive director of Allen & Buckeridge Venture Fund Co Pty Ltd (venture capitalists), and until the end of 2009 was a Director of GPpartners Pty Ltd. His career has included roles such as Pro-Vice Chancellor at the Australian National University, and senior management roles at the University of Sydney and Griffith University as well as several senior positions in the Universities Council, Commonwealth Tertiary Education Commission. He has extensive directorship experience and has been a member of several ministerial advisory councils in education and technology commercialisation, and was a member of the Commonwealth Review of Accounting Discipline in Higher Education and the Commonwealth Committee for Quality Assurance in Higher Education. Chris holds a Bachelor of Arts (Honours) from the University of Tasmania.

Ray Heffernan is a continuing member of the Institute Board of Directors. Ray Heffernan provides invaluable industry experience and business and market development expertise to SBIT. He has a 16 year involvement in the vocational education sector. Ray holds a Bachelor of Business in Accounting from the Queensland Institute of Technology. His career includes a senior executive role with Telstra Queensland, membership of educational committees and contracting roles to the governments, commercial companies and not-for-profit organisations. He has sales, marketing, management and contract management experience and has written a number of submissions on government policies and programs. Ray currently operates a contracting business with a focus on assisting organisations to prepare for the digital economy environs.

EXECUTIVE LEADERSHIP TEAM

SBIT's structure

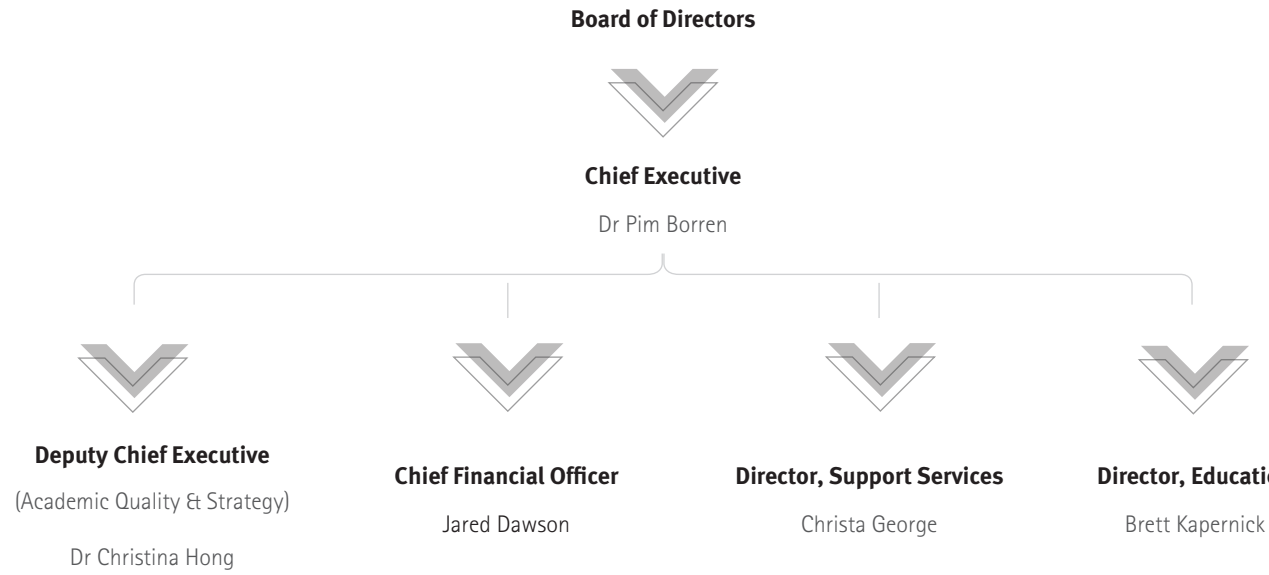
It has been a period of significant change for SBIT's Executive Leadership team. Dr Pim Borren commenced as the new Chief Executive on 1 November 2011, taking over from Acting CEO and Director, Robyn Tyler.

The Chief Executive completed a review and analysis of SBIT's executive structure, and with Board approval announced an executive restructure in February 2012. The new structure included the positions of:

Position	Responsibility
Deputy Chief Executive	Academic quality and strategy, and a strategic projects office
Director, Education	All educational delivery in the Institute
Director, Support Services	Student Services, Marketing and International Sales
Chief Financial Officer	Finance, Facilities and Information, Communication and Technology.

The new executive positions were recruited through external, fully contestable recruitment processes, with the exception of the Director, Education for which an internal recruitment process was conducted. Staff were invited to presentations by candidates for the positions of Deputy Chief Executive, Chief Financial Officer and Director, Support Services, who presented on "The role of Vocational Education and Training in Australia, and its potential for the future". Staff provided feedback on each candidate to the selection panel as part of the selection process.

As at 8 May 2012, SBIT's executive structure was complete with the following appointments to the new executive positions:



INDUSTRY ENGAGEMENT

Goals:

- To develop industry partnerships by having relevant products which produce work ready graduates.
- To implement SBIT's Industry Engagement Strategy.

Industry engagement remains a significant strategic initiative for SBIT. To ensure an ongoing success with a wide range of industry partners and the establishment of many more, the Institute reviewed its strategy around Industry Engagement. This framework recognises the essential role that industry plays within the vocational education and training sector.

Throughout 2011–12, SBIT established and reaffirmed important industry partnerships. This is a strategic approach to give students unique opportunities and experience to help build their job readiness for the current, and future, workforce. The Institute also strengthened its focus on Industry Reference Groups ensuring industry currency and tailoring delivery to meet current practice. It is one of the reasons SBIT graduates are highly sought after by industry.

An extensive number of SBIT staff are involved on boards and are members of industry associations; these include but are not limited to the following:

- Engineers Australia
- Australian Dental Technicians and Prosthetics Education Advisory Council
- Australian Culinary Federation
- Queensland Tourism Industry Council
- Clinical Supervision Support Program.

Throughout the majority of 2011–12, SBIT grouped its qualifications into three areas, based on industry type. These were the faculties of:

- Design, Arts and Hospitality
- Health Sciences
- Business and Community Education.

FACULTY OF HEALTH SCIENCES

Over the 12 month period, the Faculty of Health Sciences worked hard to address the significant skills shortages across the health and community services sectors by providing high-quality education and training, creating new health sector workers and up-skilling and re-skilling existing workers.

The faculty taught its programs across four schools of study:

- School of Health Services - provides training and education in nursing, aged care, paramedical science (anaesthesia) and sterilising services.
- School of Community Services and Dental - produces graduates in child care, community development, and dental practice (assisting, technologies and prosthetics).
- School of Beauty and Recreation - delivers training to those working in the sport and fitness, beauty therapy and spa sectors.
- School of Health Sciences - offers skills to those pursuing a career in laboratory science including bioscience, environment, forensics and pathology.

Highlights:

- SBIT achieved corporate membership status of the Australian College of Nursing through the Institute's demonstrated commitment to pursue professional excellence in nursing training and professional development.
- SBIT successfully secured Australian Professional Acknowledgement of Continuing Education (APACE) accreditation which allows students to claim Continuing Professional Development (CPD) credit for SBIT nursing short courses and workshops.
- The ongoing development of the Nursing Upgrade Program allowed increasing numbers of existing healthcare workers to up-skill their qualifications to the Diploma of Nursing or gain re-entry to nursing pathways to obtain nursing registration status.
- The successful review of the Diploma of Paramedical Science – Anaesthesia saw the re-engagement of key industry stakeholders through linkages with a range of organisations such as Queensland Health Public Hospitals, Mater Private and Public and Ramsay Group Private Hospitals. These linkages provide vocational placements for students and support the new delivery model for this qualification, introduced in February 2012.
- Working with a major Queensland Health Public Hospital, SBIT developed and delivered a workplace based Diploma of Paramedical Science – Anaesthesia. The qualification was delivered to existing peri-operative nurses currently employed as anaesthetic theatre assistants. It provided a supported and blended learning model that enabled a 100 per cent completion rate for the students and assisted the organisation's achievement of critical skills recognition and development goals.
- SBIT strengthened its ties with the Sterilizing Research Advisory Council of Australia, providing Institute graduates a competitive edge in the marketplace.
- The delivery of a Certificate III in Children's Services for Aboriginal and Torres Strait Islander people commenced in March 2012. Through facilitated mentoring, students undertaking the qualification are being matched with workplaces looking to attract and recruit Aboriginal and Torres Strait Islander Australians. Enrolled students are currently engaged in vocational placements and three have accepted offers of employment.
- SBIT's Children's Service team established strong links with a number of industry stakeholders, such as the Professional Support Coordinator Queensland, the Office of Early Childhood Education and Care, Healthy Early Years Training Strategy and Partners in Healthy Early Years, to support implementation of the National Quality Framework for Early Childhood and Care and the Early Years Framework.
- To meet growing demand for flexible delivery of Certificate, Diploma and Advanced Diploma qualifications, Children's Services successfully commenced delivery of evening classes for these programs, allowing broader access to this training and supporting the up-skilling of existing workers in this sector. The Institute is further developing an online learning platform to provide additional flexible learning options for these programs.
- An industry stakeholder forum was held on 7 June 2012 with a view to re-establishing relationships with the sector and providing an opportunity for stakeholders to provide greater input into the development of training and skills development solutions. This forum also focussed on supporting the education and training of students intending to enter the industry.
- Over 380 students from the School of Community Services and Dental have been successfully vocationally placed with a range of organisations in their industry sector as part of their training programs. These placements allow students to develop relevant workplace skills in real time, with immediate industry feedback on the effectiveness of SBIT's training programs.

FACULTY OF DESIGN, ARTS AND HOSPITALITY

The Faculty of Design, Arts and Hospitality oversaw a wide range of programs that provided students with the necessary skills for a career in the diverse and challenging industries of hospitality, the creative arts, built environment, printing and digital media.

Work placement and real work outcomes are embedded into many of the offered programs, with full time, part time and workplace based apprenticeship and traineeship study options available. These options provide a range of skills development opportunities for new and existing workers.

The faculty taught its programs across four schools of study:

- School of Tourism and Hospitality - continues to be the training provider of choice for those studying hospitality management, tourism, events management and professional cookery.
- School of Industry and Trades - encompasses the Queensland School of Printing and Graphic Arts specialising in screen printing, sign writing, graphic prepress and print machining.
- School of Engineering and Design - delivers courses and qualifications in animation, games design, architectural and computer aided design, civil engineering and interior technology.
- School of Creative Industries - provides students with study options in the fields of contemporary music, graphic design, performing arts, photography and visual arts.

Highlights:

- SBIT reaffirmed its long term commitment to the Byron Bay Blues Fest through the provision of support to this unique event for the seventeenth year. This relationship provides work experience opportunities for students from the Diploma of Sound Production. It allows SBIT students to work on two of the festival's main stages with major international performers and technical teams, a dream achievement for many in the field.
- The Institute's School of Creative Arts successfully organised and delivered the annual Rockschool Challenge event series by engaging over 20 high school bands from around Brisbane. SBIT students from the Diploma of Sound Production and the Diploma of Music Business learn key music event skills by co-coordinating, mentoring and shortlisting the participants' performances for judgement by an industry panel. This practical application of skills also supports face to face engagement with industry as a key element of this project.
- The Institute reaffirmed its long term relationship with La Boite Theatre Company with four students from the Advanced Diploma of Arts receiving a three month internship and supporting roles in La Boite's opening season of the performance 'As You Like It'.
- SBIT's existing relationship with VIA University in Denmark, enabled SBIT to again offer students in the Diploma of Building and Design qualification international experience via participation in a student exchange.
- The Institute's School of Engineering and Design completed their submission for accreditation of the Vocational Graduate Certificate of Architectural Digital Illustration to the Australian Skills Quality Authority. This is the School's first Post-Graduate (Australian Qualifications Framework, Level 8) level program. The School also gained successful re-accreditation and re-registration of the Associate Degree in Civil Engineering and the Diploma of CAD through the Queensland Office of Higher Education.
- SBIT supported the 'Plates for Mates' national fundraising initiative and, in collaboration with industry partners, raised almost $50,000 for the Matt Golinski Recovery Fund and McComb Foundation. This was achieved through a Gala Dinner event held at 66 on Ernest, organised by the School of Tourism and Hospitality, and attended by students, staff, industry partners, members of the public and special guests.
- SBIT continues to be the leading Australian provider of students to the Disney Florida work experience placements program. This program, and the highly sought after placements, are specifically advantageous for SBIT students studying Diploma of Tourism/Hospitality/ Events.
- SBIT strengthened its relationship with ACCOR Group Australia through the establishment of a three year agreement to provide the SBIT Apprentice Chef of the Year winner with a scholarship prize consisting of a four week training activity at an ACCOR hotel in an overseas location.
- Outstanding examples of the Faculty's ongoing success, engagement with Industry and skilling outcomes were put on show at a public showcase event, Creative Southbank, held 14-18 November 2011 at SBIT. The week-long event attracted over 2,500 visitors.

FACULTY OF BUSINESS AND COMMUNITY EDUCATION

The Faculty of Business and Community Education worked constantly with industry and community bodies to update existing programs and develop new programs in line with business trends. Its diverse focus incorporates business and information technology programs, Indigenous business, arts and community programs, adult tertiary preparation and language and literacy programs.

The faculty's programs were taught across four schools of study:

- School of Business and Information Technology - delivers training in business and information technology including accounting, website development, information technology networking, human resource management, marketing, justice studies, project management, Prince2 and library and information services.
- School of Indigenous Australian People - provides a diverse range of business, arts and community orientated programs.
- School of Communication and General Education - offers programs for adult tertiary preparation Auslan, literacy, numeracy and, training and assessment. School of Language and Literacy - supports English language development for new migrants, refugees and international students. English programs offered in this School range from basic language instruction to post graduate language teaching. This School provides educational training for two Federal Government contracts, the Adult Migrant English Program (AMEP) and the Language, Literacy and Numeracy Program (LLNP).

