

# WODONGA INSTITUTE OF TAFE **ANNUAL REPORT 2017**





**WODONGATAFE**

Building success through learning

**Wodonga Institute of TAFE** ABN 68 437 423 269  
**Annual report - 31 December 2017**

**Wodonga TAFE**

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Published by  
Wodonga Institute of TAFE  
87 McKoy Street, West Wodonga, Vic 3690

28th March 2018

Also published at [www.wodongatafe.edu.au](http://www.wodongatafe.edu.au)

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Authorised by the Board of Wodonga Institute of TAFE.

## Message from the Board Chair and CEO

It is with great pleasure that we submit the 2017 Annual Report of Wodonga Institute of TAFE. 2017 saw the introduction of Wodonga TAFE's new strategic plan 'Inspiring Futures'. With a clear focus on strengthening our communities and industries through accessible and innovative learning, this exciting new phase for Wodonga TAFE sees the entire team working together to ensure the Institute continues to cement itself as the training provider of first choice within our region.

Wodonga TAFE's reputation of being one of the most respected vocational education providers in the country was reinforced with the Institute celebrating the highest student and employer satisfaction ratings of all TAFEs in Victoria, and module completion rates 8% higher than the state average.

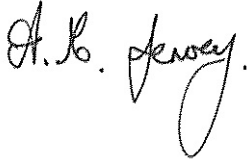
The Institute recorded a net surplus of \$930k (2016: \$114k surplus) compared to a Board approved budget of \$888k.

We would like to acknowledge and thank The Hon. Gayle Tierney, Minister for Training and Skills for her support in 2017. The commitment shown by the Minister and the Victorian Government to our Institute and the region's community is greatly appreciated. We would also like to acknowledge the invaluable support of the Higher Education and Skills Group (HESG) and the Victorian TAFE Association (VTA).

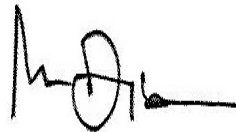
Wodonga TAFE is privileged to have strong and productive partnerships with industry and businesses, schools, councils, local universities and community organisations from across our region and the country. We would like to thank all our partners for their support in 2017. By working together we have the capability to drive real and positive change, helping our region grow, and giving individuals and industry the opportunities to truly succeed.

We would like to acknowledge the tireless efforts of the Management Team, whose outstanding leadership and support helped steer the Institute through what was a very successful year. Thank you also to our Board members whose advice and guidance has been invaluable.

Finally, we want to thank and acknowledge all Wodonga TAFE staff who continue to go above and beyond for our students, industry clients, and the Institute. The passion and dedication of our people is what sets Wodonga TAFE apart, and all staff should be incredibly proud of their contribution to not just helping Wodonga TAFE succeed, but to their role in helping the communities we support to prosper.



Allison Jenvey  
Board Chair  
Wodonga Institute of TAFE



Mark Dixon  
Chief Executive Officer  
Wodonga Institute of TAFE



# **Wodonga Institute of TAFE** ABN 68 437 423 269

## **Annual report - 31 December 2017**

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# ABOUT US





## **About Us**

Established in 1986 by the Victorian State Government, Wodonga TAFE delivers leading tertiary education programs to both industry and individual learners across all states in Australia as well as internationally.

Wodonga TAFE's first campus (and current main campus) was established in Wodonga, Victoria, to service communities in north east Victoria and south east New South Wales. Since this time, the TAFE has experienced significant growth. Now operating from multiple sites in Victoria, the Institute has become a leader in the delivery of quality vocational education programs.

Wodonga TAFE is administered by the Minister for Training and Skills, The Hon. Gayle Tierney, operating under the *Education and Training Reform Act (2006)*.

## **Our Vision**

Our vision is for Wodonga TAFE to be:

*'a strong and vibrant institute, building **success through learning**'*

## **Values and Behaviours**

### ***Quality and Accountability***

Our people, products and services will exceed expectations. We will be responsible for our actions while always maintaining the highest standards of ethical behaviour.

### ***Innovation***

We will discover and share new ways to learn, to lead and to work now and into the future. We will engage broadly and frequently to create new ideas and improved practices.

### ***Collaboration and Teamwork***

We will deliver on our responsibilities to each other, our students, our partners and our communities. We will work collaboratively with our community, industry and other TAFEs as a trusted provider of first choice.

