



Southbank
Institute of Technology

Celebrating
150
YEARS



ANNUAL REPORT 2012 -2013

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SOUTHBANK INSTITUTE OF TECHNOLOGY

ANNUAL REPORT 2012-2013





Interpreter

INTERPRETER SERVICE STATEMENT

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the Annual Report, you can contact Southbank Institute of Technology (SBIT) on 13 72 48 or email enquiry@southbank.edu.au and the Institute will arrange an interpreter to effectively communicate the report to you.

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Annual Report

2012–2013

Date 30 June 2013

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

Level 22, Education House
30 Mary Street
Brisbane QLD 4000

Dear Minister

I am pleased to present the Annual Report 2012–2013
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*
- the *Financial and Performance management Standard 2009*
- the detailed requirements set out in the annual report requirements for Queensland Government agencies.
- On 1 July 2013 the business, assets and liabilities of the Institutes were transferred to DETE in accordance with the TAFE Queensland Regulation 2013. Following the machinery-of-government change the Institute's functions and services have continued to operate as normal within the Department. The report outlines the activities and achievements of Southbank Institute of Technology as a statutory body during 2012-13.

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

Yours sincerely



Dr Mary Corbett
Acting Chair, Institute Board
Southbank Institute of Technology

Date: 24/8/2013

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About us

Southbank Institute of Technology (SBIT) is acknowledged as Queensland's leading Vocational Education and Training (VET) provider, specialising in the delivery of high quality educational services.

The Institute endeavours to be Australia's leading provider of education and training services, in accordance with the *Vocational Education, Training and Employment Act 2000*.

SBIT is committed to supporting the ongoing growth of Queensland's economy by training students to become high-quality, job-ready graduates.

SBIT offers a variety of applied vocational qualifications – certificates, advanced diplomas, degrees, associate degrees, and graduate certificate/diplomas. Courses are delivered by 12 schools: Creative Arts, Professional Studies, College of Tourism and Hospitality, English Language and Migrant Education, Digital Design and IT, Indigenous Australian People, The Southbank Business School, Physical Health and Wellbeing, Community Services and Education, Engineering and Architectural Studies, Science and Dental Studies, and Nursing.

Students thrive on hands-on training delivered in world-class facilities, including fully functional restaurants, creative industry and arts venues, retail outlets, a beauty therapy clinic, health gym and nursing simulation ward. Our safe, clean, and green campus, with modern sporting and recreational facilities, support services, e-learning centres, scientific laboratories and a specialist library and learning centre, enhances learning.

All administrative staff members are trained in cross-cultural awareness to ensure international students receive quality and culturally appropriate service. Many of SBIT's experienced staff members are leaders in their professional fields, as well as award winners in vocational education and training. SBIT graduates have also become successful leaders in their chosen careers and make valuable on-going contributions as SBIT alumni.

On 1 April 2008 SBIT was established as a statutory body. As a result of the Queensland TAFE reform, and to prepare for TAFE Queensland becoming a statutory body, separate from the Department of Education, Training and Employment (DETE), SBIT ceased to operate as a statutory body and transitioned back to the DETE as a TAFE Institute under Chapter 6 of the *Vocational Education, Training and Employment Act 2000 (Old)*. This was effective 1 July 2013. In establishing TAFE Queensland, new operating entities for Queensland will be created, including one large entity in the Brisbane Metropolitan region. The SBIT Board ceased tenure on 30 June 2013. An advisory council has been established to provide guidance and support to SBIT through the reform process in 2013–14.



Chair and Chief Executive overview

This year marks Southbank Institute of Technology's 150th anniversary in providing outstanding vocational education and training services in Queensland. The anniversary is a celebrated milestone in a year when SBIT has achieved excellent results. Our commitment continues to be to our students and providing educational services that align to the needs of industry and the economy.

The Board has been instrumental in driving a number of key successes over the past two years. These key successes have enabled SBIT to maintain its position as Queensland's leading vocational and educational training provider.

For 2012–2013 the Board oversaw the improvement of academic quality by establishing an academic Board and subcommittees. The Board also reviewed and improved SBIT's policies to improve compliance and good governance. The drive from the Board for a more commercially based framework continued to support and strengthen SBIT in a challenging environment.

Some of the year's highlights included:

- developing academic partnerships with universities
- establishing the new school structure and recruiting for the School Directors
- increasing the number of directly engaged staff to offer flexible employment arrangements to recruit and hire staff with a commercial focus
- improving academic quality by establishing the Institute Academic Board and allied sub-committees, and the Board Education Committee
- improving financial sustainability
- establishing the student representative group
- developing SBIT degree programs
- increasing the number of articulation pathways
- developing the *SBIT Update* newsletter
- hosting the staff conference and Update Your Career staff development program
- initiating a project-based culture
- establishing an alumni program
- enhancing policies and procedures to improve governance and compliance
- aligning business plans with the strategic plan
- developing a business continuity plan
- reviewing all insurances and improving the risk framework.



Following the implementation of the new strategic plan, SBIT continues its commitment to teaching and educational quality. In aligning to the strategic plan objectives, the Institute's Academic Board and its related sub-committees—Board of Studies, School Academic Committee(s), Higher Education and Research Committee, and the Learning and Teaching Sub-Committee—were established to further enhance the teaching and academic quality standards at SBIT.

In 2013 SBIT continued its commitment to a more decentralised approach, implementing a new school structure. Twelve new School Directors were appointed to drive strong educational and commercial outcomes and increase SBIT's competitiveness in the ever-changing marketplace.

A focus on enhancing internal communications, in creating an open culture, remains a priority as we navigate our staff through reform. We continue to work closely with DETE to ensure we meet the requirements of their strategic targets, in addition to meeting the needs of our stakeholders (e.g. students, industry and government).

We would also like to acknowledge the tremendous contribution of the Board, the Executive and Institute staff. Their commitment and dedication ensures that SBIT remains the leading Australian vocational education and training provider in a challenging sector environment.

Lastly, we would like to acknowledge our students. None of what we do would be possible without their ongoing support. We wish them all the best in their future endeavours, and thank them for choosing SBIT.

Dr Christina Hong
Acting Chief Executive
Southbank Institute of Technology

Dr Mary Corbett
Acting Chair, Institute Board
Southbank Institute of Technology



Strategic plan – making it happen

In 2008 SBIT became a statutory body, providing greater autonomy and enabling it to function more commercially. SBIT's purpose is to support the growth of Queensland's economy by training high-quality, job-ready graduates, and to be the leader in meeting industry skill needs through applied learning. With the current VET environment moving more towards a contestable and entitlement model, the Institute must ensure that it remains sustainable.

In order to ensure SBIT is Australia's leading provider of vocational education and training and producer of job-ready graduates, the Board has defined three-year strategic goals that focus on building a more commercial, high-performing culture, while improving academic quality and operational efficiency, and building a stronger market position. The Institute is also committed to improving the experience of staff and students.

SBIT's values (integrity, quality, innovation, care and respect) align with the behaviours required for success. These values also provide clarity around accountability and performance expectations for all staff and students.

Staff members are responsible for ensuring SBIT maintains a high standard of academic quality and operational efficiency. The strategies formulated by the Board provide a guide for ensuring SBIT remains focused on strategic and commercial issues important to the Institute's vision.

SBIT's vision

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

SBIT's purpose

SBIT's purpose is to support the growth of Queensland's economy by training students to become high-quality, job-ready graduates. SBIT is the leader in meeting industry skill needs, offering tailored, industry-relevant courses delivered by industry-leading teachers.

SBIT's values

SBIT's values underpin decision making and drive business operations. The values portray the spirit in which SBIT strives toward achieving its purpose:

- integrity
- quality
- innovation
- care and respect.



SBIT's strategic goals

SBIT identified five strategic goals and a number of associated strategies in its strategic plan.

Students	Staff	Academic quality	Market position	Financial growth
Increase satisfaction by 1%	Increase staff satisfaction by 1%	Effective academic board	Recognised leading provider of six degrees	Grow revenue by 10%
Improve teaching staff ratio from 45% to 55%	Retain staff, maximum 10% turnover	Establish model for vocational degrees	15% TAFE market share	Increase profit by 10%
	Directly engage staff with the appropriate employment option for their specific role		Programs meet industry needs with flexible delivery options	
			Five international partners	

Table 1: SBIT's strategic goals



Student experience

The student experience is at the core of all business decisions made at SBIT. In 2012–2013, the Institute focused on enhancing the student experience by creating a student representative council, alumni association and student centre, and by improving the outdoor furniture to encourage campus activity.

To ensure students receive a quality education inclusive of innovative teaching and learning, students have access to world-class educational facilities, the result of a \$500 million campus redevelopment in 2008. The Institute's modern facilities have revolutionised the way training is delivered. Students benefit from real, hands-on work experience in purpose-built learning spaces, specialist facilities and laboratories.

SBIT offers qualifications in three main industry areas: design, arts and hospitality; health sciences; and business and community education. The Institute offers a range of study choices. Qualification levels offered include certificate, diploma, advanced diploma, associate degree, vocational graduate certificate, graduate diploma and bachelor degrees.

Key objectives across all programs include the delivery of strong student outcomes relating to student success, satisfaction and employment, and/or further studies upon graduating, developing work-ready graduates through the provision of real-world experiences, and robust engagement with respective industries and related stakeholders.

In 2012, 87.4 per cent of SBIT graduates gained employment or went on to further study. The number of students and business clients satisfied with the SBIT experience has increased over the past five years. In 2012, 90 per cent of students surveyed were satisfied with their experience at the Institute, compared to 78 per cent in 2008. The annual TAFE Queensland Student and Business Satisfaction Survey also shows business client satisfaction with the Institute has greatly increased, from 77 per cent in 2008 to 90 per cent in 2012.

Student satisfaction

SBIT performed well against targets set for 2012–2013, 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 increased its business client satisfaction rating by 10 per cent, with a 90 per cent satisfaction outcome. This is a strategic win for SBIT's strong industry ties and its reputation for producing job-ready graduates.

Figure 3: Student outcomes and satisfaction ratings 2008 – 2012



Our student market

SBIT's student market consists of varied demographic groups. Depicted in Figure 1, SBIT's primary student market in 2012–2013 was again dominated by the 15–24 age category.

This year, SBIT saw a 5.71 per cent increase in the number of female students. Of the 18,409 students who enrolled, 58 per cent were female and 42 per cent were male. The female–male percentage ratio is the same as 2011–2012.