Highlights:

- The Adult Migrant English Program (AMEP) continued to diversify and offer specific programs in settlement, youth and employment preparation in addition to general language development. The program supports and provides migrants and refugees with settlement skills and employability skills as they try to integrate into local culture and access further training. This year the AMEP team provided training to over 900 unique students and continues to be one of the largest teams in the Institute.
- The Adult Tertiary Preparation students and team continued to participate in the federally funded Adult Learner Social Inclusion Project, jointly-run by Griffith University and QUT. This project aimed to provide input into the development of sustainable strategies to create pathways through the vocational sector for individuals to re-engage in formal education and, eventually tertiary study. The results of the surveys conducted at the conclusion of this project indicated that 97.6 per cent of SBIT students would consider studying further programs at SBIT.
- The Business and IT School's CISCO accreditation program continues to ensure graduates are equipped to operate major networking protocols and hardware to meet current industry requirements.
- The Indigenous Youth Leadership Program delivered on behalf of the Department of Communities was an outstanding success. This program was centred on upgrading the skills of former participants to a mentor level to deliver leadership skills to new participants. The program was extremely successful and delivered a high quality experience to all involved.
- The Aboriginal and Torres Strait Islander Work Experience program was a further success. This program provided 20 students with five weeks of intensive on-campus skill set training and a further five weeks of work experience before being placed into mostly permanent positions within the Hotel Industry in the Brisbane CBD.
- ELICOS students participated in the Queensland Branch of the Queensland English Speaking Union Competition with seven other English Language Teaching Institutions and were ranked second overall across a range of activities. This experience improved the students confidence and allowed students to access a wider network of International services.
- The Faculty continued to engage with overseas Institutions through study tours for teachers and students from a variety of countries including Japan, China and Korea. Domestic and International students were able to interact through a range of learning and social activities.
- Consultation with industry resulted in the Institute offering the global PRINCE2 project management methodology training as a non-credited training opportunity. This is a widely successful program and is receiving strong industry and student support.
- The Language, Literacy and Numeracy Program (LLNP) continued to consistently provide further study and employment courses to a diverse student clientele who traditionally had not been able to access more conventionally provided programs. This year the LLNP team provided training to over 700 unique students and continues to expand due to the programs reputation for providing a high quality service.

STUDENT HIGHLIGHTS

SBIT congratulates its highly recognised students for their outstanding achievements, skills and experience. Many won awards and achieved recognition in 2011–12.

Highlights:

- A 2011 SBIT graduate student Chelsea Ingram from the Advanced Diploma of Arts (Acting) was accepted into the prestigious 'Lee Strasberg Theatre and Film Institute' in New York.
- Advanced Diploma of Arts (Acting) students formed the group 'The Violent Romantics' and debuted their work at the La Boite Theatre Company's annual Fast Festival.
- Students undertaking the Diploma of Events qualifications continue to run a number of successful charity events as part of their course tasks, with student Group 'Jazz & Shiraz' raising $5000 for the Miracle Babies Foundation.
- Students from the multi-media games team developed a game (Destructor Tanks) which was published by the Apple iStore, achieving over 7000 worldwide sales in the first nine weeks of release.
- Two students from the Certificate III in Jewellery Manufacture, Braydon Mosk and Lachlan Hogan, competed in the 2011 State Worldskills competition winning the metropolitan and regional sections respectively, and progressing to the National Worldskills competition.
- Elle van Baalen was awarded overall honours at the Australian Jewellery Students and Apprentices awards.
- Alumnus Ashley Nauman was presented with a scholarship awarded by the Governor of Queensland, on behalf of the Queensland Overseas Foundation to study gold sculpture in Florence, Italy.
- SBIT's 2011 Apprentice Chef of the Year, Richard Pascoe (Australian team) participated in the worldwide prestigious event the Bocuse d'Or 2012 in Lyon, France.
- Diploma of Hospitality student, Dac Loc Ho (Louis), was announced the successful candidate for the Government House Cadetship for semester two, 2012.
- Kareen Adam, student of Visual Arts, co-curated an annual exhibition at the Circle Gallery in addition to receiving representation from picturewire.com.au as a result of receiving the 'Linden Art Prize'.
- Natalie Pobitzer, a student of Diploma of Building Design has returned after studying at VIA University in Denmark for a semester.
- Diploma of Screen and Media (Film and Visual Effects) graduate, Deiter Dizon, won the statewide 'Make it Happen' TAFE Competition 2012; his promotional video has been used in TAFE Queensland Marketing campaign.

EVENTS AND EXHIBITIONS

SBIT's students exhibited their skills at a number of forums throughout 2011–12. Through these forums, students and staff continue to build their hands-on experience in their chosen fields.

Highlights:

- Diploma of Sound Production students assisted with the sound production for the Urban Country Musical Festival event.
- Students from the Contemporary Music Program assisted in the Indigenous festival, Stylinup, in collaboration with Brisbane City Council.
- Students and staff from the Contemporary Music Program assisted with the production of the Gympie Country Music Muster event, an engagement now in its 17th year.
- Students and staff from the Contemporary Music program assisted in the production of the 'Buddha's Birthday', an engagement now in its 12th year.
- Graduating students in the Diploma of Graphic Design presented 'Exodus', an exhibition at Lightspace in Fortitude Valley.
- Creative Southbank is an SBIT exhibition developed by students to showcase their outstanding skills and talents. 2011 witnessed over 2500 visitors to the event to celebrate student achievements.
- Diploma of Sound Production students assisted with sound production for the Bryon Bay Blues Festival event.
- Advanced Diploma of Arts (Acting) student performances for the year included Bootcamp Royale 6: The Ballad of Reading Goal, O Solo Mio 1 and Who's Afraid of the Working Class.
- SBIT's hairdressing apprentices showcased their creative talents and were among the successful winners at the Stefan Hair Awards.

STUDENT EXPERIENCE

Goal:
To develop a student experience to match our students' expectations and needs.

In addition to providing a quality education, SBIT aims to provide a welcoming, supportive and inclusive campus culture. It also strives to increase opportunities for student success through a socialised learning environment, and participation and engagement leadership – this is known as the 'Southbank Experience'.

SBIT provides and promotes opportunities for student career progression and development through:

- Scholarships
- Pathways
- Postgraduate programs
- Employment services
- Activities and events.

SBIT hosts a number of on-campus events and activities to encourage student engagement from day one. Course orientations and orientation packs are devised to market SBIT as a leading provider of VET education, and to familiarise students with their learning environment in a supportive, informative and enjoyable manner.

The Institute continue to explore new media as a form of student engagement. In 2011–12 it celebrated key milestones with its Facebook page exceeding expected targets, and launched a SBIT YouTube channel. A 'spotted on campus' weekly photo initiative, linking back to Facebook, is an absolute favourite with SBIT students.

Students took part in a number of celebrations and events, such as the opening of the new Career and Employment Resource Centre (CERC), the School of Indigenous Aboriginal Peoples 30 year anniversary, Creative Southbank, National Skills Week, and Graduation celebrations to name a few. In conjunction with MediBank Private, SBIT hosted two barbeque lunches welcoming International students to the Institute. The event provides opportunities for students to learn about SBIT's campus, make new friends and hear about ways that SBIT can support them throughout their studies.

SBIT continues to meet the increasingly diverse needs of industry and students with a wide range of qualifications. Courses can be undertaken part-time, full-time and post-graduate, with online study options across a range of vocations and nationally recognised qualifications including apprenticeships, certificates, diplomas, advanced diplomas, associate degrees and post-degree qualifications.

Achieving key student experience performance indicators :

- Student satisfaction ratings increased to 90 per cent in 2011–12 - an increase of 1 per cent on the previous year. SBIT also continues to perform well with its business clients, who rate the quality and delivery of its education at 90 per cent - a 10 per cent increase on the previous year. Achieved improved results in three core areas as to why students chose SBIT - good reputation, quality of training and the availability of flexible study options. (Source: 2012 TAFE Queensland Student and Business Satisfaction Survey Report).
- Of the 17,130 students enrolled at SBIT throughout the year, 9707 of these students were enrolled in a Certificate IV or higher qualification course, with many students articulating into university courses.
- In 2011, SBIT had almost 7,000 students graduate in their chosen educational pursuits. On graduation, 82.3 per cent of students reported that they achieved, or partly achieved, their main reason for undertaking training.
- QTAC statistics for semester one 2012 show the Institute attracted 50.6 per cent of all TAFE first preferences, and had a 53.5 per cent share of preferences within the Queensland TAFE sector. Both saw an increase on 2010–11 results.
- Of those SBIT graduates who did not have a job when they completed their training but who managed to find employment afterwards:
    - 64.7 per cent found a job within three months of finishing their training
    - 24.5 per cent took between four and six months
    - 10.8 per cent took more than six months to find a job.
- During the year, SBIT continued to negotiate with prestigious Australian Universities to offer more pathway or dual award opportunities to SBIT's students. As of June 2012, SBIT had 258 articulation arrangements with 10 universities, an increase of 98 on the previous year.
- A large range of SBIT's programs also enjoyed significant growth in student numbers. These programs include Adult Migrant English Program, Children's Services, Engineering, Business, Justice, Training and Assessment, Interactive Digital media, Photo Imaging and Community Services.
- There were a number of strong increases across major health programs, including nursing (+10 to 15 per cent) and aged care (+ 8 per cent). The short course skill set in physiotherapy reported a 20 per cent increase and was the most popular of the offered skill sets. Improved retention rates were noted in key program areas – one good sign of improved student satisfaction.

Making education accessible

SBIT is committed to equal educational opportunities for all students. A wide range of centralised support services are available in addition to the day-to-day support given in the classroom. The commitment to equal opportunities is evidenced through enabling equitable educational access, appropriate support services and barrier-free facilities for all students.

SBIT encourages the greatest possible participation by its community by eliminating barriers that cause under-representation.

SBIT fosters the development of a learning environment that supports the needs of students with disabilities, with a view to enhancing equity of access to education. This is achieved through a student support and counselling team approach that is facilitated by the Disability Co-ordinator.

There were 2,047 disability support appointments in 2011–12, highlighting a 20 per cent rise over the previous year. However, there was a slight drop in the number of students who identified with a disability from 463 to 411 students. This shows that there are students with higher personal needs. The Disability Support team takes part in student orientation and promotion of disability support services to all staff and students is ongoing. A proactive relationship with relevant community agencies to maximise students' opportunities is evident.

SBIT offers services to make education as accessible and as easy as possible through the VET FEE-HELP and FEE-HELP choices, allowing students to study now and pay later. SBIT was Queensland's first registered public provider to offer VET FEE-HELP — a federal government loan scheme to assist with the payment of tuition fees on vocational graduate certificates, vocational graduate diplomas, diplomas and advanced diplomas.

Both options have been highly successful at SBIT, with over 2,043 students using either FEE-HELP or VET FEE-HELP in 2011–12 which represents over $14 million in education loans. In 2011–12, 706 extra students took advantage of the FEE-HELP loans.

Building the Southbank Experience

SBIT's Student Services provided an integrated delivery of services to enhance both the quality and scope of services available to existing and prospective students, staff and clients.

Student Services provides a range of services such as enquiries, enrolments and general administrative support. It also provides a comprehensive range of speciality support services to ensure students get the support they need to be successful in their studies, such as counselling, disability, careers guidance, study support and more.

Institute staff worked towards creating seamless academic and administrative processes to support and enhance the SBIT Student Experience.

In 2011–12, Student Services undertook the following activities:

A restructure plan for library services that will see the entire library space become a customer service zone instead of fixed reference service points as on-demand Information Service Officers actively engage and service the customer.

- An Advanced Information Literacy Program was introduced, designed to increase the reading and information literacy levels of the Institute's diploma students, building on the basic information literacy sessions conducted at the start of each semester. The sessions included database searching and journal articles, Google Scholar, referencing and Southbank Assignment and Information Literacy (SAIL) online tool.
- In April 2012, a new Career and Employment Resource Centre was established to increase student access to educational and career counselling and program information. The number of students accessing this facility has increased steadily and already doubled the normal service capacity of this unit.
- An International Administration System project was undertaken to develop a functional specification for system development to improve the management of international students undertaking study at SBIT. Project implementation would improve the Institute CRICOS compliance regime and bring significant efficiencies in the management of international students
- The Student Administration Team completed a business improvement project to improve the administration process for students accessing the VET FEE-HELP scheme. This resulted in improvements in the invoice and financial functions.

World-class education and training facilities

SBIT's world-class facilities are widely acknowledged by industry to be among the best in Australia. They include a fully functioning nursing ward and science laboratories, gymnasium, several commercial cookery kitchens, a training restaurant and bistro, a spa and beauty centre, state-of-the-art performing arts areas, acting and visual arts gallery spaces, and a professional music recording studio.

Facilities management

A number of energy saving initiatives were put forward this year including the Endocube Commercial Refrigeration Energy Saving Device and partnering with the energy provider to look at options for reducing peak demand on site, in the form of chilled water storage on site. This year also saw Spotless partner with SBIT to complete the Tertiary Education Facilities Management Association (TEFMA) environmental survey which will drive site wide targets managed through the SETP Operations.

Critical in supporting a world class learning environment is the reliability and design of the furniture fitting and equipment that make up that environment. The first scheduled replacement has been the lifecycle of student desk and chairs. Partners have sought and implemented improvements to the original design, consulted with stakeholders in areas such as fabric texture and colours and project managed the end to end delivery through coordination, access requirements and timings.

Innovation worthy of note, which resulted from the reviews after the 2011 floods, was the implementation of a lockdown strategy for each building when power is isolated. Every access point to each building was assessed and modified as required to provide a means for lockdown. The methodology has been documented and now forms part of the Standard Operating Procedures for Security personnel. Flood recovery works continued throughout 2011–12 with replacement of fire doors, repairs to intercom units and replacement of electrical switch boards in building F, G and H.

Graffiti at SBIT has continued to reduce over the past year highlighting the effectiveness of the 24/7 security service.

The overall severity of incidents reported has reduced. This is a positive indication of the ongoing increase in staff awareness of safety.

Print services and bulk print centre

It has been another busy year for the Managed Document Services provider Ricoh who look after the Institute's on site printing solutions. This includes the management of all printers and multi-functional devices and the operation of Southbank Green Print Centre, the Institute's onsite bulk print facility.

Staff and students continue to enjoy the benefits of a fully managed fleet of 84 printers and multifunctional devices, with Ricoh's onsite services team managing all consumables and service calls to ensure a fleet uptime in excess of 99 per cent.

Working together SBIT and Ricoh continue to achieve a number of important environmental outcomes including:

- Reduced paper consumption with 65 per cent of all pages printed double sided resulting in paper saving.
- Reduced power consumption and CO^2 production through the use of low power settings other than standby mode.
- Less wastage as a result of Follow You printing that means staff only print what they need with unwanted prints automatically deleted from the server.
- In November 2011, Southbank Green Print Centre celebrated its one year anniversary and in June of 2012 the print centre received a major upgrade with the installation of a new high quality Ricoh colour graphic arts printer. The new printer has dramatically increased the quality of onsite colour printing available to students and offers more options to print on different paper stocks. In addition Ricoh has added a range of new services including:
- Staff Business Card Printing: Business Cards are now printed on site at a reduced cost with a turn-around time of two working days or less. Staff can now order smaller amounts so that they only pay for what they need.
- Online Print on Demand Libraries: Ricoh has been working with a number of schools and departments to produce an on-line library of moderated print on demand materials. This reduces ordering and printing time, ensures that documents are properly reviewed and version controlled and keeps printing costs down by fixing options for black and white printing, double-sided printing and finishing options.
- Graphic Design Services: Ricoh is now offering cost effective graphic design and document preparation services to assist both staff and students.
- Offset Form Printing and Distribution: Ricoh has helped the Institute centralise the ordering and printing of a number of student registration and details forms. Schools can now order only what they need rather than carrying large quantities of forms they may not use. As a result of using Southbank Green Print's online storefront and electronic approval process the time taken to place and approve orders has been significantly reduced.