### ***Challenge***

We will empower and challenge each other, our students and our partners to grow, contribute and make a difference.

### ***Future Success and Growth***

We will sustain our local and global environment and our organisational health to create a positive and successful future for the Institute and our community.



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# STRATEGIC DIRECTIONS AND KEY ACHIEVEMENTS



## Strategic directions and key achievements

### 1. Successful Learners

#### *Key Performance Statements*

- **Engage learners through quality learning and facilitation**
- **Provide programs that maximise employment opportunities and vocational outcomes**
- **Enable learners to aspire to achieve their full potential**
- **Provide an inclusive environment for learners with additional needs**
- **Ensure all students have access to educational pathways, holistic support and essential services to achieve their career goals**

The practical learning opportunities provided to students is what makes the Wodonga TAFE learning experience so effective. Across the Institute, delivery departments seek out the most relevant vocational learning opportunities, so that Wodonga TAFE graduates achieve work readiness. Some examples of unique practical learning opportunities that supported Wodonga TAFE student success include the following.

Event students participated in the organisation of multiple events, including the North East Food & Wine Festival, Business After Hours, Paddock to Plate and the Midnight Oil World Great Circle Tour concert. Hospitality and Cookery students hosted numerous dining experiences including French Fine Dining, Chinese Buffet, Mexican Fiesta, a decadent High Tea and Asian Street Food.

Motorsport students hosted track days at Wodonga TAFE's Logic Campus driver training track and gained experience working in race team pit crews. As a result, four first year students were placed with Brad Jones Racing for the Development Series. Also 35 Education Support students completed placement in local schools, including a fast tracked program that saw 10 Education Aides gain experience at Catholic College, Wodonga.

Students participated in Wodonga TAFE's annual student exhibition, 'FUSE'. The student exhibition was a fusion of mind and matter through the eyes of the next collective of creatives. It featured student works from a variety of course areas, including Graphics, Photography, Visual Arts, Fashion, Sound, Cookery, Events, Hairdressing, Landscaping, Horticulture, Interior Design, and Building Design. The exhibition provided students with an opportunity to present their work professionally to industry and to the community.

A number of highly successful Masterclasses including those led by Kirsten Tiballs and Mark Olive provided our students with fabulous opportunities to learn from some of Australia's leading and high profile food industry specialists.

The above is just a small sample of unique opportunities provided to Wodonga TAFE students to heighten the outcomes of their vocational training in 2017.

As a means to help new students gain the best possible start to their studies, the Institute hosted two weeks of student orientation activities. Students participated in free workshops, introducing them to critical student learning resources such as the Library, Wodonga TAFE's online learning platform (Moodle) and more. Students also benefited from workshops that provided them with the knowledge to achieve a healthy study-life balance, as well as, the employment skills they would need when entering the workforce.

Investing in our student's success continues to be a priority at Wodonga TAFE. The TutorSpace service is one example of this ongoing investment, with the Institute providing free tutoring services to students that require additional help with their studies. TutorSpace has grown considerably, with over three times the number of students utilising the service in 2017, compared to 2016. Academic support for culturally and linguistically diverse (CALD) students was particularly successful.

The Diploma2Degree (D2D) program is celebrated for the high levels of curriculum integration achieved in the delivery of Wodonga TAFE's diploma and La Trobe University's bachelor offerings available through this unique TAFE to university pathway. In 2017, three D2D students were recognised for academic achievement at the La Trobe University graduation. The success of D2D has led to the Wodonga TAFE Higher Education team researching further opportunities for integrated D2D courses.

Wodonga TAFE has a proud history of students being recognised and awarded for their outstanding work, and once more 2017 was no different. Sports Turf Management student, Joe Bolton, was named Australian Turf Association Apprentice of the Year. Clothing Production student, Anne Bilston, was the winner of the 'Best Garment Designed by a Student' in the Natural Fibre Fashion Awards at the Henty Field Days, making this the fourth year in a row a Wodonga TAFE student has won the award. Horticulture students exhibited at the Albury Show taking out several prizes for their outstanding plant exhibits. Two Wodonga TAFE Agriculture students made it to the finals for best school based trainee, with Jack Treweek winning the category and Lilli Kelly named runner-up. Victorian Certificate of Applied Learning (VCAL) students also won a state-wide video and photography competition raising awareness of viral hepatitis.