Figure 1: 2012–2013 student by age

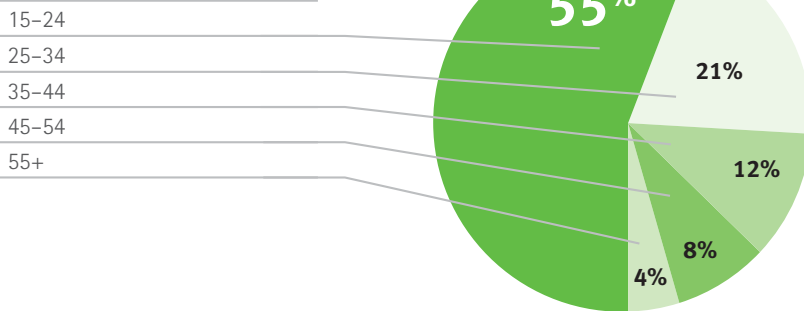
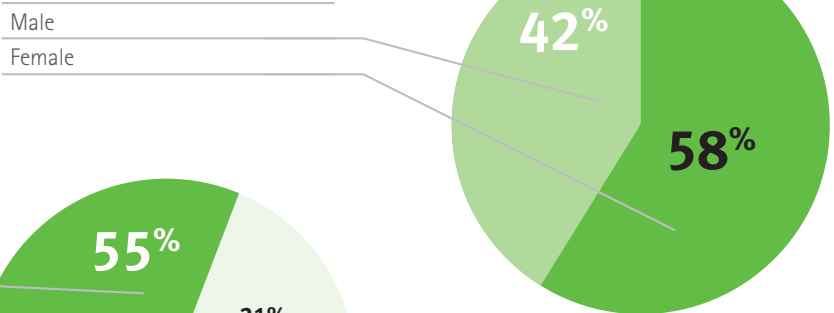


Figure 2: 2012–2013 student by gender



Nursing student saves man by putting learning into practice

A nursing student hailed a hero says it was her training at SBIT which armed her with the confidence and skills to rescue a man who fell onto train tracks at Wooloowin Station.

Kay Seymour said it was what she learnt in SBIT's nursing labs which helped her get the man back safely onto the platform. The first year student said her training kicked in as soon as she saw the man on his hands and knees on the tracks.

Remembering what she had learnt in her lab classes, Kay started testing the man's cognitive responses.

"I knew I had six minutes to get him off the tracks," Kay recalled of the incident on May 9.

A QR employee and another woman helped Kay get the man, who had suffered a seizure, safely back onto the platform.

"The training at SBIT is great – the teachers provide you with real life situations to respond to and test your knowledge," she said.



Employee engagement

The Annual Employee Engagement Survey was provided for staff to complete in April to May 2013. This is the first year that the engagement survey has been Institute specific.

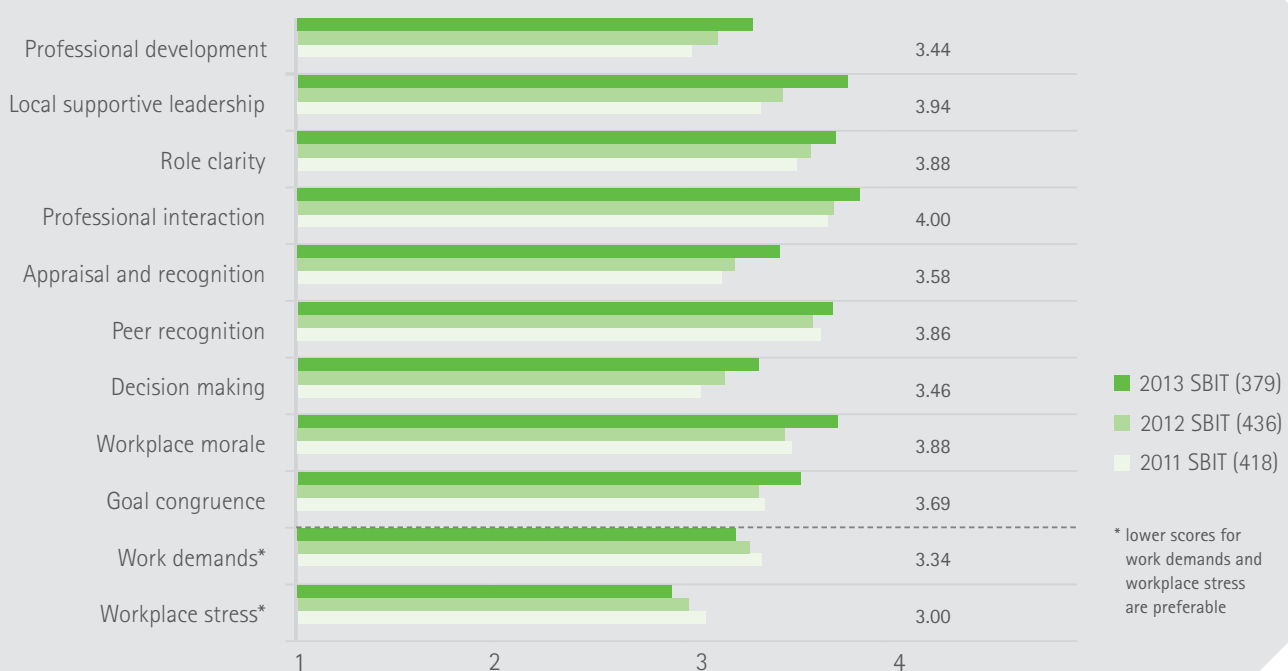
The four main measures in the survey are organisational climate, organisational context, individual attributes, and organisational effectiveness. The 2013 employee engagement survey results for the Institute showed improvements across nearly all measures. The workplace is characterised by collegiality, supportive work unit managers, good role clarity among staff and strong workplace morale. Staff reported that they were less likely to leave the Institute than in the past. They also reported having a clear understanding of the goals for their work area and how to achieve them.

Key areas requiring improvement have been identified and staff members will be asked to participate in feedback sessions and focus groups. These forums will allow staff to contribute to open discussions and suggest methods of improving employee satisfaction. Focus groups will help identify both short-term and long-term initiatives to ensure staff have a positive work experience at SBIT.

Workplace health and safety

SBIT continued to maintain a rigorous focus on Workplace Health and Safety (WHS) through a network of committees and the Institute's Executive Leadership WHS Committee. The Institute's Wellbeing Ambassador Network continually promotes activities and awareness around health, community and social matters.

Figure 4: 2012–2013 employee engagement survey results



Maintaining a high calibre workforce

To ensure students receive the best education possible, recruiting and maintaining a quality workforce is a priority at SBIT. The Institute takes pride in the calibre of its workforce, and continually invests in ongoing skill development. Staff members at SBIT are recognised by industry as being highly skilled and experienced leaders.

The Institute drives several initiatives to help staff enhance their careers, improve the culture of the organisation and build the capability of the workforce. The following initiatives took place in 2012–2013:

- The Educational Induction Program, which has been running for three years, continued to deliver on its promise to help newly appointed educators transition into the Institute's teaching community. The program demonstrated SBIT's commitment to its educational staff through effective on-boarding, knowledge sharing and capability building.
 - Through the Institute's Leadership Academy, emerging and current leaders complete a 12-month program that addresses leadership issues and provides individual learning curriculums.
 - A number of Institute staff successfully engaged in the capability programs offered by the Queensland VET Development Centre. Upon completion of their programs, participants were encouraged to share their skills, knowledge and experiences with the wider teaching community.
- Through the Institute-developed program, Update your Career, staff members were able to attend workshops on topics of interest. The interactive sessions focus on building capability and fostering excellence in practice, providing ideas and strategies to prompt reflection and innovation. The workshops were designed to encourage learning, knowledge sharing and collaboration.
 - The Institute's Coaching and Mentoring Program delivered on the commitment to provide a positive, encouraging and supportive workplace. The semester-long program involved a series of workshops, self-reflection exercises and coach/coachee practice sessions. The program aimed to build staff skills and improve staff resilience.
 - All staff members participated in annual Performance Learning and Innovation (PLI) planning processes. The PLI framework provided staff with a process, tools and resources to identify work priorities, discuss career aspirations, and plan support and professional development. A key feature of the PLI framework is the cascading nature of planning, from the Institute's strategic plan and core values, to the business-unit team plans and individual plans. This helps staff to understand how their day-to-day work contributes to whole-of-Institute goals.



Sound production teacher rocks

The SBIT community knows music teacher Ian Taylor rocks – and his outstanding 21-year contribution to the Institute has been formally recognised.

In the past financial year, Ian won a DETE Staff Excellence Award and was named as a finalist for VET Teacher/Trainer of the Year in the metropolitan region of the Queensland Training Awards.

Both are fitting accolades for the 53-year-old who has catapulted hundreds of music students into rewarding careers during his time at SBIT.

Ian has been teaching audio at the Institute since 1992. A well-respected teacher and industry professional, Ian delivers the audio technician aspects of SBIT's Diploma of Sound Production.

Ian has had a long and colourful history in Australia's music industry, which he entered at age 15. He worked for many different artists in the 1980s and at Expo '88 before being a tour manager and sound engineer for top Australian bands such as The Angels, The Divinyls, Diesel and Noiseworks.

Academic governance

The Institute Academic Board (IAB) oversees all aspects of academic quality, including quality improvement and reports to the SBIT Board of Directors via the Board's Education Sub-Committee. IAB members include a majority representation of academic staff from each of SBIT's 12 schools, members of the Executive Leadership team, the Academic Development and Academic Quality team, School Directors and student representation. This representation ensures that the IAB reflects a broad and balanced institute-wide perspective. Sub-committees of the IAB include the Learning and Teaching Committee, Higher Education and Research Committee, Disciplinary and Appeals Committee, the Faculty Academic Board(s), and School Academic Committee(s).

The framework for education

As part of its commitment to the Australian Quality Training Framework, SBIT developed a Framework for Education 2011–15 to ensure students have the best possible learning environment to enable success, and opportunities for ongoing connection and contribution. Through engagement with students, teachers are encouraged to:

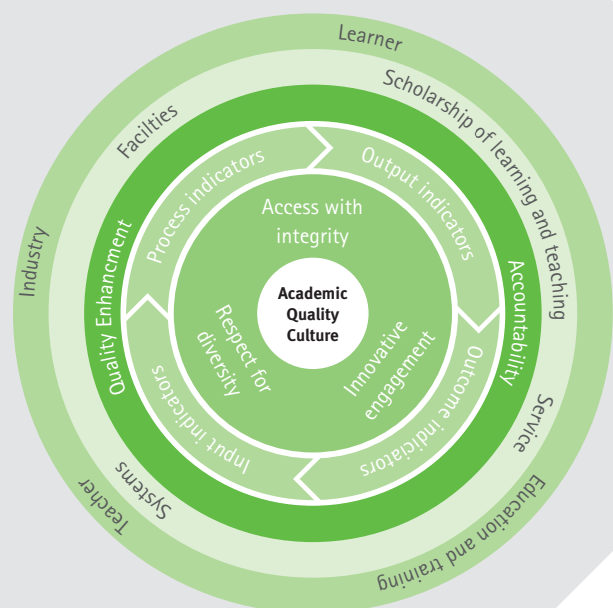
- empower and inspire learners
- foster a culture of lifelong learning
- provide authentic workplace learning opportunities where appropriate
- recognise and reward student achievements
- recognise the diversity of students and learning environments.

Academic quality indicators

Through the Institute's Academic Board, the Institute has developed a set of academic quality indicators that provide a series of measures that identify potential issues across delivery arms. Quality indicators are based on 6 key areas of academic quality: academic environment, academic process, academic performance, student satisfaction, staff satisfaction and industry satisfaction.

Quality indicator reporting aligns with the Institute's ideals for shared quality and engagement values represented in the Academic Quality Engagement Model. Figure 5 represents the layers of activity across the organisation, highlighting the interoperability and continuous engagement required to achieve a balanced academic quality culture from the outer "skin" to the core.

Figure 5: Academic Quality Engagement Model





Industry-led training and engagement

As a statutory body, SBIT considers whole-of-government targets and strategic frameworks when planning the strategic direction and daily activities of its business. SBIT contributes to the government's objective of growing a four-pillar economy, and has a strong focus on developing and maintaining relationships with clients, enterprises and industry, to deliver first-class training to a diverse population.