Ricoh is currently working on a number of initiatives to further benefit staff and students with a view to reducing the cost and volume of print production. These include:

- The joint development of a formal print policy.
- A communications campaign to encourage staff to print more efficiently and to consider direct print jobs to Southbank Green Print Centre where appropriate.

Recognising and rewarding graduates

In 2011, SBIT held graduation ceremonies in July and December, and Graduate Awards were given to students in recognition of academic excellence and creative talent in their chosen fields.

July 2011	
Griffith Business School Award for Academic Excellence	Gregory Roshier
Award for Academic Excellence in the Associate Degree of Civil Engineering	Eugene Omiona
Award for Academic Excellence in the Diploma of Computer Aided Drafting	Elizabeth Marcelo
Award for Academic Excellence in Hospitality and Events	Jasmine Whelan
Outstanding Achievement Award	Caroline Huang
Most Outstanding Student Award	Jade Williams
Special Achievement Award	Zoe Ballarin
Clinical Excellence	Corey Shannon
Outstanding Achievement Award	Kim Day
Outstanding Achievement Award	Jacqueline Jones
Outstanding Achievement Award	Flavia Botelho
December 2011	
Government House Cadetship	Rebecca Cains
Award for Academic Excellence in the Associate Degree	Sara Jane Russell
Griffith University Award for Academic Excellence in the Diploma of Events	Jenna Pankratz
Griffith University Award for Academic Excellence in the Diploma of Tourism	Karen Rankine
Griffith University Award for Academic Excellence in the Diploma of Management	Lourdes Villavicencio
Griffith University Award for Academic Excellence in the Diploma of Accounting	Steven Critchley
Russell Hinchliffe Fitness Student of the Year Award	Dimitri Rollings
Clinical Excellence	Mark Blumke

SBIT student scholarships

As a commitment to providing accessible pathways to learning for all students, SBIT offers 12 Institute-wide scholarships aimed at supporting both new and continuing domestic students in their educational pursuits. All scholarships are offered once a year and range in value depending on the student's chosen course of study and are awarded for programs of diploma level or higher. The 12 scholarship recipients for 2012 included:

Director's Academic Scholarship	
Jacinta Salu	Advanced Diploma of Laboratory Operations
Michael Helmstedt	Diploma of Sound Production
Ashleigh Lowth	Advanced Diploma of Hospitality
Emma Cantrell	Diploma of Sport

Equity Scholarship	
Matthew Makot	Diploma of Justice Administration
Charles Mackrodt	Diploma of Building Design and Technology
Melinda Aitcheson	Diploma of Beauty Therapy
Natalie Campbell	Diploma of Business

Study Support Scholarship	
Chris Scotland	Advanced Diploma of Laboratory Operations
Phuong Tran	Diploma of Nursing
Kate Knapasjo	Diploma of Beauty Therapy
Anthony Atack	Advanced Diploma of Laboratory Operations.

Chief Executive Dr Pim Borren congratulated students on behalf of the Institute at a morning tea held in the Institute's restaurant.

SBIT-University partnership scholarships

Offerings available through SBIT's pathways programs, allow us to collaborate with our valued university partners to make additional scholarships available to the Institute's students.

Griffith University Graduate Awards (sponsored by SBIT)	
Teresa Looi	SBIT graduate award for the highest grade point average (GPA) in one of the creative industries pathways (specifically Interior Technology) from SBIT to Griffith University.
Bruce Hiscock	SBIT graduate award for the graduate with the highest grade point average (GPA) in the triple award program co-delivered by SBIT and Griffith University - Diploma/Advanced Diploma of Hospitality/Bachelor of Business (Tourism and Hospitality Management).

Griffith TAFE Partnership Bursary	
Jenna Pankrtaz	SBIT graduate award in recognition of academic performance in diploma studies and acceptance to study a Bachelors program via a dual award pathway. Student graduated with a Diploma of Events and continued onto the Bachelor of Business at the Griffith Business School.

TEACHING AND LEARNING QUALITY

Goals:

- To maximise quality learning experiences and outcomes for each student.
- To publish SBIT's Framework for Education to staff and students.
- To implement SBIT's Teaching and Learning Framework.

EXCELLENCE IN EDUCATION

Framework for Education

The Framework for Education (2011–15) has been created to ensure SBIT's students have the best possible learning environment to enable success, and opportunities for ongoing connection and contribution. It is publicly accessible and available on the internet and intranet.

This framework builds on SBIT's key strategic documents, links with frameworks for student and industry engagement, and additionally informs and guides annual plans for education.

Following executive and organisational changes, it was agreed that the implementation of the teaching and learning framework would be deferred until the commencement of the Deputy Chief Executive (Academic Quality & Strategy), and the Academic Directorate. Implementation of this framework is planned to begin in 2012–13

Learning outcomes for students

SBIT has seen a change in student behaviour over the past 18 months to two years. Promotion of VET FEE-HELP and diploma courses has resulted in students enrolling in longer courses, enabling them to gain a greater depth of knowledge.

This growing popularity of longer duration courses, combined with a decline in international student enrolments has resulted in a reduction in student numbers (11.5 per cent fewer enrolments than 2010–11) and qualifications awarded (12 per cent less than 2010–11). Although the total number of enrolments has declined, the number of study hours per enrolled student has increased by 7.1 per cent from an average of 42 hours per student in 2010–11 to 45 hours in 2011–12. The availability and increasing popularity of courses of longer duration aligns with SBIT's goal of maximising learning experiences and outcomes for each student.

Developing skills of SBIT's academic staff

There are a number of initiatives that have been implemented to support the professional development of educational staff at SBIT. Some of these are new initiatives and others are further developments from pilot programs.

- **Educational induction program** continues to support newly appointed educators in their transition to teaching at SBIT through workshops and online resources. It includes a mentoring program with more experienced educators to share knowledge and expertise.

- **Professional conversations** provide regular professional development opportunities for staff through the 'Professional Conversations' series with discussion topics identified through an internal advisory group that includes educational representatives. This series facilitates ongoing opportunities to discuss and debate educational topics and issues with colleagues.

- **Assessment validation panels** are a new learning and development initiative introduced at SBIT. These panels are enhancing the capability of SBIT's teachers to develop effective, high quality assessment tools which will assist them to deliver on SBIT's commitment to excellence in education. Educational staff have engaged enthusiastically with this process which involves them working with their peers across the organisation.

- **A learning and development calendar** has provided staff with a schedule of events which include workshops of varying durations. Topics have been carefully designed to ensure sessions are relevant to the current context and that staff have easy access to training. The majority of these sessions are run by SBIT's own staff and showcase individual skills and knowledge.

- **Learning communities** have developed as a result of both internal and external professional development activities with information and knowledge sharing through small cohorts. The planned future development is to share with the SBIT academic community to support excellence in teaching and learning quality.

- **Student representative group** has been formed to facilitate effective communication between students and schools, through the Staff Student Community Voice (SSCV) committee. With active communication between students, schools, and SSCV, feedback, suggestions and innovation can be channelled effectively and implemented, resulting in increased student engagement with the organisation and greater connection with their education. This will encourage shared responsibility for shaping each student's education.

For more information on staff development, please see "SBIT's Workforce" on page 35.

PRODUCTIVE PARTNERSHIPS

Goal:

To grow existing and identify new commercial partnerships.

Taking SBIT to the world

International revenue contributed $12.1 million to the Institute, being 12 per cent of total Institute revenue. Of the 1,809 international students enrolled, 401 were offshore enrolments. The 1,408 onshore students actively contribute to the South East Queensland economy through their living and social activities whilst studying at SBIT.

The agreement with Qilu Normal University, China to deliver the Diploma of Children's Services, was successfully re-negotiated for another two years. This partnership, a productive and quality compliant project, generates revenue of $330,000 per financial year. A small contract for the provision of TESOL services to Soul National University, Korea, now in its second of five years, continues to run as forecast.

A further four international projects are in the consultation phases with offshore partners regarding the pathway options for students to complete one year in-country and their final year of study onshore at SBIT. This model provides further options for students studying at SBIT within the Institute's transnational programs in prospective partnerships with Sri Lanka (Dental Technology), China (Civil Engineering), and Indonesia (Aged Care and Children's Services).

The Department of Immigration and Citizenship has introduced a new streamline visa processing system, to assess student visa applications. As part of the process, Universities can nominate Educational Business Partners (EBP) to assist with attracting "genuine" students to study in Australia. The following Universities have nominated SBIT as their EBP.

- Queensland University of Technology (QUT)
- University of Southern Queensland (USQ)
- Australian Catholic University (ACU).

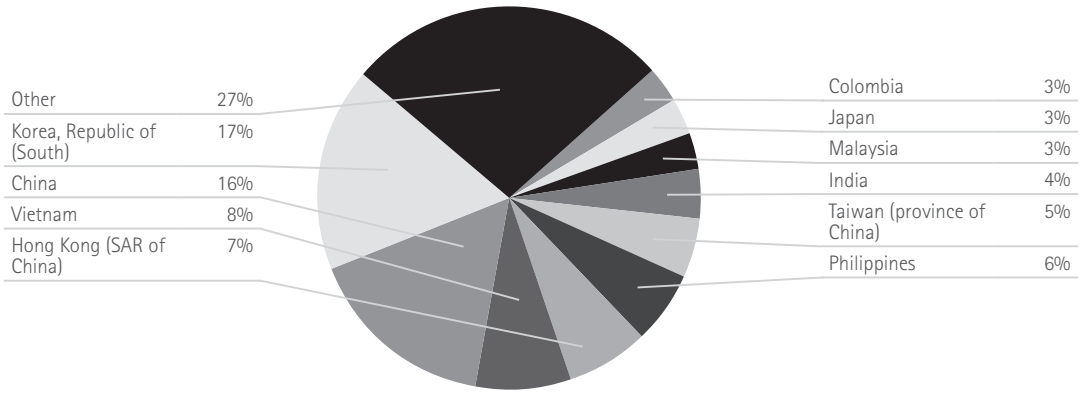
SBIT continues to experience a number of considerable challenges in a highly competitive and volatile international market, along with other tertiary providers across Australia. In addition, the landscape evolved further in 2012 as the Institute moved into unchartered territory with the implementation of student visa changes. Furthermore:

- There was a significant decline in enrolments across key VET markets including China, India, Thailand and Japan.
- There was also a significant decline in enrolments across key ELICOS markets including Saudi Arabia, China, Thailand, India, Japan and Vietnam.
- International Partnerships (projects) revenue targets were behind forecast for 2011–12. This was due to four key partners requesting delayed commencement dates, however, budgeted expenses were able to be withheld, creating a breakeven scenario.

Despite the challenges, SBIT has continued to perform strongly against its sector competitors though a range of diversified strategies including conversion, e-marketing, agent engagement and diversification of target groups and markets.

Market focus

The following table highlights the top ten source countries for SBIT's international revenue 2011–12.



Strategies are in place to continue to focus on the mature markets, whilst investing in emerging markets and being alert and responsive to new international market opportunities as they arise.

Forging productive commercial partnerships

SBIT's Corporate Solutions team continued to focus on developing and delivering quality innovative training solutions to support the learning needs of businesses in Queensland and across Australia. By providing solutions embedded into the workplace, the team assists in enabling its clients to meet organisational goals through the targeted development of client workforces.

While the resources sector continues to grow and place significant demand on existing workforce levels, other sectors appear to be moving to more compact staffing levels. In this environment, training is being used to enable smaller workforces to increase efficiency, multi-skill staff and train new and existing staff in new technologies and methodologies. SBIT has also seen an increase in training requirements to support improved customer service focus and industry knowledge across aged and community care, tourism and hospitality sectors.

Highlights:

- Training commenced against the secured $1.83 million project, funded by the federal Department of Health and Aging, for delivery of qualifications from the Community Services, Health and Business training packages. Over 200 students in the Aged Care sector, at facilities geographically dispersed across Queensland, are receiving training through the integration of workshops, online and workplace-based learning. This innovative approach has seen a significant increase in the number of students participating in and successfully progressing through these programs. SBIT has also engaged additional aged care workers for training in specialist skill sets required by this sector, with a view to providing greater skill in Aged and Community Care workforces.
- SBIT continues to support the training requirements of one of Australia's leading retail organisations as it moves through a period of significant organisational change. While 2011–12 was a challenging year for this group, SBIT continued to provide traineeships at the Certificate III level in retail and warehousing, with a recent focus on meeting increased training demand over the 2012–13 period.
- The Institute was selected by the Department of Communities to deliver the Indigenous Youth Mentor Program (IYMP). The IYMP pilot program was delivered in April-May 2012 to students who previously participated in the department's Indigenous Youth Leadership program with a view to extending their skills as young leaders in their communities through SBIT's guided community engagement project. The success of this pilot should result in the program being modelled and delivered to additional metropolitan, regional and rural sites over the next two years.
- SBIT commenced one of its most complex corporate training programs to date: delivery of Certificate III and Certificate IV level training programs in Hospitality, Commercial Cookery and Training and Assessment at client sites in Queensland and New South Wales for one of Australia's leading entertainment destination and hospitality groups. Over 400 students enrolled in these programs in the 2011–12 year, with the program expecting growth in these numbers to between 1,200 and 1,500 programs delivered over the term of the agreement, and as additional Hospitality programs are offered. SBIT was selected for a number of reasons, including the Institute's high quality of learning, flexible approach to effective training delivery, advanced account and project management skills, client service focus, and world class teaching facilities. This project is a strong demonstration of SBIT's ability to successfully deliver training projects in a complex training environment.
- SBIT continues as a leading provider of Workplace English Language and Literacy (WELL) training. The Institute delivered a number of programs over the 2011–12 period into a diverse range of industry sectors including Aged Care, Local Government, Indigenous Communities and the Resources sector. Each program focussed on assisting client organisations to train workers in skills directly linked to improving outcomes of job-related activities. Client organisations reported measureable gains in productivity as staff became more effective at using computers instead of previously struggling with technology. Staff also reported being able to more effectively communicate with their colleagues, clients and contractors. SBIT was also selected to extend on its successful WELL program delivery into the Resources sector, and was engaged to consult to an existing major client to ensure a strong Language, Literacy and Numeracy (LLN) element across all internal training programs.
- Following the delivery of a successful WELL pilot project for a large Queensland based Aboriginal corporation in 2011–12, the organisation confirmed that, in addition to productivity gains, the project also helped establish a culture of training and self-improvement among the staff. As a result, the client is in the process of extending the WELL program across Queensland and has selected SBIT to deliver Certificate III and Diploma level traineeships, across a variety of skills areas, to its staff over the next two years.

OUR PEOPLE

Goal:

To attract, develop and retain highly qualified professional staff.

SBIT's staff – leading the way

Crucial to SBIT's progress has been its staff members. Staff continue to demonstrate the extraordinary talent that resides within SBIT, both on and off campus. Many teach offshore, speak at national and international conferences and are frequent award-winners in their field of expertise. Congratulations to all SBIT staff who work hard to deliver quality education and services to students.