## 2. Strengthening Communities

### **Key Performance Statements**

- **Promote social awareness and shared community expectations**
- **Create, connect and participate in learning communities**
- **Build and maintain productive networks and community partnerships**
- **Build our reputation as educational innovators in the community**
- **Promote understanding of government funding streams and new initiatives**

Wodonga TAFE engages with all aspects of our diverse community. Whether individuals, community organisations, schools, support networks or employers, the Institute is unique in the capability it has to influence so many. As a responsible corporate citizen, during 2017 numerous activities were undertaken as part of our desire to strengthen our communities.

Critical for our region is the encouragement of young people to continue into post-secondary education. During 2017 Executive Team members visited schools to award 111 Wodonga TAFE Scholarship to Year 12 school leavers and Koorie students from across the region. This was a significant increase in scholarships from past years.

Wodonga TAFE, in conjunction with the Career Education Association of Victoria (CEAV) and Department of Education held a VET Industry Taster event targeting Year 9 and 10 students from local government schools in the area. Students had an opportunity to experience what a TAFE educational experience was all about, so they could better understand the opportunities a TAFE education could offer them in the future. Sixty students attended the day.

Students held numerous fund raising events through the year to raise awareness of important community and social issues. The VCAL students ran the 'One Dish Restaurant' providing affordable lunches for people in need. The students raised money for the Albury Wodonga Regional Cancer Centre Trust Fund. They also entered and won the state-wide Street Shot 'Most outstanding video' competition, raising awareness around viral hepatitis. Work Education and Transition Education students undertook a number of community projects throughout the year including the restoration of 12 bird hides at Wodonga Wetlands, gardening and yard maintenance at Bonegilla Migrant Centre and preparation of visitor packs for the Wodonga Council.

A number of very successful Back to Work programs were implemented through the year including 'Admin on Tap'. This program saw 26 Business Administration students provide support for office tasks across Wodonga TAFE, developing skills and confidence before being placed in industry for work experience. Strong partnerships with local employers and with Kestrel Recruitment ensured that graduates had strong employment options on completion. The Aboriginal and Torres Strait Islander (ATSI) Hospitality Back to Work program was a big success with students gaining valuable employment skills through preparing ready-made meals for the community each fortnight, and learning the tricks of the trade from renowned Indigenous chef, Mark Olive. The students provided catering services at the NAIDOC week Elders Dinner and at the Wodonga Community Christmas Party where they put their knowledge of indigenous herbs and spices into practice with menu items such as lamb and rivermint, kangaroo and native pepper berry, emu and dukkha, pork and saltbush, as well as, crocodile and desert flakes. Wodonga TAFE's Engineering, Timber Studies & Horticulture Divisions also completed Back to Work programs with excellent employment outcomes.

As part of our commitment to rural regional community support, Wodonga TAFE in partnership with the Tallangatta Health Service rolled out a highly successful Jobs Victoria Employment Network (JVEN) outreach program. Twelve local Tallangatta residents were enrolled in an Individual Support (Aged Care) program. With a formal graduation held in March 2018, already half of these students have found employment in the Aged Care Industry. Wodonga TAFE's outreach initiatives also include the Myrtleford Neighbourhood Centre partnership, which provided an opportunity for local residents in Myrtleford and surrounds to train in Early Childhood Education and Care. The program was a great success.

Wodonga TAFE's Community Services and Health Department (CSH) developed and designed an online induction program for Interchange Victoria. Interchange supports a network of agencies across Victoria and engages volunteers to provide family respite and social opportunities for children with a disability. Leveraging the Institute's expertise in online training development and delivery, Interchange now has the capability to induct volunteers in a simpler, more consistent and efficient way.



As part of a relationship with the Department of Health and Human Services, Wodonga TAFE implemented a training calendar supporting the Specialist Homelessness sector. This project provides high-quality, contemporary, and industry-relevant training, building the capability of people who work in and support the Homelessness Assistance and Family Violence sector.