In 2012–2013, SBIT worked to strengthen its focus on industry reference groups, documented staff membership on boards and industry associations, and hosted an industry networking event, bringing together industry representatives to focus on the future of the vocational training system.

SBIT is committed to seeking input from industry into the improvement of training and skill development solutions. Each of the Institute's 12 schools has valuable links with industry to ensure:

- current industry-specific courses are delivered
- provision of vocational placements and career pathways for students.

All of which provide benefit and an advantage to SBIT's students.



Study at SBIT helps Mathew achieve his dream

Six years after immigrating to Australia from war-torn Sudan, Mathew Makot has achieved his dream of being accepted into a university law degree thanks to his studies at SBIT.

Mathew was accepted into Griffith University after successfully completing a Certificate IV and Diploma in Justice Studies at SBIT.

This is a great achievement for the 21-year-old who arrived in the country knowing little English back in 2007.

"Considering there was no formal education available during my childhood years in my war-torn country of Sudan, I was deprived of educational learning opportunities," Mathew said.

"My first experience of education in Australia was another challenging time because I had never been to primary school prior to commencing Year 7."

"Nevertheless, I did meet some people along the way – including personnel at SBIT – who supported me to achieve my dream to be accepted into university."



Degree development, higher education partnerships and articulation pathways

In 2012–2013, SBIT held 29 per cent market share for government vocational providers in Queensland. SBIT's commitment to providing high-quality educational services positioned it as the leading vocational provider in Queensland.

SBIT places significant focus on improving academic quality, in both vocational and higher education courses and study options. SBIT has established relationships with a number of universities in Brisbane and regional Queensland. In 2012–2013, SBIT offered over 250 dual-award and articulation pathway opportunities. SBIT has strong relationships with 10 universities: Australian Catholic University, Bond University, Central Queensland University, Charles Sturt University, Griffith University, Queensland Institute of Technology, Southern Cross University, The University of Queensland, University of the Sunshine Coast and University of Southern Queensland.

In 2013, SBIT began offering degree courses in partnership with the University of the Sunshine Coast. The programs currently on offer to SBIT students are bachelor degrees in commerce (accounting), justice and legal studies and business (tourism, leisure and event management). In addition to partnership offerings of higher education degrees, the Institute is committed to developing its own degrees, a process that is currently underway.

International student market

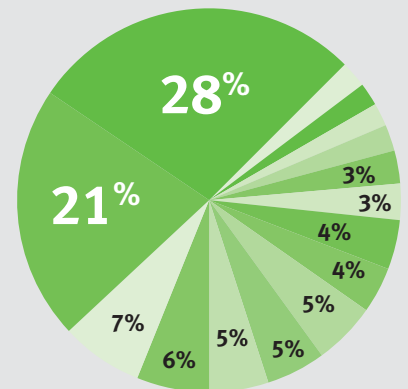
In 2012–2013, SBIT saw a further decrease in international student numbers; continuing international student numbers decreased by 16.79 per cent (259 students). This was a cumulative result of adverse influences affecting the Australian international education sector, including changes in the immigration and skilled migration policy, and the strong Australian dollar. SBIT countered these adverse influences by devolving and implementing a strong streamline visa process university partnership program, coupled with progressively introducing an offshore recruitment model, and introducing new mid-term entries for selected programs. These strategies produced a turnaround in the number of new international enrolments, which will reflect favourably in the 2013–2014 year student numbers. A total of 1,542 students attended in 2011–2012 compared to 1,283 in 2012–2013.

SBIT's international students' country numbers increased from 79 countries in 2011–2012 to 82 countries in 2012–2013. The largest contingent of international students are still from studying in Australia and offshore through our partner networks) China, followed by Korea and Vietnam. Hong Kong dropped from 75 students in 2011–2012 to 52 students in 2012–2013. India increased by 13 students, from 54 students in 2011–2012 to 67 students in 2012–2013.

Figure 6: Breakdown of students by nationality

Country

China (excludes SARs)	28%
Korea, Republic of (South)	21%
Vietnam	7%
Philippines	6%
India	5%
Taiwan (Province of China)	5%
Japan	5%
Thailand	4%
Hong Kong (SAR of China)	4%
Colombia	3%
Not Stated	3%
Papua New Guinea	2%
Malaysia	2%
Brazil	2%
Nepal	2%





International partnerships

Despite operating in a challenging international market, SBIT made great strides in establishing and maintaining new and existing partnerships, with institutions in established and emerging international markets.

In 2012–2013, SBIT experienced a decline across key VET markets including China, India, Vietnam, Thailand and Japan. However, the Institute succeeded in establishing and further developing relationships in the top ten key markets for long-term financial sustainability.

SBIT made significant progress maintaining its partnership with Qilu Normal University in China. In addition, SBIT established relationships with several key Korean institutions, creating partnerships in conjunction with SBIT's Children's Services program. SBIT is committed to the expansion of international partnerships and has identified the Philippines, India and Malaysia as emerging markets. SBIT is actively pursuing partnerships in these markets.



SBIT Education Director Brett Kapernick, GHD Relationship Manager–Educational Alliances Chris Carne, SBIT School Director Engineering and Architectural Studies Sashi Sivathanan, Head of Engineering Tom Grice and GHD Australasian Drafting Service Line Leader Damyon Bobilak at the recent GHD breakfast.

SBIT and GHD relationship still going strong

The eight-year relationship between SBIT and engineering powerhouse GHD just keeps going from strength to strength.

The company has hired more than 50 SBIT graduates in the past eight years and continues to help shape the Institute's engineering courses.

Two of GHD's senior drafters – Chris Carne and Damyon Bobilak – are SBIT graduates.

Mr Carne is the company's Relationship Manager–Educational Alliances, while Mr Bobilak is the Drafting Service Line Leader for Australia/New Zealand. Together they have been the backbone of GHD's commitment to SBIT.

Tom Grice, the head of SBIT's Engineering department, said the strong relationship between SBIT and GHD had been invaluable in giving Civil Engineering students a foothold in the industry.

"It's why we are successful," Mr Grice said.

"GHD has also been involved in the planning stages of the Associate Degree through their membership of the Curriculum Advisory Committee.

GHD is one of the world's leading engineering, architecture and environmental consulting companies and employs more than 6000 people across five continents.



The Institute finished its fifth full financial year returning an operating surplus of \$6.461 million, a further improvement on the 2011-12 surplus of \$3.523 million before the sale of Morningside campus. The operating surplus represents a \$7.103 million improvement against the budgeted operating deficit of \$0.642 million. This was achieved through a combination of revenue growth and management of expenditure.

The operating surplus has been achieved despite the pricing pressures in the domestic market due to increased competition in the 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.

As a statutory body, 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 62 per cent of our total revenue.

The Institute has no related entities to report on.

In accordance with the TAFE Queensland Regulation 2013, the Institute was abolished on 1 July 2013 following the transfer of its business, assets and liabilities to the DETE. Following the changeover, the Institute will cease to exist as a statutory body but will continue to provide services as a TAFE under the control of DETE.

	2012 – 2013	2011 – 2012
	\$'000	\$'000
Income	108,550	100,413
Operating Expenses	102,089	96,890
Operating Surplus/Deficit before Morningside transactions	6,461	3,523
Operating Surplus/(Deficit) after the sale of Morningside and payment of the contribution to DETE	6,461	(12,876)
Cash & cash equivalents	36,251	27,880
Total Assets	48,814	59,666
Total Equity	21,089	14,628
Operating margin before Morningside transactions	5.95%	3.51%
Current Ratio	1.76	1.28
User charges/Total revenue	62%	61%

Table 2: Operating performance

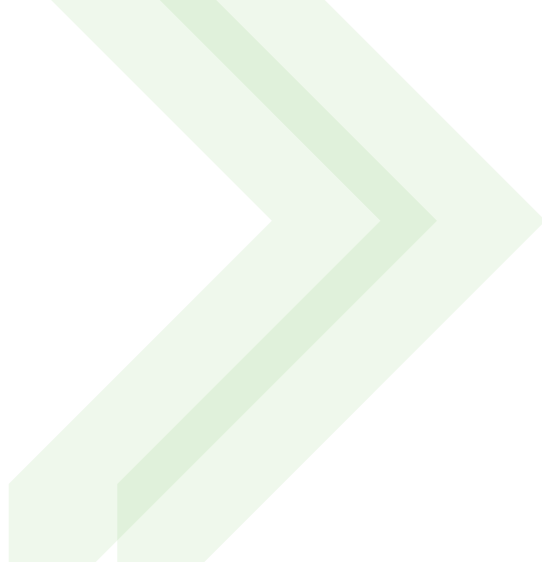
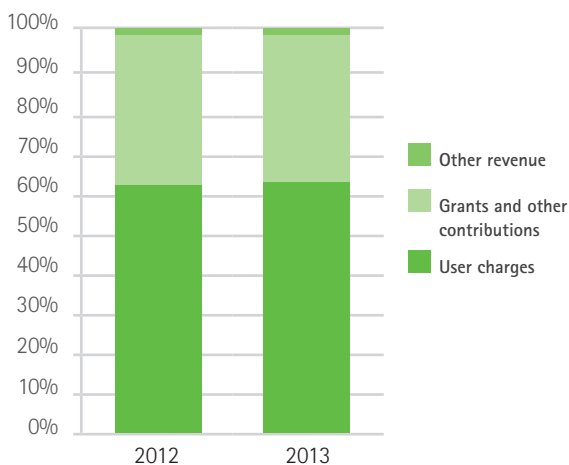
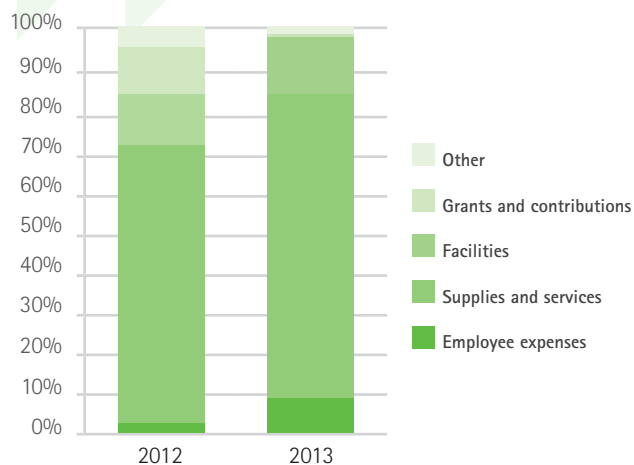


Figure 7: Revenue comparison



For 2012-2013, the Institute grew revenue by 8 per cent over 2011-2012 and managed to contain expenses within 5 per cent of 2011-2012, after incurring expenditure for an annual desktop replacement program, improving the operating margin (like for like comparison) to 5 per cent.

Figure 8: Expense comparison



While employee expenses appear to have increased significantly year on year, the increase has been as a result of the number of employees directly engaged by the Institute, increasing from 13 last financial year to 62, measured on a full time equivalent basis.



SBIT top pick for international students

SBIT continues to be the VET provider of choice for international students in Queensland.

SBIT's international market share increased 5 per cent in the past financial year, rising from 24 per cent in 2011-2012 to 29 per cent in 2012-2013.

The Institute with the next highest market share sits at 15 per cent with the remainder below that, shared between eleven other VET public providers.