Each year SBIT recognises the outstanding achievements of its staff at its annual Staff Awards celebration.

In 2011, SBIT congratulated a number of individuals and combined team efforts.

Award	Recipient
Individual Excellence Award	Kristy Richardson
Best Innovator Award	Frank Doherty
Outstanding Achiever - Hall Of Fame Award	Laurence Burness
Business Services Award	Talia Love-Linay
Best Delivery - Classroom Award	Tom Grice
Best Team Performance Award	AMEP and ELTU teams

SBIT acknowledges the major sponsors for the staff awards including Accor, ARIA Property Group, PricewaterhouseCoopers (PwC), Southbank Green Print Centre, and Spotless Group.

Chair's award for innovation

Chair of the Board, Warren Tapp, announced a prestigious new award to be presented at the annual Staff Awards event in 2012. The inaugural Chair's Award for Innovation will be presented to an individual or a team who formulates the most innovative idea or project in terms of impact on revenue, quality or cost-effectiveness.

Nominations will be shortlisted and the winner selected personally by the Chair. The winner will be honoured, and project details shared with all staff, to encourage participation and emphasise good practice.

Throughout the year SBIT also highlights the success of its staff through communication such as; weekly internal newsletter 'In the Spotlight', social media, the news section on the website and in media releases. Some key staff achievements include:

- Photography teacher Bradley Kanaris won a silver award at the Australian Professional Photography Awards in the Sports and Editorial category in June 2011. He has published images in a number of publications nationally and internationally.
- AMEP Coordinator Jennifer Davids won the Early Career Researcher Paper of the Year award at the 15th Annual Australian Vocational Education and Training Research Association Conference (AVETRA). Jennifer won for her paper titled 'In the frontline - The voice of VETeran teachers'.
- Contemporary Music Teacher Dr Ross McLennan provided the music and sound for a James C Sourris collection documentary made for television show 'An Australian Story' on the ABC network.
- Contemporary Music Teacher Dr Ross McLennan provided the music and sound for a James C Sourris collection documentary made for television show 'An Australian Story' on the ABC network.
- Teacher Mark Pampling of the Floristry team is also an Interflora National Judge and sits on the board of directors for Interflora's Australian unit. He is also the co-ordinator and designer of Floristry Design section at the annual Toowoomba Carnival of Flowers and has demonstrated with Master Florist 'Gregor Lersch' this year in Germany.
- Performing Arts Acting teacher Lisa O'Neill was commissioned by the Brisbane Powerhouse in July 2011 to create a new performance titled 'RRAMP' in addition to securing a mobile states grant to take RRAMP on a national tour in 2012.

Life long learning

SBIT is an advocate for lifelong learning, and offers multiple streams for professional development. In 2011, these offerings included:

- Staff conference
- Online learning and development
- Queensland VET development centre
- Leadership academy
- Educational induction program.

Staff highlights:

- Other successes from teacher Dr Ross McLennan of the Contemporary Music team include:
  - worked with whistlingwolf.com.au to provide music for documentary 'The Clouds Have Stories' at GOMA
  - provided music for advertising Little Stanley Street, Southbank Parklands
  - provided the music for ACCOR Hotels web campaigns
  - provided the music for Footlocker advertisements
- Visual Arts teacher Craig Flood produced concept designs for Barcaldine Regional Council public art and street scaping as part of 'Blue Print for the Bush'.
- Teacher Mick Melit from the Contemporary Music team performed at the Broadbeach Blues Festival and regularly collaborates with Tommy Emmanuel.
- Floristry teacher Irene Brockwell provides tutorials for the United Kingdom's Fusion Flowers magazine in addition to being a judge at the Toowoomba Carnival of Flowers and an Interflora National Judge.
- Performing Arts teacher Brian Lucas received an Australian Dance Award nomination for 'most outstanding dancer' for his performance in the work 'Disagreeable Object'.
- Jewellery Teacher Lee Pownall has been invited to judge at the Annual Design Awards for Queensland Boulder Opal Association in Winton.
- Teacher Anitza Geneve was sponsored by Adobe Systems to attend the Adobe APAC Education Leadership forum in Sydney in March 2012.

SUSTAINABLE PRODUCTS

Goals:

- To focus on innovative products and learning modes for the future.
- To implement a scholarship of teaching expectations.

SBIT continues to strengthen its positioning as a 'high technology' campus. SBIT is unique in its commitment to ensure that the delivery of courses and training programs reflect the state's current and emerging skills shortages, whilst aligning to the four pillar's for economic growth.

SBIT provides a broad range of vocations and qualifications including apprenticeships, certificates, diplomas, advanced diplomas, associate degrees and post degree qualifications that are nationally recognised. It is focussed on the expansion of the pathway programs from SBIT to tertiary providers to offer students more options for their future education choices.

SBIT's commitment to offer higher education qualifications continues to be a major priority. SBIT is proactive to ensure academic quality for its higher education programs, focussing on improving the curriculum and delivery methodology, benefitting both students and employers.

Going forward in 2012–13, SBIT will continue the commitment to further innovate course delivery technology to provide support for the administration and teaching teams required in the effective delivery of education and service. It is focussed on ensuring educational compliance as product offering and established policies and procedures are annually reviewed.

Highlights:

- Strengthening the provision of pathway opportunities across SBIT's many qualifications to over 258, an increase from 160 in 2010–11. The majority of these are dual award arrangements which guarantee diploma and associate degree graduates a place in a university degree, coupled with significant academic credit.
- Continued success with the pathway program between the Associate Degree in Civil Engineering and QUT to now include four offerings of:
    - Bachelor of Engineering (Civil) with non-course Minor
    - Bachelor of Engineering (Civil) with second Major in Structural Engineering
    - Bachelor of Engineering (Civil and Construction)
    - Bachelor of Engineering (Civil and Environmental).
- Continued growth for Health Services courses; in particular the Nursing Upgrade Program and Diploma of Nursing have been highly sought after. The increase in demand has resulted in new agreements with industry providers in private aged care and nursing facilities to increase SBIT's student intake for vocational placements.
- Continued demand for innovative STEP program, targeted at secondary school students. SBIT is a leader with its STEP model and continued to provide mentoring to other Australian providers.

Implement a scholarship of teaching expectations

The Institute Board has endorsed a structure and discipline which will embed the Scholarship of Teaching Expectations at teacher, teaching team, school, faculty and Institute levels. The Deputy Chief Executive and Academic Directorate are developing the structure to support this process.

The Institute is implementing the following strategies to underpin best practice in pedagogy, assessment and learning support:

- Staff participate in workshops and Professional Conversation sessions with an emphasis on enhanced pedagogical practice for face to face and online delivery of education. Student and employer satisfaction indicates improved levels of satisfaction with the quality of instruction provided by the Institute's educational staff.
- Validation workshops have been implemented wherein all educational staff present samples of their assessment tools for peer evaluation, feedback and advice. This model has proved highly successful in comparable organisations. Preliminary indications suggest the approach is confirming current best practice and providing improvements in assessment practice.
- Language, literacy and numeracy levels are assessed at the point of a student's orientation with appropriate support mechanisms implemented by subject matter experts and learning support specialists. In some schools, the learning support is closely integrated into formal course delivery.

FUTURE TERTIARY MODELS

Goals:

- To continually ensure the optimal business and organisational model of SBIT in the tertiary sector.
- To continually improve operational effectiveness within the Institute.

Pathways

SBIT continues to focus on developing pathways from the Institute to further study at universities. The Institute offers 258 articulation arrangements with 10 universities (61 per cent more than the previous year), giving students a variety of valuable options for their ongoing education. 3,330 students have enrolled in SBIT articulation pathways (dual awards) offered through QTAC since 2005.

Enrolments in SBIT's pathways programs have historically increased each year, however the tertiary landscape changed significantly during 2011–12, with the cap to university enrolments being removed. Despite this significant change, the number of students enrolled in a SBIT / university dual program of study not only held steady, but increased by 0.4 per cent.

Higher education

SBIT continues to focus on providing a more integrated tertiary education environment. The Tertiary Education Quality and Standards Agency (TEQSA) has awarded the Institute full registration as a provider of Higher Education, and granted full accreditation for two Higher Education programs (Associate Degree in Civil Engineering and Diploma of Computer Aided Drafting). The Institute continues to maintain a 100 per cent pathway record for students enrolled through QTAC for dual qualifications offerings at QUT.

These courses are clearly in demand, with semester one enrolments increasing by 12 per cent (from 2011 to 2012) and semester two enrolments up by 11 per cent (semester two enrolments are traditionally lower than semester one). International student numbers in SBIT's higher education courses have also grown by 4 per cent since semester one, 2011. The number of higher education students who have taken the option of Commonwealth Government FEE-HELP increased from 53 per cent in semester one, 2011 to 84 per cent in semester one, 2012.

The Institute is actively assessing higher education programs, partner organisations and optimal modes of delivery in all schools. The Institute plans to deliver additional higher education options by semester one, 2013.

SBIT education foundation

In 2012 the Board approved the creation of an Philanthropic Education Foundation to support students and staff. SBIT applied and has received Treasury approval under Section 60A of the *Statutory Bodies Financial Arrangements Act 1982* to establish this endowment fund. To date the board have appointed a committee to manage this fund, including an independent Chair and Deputy Chair.

Southbank Tertiary Entry Program (STEP)

STEP is now well established with SBIT's partner secondary schools. STEP combines vocational studies up to Diploma level into the secondary student's secondary studies – and their Queensland Certificate of Education (QCE). The benefit is that students can undertake tertiary level studies, reduce the time needed to complete a diploma and achieve credits towards QCE while doing so.

SBIT has 180 partner schools. STEP partner schools act as SBIT's first point of contact in directing students into their chosen career paths. From educator and student feedback, the Institute has focused on 15 diploma programs where student interest and academic results are strongest.

In semester one, 2012 the Institute enrolled 492 secondary students into diploma programs through STEP. This means a total of 600 STEP students are currently on campus undertaking combined QCE and vocational studies.

Recognition of Prior Learning (RPL)

SBIT is committed to upholding the newly strengthened Australian Qualifications Framework (AQF) policy pertaining to RPL. The policy explicitly validates both formal and informal learning in order to help realise two broad objectives: individuals working towards their personal learning goals, and the nation equipping itself with a suitably qualified labour market.

SBIT continues to be involved in providing quality RPL to clients who wish to formalise their experience, knowledge and skills through gaining a qualification. RPL has seen significant growth within the Institute especially in the Faculty of Business and Community Education who have developed partnerships with a number of industry groups who wish to provide their staff with the appropriate skills the option of attaining a qualification through the RPL process.

To maintain quality and consistency in RPL practices and assessing, 16 SBIT staff attended the 2012 TAFE QLD RPL Assessors Summit which was held at the Institute. The assessors found this to be a great opportunity to develop skills in using technology to assist with RPL as well as do workshops on benchmarking and validating RPL assessment tools with peers from other TAFE QLD Institutes.

SBIT acknowledges that formally recognising experience, knowledge and skills through RPL not only has a vital role to play in developing workforce capability but it also encourages those who have undertaken RPL to consider using their newly gained qualification as a pathway to engage in further study either at diploma level or higher education.

SBIT'S WORKFORCE

At 30 June 2012, SBIT employed 812 people in full-time and part-time positions, with a full-time equivalent workforce of 638.6 staff members. These cover a diverse range of positions in administrative, operational, professional, technical, teaching and tutoring roles.

The Institute takes pride in the calibre of its workforce and through a number of initiatives invests in ongoing skills development. SBIT's professional staff are identified throughout their respective industries as highly skilled and experienced. The Institute's focus is on the delivery of quality teaching with support through mentoring and collaboration to provide an outstanding student experience. SBIT is committed to providing a safe and healthy environment for staff and encourages ongoing professional development and training.

Employee engagement survey

The annual employee engagement survey was completed by 70 per cent of SBIT staff – a 9 per cent improvement from last year. SBIT's 2012 survey results were quite favourable. Most notably, substantial improvements were recorded for vision of the Institute, formal communication, organisational trust, quality of work life and commitment to the Institute. This suggests that active efforts by senior management in the last 12 months focusing on communication of the objectives and direction of the Institute have been well received by staff. Likewise, ratings of the Performance, Learning and Innovation process suggest a strong flow on affect to the much improved ratings for role clarity.

The organisational climate profile for SBIT demonstrated steady positive trends for local supportive leadership, role clarity, appraisal and recognition, work demands and workplace stress. The organisational context measures displayed positive growth for informal communication, formal communication, local leadership vision, organisational achievement and change management. The individual attributes measures showing the largest improvements in 2012 were quality of work life and organisational trust. The work effectiveness measures showed understanding customers and customer effectiveness as SBIT highest rated measures in the whole survey. Additionally, positive growth was observed in skill development and career development.

Debriefs and action planning with staff and managers has occurred throughout the Institute utilising the team breakdown reports. The debriefs and action planning ensures that the identified areas for improvements are effectively addressed over the next 12 months, with the aim of improving staff satisfaction in 2013.

Performance Learning and Innovation

All staff participate in the annual Performance Learning and Innovation (PLI) planning processes. The PLI framework provides staff with a process, tools and resources to clarify work priorities, discuss career aspirations and plan support and professional development to continue to build their capabilities. A key feature of the PLI framework is the cascading nature of planning from the Institutes Strategic Plan and core values, to the business unit team plans and individual plans. This assists staff to understand how their day-to-day work contributes to the big picture goals of the Institute.

The diagram below shows the three-phase performance learning and innovation process within the framework of SBIT's values, policies and procedures, and relevant legislation. All of the phases are important as they provide the focus for the conversations that occur between staff, their manager and their team members in relation to developing performance throughout a work period.

Performance learning and innovation process:

Revitalised Corporate Induction Program

In 2012, the Institute's Corporate Induction Program was revitalised, with a focus on ensuring all new staff are provided with access to all the information necessary to do their roles successfully, and with an opportunity to meet the Institute Chief Executive and other key staff. Key topics include the Institute vision and values, strategic direction and organisational structure, workplace health and safety, code of conduct and ethics awareness, performance learning and innovation, business process, academic quality, industrial relations, wellbeing ambassador network, learning and development, SBIT social club and ample networking opportunity. All new Institute staff are required to complete the corporate induction in addition to a localised induction specific to their team.

Code of Conduct

All members of staff have an obligation to comply with the Code of Conduct and Department of Education, Training and Employment Standard of Practice. New staff receive comprehensive information and training on the Code of Conduct and Standard of Practice in the Corporate Induction Program upon their commencement with the Institute. Existing staff complete an annual refresher of the Code of Conduct and Standard of Practice, and have access to the latest versions via the Institute intranet.

As part of the performance review process, compliance by staff members with the Code of Conduct is considered annually, and this contributes to ongoing management processes.