### 3. Partnering with Industry

#### *Key Performance Statements*

- **Partner with industry to deliver apprenticeships and traineeships**
- **Nurture and grow key industry partnerships**
- **Maximise the opportunities with existing partnerships**
- **Enhance industry productivity through the development of future workforce skills**
- **Understand industry needs and innovate with industry to build targeted training solutions and workforce capability**
- **Realise the potential of the Skills and Jobs Centre through building strong partnerships with local businesses, employers and industry**

Wodonga TAFE has built a reputation of being one of Australia's leading training providers to industry. Servicing organisations both large and small, Wodonga TAFE is committed to supporting the growth of industry both locally and nationally.

Wodonga TAFE continues to be recognised as a training provider of choice to the Australian Defence Force with Wodonga TAFE's Driver Education Centre of Australia (DECA) division securing a contract renewal with the Australian Navy. This program includes the delivery of Driver training as well as Machinery and High Risk Work training nationally. DECA also continued to deliver Driver training to the Army, and the Industrial Skills and Trades (IST) Department also delivered Forklift Warehousing training. Wodonga TAFE's Community Services and Health (CSH) Department's ongoing partnership with Defence strengthened in 2017, with the Department continuing to deliver Nursing and Paramedical training. The relationship with the Army School of Health was so strong that it was recognised as the Industry Collaboration of the Year at Wodonga TAFE's 2017 Awards Night. Wodonga TAFE also completed delivery of skills sets for the Certificate IV in Training and Assessment to five groups from the Australian Defence Force at the Bandiana barracks.

Identifying a skills gap in the heavy vehicle licensing market, Wodonga TAFE's DECA division, in consultation with the Transport Industry, developed a new Superior Heavy Vehicle Licensing program. Strong partnerships with companies such as Ron Finemore Transport, Border Express and Greenfreight have seen these industry partners not only looking to employ the students completing the course, but they are now actively involved in the training.

DECA launched its new Concrete Agitator Rollover Prevention and Stability training with Cement Concrete and Aggregates Association (CCAA) in late 2017. CCAA is the leading body for the Cement, Concrete and Aggregate sectors in Australia. At the launch CCAA endorsed the new program and have since emailed all of its members encouraging their participation in the training. DECA have taken over 100 bookings for the course already.

Wodonga TAFE partnered with TAFE NSW Albury to host a Commercial Cookery Industry Skills Forum. Discussions were facilitated by Wodonga TAFE and NSW TAFE representatives which had a strong focus on growing our regional opportunities and attracting new people to the industry. Local chefs who participated in the forum then hosted 'Chef talk' providing an opportunity for aspiring chefs and hospitality workers to learn first-hand about working in the industry.

Wodonga TAFE also partnered with local retail stakeholders on a project that explored the challenges and changes to the retail trading environment, particularly in regional Victoria. The project included undertaking a scoping study looking at overseas and Australian best practice, conducting qualitative and quantitative market research, identifying potential training solutions and proposing them to industry. The innovative training solution 'Retail Connections' is now being developed, which aims to transform retail communities through collaboration, engagement, learning and innovation.

The Industrial Skills and Trades Department saw its relationships across industry continue to grow in 2017. The Department hosted the State Agricultural/Horticulture conference, negotiated a contract with the Victorian State Emergency Services to deliver Workplace Health and Safety training, and was awarded with special funding to develop a new Agribusiness program that will bring together numerous agricultural industry partners.

Wodonga TAFE's Motorsports Training Australia (MTA) division continued to be celebrated by industry as Australia's leading Motorsport Mechanic training provider. Relationships with industry saw MTA students gain access to work experience and employment in race teams, including those in the V8 Supercar Series. MTA's reputation in the industry is so strong, that two car manufacturers donated industry standard vehicles for training purposes.

## 4. Inspiring Futures

### *Key Performance Statements*

- **Practise and drive innovation in all we do**
- **Pro-actively anticipate and promote skills of value to industry, now and in the future**
- **Embrace change and adapt to new technologies and methodologies**

The Library worked in collaboration with the Community Services and Health Department on the development of academic skills modules in: Certificate IV in Disability; Diploma Community Services; Certificate IV Education Support; Diploma Early Childhood; and Diploma of Nursing. E-Book usage by students was very high with the number of students accessing them more than doubling in 2017.