SBIT Director of Support Services Christa George said there were many reasons why the Institute was a popular study choice for international students.

"SBIT attributes its success in the international market to its outstanding pastoral and students services that complements the high quality of teaching," Ms George said.

International student Parit Jirasuwankul said he chose to study at SBIT because of the quality of the Institute's learning environment and the friendliness of its staff.

"SBIT is great with very clean and beautiful learning environments, hi-tech facilities and friendly staff who are willing to assist you no matter what nationality you are," Parit said.



Board of Directors

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

SBIT's Board have both educational and commercial backgrounds, enabling solid decision making in the best interests of the Institute. Their combined capabilities ensure these decisions align to the direction and vision of SBIT.

The Chair and Chief Executive meet on a regular basis to discuss significant operational and policy matters. The Board meets monthly.

A number of Board sub-committees undertake additional work in four key areas and provide advice and recommendations to the Board. The Board sub-committees are the:

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

During 2012–2013, the Board comprised of the Chair and eight non-executive members, all of who were appointed April 2011 on the recommendation of the Minister for Employment, Skills and Mining, the Honourable Stirling Hinchliffe.

The Institute's Board comprises a diverse mix of qualifications, skills and experience, which greatly contributes to SBIT's ongoing success. The Chair of the Board, Mr Warren Tapp, resigned in April 2013 to take a position on the TAFE Reform Board. Dr Mary Corbett, Deputy Chair, became Acting Chair of the Board alongside appointed members Ms Helen Brodie, Ms Sandra Deane, Dr Stephen Clark, Mr David Withers, Mr Ray Heffernan and Ms Susan Stephenson. Mr Chris Burgess resigned from the Board in August 2012.

The powers of the Board were established under Chapter 6A of the *Vocational Education, Training and Employment and other Legislation Amendment Act 2007*. The Board ceased to exist 30 June 2013 as its powers were revoked as part of the Queensland Government's review of vocational education.

Over the 12-month period, 14 Board meetings and approximately 24 committee meetings were held.

Board membership

Warren Tapp (Chair) has chaired seven commercial boards and undertaken governance work with many Australian and overseas organisations, including a number of Queensland TAFE institutes. His significant contributions to the SBIT board were attributed to his vast experience, and his contributions were recognised by the Department, where he has since taken a role with the TAFE Reform Board. Warren 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 is specialised in sales and marketing, having undertaken both senior executive and non-executive director positions in these disciplines. Her knowledge of the communications, retail and services industries is attributed to over 25 years of experience with Australia Post. Helen held the most senior position in Queensland where she lead 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. Her qualifications include a Bachelor of Business, Graduate Diploma of Business Administration and an Advanced Company Director Diploma.

Sandra Deane has almost 20 years in corporate and private legal practice roles; her area of expertise includes contract management and negotiation, dispute resolution, and compliance. Sandra is an experienced senior executive, tribunal member and former chairman of a statutory body, with a background in both corporate and professional (legal) sectors. She is a non-executive director of Energex Limited, a director of a private company and president on a not-for-profit board, in addition to having previous roles with not-for-profit student and community boards.

Dr Mary Corbett (Deputy Chair/Acting Chair) has extensive board and corporate governance experience, serving on six boards over the past 12 years. She is currently Chair of West Moreton Hospital and Health Services and Deputy Chair of the Cotton Research and Development Corporation. Mary is Managing Director of an executive leadership training and consultancy 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. Susan's governance experience includes strategic planning and is complemented by experience in the vocational education and training sector. 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. Her qualifications include a Bachelor of Arts with First Class Honours and Master of Arts.

Dr Stephen Clark has extensive experience with over 25 years in senior leadership experience, of which 20 years was as a Chief Executive. Since the mid-1990's, Stephen has been a company director for 11 companies and chair of national organisations such as the National Rural Health Alliance. Stephen is a Fellow of the Australian Institute of Management, the Australian Institute of Company Directors and the CEO Institute. He is a member of the council for the International Accreditation Program of the International Society for Quality in Health Care in addition to chairing finance and audit committees for biotech companies. 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 having been a 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. He has played a pivotal role in the development and governance of Aviation Australia, the Gateway Schools Project and Aviation High. He holds qualifications in governance, risk management, strategy development, finance, economics and engineering.

Ray Heffernan is a continuing member of the Institute Board of Directors, with over 16 years of involvement in the vocational education sector. He has held a senior executive role with Telstra Queensland and specialises in sales, marketing, management and contract management. Ray currently operates a contracting business with a focus on assisting organisations to prepare for the digital economy. His qualifications include a Bachelor of Business in Accounting.



Executive leadership team



Figure 9: SBIT's Executive leadership structure

Table 3: Key roles

Title	Name	Responsibility for
Chief Executive	Dr Pim Borren	Strategic, operational and educational leadership of the Institute
Deputy Chief Executive	Dr Christina Hong	Academic quality and strategy, and a strategic projects office
Chief Financial Officer	Jared Dawson	Finance, facilities, compliance and risk and information, communication technology.
Director, Education	Brett Kapernick	All educational delivery in the Institute
Director, Support Services	Christa George	Student services, marketing and international sales

Executive leadership changes

Dr Pim Borren resigned from the Institute on 22 April 2013 to pursue other opportunities. Dr Borren's leadership was instrumental in changing the culture of the Institute to a more commercialised focus improving the budget from a projected \$641,000 deficit in 2012/13 to a \$6.461m surplus. Dr Borren has left a legacy that places overall importance and focus on academic quality and the student experience.

Dr Christina Hong commenced as Acting Chief Executive on 2 May 2013, taking over from Chief Executive, Dr Pim Borren. The newly-structured executive team commenced in May 2012, ensuring SBIT maintains its position as the leader of vocational education and training in Australia.



SBIT's workforce

At 30 April 2013, SBIT employed 650 people in full-time and part-time positions, with a full-time equivalent workforce of 598 staff members. The Institute actively recruited staff on directly engaged contracts, while maintaining employment of public servants. Of the 650 staff members employed by SBIT, 123 are now on individual, directly engaged contracts. SBIT staff members cover a diverse range of positions in administrative, operational, professional, technical, teaching and tutoring roles.

In 2012–2013, SBIT undertook a significant restructure, moving from a faculty-based model, to schools-based model. The restructure resulted in positive change, with the introduction of 12 School Directors. The Directors were appointed from a combination of internal and external sources and brought with them a new commercial focus and new perspectives.

The Institute continues to pride itself on employing high calibre professional and administrative staff members who provide quality outcomes for students. Support of staff through mentoring, coaching and professional development ensures that students are provided with an outstanding educational experience. SBIT remains committed to providing a safe and healthy environment for both its staff and students.

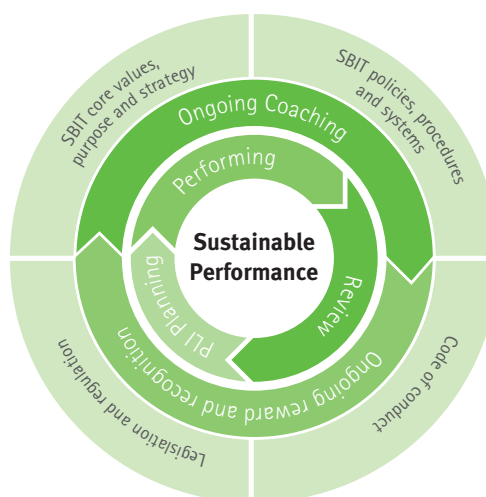
Performance Learning and Innovation (PLI)

The PLI planning process continued to provide staff with a means of having open and honest discussions with supervisors and managers about performance and career objectives. All staff members are encouraged to participate in bi-yearly formal conversations with their direct manager or supervisor to identify professional and career development opportunities, which link and support the core values of the business. This formal process of feedback and development is complimented by informal feedback, which occurs throughout the year.

The PLI process is supported by a number of learning and development initiatives, which provide staff with the opportunity to undertake development, ranging from short information sessions, through to formal qualifications. This process shows the support and commitment SBIT has to developing staff, which ultimately results in a better learning experience for students.

The PLI is a three-phase framework incorporating 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 about developing performance and delivering SBIT's vision.

Figure 10:
Performance learning
and innovation process



Corporate induction program

SBIT continued its focus on ensuring all new staff were properly inducted and provided with all the necessary information to perform their roles effectively. On induction, staff members are given the opportunity to meet the Institute Chief Executive and other key staff and teams that may be relevant or useful during their employment at SBIT. Key topics include the Institute's vision and values, strategic direction and organisational structure, workplace health and safety, code of conduct and ethics awareness, performance learning and innovation, business processes, academic quality, industrial relations, human resources, the wellbeing ambassador network, learning and development, and the SBIT social club. New staff members are also given ample opportunity to network. All new Institute staff members are required to complete the corporate induction, in addition to a localised induction specific to their team.

Code of conduct

SBIT ensures that all staff members are aware of, fully comprehend, and comply with the SBIT's Code of Conduct and DETE's Standard of Practice. New staff members receive comprehensive information and training on SBIT's Code of Conduct and DETE's Standard of Practice in the corporate induction program. The Institute has taken the initiative to develop online Code of Conduct training, which will be rolled-out to all staff as a refresher. In addition to the online component, staff members continue to have access to the latest versions of SBIT's Code of Conduct and DETE's Standard of Practice via the Institute intranet.

Workplace health and safety (WH&S)

SBIT and its primary facility service provider, Spotless, continue to work in partnership to provide a safe workplace and learning environment for staff, students and visitors to the campus. The Institute worked with Spotless to review the current WH&S management system to ensure that information is accessible, easy to understand and complies with all requirements to provide a safe environment.

The WH&S management system is supported by committees and representatives, as well as an executive leadership WH&S steering committee. In addition, the Institute has developed a network of trained first aid officers, wellbeing ambassadors and fire wardens.

Focus on the mitigation of risk and the enhancement of WH&S systems has been supported by the appointment of a Compliance and Risk Manager. With a continued focus on WH&S, SBIT has seen a reduction in the number of workplace incidents and are tracking under the industry average.

Industrial relations

The Local Consultative Committee, made up of representation from SBIT's senior management, the Queensland Teachers Union and the Together Union, continue to meet on a monthly basis. This regular meeting aims to provide an open forum to discuss any workforce issues or concerns, with a view to resolve matters through a consultative approach.

Workforce planning, attraction and retention

Employment framework

SBIT has focused on the recruitment of directly engaged staff. In addition, SBIT has transitioned a small number of public servant roles to this form of individual contract. This transition allowed the engagement of industry specialists, employed on commercial terms, under flexible conditions.

Just under 80 per cent of staff members continue to be employed as public servants by DETE, including educational, professional, operational and administrative staff.

Permanent retention rate

SBIT's permanent retention rate is 88.25 per cent, based on the number of permanent staff employed as at 30 June 2012 who remained permanent employees as at 30 June 2013.

Permanent separation rate

SBIT's permanent separation rate of 6.9 per cent represents permanent staff terminations, where separation was not a result of redundancy.

Voluntary Separation Program (VSP)

A Voluntary Separation Program was implemented during 2011-12. The program ceased during 2011-12, however, voluntary redundancies and retrenchments have continued to be used to deliver additional savings and to rationalise spending on human resources. 15 DETE employees contracted to SBIT received their voluntary separation packages during 2012-13 from DETE, and SBIT paid 1 DE staff a VSP of \$63,930.