Workplace Health and Safety (WH&S)

SBIT continues to maintain a rigorous focus on workplace health and safety through its network of WH&S committees and SBIT's executive leadership WH&S Steering Committee, operated in conjunction with SBIT's primary facility service provider Spotless. The Institute maintains the roles of Workplace Health and Safety Officers, Workplace Health and Safety Representatives, First Aid Officers, Wellbeing Ambassadors, and Fire Wardens. Incidences are recorded on SBIT's WH&S database Incident Bank, acted upon by relevant managers and safety officers, and the data is analysed and reviewed in quarterly committee meetings, and reported through to the Institute's Board of Directors.

WORKFORCE PLANNING, ATTRACTION AND RETENTION

Industrial relations

SBIT maintains a strong industrial consultative arrangement through monthly Local Consultative Committee meetings where workforce issues are openly discussed and resolved with participation from SBIT senior management and union representation from the Queensland Teachers Union and the Together Union.

Employment framework

As at 30 June 2012, the Institute employed 812 personnel equating to 638.6 full-time equivalents. Some 98 per cent of staff continue to be employed as public servants by the Department of Education, Training and Employment (DETE). These staff are managed by the Institute on a daily basis pursuant to the Work Performance Agreement with DETE.

The Institute directly employ a small number (12 as at 30 June 2012) of senior management and commercial personnel.

Permanent retention rate

SBIT's permanent retention rate is 94 per cent based on the number of permanent staff employed as at 30 June 2011 who remained permanent employees as at 30 June 2012.

Permanent separation rate

The Institute's permanent separation rate of 7 per cent represents permanent staff terminations expressed as a percentage of the total permanent staff headcount.

Voluntary Separation Program (VSP)

A VSP was introduced as part of the Mid-Year Fiscal and Economic Review in January 2011. This program was one of a number of measures designed to deliver additional savings and reprioritise spending. The program was targeted primarily at non-frontline areas, as a service reprioritisation strategy to ensure continued growth in frontline areas. The Institute sought expressions of interest from all permanent staff. Offers were made to eligible employees based on their position being excess to need. 31 employees accepted offers of voluntary separation packages at a total cost of approx. $3.245 million – comprising of Separation Payments of $2.054 million and Base Payments of $1.191 million.

Educational Induction Program

The Educational Induction Program, which has been running for two and a half years, continues to deliver on its promise to assist newly appointed educators transition successfully into the Institute's teaching community. The combination of workshops, online material, mentoring and management support is proving to be a very effective model. Running over a full semester, the program models and promotes the use of flexible and engaging approaches to teaching, learning and assessment; encourages reflective practice; builds awareness of the professional and legislative responsibilities associated with the role of educator; and provides a strong support network. Through this program, more experienced educators who take on the role of mentor have ongoing opportunities to share their knowledge and expertise with less experienced peers. The program demonstrates SBIT's commitment to its educational staff through effective on-boarding, knowledge sharing and capability building.

Professional Conversations

Providing regular professional development opportunities for its staff is a high priority for SBIT, and SBIT's 'Professional Conversations' series continues to draw interested participants. This one hour timeslot each week provides educational staff with ongoing opportunities to discuss and debate educational topics and issues with colleagues from within their own schools and across the organisation. Each fortnight an Institute event is held, while alternate weeks have school events scheduled.

In 2011, the working party was expanded to include three educator representatives, in recognition of the diverse audience and to ensure the program continued to have relevance for educators from disparate disciplines. It was a very popular decision to move the Institute events from the auditorium to SBIT's restaurant, as this enabled a far more interactive approach to these fortnightly sessions.

Topics explored in 2011–12 included industry engagement and currency, innovation in education, innovation in assessment, and educational quality. These are high priorities for the Institute's educational staff.

Coaching and Mentoring Program

SBIT continues to recognise the importance of a positive, encouraging, supportive workplace and offered the highly successful Coaching and Mentoring Program again in 2012. This nine month program involves a series of workshops, self-reflection exercises and coach/coachee practice sessions. Facilitated by an external group, Performance Potential, the 2011 workshop series was directed at both managers (to assist them to build positive and productive teams and take a coaching approach to working with their staff), and mentors in the Educational Induction Program.

Those who completed the program reported huge gains, both personally and professionally and continue to provide strong recommendations for the program. In 2012 the program was offered to any interested staff and places quickly filled. Graduates of the 2011 program were invited to act as mentors to the 2012 cohort - an excellent strategy to support a very active learning community.

Assessment validation panels

A new and exciting learning and development initiative introduced at SBIT in 2012 has been assessment validation panels. With support from colleagues at Metropolitan South Institute of TAFE, these panels have been trialled with great success in semester one, showing the potential to transform the process of assessment design across the organisation. Taking a supportive and educative approach, teachers work in groups to review their assessment tasks in relation to training package or curriculum requirements. Feedback from those who have participated to date has been overwhelmingly positive, and an increased sense of support and connectedness across the educational community is rapidly building. Enhancing the capability of SBIT's teachers to develop effective, high quality assessment tools will assist them to deliver on the Institute's commitment to excellence in education.

Online learning and development calendar

SBIT is very pleased to be able to showcase the talents of staff through its learning and development calendar. Introduced in 2012, staff are provided with a schedule of events which include workshops of varying durations (from 30 minutes through to one day) and information sessions, repeated several times across the semester.

Topics have been carefully designed to ensure sessions are relevant to the current context and that staff have easy access to 'just in time' training. The response to the sessions on offer to date has been very positive. Understanding the new VET regulator, resume writing, attraction and recruitment, workplace health and safety leadership, managing people, building great teams, bullying and harassment, teaching Generation Z, understanding audits and understanding university pathways are just a few examples.

In general, sessions are run by SBIT's own talented workforce. This not only recognises and promotes the skills and knowledge of SBIT's own people but also helps to ensure staff know who to approach for advice on particular issues.

Queensland VET Development Centre

With organisational support, over 25 of SBIT's experienced staff have successfully applied to become involved in the exciting capability building programs offered by the Queensland VET Development Centre. All programs are focused on improving the quality of the learning experience for students, a high priority for the organisation. SBIT has four teachers involved in building skills in instructional intelligence; two in creating eAssessment, two in Digital Content; two in eCommunication and eValidation; ten in learning how to use virtual classrooms through iConnect training; and another small group of educational and administrative staff are participating in a Foundation Skills program. On completion of their programs participants will be supported to share their skills, knowledge and experiences with the wider teaching community through a range of strategies including the learning and development calendar and 'Professional Conversations'.

Leadership Academy

The Institute's Leadership Academy comprises a group of emerging and current leaders to enhance their leadership capabilities, catering for their individual and group development needs.

This 12 month program has connected leaders by addressing specific leadership issues, and also provided individual learning curriculums. A range of learning environments were utilised, including an online portal offering access to an extensive array of leadership content from Harvard, Stanford, IMD, etc.

SBIT is committed to ensuring the long term success of the Institute through effective development and succession planning, and are sure the current 2011–12 cohort who are nearing the end of their program will be well equipped for this task.

Wellbeing Ambassador

SBIT has continued fulfilling its requirements under the *Workplace Health & Safety Act 2011* and the *Prevention of Workplace Harassment Code of Practice 2004* by preventing and controlling exposure to risk of injury, illness or death created by workplace harassment.

SBIT has had a network of trained staff offering support for the last decade, and over the last two years the Wellbeing Ambassador network has been revitalised, consisting of trained staff able to offer support to fellow staff members in matters relating to bullying, harassment and discrimination.

The Wellbeing Ambassador network continuously promotes activities and awareness around health, community and social matters. Undertakings have included promotion of the gym, wellness clinic and participation in community and national ventures such as R U Ok day, Mental Health Week, Healthy Heart Week and resilience initiatives.

The Wellbeing Ambassadors have a keen interest in promoting and supporting staff to build resilience assist in creating a professional and productive workplace and focusing on the broader aspects of staff wellbeing.

Staff conference

SBIT held a successful event for all staff – the 2011 Southbank Conference. This interactive event followed the theme 'Evolution in response to a changing environment' and provided a platform to explore opportunities and challenges facing the tertiary sector and how SBIT can work together to deliver quality outcomes. The staff conference consisted of industry, government and education presenters and panel discussion and breakout sessions to explore various topics.

The conference was well attended and participated, with a lot of good ideas and action items resulting. The Executive Leadership Team has taken many suggestions on board to work towards, and all individuals in attendance came away with valuable information and ideas.

RISK MANAGEMENT

SBIT recognises that risk management is an integral part of good governance and management practice and is committed to its application. The Board oversees the risk management systems within the Institute and monitors the ongoing effectiveness of these systems.

SBIT conducts risk management activities in accordance with the international standard for risk management (AS/NZS ISO 31000:2009), and continues to review work practices and management techniques to ensure alignment with the standard.

SBIT's executive leadership team have a central monitoring and reporting role in risk management, with all staff taking on the responsibility of understanding and managing the key risks in their area of the business. SBIT's risk management framework encourages a culture of risk management that assists the implementation of best practice principles across the organisation; in turn contributing to effective corporate governance through identification and mitigation of threats and maximisation of opportunities.

Specific risk management activities include:

- business continuity planning
- workplace health and safety management
- insurance management
- fraud and corruption prevention and control
- compliance management.

SBIT's appointment of PricewaterhouseCoopers (PwC) to undertake an internal audit function, includes a key responsibility to monitor and review the risk management framework. The Institute's Quality Management System Certification (AS/NZ ISO9001:2008) provides a comprehensive process framework that strives to achieve the highest quality and reliability of services for customers and stakeholders and in turn complements the Institute's risk management framework.

Internal audit

The overall function of SBIT's internal audit function has been developed with due regard to Treasury's Audit Committee Guidelines with a view to providing independent, objective assurance and improved business operations.

In accordance with the Institute's Internal Audit Charter, the services of PwC have been retained to provide internal audit services. PwC assists the Institute to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, systems of internal control and governance processes in an independent and professional manner.

PwC plans and scopes internal audit work with the Audit, Finance, Risk and Facilities Committee in consideration of SBIT's network of risk management, control and governance processes, as designed and represented by management.

The 2011–12 year saw delivery of internal reviews programmed for the first year of a three-year Internal Audit Plan. Audit work was performed in the following areas:

- Core Financial Processes-General Ledger
- Core Financial Processes-Procure to Pay
- IT Strategy
- Budget Processes
- External Benchmarking and Solvency Strategies
- Fraud Exposure
- Risk Management Framework.

Audit Finance Risk and Facilities Committee

	Daily meeting fees ($)		Daily special assignment fees $	
Duration	Greater than 4 hours a day	4 hours or less a day	Greater than 4 hours a day	4 hours or less a day
Members	543	272	453	227

Frequency of meetings

The committee meets at least quarterly for matters of reporting of general business and holds out of session meetings to consider annual financial statements.

Audit Finance Risk and Facilities Committee

The purpose of the Audit Finance Risk and Facilities Committee (AFRFC) is to oversee and monitor the effectiveness of the Institute's internal and external audit function, as well as oversee financial management and reporting, incorporating facilities management. The following four members of the Board and one external appointment make up the membership of the Audit Finance Risk and Facilities Committee, as well as one externally appointed member;

- Sandra Deane (Chair)
- Ray Heffernan
- Chris Burgess
- David Withers
- Graeme Stratford (external).

Key 2011–12 achievements included:

- Endorsing the contracting arrangements for the Institutes internal auditor
- Monitoring the performance and effectiveness of both internal and external audit
- Monitoring the financial position and performance of SBIT, including reviewing forward estimates and cash flows
- Keeping under review the provisions of timely and accurate financial, student and staff data and the provision of computed administration systems
- Formed a subcommittee to consider options and requirements for establishment of an endowment fund
- Reviewed the Institutes insurance portfolio
- Reviewed Institutes delegation of authority
- Established reporting framework for health, safety and wellbeing management.

GLOSSARY

ACSF	Australian Core Skills Framework
AMEP	Adult Migrant English Program
AUSLAN	Australian Sign Language
AVETRA	Annual Australian Vocational Education and Training Research Association
CAD	Computer Aided Design
COAG	Council of Australian Governments
CRICOS	Register of Institutes and Courses for Overseas Students
DETE	Department of Education, Training and Employment
ELICOS	English Language Intensive Courses for Overseas Students
EBP	Educational Business Partners
GPA	Grade Point Average
IYMP	Indigenous Youth Mentor Program
LLNP	Language Literacy and Numeracy Program
NCVER	National Centre for Vocational Education Research
NIDA	National Institute of Dramatic Arts
PPP	Public Private Partnership
PwC	PricewaterhouseCoopers
QTAC	Queensland Tertiary Admission Centre
QGIF	Queensland Government Insurance Fund
RAP	Reconciliation Action Plan
RPL	Recognition of Prior Learning
SETP	Southbank Education and Training Precinct
SBIT	Southbank Institute of Technology
SIP	Science in Industry Program
SSCV	Staff Student Community Voice
STEP	Southbank Tertiary Entrance Program
TAFE	Technical and Further Education
TESOL	Teachers of English to Speakers of Other Languages
VSP	Voluntary Separation Program
VET	Vocational Education and Training
VGC	Vocational Graduate Certificate
WELL	Workplace English Language and Literacy
APACE	Australian Professional Acknowledgement of Continuing Education
CPD	Continuing Professional Development

ANNUAL FINANCIAL REPORT 2011–12

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General information

These financial statements cover the Southbank Institute of Technology.

The Southbank Institute of Technology (SBIT or the Institute) was established on the 1st April 2008 as a statutory TAFE Institute under the *Vocational Education, Training and Employment and Other Legislation Amendment Regulation (No. 1) 2008*.

The Institute is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of SBIT is:

66 Ernest St

South Brisbane QLD 4101

A description of the nature of the Institute's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Institute's financial statement please visit the website www.southbank.edu.au

SOUTHBANK INSTITUTE OF TECHNOLOGY

Statement of Comprehensive Income
for the year eneded 30 June 2012

	NOTES	2012	2011
		$'000	$'000
Income from Continuing Operations			
Revenue			
User charges	2	61,289	58,082
Grants and other contributions	3	37,258	36,840
Other revenue	4	1,866	1,572
Total Revenue		100,413	96,494
Total Income from Continuing Operations		**100,413**	**96,494**
Expenses from Continuing Operations			
Employee expenses	5,6	2,920	2,462
Supplies and services	7	91,556	89,816
Grants and subsidies	8	13,223	34
Depreciation and amortisation	9	1,317	1,402
Impairment losses	10	108	(94)
Other expenses	11	4,165	290
Total Expenses from Continuing Operations		**113,289**	**93,910**
Operating Result from Continuing Operations		**(12,876)**	**2,584**
Total Comprehensive Income		**(12,876)**	**2,584**

The accompanying notes form part of these statements.