Ensuring Wodonga TAFE programs are current and relevant is of paramount importance. Whilst traditional practical training remains a critical component of the Wodonga TAFE training methodology, ongoing investment in innovation ensures Wodonga TAFE programs achieve the best outcomes.

Wodonga TAFE's Educational Design and Technologies (EDT) division facilitated the implementation of a new style interactive whiteboard into Creative Industries delivery. The new technology enhances the student learning experience by bringing an increased level of digital interactivity into the classroom. A new fleet of portable Chromebook and Wi-Fi systems were also launched in 2017 as a means to enhance the Institute's capability to deliver anywhere at any time.

The EDT team have also worked with the Industrial Skills and Trades (IST) Forklift team to develop an online Moodle course for BEGA Cheese. This self-directed course provided learning resources and activities prior to the IST Forklift team delivering face-to-face practical training. In addition to this, EDT and the IST Forklift team also successfully launched new virtual reality technology into Wodonga TAFE forklift training programs.

As a result of their successful project work with the Army School of Ordnance, EDT was awarded a contract with the Combined Arms Training Centre to assist with a trial to transition courses to a blended learning delivery.

## 5. Empowering our People

### *Key Performance Statements*

- **Deliver workforce capability improvements**
- **Inspire our people and lead by example**
- **Celebrate our achievements and successes**
- **Collaborate with other Victorian TAFEs to drive best practice and capability improvements**

Celebrating our people and supporting their development is very important at Wodonga TAFE. 2017 saw the Institute continue to invest in staff, helping people grow as individuals whilst also building the strongest of teams.

Wodonga TAFE's Educational Development and Learner Services (EDLS) division provided a wide range of Staff Learning and Development (SLD) sessions for all staff. Accessibility was improved by delivering the SLD via Wodonga TAFE's online training platform, meaning staff could access and complete SLD at their convenience.

A VET Diploma class consisting of 20 Wodonga TAFE teachers successfully completed their studies. The course provided teachers with a heightened level of skills in learning, teaching and assessment practices which will further improve outcomes for students for the future.

The annual staff professional development day, Knowledge Share, was well attended in 2017 with around 170 staff and Board members participating on the day. Participants were exposed to three keynote sessions including Craig Robertson - CEO of TAFE Directors Australia, Lindy Burns - ABC radio, and Neil Coulson - Victorian Skills Commissioner. There were also three breakout sessions as well as a staff reward and recognition session, recognising staff achievements as nominated by their peers.

Wodonga TAFE's Celebration of Achievement Awards provided the opportunity to celebrate the outstanding achievements of Wodonga TAFE staff in 2017. Winners of the Teacher of the Year Award were David Camper and Sarah Whitling. Winners of the Client Service Support of the Year Award were Ann Simmons and Kellie Good. Another staff achievement was that Wodonga TAFE 2016 Teacher of the Year, Lana Hanssens, was a finalist for the 2017 Teacher of the Year in the Victorian Training Awards.

Once again 2017 saw a series of activities run as part of the Institute's Health and Wellbeing program. The program aimed to build awareness of the importance of workplace general health and wellbeing. Activities included participation in Tour de Office, Ride to Work, RUOK day, Happy People program, flu vaccinations and much more.



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# DEPARTMENTS AND SERVICES

## Departments and Services

Wodonga TAFE offers a significant range of education and training programs ideal for the individual as well as business.

The following table shows the numerous departments and services offered at Wodonga TAFE in 2017.

DEPARTMENT / SERVICE	AREA OF TRAINING / FUNCTION
Community Services and Health	Aged care Children's services Fitness Health Massage Nursing Occupational health and safety Outdoor recreation
Corporate Services	Business Development Client Services Educational Design & Technologies Facilities Information, Communications & Technology Marketing People and Development Finance Quality and Compliance
Driver Education Centre of Australia	Transport industry driving excellence programs including: ProDriver Responsible driver Rollover prevention and stability Superior heavy vehicle licensing
Education and Vocational Skills	Business management, finance and administration Interior design Digital media Employment and career development English as a second language General education Graphic arts Hairdressing Hospitality and cookery Information technology Media and sound Photo imaging Retail Small business Travel, tourism and events Victorian Certificate of Applied Learning Visual arts
Higher Education	Career Direct Concurrent and embedded higher education programs Diploma to Degree University pathway programs