Support for newly appointed educators

Induction programs for educators

In 2013, a small working party, including staff from Human Resources (Learning and Development) and the Learning and Teaching Quality unit developed a 3-4 hour introductory online induction program. This was in response to an identified need to better support casual educators across the organisation and to provide a more consistent approach to their on-boarding. While approximately 70 newly appointed educators were invited to pilot the program, 25 took up the offer. Fifteen attended a face-to-face orientation workshop and then proceeded to work independently on the online materials. A second group of 10 opted to trial the program with no introductory workshop.

During March and April, feedback from both cohorts was collated and minor adjustments made to the content. One hundred per cent of respondents said the program was very beneficial and were pleased to learn that they had ongoing access to online resources and continued support from experienced mentors. There was strong support for a mentoring component. The induction program for educators will become mandatory for all newly appointed educational staff (casual and contract) from semester 2, 2013. This will ensure all educators who commence at SBIT have easy access to information, which will assist them to better understand their professional and legislative responsibilities.



SBIT's workforce continued...

Educator Development Program

Although they complete an introductory 3–4 hour program, contract staff will have the opportunity to participate in a new iteration of the highly-regarded semester-long induction program (in place since 2010 and previously called the Educational Induction Program), which has Blackboard and mentoring components, and workshops.

Currently in the process of being revised and rebadged as the Educator Development Program, this extension program will focus predominately on learning, teaching and assessment practice, student engagement and student success. Mentoring will continue to be offered to this cohort to encourage knowledge sharing and build confidence.

Mentoring

The mentoring process provides recognition and leadership opportunities to SBIT's experienced educators. Mentors have the opportunity to participate in the SBIT Coaching for Potential Program, which has been on offer for 3 years, to build their coaching and mentoring skills. They are encouraged to actively contribute to a coaching and mentoring learning community, which aims to promote reflection and scholarly practice.

Institute professional development

Conversations@66 and Update Your Career@SBIT

A revitalised suite of professional development opportunities has been offered each week in Semester 2, 2012 and Semester 1, 2013 through SBIT's Conversations@66 and the Update Your Career@SBIT program (previously called Professional Conversations). With a focus on staff capability building, health and well-being, leadership and scholarly practice, these one hour events, help to create a vibrant learning community at SBIT.

A wide variety of learning options was on offer each semester, with topics running from 2 to 10 weeks. The most popular sessions included: project management (providing participants with an understanding of SBIT processes and enabling them to gain a unit of credit from the Diploma of Business), digital literacy/technology training, understanding yourself and building great teams, recruitment and selection, and Tai Chi and Laughter Yoga/Mindfulness. All SBIT staff members are encouraged to send requests and suggestions to the working party, a group of people committed to supporting colleagues, building capability, knowledge sharing, and contributing to a positive staff culture at SBIT.

Once a month, the Wednesday event, Conversations@66, is held SBIT's on-campus restaurant, 66 on Ernest. Conversations@66 is an opportunity for staff to come together in a relaxed setting. The sessions in 2012–2013 showcased SBIT staff, including the newly appointed Directors and/or invited guests. Both the Chief Executive and the Chair of the Board presented and responded to audience questions, the former on several occasions. Increasing numbers of administrative staff members joined their colleagues at these events, and the positive feedback received from those in attendance indicated that the forums and information exchanges were greatly appreciated.

Educational staff transition to new qualification

In order to meet changes in legislation, all educational staff at SBIT (including casual staff) were invited to transition to the new workplace trainer and assessor qualification through an internal transition process. Over 380 educators took advantage of this opportunity and successfully completed their requirements. This qualification included attending a number of workshops or doing an online module, successfully completing assessment tasks, and providing evidence of effective teaching practice.

The majority of educators participated in peer validation panel workshops as part of their TAE transition and, as a result, spent time reflecting on the design of their assessment tools and assessment instructions with colleagues. An immense amount of shared learning took place through the panels, and participants reported leaving the workshops with a deepened respect for their peers and of the exceptional work going on across SBIT. The majority indicated that they had acquired strategies to improve their own practice and/or felt validated for the quality of the work they are already doing. It was an empowering learning experience for all.

Bachelor of Education (Applied Learning) study opportunity.

In November 2012, SBIT and the University of Tasmania (UTAS) signed an agreement enabling SBIT staff to enrol in the Bachelor of Education (Applied Learning) through UTAS at no cost to participants. While the arrangement is between the university and the staff members individually, SBIT is very pleased to be offering those enrolled a great deal of support and encouragement to be able to manage their studies on top of what is, for most, a very full schedule. SBIT recognises the value of supporting its educators to engage in reflective practice, research, scholarly practice, and is actively demonstrating this support in many ways. Examples include: providing the cohort with organised times and easy access to meeting rooms and computer/internet access on a weekly basis; having an experienced educator in the Human Resources (Learning and Development) office act as the liaison point between SBIT staff and UTAS to offer advice; assisting with troubleshooting and providing feedback to UTAS; and having an agreement in place to, where possible, enlist registered teachers at SBIT to act as colleague teachers so the UTAS cohort can complete some of their professional experience/placement requirements at SBIT.

Although numbers in the cohort have dropped, 5 or 6 of those who have deferred are planning to recommence their studies in semester 2, 2013 or semester 1, 2014. The 16 who are active in the program report that they are benefiting from their studies and are very appreciative of the support being offered by SBIT. They have become a very enthusiastic and committed learning community.

Coaching and mentoring program

Following two successful 9 month programs in 2011 and 2012, SBIT is again offering the 'Coaching for Potential' program in 2013, in partnership with performance potential. Redesigned from staff feedback, the 2013 program is more intensive, running over 4 months. Commencing with a full day workshop for participants new to the program, and a half day workshop for those continuing on from either the 2011 or 2012 programs, the series continued with fortnightly workshops. In the most recent iteration of the program, the more experienced coaches have been building and refining their skills by coaching the 2013 participants, with expert guidance from the program facilitator, Chris Ridler. Not

only is this building capability and increasing networking across the organisation, it is also assisting people to take a very visible leadership role, 6 of our most experienced program graduates have also agreed to coach colleagues outside the program through the SBIT coaching and mentoring register.

This register is available to any staff who wish to focus on a work related issue or goal, and to identify and implement strategies to move forward. Human Resources (Learning and Development) also engaged Chris to conduct 18 individual 'laser' coaching sessions over a three month period. These consisted of 30 minute intensive sessions designed to assist staff to reflect on strategies that would improve their work performance and help them achieve desired outcomes. The coaching and mentoring initiative is just one of the many ways that SBIT is demonstrating its commitment to building a positive, productive and respectful culture and has been well-received by staff.

Assessment validation panels

Designed to help build staff capability through peer collaboration, assessment validation panels have become business-as-usual at SBIT. With considerable investment from the Learning and Teaching unit, the Quality unit and Human Resources (Learning and Development), all educational staff have been offered training in both validation panels and chair training. The majority of our educators, including casuals, have participated in at least one validation panel and appreciation for the process is widespread. The experience of having a panel of peers review assessment tools, instructions to students and resources in relation to the training package or curriculum requirements (the Australian Qualifications Framework level and Australian Core Skills Framework/ Language Literacy and Numeracy) has been a powerful catalyst for improving assessment design and enhancing the quality of education and training at SBIT. The inclusion of a language, literacy and numeracy expert on panels has added immense value to the learning experience. Educational staff members are motivated to engage in continuous improvement, particularly in the encouraging and supportive context of peer validation panels.

The role of chair is of critical importance in the process, as all members of the panel must adopt an educative and positive approach at all times. Training in chairing panels is offered to experienced educators who are well-suited to the role and show an interest in supporting colleagues through this process. To date, over 30 teachers have undergone chair training and further workshops will be available to other interested people.



SBIT's workforce continued...

Learning and development calendar

In collaboration with a large number of SBIT's internal experts, Human Resources (Learning and Development) has created a calendar of workshops and information sessions to provide both administrative and educational staff with easy access to meaningful, relevant learning and development opportunities. Sessions are scheduled each week and some are repeated on a monthly basis at varying times. This enables staff to organise attending when there is minimal impact on the day-to-day operations of individual business units. Staff report that they are excited by the number and variety of workshops and value the opportunity to self-select sessions of relevance and interest. Managers are increasingly working to identify sessions which will benefit individuals (through the Performance, Learning and Innovation planning process), and then supporting their staff to attend. In 2012–2013, over 115 workshops and information sessions were held. The majority of these were facilitated by SBIT's expert staff and over 1,000 bookings were made.

Sessions which drew the most interest included: writing a business case, purchasing overview, managing difficult behaviours in the classroom, using clickers in the classroom, Blackboard and Digibank training, how to manage people, recruitment and selection, and staff TAE transition activities. As staff can log on to the calendar and make bookings both on and off campus, access to professional development activities has become very convenient. Human Resources (Learning and Development) is focused on ensuring all staff have ongoing opportunities to access training that is convenient, relevant to their work roles and the SBIT context, and readily accessible. The online learning and development calendar is an excellent vehicle for establishing a community of learners within the staff body at SBIT.

Queensland VET Development Centre

SBIT continued to promote the wide variety of professional development opportunities offered through the Queensland VET Development Centre (QVDC). A number of staff participated in QVDC webinars on topics including flipped learning and inclusive learning.

In 2012, 7 SBIT staff participated in action learning projects aimed at developing knowledge and skills on the topics of instructional intelligence, e-assessment or digital content. Each of these participants went on to facilitate workshops at the September staff conference to share their learnings. This was a very powerful way of establishing local 'champions' in the organisation who colleagues could refer to when they needed assistance with their teaching.

In 2013, SBIT was successful in obtaining funding for an LLN project designed to up-skill approximately 25 educators from diverse teams across the organisation in understanding and applying the Australian Core Skills Framework (ACSF) to their own qualifications. This project is being managed by the Learning and Teaching Quality Unit with support from Human Resources (Learning and Development). While the project deliverables will be a number of contextualised diagnostic tools to be trialled in semester 2 and subsequently shared throughout TAFE QLD, the true value of the project is in the professional development of the educators involved and having this knowledge shared back in individual teaching teams. Experienced LLN experts acting in the role of advisors have been supporting project participants on a weekly basis, sharing knowledge, assisting with the mapping of the ACSF to individual units and qualifications, helping design a relevant diagnostic tool and encouraging the teachers to reflect on their teaching practices, resources and assessment in light of the framework. Other projects expected



to evolve from the LLN project include the validation of assessment tools against ACSF levels and embedding an integrated learning approach. The collegiality evident in this group is truly inspiring and highlights the exceptional dedication our educators have towards improving both their practice and the outcomes for their students.

Leadership Academy

SBIT is committed to nurturing talent and building leadership capability and was pleased to partner with Deloitte in 2012 to offer the SBIT Leadership Academy. Twenty senior and middle managers were invited to participate in the inaugural 12 month program. Following 360 degree feedback, participants were provided with an individualised learning program designed to recognise and enhance their strengths, identify areas of need, and build new knowledge and skills. With 24/7 access to an online portal, managers worked through a large number and variety of high quality learning materials, which Deloitte had sourced from international experts and leading organisations. Those who engaged fully in the opportunity reported huge gains, both personally and professionally.