SOUTHBANK INSTITUTE OF TECHNOLOGY

Statement of Financial Position
as at 30 June 2012

	Notes	2012 $'000	2011 $'000
Current Assets			
Cash and cash equivalents	12	27,880	28,986
Receivables	13	15,016	13,481
Other financial assets	14	13,600	-
Inventories	15	2	18
Other	16	404	193
Total Current Assets		**56,902**	**42,678**
Non Current Assets			
Intangible assets	17	484	470
Property, plant and equipment	18	2,280	20,560
Total Non Current Assets		**2,764**	**21,030**
Total Assets		**59,666**	**63,708**
Current Liabilities			
Payables	19	30,820	21,881
Accrued employee benefits	20	150	394
Provisions	21	-	23
Unearned revenue and other	22	13,643	13,786
Total Current Liabilities		**44,613**	**36,084**
Non Current Liabilities			
Payables	19	343	-
Provisions	21	82	120
Total Non Current Liabilities		**425**	**120**
Total Liabilities		**45,038**	**36,204**
Net Assets		**14,628**	**27,504**
Equity			
Contributed equity		43,199	43,199
Accumulated surplus/(deficit)		(28,571)	(15,695)
Total Equity		**14,628**	**27,504**

The accompanying notes form part of these statements.

SOUTHBANK INSTITUTE OF TECHNOLOGY

Statement of Changes in Equity
for the year ended 30 June 2012

	Contributed Equity	Accumulated Surplus/ (Deficit)	TOTAL
	$'000	$'000	$'000
Balance as at 1 July 2010	43,199	(18,279)	24,920
Operating Result from Continuing Operations	-	2,584	2,584
Balance as at 30 June 2011	**43,199**	**(15,695)**	**27,504**
Balance as at 1 July 2011	43,199	(15,695)	27,504
Operating Result from Continuing Operations	-	(12,876)	(12,876)
Balance as at 30 June 2012	**43,199**	**(28,571)**	**14,628**

The accompanying notes form part of these statements.

SOUTHBANK INSTITUTE OF TECHNOLOGY

Statement of Cash Flows
for the year ended 30 June 2012

	Notes	2012 $'000	2011 $'000
Cash flows from operating activities			
Inflows:			
User charges		54,070	62,129
Grants and other contributions		42,194	32,734
GST input tax credits from ATO		1,214	1,548
GST collected from customers		3,380	1,921
Interest received		1,419	1,053
Other		471	524
Outflows:			
Employee expenses		(3,224)	(2,545)
Supplies and services		(95,507)	(79,009)
Grants and subsidies		(20)	(35)
GST paid to suppliers		(1,249)	(1,564)
GST remitted to ATO		(3,032)	(1,958)
Other		(429)	(246)
Net cash provided by (used in) operating activities	23	**(713)**	**14,552**
Cash flows from investing activities			
Inflows:			
Sales of property, plant and equipment		13,500	-
Outflows:			
Payments for property, plant and equipment		(135)	(214)
Payments for intangibles		(158)	(263)
Payments for investments		(13,600)	-
Net cash provided by (used in) investing activities		**(393)**	**(477)**
Net increase (decrease) in cash ahnd cash equivalents		(1,106)	14,075
Cash and cash equivalents at beginning of financial year		28,986	14,911
Cash and cash equivalents at end of financial year	12	**27,880**	**28,986**

The accompanying notes form part of these statements.

SOUTHBANK INSTITUTE OF TECHNOLOGY

Notes to and forming part of the financial statements

2011–12

Objectives and Principal Activities of the Institute

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Objectives and Principal Activities of the Institute

The Institute was established as a statutory TAFE Institute on 1 April 2008 under the *Vocational Education, Training and Employment and Other Legislation Amendment Regulation (No.1) 2008*. The Institute is a not-for-profit entity with a mission to be Australia's leading institute of vocational training and job-ready graduates.

The Institute is located in the Southbank Education and Training Precinct (SETP), Queensland's first Public Private Partnership (PPP).

The Institute offers a range of high-level vocational qualifications, associate degrees, university pathways and articulation arrangements in key industries.

At the end of 2011–12, the Institute utilised over 620 full-time equivalent Department of Education, Training and Employment's staff and 13 full-time equivalent staff directly engaged by the Institute.

The Institute also manages delivery across TAFE Queensland Institutes of two Commonwealth programs - Adult Migrant English Program (AMEP) and Language, Literacy and Numeracy Program (LLNP) through TAFE Queensland English Language and Literacy Services (TELLS). The annual financial statements for the Institute include $9.1 millon in revenue and $9.1 million in expenses for TELLS.

The Institute is an approved FEE-HELP Provider of Higher Education and Vocational Education Training (VET). Due to the Institute's Statutory Authority approval, the Institute is entitled to act as a broker for VET FEE-HELP to all TAFE Institutes in Queensland.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The Institute has prepared these financial statements in compliance with section 62(1) of the *Financial Accountability Act 2009* and section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with the Treasury's Minimum Reporting Requirements for the year ended 30 June 2012 and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Institute has applied those requirements applicable to not-for-profit entities, as the Institute is a not-for-profit institute. Except where stated, the historical cost convention is used.

(b) The Reporting Entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Institute.

(c) User Charges

User charges and fees controlled by the Institute are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the Institute where they can be deployed for the achievement of Institute objectives. Revenue is recognised when the following recognition criteria are met:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer and can be measured reliably. Risks and rewards are considered to have passed to the buyer at the time of delivery of the goods to the customer.

(ii) Student fees and sale of services

Full value of student fees and fees for training services less any fee waivers are recognised as revenue when the Institute has the right to be compensated, it is probable that compensation will be received, and the amount of revenue and the stage of completion of a transaction can be reliably measured.

(d) Grants and Contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Institute obtains control over them. Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

(e) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash and cash equivalents include all cash and cheques receipted but not banked at 30 June.

(f) Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with adequate allowance made for impairment. All known bad debts were written-off as at 30 June.

(g) Other Financial Assets

The held-to-maturity investment is a fixed deposit at Suncorp Bank and is carried at amortised value. The Institute has no intention of withdrawing the fixed deposit prior to maturity.

(h) Inventories

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

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition.

(i) Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

(j) Property, Plant and Equipment

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Plant and Equipment	$5,000

Items with a lesser value are expensed in the year of acquisition.

(k) Revaluations of Non-Current Physical and Intangible Assets

Where intangible assets have an active market, they are measured at fair value, otherwise they are measured at cost.

Plant and equipment is measured at cost in accordance with Treasury's *Non-Current Asset Policies for the Queensland Public Sector*.

Non-current physical assets measured at fair value are comprehensively revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis where there has been a material variation in the index.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Materiality concepts under AASB 1031 are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

(l) Intangibles

Intangible assets with a cost or other value equal to or greater than $100,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the Institute. The residual value is zero for all the Institute's intangible assets.

It has been determined that there is not an active market for any of the Institute's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

Purchased Software

The purchase cost of software exceeding $100,000 is capitalised and amortised on a straight-line basis over the period of the each asset's expected benefit to the Institute, namely 5 years.

(m) Amortisation and Depreciation of Intangibles and Property, Plant and Equipment

All intangible assets of the Institute have finite useful lives and are amortised on a straight-line basis.

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Institute.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes with property, plant and equipment.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Institute.

For each class of depreciable asset the following depreciation and amortisation rates are used:

Class	Rate Per cent
Plant and Equipment:	
Computer Equipment	20.00
Plant and Machinery	5.00 – 20.00
Office Equipment	5.00 – 20.00
Intangible Assets:	
Software Purchased	20.00

(n) Impairment of Non-Current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Institute determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also to Note 1(k).

(o) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(p) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Institute becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit or loss

- Receivables – held at amortised cost

- Held to maturity investment – held at amortised cost

- Payables – held at amortised cost.

The Institute does not enter transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Institute holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Institute are included in Note 27.

(q) Employee Benefits

(i) Department of Education, Training and Employment employees engaged as contractors

Pursuant to s.218G of the *Vocational Education, Training and Employment Act 2000*, the Institute may enter into, and give effect to, a work performance arrangement with the chief executive of the Department of Education, Training and Employment (DETE).

The Institute and DETE have entered into a work performance arrangement under which employees of DETE will perform work for the Institute to enable the Institute to perform functions and exercise powers and to ensure the delivery of its operational plan.

Under this work performance arrangement:

- DETE will provide DETE employees to perform work for the Institute and DETE acknowledges and accepts its obligations as the employer of these DETE employees.
- The Institute will be responsible for the day to day management of these DETE employees.
- The Institute will reimburse DETE for the salaries and on-costs of these DETE employees.

As a result of this arrangement, the Institute treats the reimbursements to DETE for DETE employees in these financial statements as contractors. These reimbursements are shown under Note 7 – Supplies and Services (consultants and contractors).

In addition to the employees contracted from DETE, the Institute has engaged employees directly. The information detailed below relates specifically to the directly engaged employees.

(ii) Institute directly engaged employees

Salaries, Annual Leave, Long Service Leave and Sick Leave

Salaries, annual leave and long service leave due but unpaid at reporting date are recognised in the Statement of Financial Position at the remuneration rates expected to apply at time of settlement. Payroll tax and workers' compensation are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses. Performance bonus, employer superannuation contributions, annual leave and long service leave expenses are regarded as employee benefits.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. For those entitlements not expected to be paid within 12 months, the liabilities are classified as non-current liabilities and recognised at their present value, calculated using 'shorthand' measuring techniques. The calculation using 'shorthand' measurement techniques indicates that the Institute's long service leave liability, based on remuneration rates current as at the reporting date for all directly engaged employees with five or more years of service, provides an estimate of long service leave liability that is not materially different from the estimate determined by using the present value method of measurement.

Sick leave taken in this reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

(q) Employee Benefits (Cont'd)

Superannuation

The Institute complies with *The Superannuation Guarantee (Administration) Act 1992* (Superannuation Guarantee) which requires the Institute to provide a minimum superannuation cover for all eligible employees. The minimum level of superannuation cover under the Superannuation Guarantee is 9 per cent of each eligible employee's earnings base.

The Institute offers a choice of superannuation funds and pays superannuation contributions into a complying superannuation fund.

Contributions are expensed in the period in which they are paid or payable. The Institute's obligation is limited to its contribution to the superannuation fund.

Therefore, no liability is recognised for accruing superannuation benefits in the Institute's financial statements.

Key Executive Management Personnel and Remuneration

Key executive management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury. Refer to Note 6 for disclosures on key executive management personnel and remuneration.

(r) Provisions

Provisions are recorded when the Institute has a present obligation, either legal or constructive as a result of a past event. They are at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

(s) Insurance

The Institute's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis. In addition, the Institute pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(t) Services Received Free of Charge or for Nominal Value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

(u) Taxation

The Institute is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Institute. GST credits receivable from, and GST payable to the ATO, are recognised. Refer to Note 13.

(v) Issuance of Financial Statements

The financial statements are authorised for issue by the Chairman of Institute Board, the Chief Executive and the Chief Financial Officer at the date of signing the Management Certificate.

(w) Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have that potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

Valuation of Property, Plant and Equipment - Note 18.

(x) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest $1,000 or, where that amount is $500 or less, to zero, unless disclosure of the full amount is specifically required.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(y) New and Revised Accounting Standards

The Institute did not voluntarily change any of its accounting policies during 2011–12. Australian accounting standard changes applicable for the first time for 2011–12 have had minimal effect on the Institute's financial statements, as explained below.

AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]* became effective from reporting periods beginning on or after 1 January 2011. Given the Institute's existing financial instruments, there was only a minor impact on the Institute's financial instruments note (Note 27), in relation to disclosures about credit risk. That note no longer needs to disclose amounts that best represent the maximum exposure to credit risk where the carrying amount of the instruments already reflects this. As this was the case with all the Institute's receivables as at 30 June 2012 (and as at 30 June 2011), receivables are not included in the credit risk disclosure in this year's financial statements.

As the Institute held no collateral or other credit enhancements in respect of its financial instruments, and did not renegotiate the terms of any financial assets, during the reporting periods presented in these financial statements, there were no other changes required to the Institute's financial instruments note arising from the amendments to AASB 7 *Financial Instruments: Disclosures*.

AASB 1054 *Australian Additional Disclosures* became effective from reporting periods beginning on or after 1 July 2011. Given the Institute's previous disclosure practices, AASB 1054 had minimal impact on the Institute. One of the footnotes to Note 11 Other Expenses, regarding audit fees, has been slightly amended to identify the Institute's auditor and clarify the nature of the work performed by the auditor.

AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]* also became effective from reporting periods beginning on or after 1 July 2011. The only potential implication for the Institute from this amending standard was the deletion from AASB 101 *Presentation of Financial Statements* of the requirement for disclosure of commitments. However, Treasury Department's Financial Reporting Requirements require continuation of commitments disclosures, so this deletion from AASB 101 has no impact on the Institute's commitments note (Note 24).

The Institute is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Institute has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Institute applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian accounting standards with future commencement dates are as set out below.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] applies as from reporting periods beginning on or after 1 July 2012. The only impact for the Institute will be that, in the Statement of Comprehensive Income, items within the "Other Comprehensive Income" section will need to be presented in different sub-sections, according to whether or not they are subsequently re-classifiable to the operating result. Whether subsequent re-classification is possible depends on the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.

AASB 13 *Fair Value Measurement* applies from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Institute's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used, and financial statement disclosures made in respect of, such assets and liabilities.

The Institute has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While the Institute is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the Institute's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside the Institute, the amount of information to be disclosed will be relatively greater.

(y) New and Revised Accounting Standards (Cont'd)

AASB 9 *Financial Instruments* (December 2010) and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [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]* become effective from reporting periods beginning on or after 1 January 2013. The main impacts of these standards on the Institute are that they will change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Institute has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the Institute's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Institute enters into, it is not expected that any of the Institute's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2013-14 financial statements, all of the Institute's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in notes 1(p) and 27). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the Institute's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

The most significant impact of the new measurement requirements on the Institute is that the "held to maturity" investment described in notes 1(g), 1(p), 14 and 27 will need to be measured at fair value. In addition, that investment will no longer be classified as "held to maturity". The Institute is not yet able to reliably estimate what the fair value of this investment will be at the date of initial application of AASB 9. The difference between the carrying amount of this investment and its initial fair value will be recognised as an adjustment to the balance of Accumulated Surplus on initial application of AASB 9. In respect of this change, the 2013-14 financial statements will need to disclose a comparison between the previous measurement classification and carrying amount as at 30 June 2013 and the new classification and fair value amount as at 1 July 2013. AASB 9 allows an entity to make an irrevocable election, at the date of initial recognition, to present in "other comprehensive income" subsequent changes in the fair value of such an asset. Treasury Department is currently considering mandating this accounting treatment when AASB 9 becomes effective.

Changed disclosure requirements will apply once AASB 9 becomes effective. A number of one-off disclosures will be required in the 2013-14 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the Institute enters into, the most significant ongoing disclosure impacts are expected to relate to investments in equity instruments measured at fair value through comprehensive income (e.g. the "held to maturity" investment described in note 1(g)) and derecognition of these.