DEPARTMENT / SERVICE	AREA OF TRAINING / FUNCTION
Industrial Skills and Trade	Agriculture Building and Construction Building Design Civil Construction and Earthmoving Engineering Horticulture Metal Fabrication Motorsport Warehousing Welding
Educational Development and Learner Services	Aboriginal student support Accommodation Counselling (career and general) Disability support Library Training and assessment Tutor space Youth pathways support
Skills and Jobs Centre	Career advice Employment preparation and application support Industry and employment network engagement Skills identification and development support





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# RESOURCES

## Resources

### Environmental Performance

Wodonga TAFE endeavours to find practical means of reducing the impact that it has on the environment. The Institute continued to meet its objectives through its focus on electricity, gas and water consumption.

Staff FTE		303.54	323.37	
Gross Floor Area (GFA) - m2		30,166	26,920	
<b>Type</b>	<b>Measure</b>	<b>2016</b>	<b>2017</b>	<b>Future target</b>
<b>Electricity</b>	Kilowatts			
Total electricity usage (Kwt)		2,283,591	2,052,003	1,949,403
Greenhouse gas emissions		1,929	1,691	1,607
Units per FTE (Kwt per FTE)		7,523	6,346	
Units per GFA (Kwt per m2)		76	76	
<b>Gas</b>	Mega joules			
Total gas usage (MJ)		5,328,658	5,721,824	5,435,733
Units per FTE (MJ per FTE)		17,555	17,694	
Units per GFA (MJ per m2)		177	213	
<b>Paper Use</b>	A4 Reams			
Total reams purchased		3,200	2,800	2,660
Units per FTE (reams per FTE)		11	9	
Percentage of recycled content		10%	10%	
<b>Water consumption</b>	Kilolitres			
Total water usage (KI)		47,965	35,460	33,687
Units per GFA (KI per m2)		1.59	1.32	
<b>Greenhouse gas emissions</b>	Tonnes			
Total - energy use (T)		2,510	1,988	1,889
Total - vehicle fleet (T)		581	297	

Wodonga TAFE monitors the ongoing consumption of a range of elements within the business for the purpose of understanding the Institute's impact on the environment.

Rain water is collected and used for the toilets on campus and recycled water, supplied by Wodonga City Council, is used to maintain our grounds. A number of underground leaks were identified and repaired in 2017 in order to reduce wastage.

During late 2016 and early 2017 lighting was upgraded to utilise energy efficient LED globes and air conditioning systems were replaced, particularly at the main campus as an energy reduction initiative. Research has commenced to enable expansion to our photovoltaic solar panel capacity to continue to minimise electricity drawn from the grid. Unfortunately gas usage and costs increased in 2017. The Institute was able to see a reduction in the number of A4 reams of copy/printing paper ordered by almost 500 reams.

It is a requirement that Wodonga TAFE service providers have an existing, or have commenced, an Environmental Management System (EMS) in accordance with ISO 14001.

## **Human Resources**

### **Industrial Relations**

The nominal expiry of the Driver Education Centre of Australia (DECA) Enterprise Agreement 2015 occurred on 30 June 2017. Additionally the Wodonga Institute of TAFE PACCT Staff Enterprise Agreement 2014 nominally expired on 31 December 2017. The Institute is seeking to combine the two agreements into one agreement to gain efficiencies across the workforce. The negotiation process commenced in October 2017 with meetings involving representatives from Staff, Union and Management conducted throughout the last quarter.

Negotiations for the successor to the Victorian TAFE Teaching Staff Multi-Enterprise Agreement 2016 continued during 2017. The Victorian TAFE Association is negotiating the multi-agreement on behalf of all Victorian TAFEs. These negotiations will continue into 2018.

During 2017 a Wodonga Institute of TAFE (WIOT) restructure process was undertaken which adhered to the terms and conditions of internal procedures and enterprise agreements. This resulted in 8 staff being redeployed into new or vacant positions across the Institute and five staff being made redundant with associated redundancy packages being allocated in line with legislative requirements.

The Institute Consultative Committee and Workplace Consultative Committee continued to meet regularly throughout 2017 where management and elected staff representatives discussed matters relating to the implementation of the relevant enterprise agreements and other related staffing matters such as restructuring.

There was no industrial action undertaken by staff during 2017.