In 2013, SBIT has partnered with latitude to again offer an online leadership program to 15 staff in roles at A05 and above. Participants have been provided with the results of their 360 degree feedback surveys and are working through the online materials on an individual basis. Latitude has conducted the first of three face-to-face workshops, bringing participants together to network, share experiences, reflect on their individual feedback reports, and discuss perceptions of leaders and leadership behaviours. Networking opportunities are also available via LinkedIn (online) and Team Talk Tuesdays (weekly professional conversations over lunch at the SBIT bistro). Participants report feeling very honoured to have this opportunity, and value the support they are being given by Latitude, their managers and their colleagues who are also involved in the Leadership Academy.

Wellbeing Ambassador

SBIT remains focused on providing a safe workplace, which includes a proactive approach to ensure the wellbeing of all staff members. Wellness Ambassadors provide staff with the opportunity to discuss matters of concern in a safe environment. This trained network of people, dedicated to supporting fellow colleagues, continually promote activities and awareness around health, community and social matters.

The Institute continues to provide wellness options to all staff, in the form of access to gym memberships at discounted prices, provision on flu vaccinations and events such as Safety Awareness Week. Recently, Wellness Ambassadors and representatives from Human Resources participated in Mental Health First Aid training to assist in the early identification of and provision of assistance to staff displaying symptoms of mental health illness. Other initiatives include programs relating to health and wellbeing being incorporated into the learning and development calendar and offered to all staff.

Staff conference

'Make it Happen 2012' proved to be an outstanding success. Four hundred and sixty five staff attended, which far exceeded the number who had initially registered. The event, a one-day conference for all SBIT staff, was held in September during what was, for most, a non-teaching week. Rated excellent or good by 93 per cent of survey respondents, the conference program provided staff with opportunities to book into up to 4 breakouts of interest. Breakout themes included: student engagement, the student experience, an inclusive approach, it's an e-world, getting compliance/quality right, and leadership and change. The majority of sessions were facilitated by SBIT's talented staff, with a small number of external presenters. Feedback from those surveyed indicated the workshops on offer were highly interactive and relevant, and presenters were engaging, well-organised and knowledgeable. Some staff even completed a unit of competency in the Certificate IV Training and Assessment (TAE) as a result of the work during conference breakouts.

Highlights included two very inspiring keynote speakers whose sessions encouraged staff to focus on the positive and take individual responsibility for making it happen in their lives – both personal and professional. With staff giving the keynotes a 99 per cent excellent/good rating, it is evident their message resonated with those in attendance. Although the event in 2012 clashed with a Board meeting, the executive team attended at various times during the day and also featured via a cameo (pre-recorded) role in a staff flash-mob performance (choreographed by the Deputy Chief Executive) to the great amusement of the audience. It was a day of laughter, inspiration, knowledge-sharing, learning and reflection and staff are already excited about and planning for the 2013 event.



Risk management

SBIT recognises that effective risk management at all levels of the organisation is a core element of corporate governance and necessary for achieving business objectives.

The active pursuit of proactive practices that reasonably reduce the chance and impact of adverse effects is strongly supported, along with making the most of a broad range of opportunities as they arise. It provides reasonable assurance to executive management that organisational objectives will be achieved within a tolerable degree of risk. It also provides for the identification of factors that may impact on the Institute's ability to deliver its services and promote opportunities through a process of risk identification, analysis, evaluation, effective treatment and review.

The Board's aim is to position SBIT as an organisation that is characterised as risk-aware, responsive, agile and resilient. The risk management strategy is focused on building key four attributes:

- risk leadership
- knowledge management
- governance and assurance
- risk resources, tools and processes.

The cornerstones of these four attributes are organisational culture and capability to support them.

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

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

PricewaterhouseCoopers (PwC) continued to undertake internal audit activities on behalf of the Institute, including a key responsibility for risk assurance function on behalf of the Executive and the Board. The Institute's Quality Management System Certification (AS/NZ ISO9001:2008) provides a comprehensive process framework striving to achieve the highest quality and reliability of services for customers and stakeholders complementing the Institute's risk management framework.



Internal audit

The overall Institute'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, PwC assists the Institute to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance processes in an independent and professional manner.

PwC develops internal audit plans and scopes under the direction of the Audit, Finance, Risk and Facilities Committee, in consideration of Institute's risk management and governance processes, as designed and represented by management.

The 2012–2013 year saw delivery of internal reviews programmed for the second year of a three-year Internal Audit Plan. Audit work was performed in the following areas:

- core financial processes – payroll
- core financial processes—asset management
- academic planning – asset utilisation
- cash handling
- controls assurance framework
- fraud exposure
- business continuity and disaster recovery planning.

Table 4: Audit Finance Risk and Facilities Committee

Daily meeting fees (\$)		
Duration	Greater than 4 hours a day	4 hours less a day
Members	\$543	\$272

Frequency of meetings

The committee meets at least quarterly for matters of reporting of general business in addition to holding out of session meetings to consider annual financial statements. In accordance with the *TAFE Queensland Regulation 2013*, the SBIT Board ceased tenure on 30 June 2013. As a result of this, the usual practice of the financial statements undergoing a final due diligence process with the Institute's audit, finance risk and facilities committee could not occur.

Audit Finance Risk and Facilities Committee

The purpose of the Audit Finance Risk and Facilities Committee is to assist the Board meet its governance and management control oversight responsibilities in particular in the management of financial and other operating risks. The Committee consisted of three Board members along with one external member with financial expertise:

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

Key 2012–2013 achievements included:

- The Institute's risk management was strengthened through a series of events beginning with a Risk Appetite Survey, and subsequent risk management policies and procedures.
- Monitored the performance and effectiveness of both internal and external audit.
- Monitored the financial position and performance of SBIT, including reviewing forward estimates and cash flows.
- Provided analysis of insurance gaps and minimised risk around lack of insurance.
- Worked with the Executive Leadership Team to develop a Business Continuity Plan.
- Through the review of the Disaster Management Plan, tested a student lock down procedure.
- Reviewed and amended the Internal Audit Charter.



Other reporting requirements – online only

Information systems and record keeping (ONLINE ONLY)

SBIT continues to work towards a planned and systematic approach to the creation, capture, maintenance, use and preservation of public records.

It supports the development of a strategic plan to comply with the record keeping requirement of the *Public Records Act 2002*, IS40 and IS31, with the intent to respond to specific business requirements.

Off-site storage management solution

The Institute understands the importance of a Records Management System and has further improved the efficiency and effectiveness of record storage, retention and retrieval of records by review of the Grace Records Management Storage solution in 2012 and streamlining functions within business units and schools. The offsite management solution continues to be effective, secure and has streamlined the archiving functions of storing, lodging, retrieving and disposing of vthe Institute's archive records.

Electronic records management – long-term solution

2012-13 saw the review of records management processes at the Institute, including the identification of opportunity to move to a partial electronic document and records management system. Manual record keeping practices have been confirmed and continue, and work to implement options for digital storage will soon start.

Strategic Recordkeeping Implementation Plan

Strategies to digitise forms and workflow are a key factor of the Institute's current records management plan. In addition we plan to review options for electronic receipt, assessment and storage of student assessments across the broad spectrum of programs offered.

Information systems and record keeping

Key ICT support services are delivered by UNISYS under the DET/UNISYS ICT Support Agreement, which covers the desktop, network and server environments, as well as providing project services. UNISYS coordinates connectivity between SBIT and the departmental network. Internal ICT staff respond to internal contract administration requirements, and interact with the departmental contract management group. Internal ICT provides telecommunication, project management and strategic ICT planning.

Glossary

ACSF	Australian Core Skills Framework
AMEP	Adult Migrant English Program
AQF	Australian Qualification Framework
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
DES	Directly Engaged Staff
DETE	Department of Education, Training and Employment
EBP	Educational Business Partners
ELICOS	English Language Intensive Courses for Overseas Students
GPA	Grade Point Average
IAB	Institute Academic Board
ITG	Industry Training Group
IYMP	Indigenous Youth Mentor Program
L&D	Learning and Development
LLNP	Language Literacy and Numeracy Program
NCVER	National Centre for Vocational Education Research
NIDA	National Institute of Dramatic Arts
PLI	Performance, Learning and Innovation
PPP	Public Private Partnership
PwC	PricewaterhouseCoopers
QGIF	Queensland Government Insurance Fund
QTAC	Queensland Tertiary Admission Centre
QUDC	Queensland VET Development Centre
RAP	Reconciliation Action Plan
RPL	Recognition of Prior Learning
SBIT	Southbank Institute of Technology
SETP	Southbank Education and Training Precinct
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
VET	Vocational Education and Training
VGC	Vocational Graduate Certificate
VSP	Voluntary Separation Program
WELL	Workplace English Language and Literacy
WH&S	Workplace Health and Safety



Annual financial report 2012 – 2013

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General Information

These final 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 the Institute 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

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.





Southbank Institute of Technology

Statement of Comprehensive Income for the year ended 30 June 2013

	notes	2013 \$'000	2012 \$'000
Income from Continuing Operations			
Revenue			
User charges	2	67,547	61,289
Grants and other contributions	3	38,756	37,258
Other revenue	4	2,247	1,866
Total Revenue		108,550	100,413
Total Income from Continuing Operations		108,550	100,413
Expenses from Continuing Operations			
Employee expenses	5,6	8,673	2,920
Supplies and services	7	90,778	91,556
Grants and subsidies	8	761	13,223
Depreciation and amortisation	9	1,280	1,317
Impairment losses	10	61	108
Other expenses	11	536	4,165
Total Expenses from Continuing Operations		102,089	113,289
Operating Result from Continuing Operations		6,461	(12,876)
Total Comprehensive Income		6,461	(12,876)

The accompanying notes form part of these statements.

Southbank Institute of Technology

Statement of Financial Position as at 30 June 2013

	notes	2013 \$'000	2012 \$'000
Current Assets			
Cash and cash equivalents	12	36,251	27,880
Receivables	13	9,572	15,016
Other financial assets	14	-	13,600
Inventories	15	10	2
Other	16	591	404
Total Current Assets		46,424	56,902
Non Current Assets			
Intangible assets	17	140	484
Property, plant and equipment	18	2,250	2,280
Total non current assets		2,390	2,764
Total Assets		48,814	59,666
Current Liabilities			
Payables	19	10,406	30,820
Accrued employee benefits	20	738	150
Provisions	21	124	-
Unearned revenue and other	22	15,136	13,643
Total Current Liabilities		26,404	44,613
Non Current Liabilities			
Payables	19	228	343
Provisions	21	1,093	82
Total Non Current Liabilities		1,321	425
Total liabilities		27,725	45,038
Net Assets		21,089	14,628
Equity			
Contributed equity		43,199	43,199
Accumulated surplus/(deficit)		(22,110)	(28,571)
Total Equity		21,089	14,628

The accompanying notes form part of these statements.





Southbank Institute of Technology

Statement of Changes in Equity for the year ended 30 June 2013

	Contributed Equity	Accumulated Surplus/ (Deficit)	TOTAL
	\$'000	\$'000	\$'000
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
Balance as at 1 July 2012	43,199	(28,571)	14,628
Operating Result from Continuing Operations	-	6,461	6,461
Balance as at 30 June 2013	43,199	(22,110)	21,089

The accompanying notes form part of these statements.