(y) New and Revised Accounting Standards (Cont'd)

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2013:

A revised version of AASB 119 *Employee Benefits* applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively. Given the Institute's circumstances, the only implications for the Institute are that the revised standard clarifies the concept of "termination benefits", and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as "short-term employee benefits". An entity need not reclassify a short-term employee benefit if the entity's expectations of the timing of settlement change temporarily. However, if the characteristics of the benefit change or if a change in expectations of the timing of settlement is not temporary, then the entity considers whether the benefit still meets the definition of short-term employee benefits. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The Institute only pays superannuation contributions into complying superannuation funds. Contributions are expensed in the period in which they are paid or payable and hence the Institute's obligation is limited to its contribution to the superannuation fund. Therefore, those changes to AASB 119 will have no impact on the Institute.

AASB 1053 *Application of Tiers of Australian Accounting Standards* applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian Accounting Standards (commonly referred to as "tier 1"), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as "tier 2"). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the tier 1 and tier 2 requirements is that tier 2 requires fewer disclosures than tier 1.

Details of which disclosures in standards and interpretations are not required under tier 2 reporting are set out in amending standards AASB 2010-2, AASB 2011-2, AASB 2011-6 and AASB 2011-11 (which also apply from reporting periods beginning on or after 1 July 2013). However, Treasury Department's Financial Reporting Requirements effectively do not allow application of AASB 2011-6 in respect of controlled entities, associates or interests in jointly controlled entities.

Pursuant to AASB 1053, public sector entities like the Institute may adopt tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the tier 1 requirements. In the case of the Institute, Treasury Department is the regulator. Treasury Department has advised that its policy decision is to require adoption of tier 1 reporting by all Queensland Government departments and statutory bodies (including the Institute) that are consolidated into the whole-of-Government financial statements. Treasury's policy also prohibits the early adoption of the arrangements outlined in AASB 1053 and its accompanying amending standards. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the Institute.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Institute's activities, or have no material impact on the Institute.

	2012 $'000	2011 $'000
2. User Charges		
Sale of services	44,086	37,162
Sale of goods	956	1,193
Student fees	16,247	19,727
Total	**61,289**	**58,082**

3. Grants and Other Contributions		
Government grants	36,893	36,162
Other grant	8	16
Government contributions	340	448
Donations and sponsorships	17	214
Total	**37,258**	**36,840**

4. Other Revenues		
Interest received*	1,390	1,047
Bad debts recovered	4	6
Sale of portable and attractive items	10	131
Student administration fees	118	219
Miscellaneous receipts by faculties	12	23
Commissions and rebate received	90	62
Reimbursement for the procurement function	160	-
Post Capitalised Assets	5	-
Insurance compensation from loss of property	-	34
Other	77	50
Total	**1,866**	**1,572**

* Higher interest revenue in 2012 due to interest on the proceeds from sale of Morningside campus $13.500 million. Refer to Note 18.

	2012 $'000	2011 $'000
5. Employee Expenses		
Employee Benefits		
Wages and salaries	1,879	1,731
Annual leave expense *	206	190
Employer superannuation contributions *	223	193
Long service leave expense *	93	17
Other employee benefits	218	38
Employee Related Expenses		
Workers' compensation premium **	17	14
Payroll tax **	136	108
Staff training ***	3	21
Other employee related expenses ****	145	150
Total	**2,920**	**2,462**

* The annual leave expense, employer superannuation contributions and long service leave expense are regarded as employee benefits.

** Cost of workers' compensation insurance and payroll tax are a consequence of employing employees, but are not counted in employees' total remuneration package. They are not employee benefits, but rather employee related expenses.

*** Staff training and development costs are for employees directly engaged by the Institute.

**** Other employee related expenses include the costs of fringe benefits tax, relocation expenses and recruitment fees for employees directly engaged by the Institute.

The number of employees measured on a full-time equivalent basis is:

	2012	2011
Number of Employees*	13	14

*Refer to Note 1(q)(ii)

6. Key Executive Management Personnel and Remuneration

(a) Key Executive Management Personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2011–12. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current Incumbents	
		Contract classification and appointment authority	Date appointed to Position (Date resigned/separated from Position)
Chief Executive	To provide strategic, operational and educational leadership of the Institute and is responsible for implementing and enhancing the Institute's strategic plan. The Chief Executive is responsible for driving sustainable growth of the Institute's commercial revenue activities in a highly competitive market.	*Vocational Education, Training and Employment Act 2000 (Section 220H)*	1 November 2011
Deputy Chief Executive	To provide leadership to the whole Institute in developing and implementing organisational strategy and academic quality initiatives to further advance Southbank as a leading provider of vocational education, engaging with and responding to the needs of key stakeholders.	Contract	10 April 2012
Chief Financial Officer	The Chief Financial Officer is responsible for the functional areas of finance services, information communication and technology (ICT), facilities management, and risk, audit and legal. The Chief Financial Officer has responsibility for all aspects of financial management in the Institute, and provides strategic direction and management to ICT, Finance, Facilities, Risk, Audit and Legal.	Contract	14 May 2012
Director - Support Services	The Director is responsible for Marketing, Domestic Sales, International Sales and Student Support Services. The Director has responsibility for business planning and sets the strategic direction for achieving increased market penetration and sustainable market growth leading to increased profitability.	Contract	1 May 2012
Director - Education	The Director is responsible for ensuring quality, industry focused vocational education and tertiary education programs are developed and delivered to Institute clients. The Director develops and promotes the environment, processes and systems for innovative teaching practice and continual improvement of products and services, and leads Institute educational planning processes to ensure programs are delivered in a cost effective manner. The Director is responsible for the three Faculties at SBIT: Design, Arts and Hospitality; Business and Community Education; Health Sciences.	Contract	8 May 2012
Chief Operating Officer	To identify significant commercial activities and potential key alliances for the Institute.	Contract	21 September 2010 (25 March 2011 - 29 February 2012 on secondment, Resigned 29 February 2012)
Director Market and Business Development	To support the Institute's ongoing viability and success by driving sales with Business Development for local corporate, national and international clients. The Director also ensures Strategic Marketing continues to develop strategies and deliver tools and tactics to increase market awareness and the Institute's profile in the marketplace.	Contract	29 June 2009 (7 May 2012)

(a) Key Executive Management Personnel (Cont'd)

Director Corporate Services	To provide operational and strategic leadership to the Institute in the areas of finance, information and communications technology and facilities management as well as a broad range of professional and support services.	Contract	25 March 2011 (16 March 2012)
Director - Legal and Commercial	To assist with special commercial and legal projects for the growth and development of the Institute.	Contract	9 May 2011 (28 October 2011)
Faculty Director - Design, Arts and Hospitality	The Faculty Director is responsible for the effective, efficient and economic operation and management of the Faculty of Design, Arts and Hospitality in conjunction with ensuring the Faculty provides quality educational outcomes for its students across a diverse range of programs.	Contract	7 July 2008 (transitioned to Director, Education position 7 May 2012)
Faculty Director - Health Sciences	The Faculty Director is responsible for the effective, efficient and economic operation and management of the Faculty of Health Sciences in conjunction with ensuring the Faculty provides quality educational outcomes for its students across a diverse range of programs.	Contract	24 January 2011 (7 May 2012)
Faculty Director - Business and Community Education	The Faculty Director is responsible for the effective, efficient and economic operation and management of the Faculty of Business and Community Education in conjunction with ensuring the Faculty provides quality educational outcomes for its students across a diverse range of programs.	Contract	13 June 2011 (7 May 2012)
Acting Director - Academic	The Acting Director is responsible for the product, design and development of educational programs in the Institute, and student services.	Contract	1 November 2011 (5 April 2012)
Acting Chief Executive Officer	The Acting Chief Executive Officer is responsible for the efficient, effective and economic operation and management of the Institute.	*Vocational Education, Training and Employment Act 2000 (Section 220H)*	31 January 2011 (transitioned to Acting Director, Academic 31 October 2011)

(b) Remuneration

Remuneration policy for the Institute's key executive management personnel is set by direct engagement common law employment contracts. The remuneration and other terms of employment for the key executive management personnel are also addressed by these common law employment contracts. The contracts provide for the provision of performance-based incentives and other benefits, such as motor vehicles allowance.

Remunerations packages for key executive management personnel comprise the following components:

- Short term employee benefits which include:
  - Base – consisting of base salary, allowance and leave entitlements paid and provided for the entire year or for that part of the year during which employee occupied the specified position. Amounts disclosed are included in the amount expensed in the Statement of Comprehensive Income.
  - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefits.
- Long term employee benefits include long service leave accrued for the entire year or for that part of the year during which the employee occupied the specified position, regardless of which the employee has become eligible to receive the entitlement.
- Post employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.
- Performance bonuses may be paid or payable annually based on individual performance. For the financial year 2011–12, there were no performance bonuses paid or payable to the executive management personnel.

1 July 2011 - 30 June 2012	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
Position (date resigned if applicable)	Base $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Chief Executive	181	-	4	14	-	199
Deputy Chief Executive	44	-	1	5	-	50
Chief Financial Officer	27	-	1	2	-	30
Director - Support Services	31	-	1	2	-	34
Director - Education (As Faculty Director - Designs, Arts and Hospitality before 8/5/2012)	214	-	3	22	-	239
Director Market and Business Development (separated 7/5/2012)	177	-	-	16	-	193
Director Corporate Services (resigned 16/3/2012)	141	-	-	11	-	152
Director - Legal and Commercial (resigned 28/10/2011)	66	-	-	6	-	72
Faculty Director - Health Sciences (separated 7/5/2012)	166	-	-	17	22	205
Faculty Director - Business and Community Education (resigned 7/5/2012)	151	-	-	18	-	169
Acting Director - Academic (as Acting Chief Executive Officer before 1/11/2011, separated 5/4/2012)	179	-	-	19	60	258
Total	**1,377**	**0**	**10**	**132**	**82**	**1,601**

1 July 2010 - 30 June 2011	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
Position (date resigned if applicable)	Base $'000	Non-Monetary Benefits $'000	$'000	$'000	$'000	$'000
Acting Chief Executive Officer	184	1	32	21	-	238
Former CEO	119	2	-	23	-	144
Chief Operating Officer (previous role and title: Director Commercial Strategy)	120	1	2	16	-	139
Director Strategic Governance and CFO (resigned 31/3/2011)	66	-	-	15	37	118
Director Market and Business Development	181	-	5	15	-	201
Director Corporate Services and CFO	47	-	1	4	-	52
Director - Legal and Commercial	28	-	1	1	-	30
Faculty Director, Design, Arts and Hospitality	164	-	7	19	-	190
Faculty Director, Health Sciences	76	-	2	8	-	86
Faculty Director, Business and Community Education	21	-	7	1	-	29
Total	**1,006**	**4**	**57**	**123**	**37**	**1,227**

6. Key Executive Management Personnel and Remuneration (Cont'd)

(c) Performance Payments

The basis for performance bonuses paid or payable in the 2011–12 and 2010–11 financial years were made pursuant to the Institute's Incentive Payment Scheme, which employees are entitled to under the terms of their contract of employment. The amount of performance bonus was determined by reference to the achievement of agreed targets for the previous financial year.

The performance bonuses paid (relating to the previous financial year's performance) to all key executive management personnel is as follows:

Position	Performance Bonus Paid on 13 January 2012 in respect of 2010–11	Performance Bonus Paid on 27 August 2010 in respect of 2009–10
	$'000	$'000
Acting Chief Executive Officer	9	20
Former CEO	-	45
Chief Operating Officer (25 March 2011 to 29 February 2012 on Secondment, resigned 29 February 2012)	13	28
Director Strategic Governance and CFO (resigned 31/03/2011)	-	21
Director Market and Business Development	14	22
Faculty Director - Design, Arts and Hospitality	13	20
Faculty Director - Health Sciences	4	-
Faculty Director - Business and Community Education (resigned 25/06/2010)	-	22
Total Performance Bonuses Paid	**52**	**178**

The aggregate performance bonuses accrued in the financial year payable in the next financial year to all key executive management personnel as follows:

	2012	2011
	$'000	$'000
Key Executive Management Personnel	-	107

	2012 $'000	2011 $'000
7. Supplies and Services		
Consultants and contractors#	60,077	59,433
SETP rental	14,016	11,940
Supplies and consumables	4,474	4,608
Travel	416	548
Agents commissions	4,091	3,600
Advertising and promotions	1,287	1,195
Course supplies	2,065	1,482
Printing and stationery	1,033	1,178
Portable and attractive equipment	313	1,326
Subscription, books and publications	883	773
Shared service provider	1,450	1,636
Other *	1,451	2,097
Total	**91,556**	**89,816**

Refer to Note 1(q)(i)

* Includes total fees paid to board members.

The number of board members who received or were due to receive a total fee of:	2012	2011
$0 - $9,999	7	8
$10,000 - $19,999	3	1
Total	**10**	**9**

	2012 $'000	2011 $'000
Total fee paid to board members shown above	**94**	**41**

	2012 $'000	2011 vv$'000
8. Grants and Subsidies		
Contribution to SETP projects*	12,500	-
Contribution to Queensland TAFE Institutes**	700	-
Sponsorships	23	34
Total	**13,223**	**34**

* As agreed in the Contribution and Cooperation Agreement between the State of Queensland and the Institute dated 24 August 2011, $12.500 million is to be paid to Department of Education, Training and Employment from the proceeds of the sale of Morningside campus, although only payable in June 2013, the contribution payment has been accrued in the current financial year. Refer to Note 18 and 19.

** Additional fund paid to Queensland TAFE Institutes for the purchase of resources and equipment for the delivery of AMEP program.

	2012 $'000	2011 $'000
9. Depreciation and Amortisation		
Depreciation and amortisation were incurred in respect of:		
Plant and equipment	1,173	1,208
Software purchased	144	194
Total	**1,317**	**1,402**

	2012 $'000	2011 $'000
10. Impairment Losses		
Bad debts written off	(1)	1
Impairment losses/(reversals) on trade receivables**	109	(95)
Total	**108**	**(94)**

**Refer to Note 13 for details of the recognised impairment losses and impairment reversals.

	2012 $'000	2011 $'000
11. Other Expenses		
Insurance premiums - QGIF	150	153
External audit fees*	103	110
Losses from disposal of property, plant and equipment**	3,899	-
Loss of property	-	16
Other	13	11
Total	**4,165**	**290**

* Total external audit fees payable to Queensland Audit Office relating to the 2011–12 financial statements are estimated to be $99,500 (2011: $99,800). There are no non-audit services included in this amount.

** The sale of 9.135 hectares of land at Morningside campus for $13.500 million has resulted in a net loss of $3.888 million. The loss includes the costs of disposal totalling $0.154 million incurred for legal fees, real estate agent expenses and preparation of the land for disposal.

	2012 $'000	2011 $'000
12. Cash and Cash Equivalents		
Imprest accounts	5	4
Cash at bank	9,393	18,358
Queensland Treasury Corporation cash fund account	18,482	10,624
Total	**27,880**	**28,986**

Interest earned on cash held with the Commonwealth Bank earned between 3.35 per cent and 4.60 per cent in 2012. (2011: between 4.35 per cent and 4.60 per cent).
Interest earned from Queensland Treasury Corporation at an annual effective rate of 4.12 per cent (2011: 5.58 per cent).