Southbank Institute of Technology

Statement of Cash Flows for the year ended 30 June 2012

Notes	2013 \$'000	2012 \$'000
Cash flows from operating activities		
Inflows:		
User charges	74,863	54,070
Grants and other contributions	38,226	42,194
GST input tax credits from ATO	1,492	1,214
GST collected from customers	1,909	3,380
Interest received	1,734	1,419
Other	482	471
Outflows:		
Employee expenses	(6,921)	(3,224)
Supplies and services	(98,796)	(95,507)
Grants and subsidies	(13,231)	(20)
GST paid to suppliers	(1,555)	(1,249)
GST remitted to ATO	(2,004)	(3,032)
Other	(297)	(429)
Net cash provided by (used in) operating activities	23	(713)
Cash flows from investing activities		
Inflows:		
Sales of property, plant and equipment	-	13,500
Redeem investments	14,233	-
Outflows:		
Payments for property, plant and equipment	(1,097)	(135)
Payments for intangibles	(34)	(158)
Payments for investments	(633)	(13,600)
Net cash provided by (used in) investing activities	12,469	(393)
Net increase (decrease) in cash and cash equivalents	8,371	(1,106)
Cash and cash equivalents at beginning of financial year	27,880	28,986
Cash and cash equivalents at end of financial year	12	27,880

The accompanying notes form part of these statements.





Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

Objectives and Principal Activities of the Institute

Note 1:	Summary of Significant Accounting Policies
Note 2:	User Charges
Note 3:	Grants and Other Contributions
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Note 5:	Employee Expenses
Note 6:	Key Executive Management Personnel and Remuneration
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Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

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* (VETE Act). The Institute is a not-for-profit entity with a mission to be Australia's leading provider 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 2012-13, the Institute utilised over 568 full-time equivalent Department of Education, Training and Employment's staff and 62 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 Skills for Education and Employment (SEE) (formerly Language, Literacy and Numeracy Program (LLNP)) through TAFE Queensland English Language and Literacy Services (TELLS). The annual financial statements for the Institute include \$11.5 million in revenue and \$11.5 million in expenses for TELLs.

The Institute is an approved FEE-HELP Provider of Higher Education and Vocational Education Training (VET).

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The Institute has prepared these final financial statements in compliance with section 48 of the *Financial and Performance Management Standard 2009*.

These final 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 Queensland Treasury and Trade's Minimum Reporting Requirements for the year ended 30 June 2013 and other authoritative pronouncements.

In accordance with the *TAFE Queensland Regulation 2013*, the Institute was abolished on 1 July 2013 following the transfer of its business, assets and liabilities to the Department of Education, Training and Employment (DETE). Following the changeover the Institute will cease to exist as a statutory body but will continue to provide services as a TAFE under the control of DETE. It is intended to transition all TAFE institutes from DETE to TAFE Queensland to result in a single public provider of vocational education and training in Queensland.

As a result of this machinery-of-Government change, the Institute is no longer considered a going concern. While it is not a going concern, these final financial statements have been prepared consistent with the going concern basis, as the Institute's functions and services are expected to continue to operate as normal into the foreseeable future within the Department of Education, Training and Employment. The values of assets and liabilities reported in these financial statements represent their carrying amounts immediately prior to the machinery-of-Government change taking effect. These represent the values of the assets and liabilities transferred to and recognised by the Department of Education, Training and Employment.

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





Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

(b) The Reporting Entity

The financial statements include the value of all income, 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 (control is generally obtained at the time of receipt). Where grants are received that are reciprocal in nature, revenue is progressively recognised as it is earned, according to 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 measured reliably and the services would be purchased if they had not been donated.

(e) Special payment

Special payments include ex gratia expenditure that the Institute is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the Institute maintains a register setting out details of all special payments greater than \$5,000. The total of all special payments (including those of \$5,000 or less) is disclosed separately within Other Expenses (Note 11). However, descriptions of the nature of special payments are only provided for special payments greater than \$5,000.

(f) 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 received but not banked at 30 June as well as deposits at call with Queensland Treasury Corporation.

(g) 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.

(h) Other Financial Assets

The held-to-maturity investment was a fixed deposit at Suncorp Bank and was carried at amortised value to date of maturity.

(i) 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.

(j) 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. 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*.

(k) 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.

Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

(l) 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 Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector.

Materiality concepts under AASB 1031 *Materiality* 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.

(m) 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.

(n) 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 %
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

(o) 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.

(p) 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.





Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

(q) 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 26.

(r) 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 and Sick Leave

Salaries and annual 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. 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 yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

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.

Long Service Leave

The total liability is defined as the present value of the expected future long service leave cash flows of the Institute's current directly engaged employees, based on the assumptions and methodology set out in the valuation report from the State Actuary dated 9 July 2013. The current liability is defined as the present value of the long service leave cash flows expected to be paid in the twelve months following the reporting date, with the remainder of the liability classified as non-current.

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% 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.

Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

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 and Trade. Refer to Note 6 for disclosures on key executive management personnel and remuneration.

(s) Provisions

Provisions are recorded when the Institute has a present obligation, either legal or constructive as a result of a past event. They are recognised 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.

(t) 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.

(u) 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.

(v) 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.

(w) Issuance of Financial Statements

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

(x) 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:

Provisions – Note 21

(y) 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.

(z) New and Revised Accounting Standards

The Institute did not voluntarily change any of its accounting policies during 2012–13. Australian Accounting Standard changes applicable for the first time for 2012–13 have had minimal effect on the Institute's financial statements, as explained 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] became effective from reporting periods beginning on or after 1 July 2012. The only impact for the Institute is that, in the Statement of Comprehensive Income, items within the 'Other Comprehensive Income' section are now presented in different subsections, according to whether or not they are subsequently classifiable to the operating result. Whether subsequent reclassification is possible depends on the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.

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 Queensland Treasury and Trade. 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.





Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

	2013	2012
	\$'000	\$'000
2. User Charges		
Sale of services	52,073	44,086
Sale of goods	986	956
Student fees	14,488	16,247
Total	67,547	61,289
3. Grants and Other Contributions		
Government grants	38,203	36,893
Other grant	-	8
Government contributions	337	340
Donations and sponsorships*	216	17
Total	38,756	37,258
* \$0.215 million of laptops for teachers donated by the Department of Education, Training and Employment.		
4. Other Revenues		
Interest received	1,764	1,390
Bad debts recovered	13	4
Sale of portable & attractive Items	94	10
Student administration fees	92	118
Miscellaneous receipts by delivering teams	2	12
Commissions and rebate received	108	90
Reimbursement for the procurement function	162	160
Post Capitalised Assets	-	5
Other	12	77
Total	2,247	1,866

Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

	2013	2012
	\$'000	\$'000
5. Employee Expenses		
Employee Benefits		
Wages and salaries	5,779	1,879
Annual leave expense *	747	206
Employer superannuation contributions *	719	223
Long service leave expense *	586	93
Other employee benefits	165	218
Employee Related Expenses		
Workers' compensation premium **	20	17
Payroll tax **	349	136
Staff training ***	108	3
Other employee related expenses ****	200	145
Total	8,673	2,920

* 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 as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis is:

	2013	2012
Number of Employees*	62	13

*Refer to Note 1(r)(ii)





Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

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 Institute during 2012-13. 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 220D)	1 November 2011 (22 April 2013)
Acting Chief Executive	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)	2 May 2013
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 (Acting as Chief Executive from 2 May 2013)
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

Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

(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:
 - o Base – consisting of base salary, allowances and leave entitlements expensed for the entire year or for that part of the year during which employee occupied the specified position.
 - o Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefits.
- Long term employee benefits include amounts expensed in respect of long service leave.
- Post-employment benefits include amounts expensed in respect of employer superannuation obligations.
- 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 are not paid under the contracts in place. For the financial year 2012–13, there was no performance bonuses paid or payable to the executive management personnel.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post-employment benefits.

1 July 2012 - 30 June 2013	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 (resigned 22/4/2013)	202	1	-	17	105	325
Acting Chief Executive (Deputy Chief Executive before 2/5/2013)	191	1	4	23	-	219
Chief Financial Officer	202	1	5	17	-	225
Director - Support Services	170	1	4	17	-	192
Director - Education	178	1	6	22	-	207
Total	943	5	19	96	105	1,168

*Termination payments consist of \$34,000 ex gratia (refer to Note 11) and additional contractually obligated payments on leaving the Institute





Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

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

(b) Remuneration (cont'd)

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 (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 & 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 (Acting Chief Executive Officer before 1/11/2011, separated 5/4/2012)	179	-	-	19	60	258
Total	1,377	-	10	132	82	1,601

Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

	2013 \$'000	2012 \$'000
7. Supplies and Services		
Consultants and contractors*	56,644	60,077
SETP rental	14,460	14,016
Supplies and consumables	4,413	4,474
Travel	470	416
Agents commissions	4,554	4,091
Advertising and promotions	1,387	1,287
Course supplies	1,689	2,065
Printing and stationery	978	1,033
Portable and attractive equipment**	2,310	313
Subscription, books and publications	868	883
Shared service provider	1,773	1,450
Other ***	1,232	1,451
Total	90,778	91,556

* Refer to Note 1(r)(i)

** \$1.469 million relates to the annual desktop replacement project.

*** Includes total fees paid to board members.

The number of board members who received or were due to receive a total fee of:	2013	2012
\$0 - \$9,999	2	7
\$10,000 - \$19,999	5	3
\$20,000 - \$29,999	2	-
Total	9	10

	2013 \$'000	2012 \$'000
Total fee paid to board members shown above	124	94

	2013 \$'000	2012 \$'000
8. Grants and Subsidies		
Contribution to SETP projects*	-	12,500
Contribution to Queensland TAFE Institutes**	710	700
Sponsorships	51	23
Total	761	13,223

* As agreed in the Contribution and Cooperation Agreement between the State of Queensland and the Institute dated 24 August 2011, \$12.500 million was to be paid to Department of Education, Training and Employment from the proceeds of the sale of Morningside campus. The amount was paid on 21 June 2013. 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.





Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

	2013	2012
	\$'000	\$'000
9. Depreciation and Amortisation		
Depreciation and amortisation were incurred in respect of:		
Plant and equipment	1,121	1,173
Software purchased	159	144
Total	1,280	1,317

10. Impairment Losses		
Bad debts written off	3	(1)
Impairment losses/(reversals) on trade receivables**	58	109
Total	61	108

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

11. Other Expenses		
Insurance premiums - QGIF	164	150
External audit fees*	100	103
Losses from disposal of property, plant and equipment**	6	3,899
Write off of intangible assets ***	219	–
Special payments#	34	–
Other	13	13
Total	536	4,165

* Total external audit fees payable to Queensland Audit Office relating to the 2012-13 financial statements are estimated to be \$99,500 (2012: \$99,500). 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 in 2012 had resulted in a net loss of \$3.888 million. The loss included the costs of disposal totalling \$0.154 million incurred for legal fees, real estate agent expenses and preparation of the land for disposal.

*** The write-off related to a contract management system which was purchased to manage the SETP contract. As the management of the contract moved to DETE, the software was no longer fit for the purpose and had been written off.

Ex gratia payment forms part of the termination benefits.

12. Cash and Cash Equivalents		
Imprest accounts	5	5
Cash at bank	17,019	9,393
Queensland Treasury Corporation cash fund account	19,227	18,482
Total	36,251	27,880

Interest earned on cash held with the Commonwealth Bank earned between 2.60% and 3.35% in 2013. (2012: between 3.35% and 4.60%).
Interest earned from Queensland Treasury Corporation at an annual effective rate of 3.60% (2012: 4.12%).

Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

	2013	2012
	\$'000	\$'000
13. Receivables		
Trade debtors*	9,119	15,066
Less: Allowance for impairment	(96)	(151)
	9,023	14,915
GST receivable/(payable)	20	(137)
	20	(137)
Grants receivable	525	237
Other	4	1
Total	9,572	15,016

Refer to Note 26(c) Financial Instruments (Credit Risk Exposure) for an analysis of movements in the allowance for impairment loss.

* AMEP and LLNP funds due to be received in June amounted to \$2.838 million (2012: \$7.589 million).

14. Other Financial Assets		
Held to maturity investment – at amortised cost*	–	13,600
Total	–	13,600

*\$13.500 million (the principal) fixed deposit at Suncorp Bank with interest rate at 5.10%, matured on 8 May 2013 and was rolled over to a 30 days fixed term deposit at 3.85%. The investment was redeemed on 7 June 2013 at an amortized value of \$14.233 million.

15. Inventories		
Supplies and consumables – at cost	10	2
Total	10	2

16. Other Current Assets		
Prepayments	576	404
Other	15	–
Total	591	404





Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

	2013	2012
	\$'000	\$'000
17. Intangible Assets		
Software Purchased:		
At cost	345	1,387
Less: Accumulated amortisation	(205)	(903)
Total	140	484

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(n).

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
	2013	2013	2013
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2012	484	-	484
Acquisitions	34	-	34
Disposals *	(219)	-	(219)
Amortisation	(159)	-	(159)
Carrying amount at 30 June 2013	140	-	140
	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

* Write-off of a contract management system which was purchased to manage the SETP contract. As the management of the contract moved to DETE, the software was no longer fit for the purpose and had been written off.

Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

	2013	2012
	\$'000	\$'000
18. Property, Plant and Equipment		
Plant and equipment:		
At cost	15,950	14,614
Less: Accumulated depreciation	(13,963)	(12,334)
	1,987	2,280
Work in progress:		
At cost*	263	-
Total	2,250	2,280

* Related to the upgrade of musical equipment for VET training.

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

The Institute has plant and equipment with an original cost of \$2.512 million (2012: \$2.751 million) and a written down value of zero. \$1.856 million (2012: \$2.686 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	Work In Progress	Total
	2013	2013	2013	2013
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2012	-	2,280	-	2,280
Acquisitions	-	834	263	1,097
Disposals	-	(6)	-	(6)
Depreciation	-	(1,121)	-	(1,121)
Carrying amount at 30 June 2013	-	1,987	263	2,250
	2012	2012	2012	2012
	\$'000	\$'000	\$'000	\$'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

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 disposal of Morningside campus formed 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 was paid back to Department of Education, Training and Employment on 21 June 2013. Also refer to Note 8 and 19.



Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

	2013	2012
	\$'000	\$'000
19. Payables		
Current		
Trade creditors*	10,350	18,298
SETP Payable**	-	12,500
Other	56	22
Total	10,406	30,820
Non-Current		
Other***	228	343
Total	228	343

* Outstanding SETP rental and payroll invoices due to DETE at June \$1.735 million (2012: \$7.654 million)

** As agreed in the Contribution and Cooperation Agreement (signed on 24th August 2011) between the State of Queensland and the Institute, \$12.500 million was paid to Department of Education, Training and Employment on 21 June 2013 from the proceeds of the sale of Morningside. Refer to Note 8 and 18.

*** Payable to Queensland Treasury and Trade in 2015 and 2016 in relation to the Voluntary Separation Program provided in December 2011.

20. Accrued Employee Benefits		
Current		
Accrued annual leave	738	150
Total	738	150

Increase in accrued annual leave is due to the increase in directly engaged employees. Refer to Note 5.

21. Provisions		
Current		
Long service leave provision	124	-
Total	124	-
Non-Current		
Long service leave provision	1,093	82
Total	1,093	82

Movement in long service leave provision:		
Balance at beginning of the year	82	143
Long service leave entitlement arising	1,261	155
Long service entitlement extinguished	(52)	(42)
Long service entitlement paid	(74)	(174)
Balance at the end of the year	1,217	82

Long service leave provision is based on the result of the valuation report prepared by the Queensland State Actuary. Increase in provision is due to the increase in directly engaged employees. Refer to Note 5.

Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

	2013	2012
	\$'000	\$'000
22. Unearned Revenue and Other Liabilities		
Current		
Unearned user charges revenue	13,678	12,691
Other	1,458	952
Total	15,136	13,643

23. Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating Result from continuing operations	6,461	(12,876)
Depreciation and amortisation expense	1,280	1,317
Donated assets received	(216)	(9)
Asset donated expensed	219	-
Post capitalised assets	-	(5)
Loss on sale of property, plant and equipment	6	3,745
Write off of Intangible assets	219	-
Impairment losses	61	108
Change in assets and liabilities:		
(Increase)/decrease in receivables	5,540	(1,945)
(Increase)/decrease in GST input tax credits receivable	(63)	313
Increase/(decrease) in GST payable	(95)	-
(Increase)/decrease in inventories	(8)	16
(Increase)/decrease in other current assets	(187)	(211)
Increase/(decrease) in accounts payable	(20,531)	9,282
Increase/(decrease) in accrued employee benefits	588	(244)
Increase/(decrease) in provisions	1,135	(61)
Increase/(decrease) in other liabilities	506	643
Increase/(decrease) in unearned revenue	987	(786)
Net cash from (used in) operating activities	(4,098)	(713)





Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

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.

	2013	2012
	\$'000	\$'000
Payable:		
Not later than one year	14,597	14,395
Later than one year and not later than five years	55,743	55,535
Later than five years	258,902	285,037
Total*	329,242	354,967

* The present value of commitment is calculated based on the 10 years Australian Government Bond rate at June 3.54% (2012: 3.00%)

(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	328	153
Total	328	153

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

25. Events Occurring after Balance Date

On 1 July 2013 the business, assets and liabilities of the Institutes were transferred to DETE in accordance with the *TAFE Queensland Regulation 2013*. Following the changeover the Institute's functions and services have continued to operate as normal within the Department.

Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

26. Financial Instruments

(a) Categorisation of Financial Instruments

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

Category	Note	2013 \$'000	2012 \$'000
Financial Assets			
Cash and cash equivalents	12	36,251	27,880
Receivables	13	9,572	15,016
Held-to-maturity investments	14	-	13,600
Total		45,823	56,496
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables	19	10,634	31,163
Total		10,634	31,163

(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





Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

26. 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	2013 \$'000	2012 \$'000
Financial Assets			
Held-to-maturity investments	14	–	13,600
Total		–	13,600

Financial Assets

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 allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the Institute, according to the due date (normally terms of 30 days). Economic changes impacting the Institute's debtors, and relevant industry data, also form part of the Institute's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If the Institute determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), that amount is recognised as a Bad Debt expense and written-off directly against Receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a Bad Debt expense and written off directly against Receivables.

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:

Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

26. Financial Instruments (Cont'd)

(c) Credit Risk Exposure (Cont'd)

2013 Financial Assets Past Due But Not Impaired

	Overdue				Total \$'000
	Less than 30 Days \$'000	30 – 60 Days \$'000	61 – 90 Days \$'000	More than 90 Days \$'000	
Financial Assets					
Receivables	4,786	307	272		5,365
Total	4,786	307	272	-	5,365

2012 Financial Assets Past Due But Not Impaired

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

2013 Individually Impaired Financial Assets

	Overdue				Total \$'000
	Less than 30 Days \$'000	30 – 60 Days \$'000	61 – 90 Days \$'000	More than 90 Days \$'000	
Financial Assets					
Receivables (gross)	-	-	-	1,014	1,014
Allowance for impairment	-	-	-	(96)	(96)
Carrying amount	-	-	-	918	918

2012 Individually Impaired Financial Assets

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



Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

26. Financial Instruments (cont'd)

(c) Credit Risk Exposure (Cont'd)

	2013 \$'000	2012 \$'000
Movements in the allowance of impairment		
Balance at 1 July	151	121
Amount written off during the year	(113)	(79)
Increase in allowance recognised in the operating result	58	109
Balance at 30 June	96	151

(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.

	Note	2013 Payable in			Total
		< 1 year \$'000	1 – 5 years \$'000	> 5 years \$'000	\$'000
Financial Liabilities					
Payables	19	10,406	228	-	10,634
Total		10,406	228	-	10,634

	Note	2012 Payable in			Total
		< 1 year \$'000	1 – 5 years \$'000	> 5 years \$'000	\$'000
Financial Liabilities					
Payables	19	30,820	343	-	31,163
Total		30,820	343	-	31,163

(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 Institute's liquidity risk management strategy.

Southbank Institute of Technology

Notes To and Forming Part of the Financial Statements 2012–2013

26. 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% 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 \$363,000 (2012: \$415,000). This is mainly attributable to the Institute's exposure to variable interest rates on its cash deposit with Commonwealth Bank and Queensland Treasury Corporation.

Financial Instruments	Carrying Amount	2013 Interest rate risk			
		-1%		1%	
		Profit	Equity	Profit	Equity
Cash and cash equivalents	36,251	(363)	(363)	363	363
Held-to-maturity investments	-	-	-	-	-
Potential Impact		(363)	(363)	363	363

Financial Instruments	Carrying Amount	2012 Interest rate risk			
		-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

(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(h)) as the Institute intends to hold the financial asset until maturity.

27. Contingencies

The Institute was not aware of any contingent assets or contingent liabilities as at 30 June 2013.





Certificate of the Southbank Institute of Technology

These general purpose final financial statements have been prepared by the Department of Education, Training and Employees 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 48(2) of the *Financial and Performance Management Standard 2009*, 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 2013 and of the financial position of the Institute at the end of that year.



Dr Christina Hong-Joe

Acting Chief Executive
Date: 27/8/2013



Dr Mary Corbett

Acting Chair, Institute Board
Date: 24/8/2013



Jared Dawson

Chief Financial Officer
Date: 27/8/2013



Independent Auditor's Report

To the former Board of South bank Institute of Technology

Report on the Final Financial Report

I have audited the accompanying final financial report of the former Southbank Institute of Technology, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the final period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Former Acting Chair, Former Acting Chief Executive, and Former Chief Financial Officer.

The Former Board's Responsibility for the Final Financial Report

The former Board is responsible for the preparation of the final financial report 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 former Board's responsibility also includes such internal control as the former Board determines is necessary to enable the preparation of the final 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 final 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 final financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the final financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the final 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 final 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 former Board, as well as evaluating the overall presentation of the final 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 final financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the former Southbank

Institute of Technology for the final period 1 July 2012 to 30 June 2013 and of the financial position as at the end of that final period.

Emphasis of Matter- Abolishment of Southbank Institute of Technology

Without modifying my opinion, attention is drawn to Note 1 (a) in the final financial report which identifies that pursuant to the TAFE Queensland Regulation 2013, the former Southbank Institute of Technology was abolished on 1 July 2013. In accordance with the requirements of the Regulation, all assets and liabilities of the former statutory body as at the date of abolition were transferred to the Department of Education, Training and Employment immediately after the abolishment at the values reported in the statement of financial position (refer Note 25). Accordingly this final financial report has been prepared on a basis that is consistent with a going concern basis.

Other Matters - Electronic Presentation of the Audited Final Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

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



Queensland Audit Office
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