	2012 $'000	2011 $'000
13. Receivables		
Trade debtors	15,066	11,338
Less: Allowance for impairment	(151)	(121)
Sub total	**14,915**	**11,217**
GST receivable/(payable)	(137)	176
Sub total	**(137)**	**176**
Grants receivable	237	2,088
Other	1	-
Total	**15,016**	**13,481**

Movements in the allowance for impairment		
Balance at beginning of the year	121	347
Amount written off during the year	(79)	(131)
Increase/(Decrease) in allowance recognised in the operating result	109	(95)
Balance at the end of the year	**151**	**121**

	2012 $'000	2011 $'000
14. Other Financial Assets		
Held to maturity investment - at amortised cost*	13,600	-
Total	**13,600**	**-**

* $13.500 million fixed deposit at Suncorp Bank with interest rate at 5.10 per cent, mature on 8 May 2013.

	2012 $'000	2011 $'000
15. Inventories		
Supplies and consumables - at cost	2	18
Total	**2**	**18**

	2012 $'000	2011 $'000
16. Other Current Assets		
Prepayments	404	193
Total	**404**	**193**

	2012	2011
	$'000	$'000
17. Intangible Assets		
Software Purchased:		
At cost	1,387	966
Less: Accumulated amortisation	(903)	(759)
Sub total	484	207
Work in Progress		
At cost	-	263
Total	**484**	**470**

Amortisation of intangibles is included in the line item 'Depreciation and Amortisation' in the Statement of Comprehensive Income.

All intangible assets of the Institute have finite useful lives and are amortised on a straight line basis. Refer to Note 1(m).

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

Intangibles Reconciliation	Software Purchased	Work in Progress	Total
	2012	2012	2012
	$'000	$'000	$'000
Carrying amount at 1 July 2011	207	263	470
Acquisitions	93	65	158
Transfers between classes	328	(328)	-
Amortisation	(144)	-	(144)
Carrying amount at 30 June 2012	**484**	**-**	**484**
	2011	2011	2011
	$'000	$'000	$'000
Carrying amount at 1 July 2010	401	-	401
Acquisitions	-	263	263
Amortisation	(194)	-	(194)
Carrying amount at 30 June 2011	**207**	**263**	**470**

	2012 $'000	2011 $'000
18. Property, Plant and Equipment		
Land:		
At fair value	-	17,234
Sub total	**-**	**17,234**
Plant and equipment:		
At cost	14,614	14,777
Less: Accumulated depreciation	(12,334)	(11,451)
Sub total	**2,280**	**3,326**
Total	**2,280**	**20,560**

In December 2011 SBIT entered into a contract for the sale to the Heran group of 9.135 hectares of land at Morningside campus for $13.500 million through a closed tender process which was settled in March 2012.

The carrying value of the land was $17.234 million. As a result a net loss of $3.888 million has been reflected in the accounts. The loss includes the costs of disposal totalling $0.154 million incurred for legal fees, real estate agent expenses and preparation of the land for disposal. Refer to Note 11.

The disposal of Morningside campus forms part of the Cabinet approved funding arrangements for the Southbank Education and Training Precinct (SETP).

Of the proceeds of $13.500 million, $12.500 million is required to be paid back to Department of Education, Training and Employment by June 2013. Also refer to Note 8 and 19.

Plant and equipment is valued at cost in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector.*

The Institute has plant and equipment with an original cost of $2.751 million (2011: $2.981 million) and a written down value of zero. $2.686 million (2011: $2.972 million) of this plant and equipment is still being used in the provision of services. The remainder has been identified as surplus and it is planned to dispose of this plant and equipment in the next reporting period.

Property, Plant and Equipment Reconciliation	Land	Plant and Equipment	Total
	2012 $'000	2012 $'000	2012 $'000
Carrying amount at 1 July 2011	17,234	3,326	20,560
Acquisitions	-	135	135
Disposals	(17,234)	(13)	(17,247)
Post-capitalisation	-	5	5
Depreciation	-	(1,173)	(1,173)
Carrying amount at 30 June 2012	**-**	**2,280**	**2,280**
	2011 $'000	2011 $'000	2011 $'000
Carrying amount at 1 July 2010	17,234	4,152	21,386
Acquisitions	-	214	214
Assets donated	-	183	183
Disposals	-	(15)	(15)
Depreciation	-	(1,208)	(1,208)
Carrying amount at 30 June 2011	**17,234**	**3,326**	**20,560**

	2012 $'000	2011 $'000
19. Payables		
Current		
Trade creditors	18,298	21,397
SETP Payable*	12,500	-
Other	22	484
Total	**30,820**	**21,881**
Non-Current		
Other**	343	-
Total	**343**	**-**

* As agreed in the Contribution and Cooperation Agreement (signed on 24th August 2011) between the State of Queensland and the Institute, $12.500 million is to be paid to Department of Education, Training and Employment in June 2013 from the proceeds of the sale of Morningside. Refer to Note 8 and 18.

** Payable to Queensland Treasury in 2014-16 in relation to the Voluntary Separation Program provided in December 2011.

	2012 $'000	2011 $'000
20. Accrued Employee Benefits		
Current		
Wages outstanding	-	195
Accrued annual leave	150	199
Total	**150**	**394**

	2012 $'000	2011 $'000
21. Provisions		
Current		
Long service leave provision	-	23
Total	**-**	**23**
Non-Current		
Long service leave provision	82	120
Total	**82**	**120**
Movement in long service leave provision:		
Balance at beginning of the year	143	215
Long service leave entitlement arising	155	23
Long service entitlement extinguished	(42)	(22)
Long service entitlement paid	(174)	(73)
Balance at the end of the year	**82**	**143**

	2012 $'000	2011 $'000
22. Unearned Revenue and Other Liabilities		
Current		
Unearned user charges revenue	12,691	13,477
Other	952	309
Total	**13,643**	**13,786**

	2012 $'000	2011 $'000
23. Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating Result from continuing operations	(12,876)	2,584
Depreciation and amortisation expense	1,317	1,402
Donated assets received	(9)	(189)
Asset donated expensed	-	10
Post capitalised assets	(5)	-
Loss on public property	-	15
Loss on sale of property, plant and equipment	3,745	-
Impairment losses	108	(94)
Change in assets and liabilities:		
(Increase)/decrease in receivables	(1,945)	(126)
(Increase)/decrease in GST input tax credits receivable	313	(54)
(Increase)/decrease in inventories	16	4
(Increase)/decrease in prepayments	(211)	(80)
Increase/(decrease) in accounts payable	9,282	10,936
Increase/(decrease) in accrued employee benefits	(244)	(17)
Increase/(decrease) in provisions	(61)	(72)
Increase/(decrease) in other liabilities	643	(138)
Increase/(decrease) in unearned revenue	(786)	371
Net cash from (used in) operating activities	**(713)**	**14,552**

24. Commitments for Expenditure

(a) Non-capital Expenditure Commitment

The following commitment represents an arrangement with Department of Education, Training and Employment for the Institute's use of the facilities at the Southbank Education and Training Precinct.

The commitment disclosed excludes variation costs as they are yet to be determined, subject to the outcome of a Cabinet Budget Review Committee submission.

	2012	2011
	$'000	$'000
Payable:		
Not later than one year	14,395	14,211
Later than one year and not later than five years	55,535	51,944
Later than five years	285,037	210,611
Total*	**354,967**	**276,766**

* Increase in commitment in 2012 is mainly due to drop in the discount rate which is based on the 10 years Australian Government Bond rate at June 3.00 per cent (2011: 5.16 per cent)

(b) Capital Expenditure Commitment

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

	Plant and Equipment	Plant and Equipment
	$'000	$'000
Payable:		
Not later than one year	153	73
Total	**153**	**73**

The Institute does not have any financial lease liabilities or non cancellable operating lease commitments at the date of these financial statements.

25. Economic Dependency

The Institute will be dependent on State grant contributions of $35.915 million during the 2012–13 financial year. The amount is subject to the outcome of the Queensland State Budget on 11 September 2012.

26. Events Occurring after Balance Date

There was no significant events occurring after balance date that has a material impact on the results reported in these financial statements. However, the Institute will be required to contribute to the Queensland State Goverments cost savings programs. The actual quantum of the budget reduction will be confirmed in the Queensland State Budget on 11 September 2012.

Also, a Skills and Training Task Force has been established and as part of its terms of reference is currently undertaking a review of the Vocational, Education and Training sector, including the functions and activities of the Institute. The task force is due to provide a report to the Minister by the end of 2012, the results of which may further impact on the Institute's future operations.

27. Financial Instruments

(a) Categorisation of Financial Instruments

The Institute has the following categories of financial assets and financial liabilities:

Category	Note	2012 $'000	2011 $'000
Financial Assets			
Cash and cash equivalents	12	27,880	28,986
Receivables	13	15,016	13,481
Held-to-maturity investments	14	13,600	-
Total		**56,496**	**42,467**
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables	19	31,163	21,881
Total		**31,163**	**21,881**

(b) Financial Risk Management

The Institute's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Government and the Institute's policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Institute.

The Institute measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

27. Financial Instruments (Cont'd)

(c) Credit Risk Exposure

Credit risk exposure refers to the situation where the Institute may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment.

The following table represents the Institute's maximum exposure to credit risk based on contractual amounts net of any allowances:

Maximum Exposure to Credit Risk

Category	Note	2012	2011
		$'000	$'000
Financial Assets			
Held-to-maturity investments	14	13,600	-
Total		**13,600**	**-**

The carrying amount of receivables represents the maximum exposure to credit risk. As such, receivables is not included in the above disclosure.

No collateral is held as security and no credit enhancements relate to financial assets held by the Institute.

The Institute manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Institute monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any allowance for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings.

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

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

27. Financial Instruments (Cont'd)

(c) Credit Risk Exposure (Cont'd)

2012 Financial Assets Past Due But Not Impaired

	Overdue				
	Less than 30 Days	30 - 60 Days	61 - 90 Days	More than 90 Days	Total
	$'000	$'000	$'000	$'000	$'000
Financial Assets					
Receivables	3,267	52	3,257	-	6,576
Total	**3,267**	**52**	**3,257**	**-**	**6,576**

2011 Financial Assets Past Due But Not Impaired

	Overdue				
	Less than 30 Days	30 - 60 Days	61 - 90 Days	More than 90 Days	Total
	$'000	$'000	$'000	$'000	$'000
Financial Assets					
Receivables	4,168	2,364	271	-	6,803
Total	**4,168**	**2,364**	**271**	**-**	**6,803**

2012 Individually Impaired Financial Assets

	Overdue				
	Less than 30 Days	30 - 60 Days	61 - 90 Days	More than 90 Days	Total
	$'000	$'000	$'000	$'000	$'000
Financial Assets					
Receivables (gross)	-	-	-	905	905
Allowance for impairment	-	-	-	(151)	(151)
Carrying amount	**-**	**-**	**-**	**754**	**754**

2011 Individually Impaired Financial Assets

	Overdue				
	Less than 30 Days	30 - 60 Days	61 - 90 Days	More than 90 Days	Total
	$'000	$'000	$'000	$'000	$'000
Financial Assets					
Receivables (gross)	-	-	-	426	426
Allowance for impairment	-	-	-	(121)	(121)
Carrying amount	**-**	**-**	**-**	**305**	**305**

27. Financial Instruments (cont'd)

(d) Liquidity Risk

Liquidity risk refers to the situation where the Institute may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The Institute is exposed to liquidity risk in respect of its payables.

The Institute manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Institute has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the bank account so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the Institute. It represents the contractual maturity of financial liabilities at reporting date.

		2012 Payable in			Total
		< 1 year	1 - 5 years	> 5 years	
	Note	$'000	$'000	$'000	$'000
Financial Liabilities					
Payables	19	31,163	-	-	31,163
Total		**31,163**	**-**	**-**	**31,163**

		2011 Payable in			Total
		< 1 year	1 - 5 years	> 5 years	
	Note	$'000	$'000	$'000	$'000
Financial Liabilities					
Payables	19	21,881	-	-	21,881
Total		**21,881**	**-**	**-**	**21,881**

(e) Market Risk

The Institute does not trade in foreign currency and is not materially exposed to commodity price changes. The Institute is exposed to interest rate risk through cash deposited in interest bearing accounts. The Institute does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy.

27. Financial Instruments (cont'd)

(f) Interest Rate Sensitivity Analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome on net income if interest rates would change by +/-1 per cent from the year-end rates applicable to the Institute's financial assets and liabilities. With all other variables held constant, the Institute would have a surplus and equity increase/(decrease) of $415,000 (2011: $290,000). This is mainly attributable to the Institute's exposure to variable interest rates on its cash deposit with Commonwealth Bank and Queensland Treasury Corporation.

		2012 Interest rate risk			
Financial Instruments	Carrying Amount	-1%		1%	
		Profit	Equity	Profit	Equity
Cash and cash equivalents	27,880	(279)	(279)	279	279
Held-to-maturity investments	13,600	(136)	(136)	136	136
Potential Impact		**(415)**	**(415)**	**415**	**415**

		2011 Interest rate risk			
Financial Instruments	Carrying Amount	-1%		1%	
		Profit	Equity	Profit	Equity
Cash and cash equivalents	28,986	(290)	(290)	290	290
Potential Impact		**(290)**	**(290)**	**290**	**290**

(g) Fair Value

The Institute does not recognise any financial assets or liabilities at fair value.

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The Institute's held-to-maturity financial asset is measured at amortised costs (See Note 1(g)) as the Institute intends to hold the financial asset until maturity.

28. Contingencies

The Institute was not aware of any contingent assets or contingent liabilities as at 30 June 2012.

CERTIFICATE OF THE SOUTHBANK INSTITUTE OF TECHNOLOGY

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

(a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

(b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Southbank Institute of Technology for the financial year ended 30 June 2012 and of the financial position of the Institute at the end of that year.

Dr Pim Borren

Chief Executive

Date: 27 August 2012

Warren Tapp

Chairperson, Institute Board

Date: 27 August 2012

Jared Dawson

Chief Financial Officer

Date: 27 August 2012

Independent Auditor's Report

To the Board of Southbank Institute of Technology

Report on the Financial Report

I have audited the accompanying financial report of Southbank Institute of Technology, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairperson, Chief Executive Officer, and the Chief Financial Officer.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is 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 procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The Auditor-General Act 2009 promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

(a) I have received all the information and explanations which I have required; and

(b) in my opinion –

(i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Southbank Institute of Technology for the financial year 1 July 2011 to 30 June 2012 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Southbank Institute of Technology for the year ended 30 June 2012. Where the financial report is included on Southbank Institute of Technology's website the Board is responsible for the integrity of Southbank Institute of Technology's website and I have not been engaged to report on the integrity of Southbank Institute of Technology's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

J F Welsh FCPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

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