### **Public Sector Employment and Conduct Principles**

Wodonga's employment policies and processes are based on the principle of merit, relevant award/agreement and statutory requirements, and best practice public sector approaches.

The Institute's Staff Code of Conduct provides guidance to all staff on expected behaviour and professional conduct and is based on the Institute values, behaviours, the Victorian Public Sector Model and other best practice examples. Wodonga is committed to equal opportunity and fair and transparent processes in all human resource management procedures.

Wodonga TAFE participated in the People Matter Survey which is designed to capture employee perceptions of their workplaces in the Victorian Public Sector. It is an important instrument to measure and benchmark organisational culture and features of the work environment such as employment principles. The Institute is compared to other TAFE Institutes across Victoria and in 2017 achieved a job satisfaction rate of 66% compared to the average of 63% across all participating TAFEs.

## **Health and Safety**

### ***Health and Wellbeing***

During 2017, the health and wellbeing strategy and program continued and featured the following outcomes.

Health and Wellbeing programs:

- Audiometric Testing for identified staff
- Flu immunisations made available for staff
- Continuation of the Employee Assistance Program (EAP)
- Ride to work day
- Monthly health promotion newsletters
- Premiers Active April
- RUOK Day
- Tour de Office
- Resilience workshops
- Happy People Program.

WHS during recruitment processes:

- Pre-employment medicals continued for specified positions.

WHS systems and procedures:

- WHS audits conducted at all sites
- Chemical audits conducted and a review of the Chemwatch system completed
- Targeted risk assessments occurred on areas of risk or repeated accidents
- Updated emergency evacuation cards.

WHS training:

- First aid training
- WHS five day Safety representatives course and refreshers
- WHS Manager Responsibilities course
- Incident Reporting
- Emergency Evacuation Drill
- Emergency Warden training.

*OHS Management and Workers Compensation*

Measure/Indicator	2015	2016	2017
Reported hazards/incidents for full time employees (FTE):	32	31	33
Equivalent Full Time (EFT) staff	349.33	303.54	323.37
Reported hazards/incidents per 100 EFT staff	9.16	10.21	10.21
Notifiable incidents	8	0	0
Lost Time Injury standard Workcover claims	2	0	2
Standard Workcover claims	5	0	3
Lost time standard Workcover claims per 100 EFT staff	0.57	0	0.62
Total payments	\$10,445	\$0	\$4,358
Average cost per claim	\$2,089	\$0	\$1,452
Fatalities	0	0	0

The claims cost outstanding as at 31 December 2017 are \$0.

***Health and Safety Working Party (Committee)***

The Health and Safety Working Party continued to meet regularly over 2017 to oversee health and safety issues at Wodonga Institute of TAFE. Major achievements of the Working Party included:

- review and update of the Critical Incident and Emergency Management Procedure undertaken by Wardens
- improvements made to the Chemical Management system within the Agriculture/Horticulture Department
- risk reduction process developed and implemented for machinery and plant safe work procedures displayed on plant types.

## Employment Profile 2017

The total Full Time Equivalent (FTE) for 2017 was 323.37 and a breakdown of workforce data is below.

	December 2017							December 2016						
	All employees		Ongoing			Fixed term and casual		All employees		Ongoing			Fixed term and casual	
Demographic data	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Women	303	181	77	35	100	191	81	229	160	53	31	89	145	71
Men	228	142	60	3	62	165	80	204	143	55	2	68	147	75
Self-described	n	n	n	n	n	n	n	n	n	n	n	n	n	n
<b>Age</b>														
15-24	30	12	4	0	4	26	8	14	8	1	0	2	12	6
25-34	70	39	21	2	23	47	16	51	37	16	3	22	32	14
35-44	120	75	28	6	32	86	43	95	64	20	6	29	68	35
45-54	146	94	39	14	48	93	46	119	83	31	12	47	76	36
55-64	138	87	39	15	48	84	39	121	88	31	12	47	79	41
65+	27	17	6	1	7	20	10	33	24	7	1	10	24	14
<b>Classification Data</b>														
PACCT Staff	137	105	65	20	78	52	27	112	99	52	16	76	43	24
Teaching Staff	340	177	58	15	67	267	110	276	167	47	12	66	218	100
Other Employees	48	35	14	3	16	31	17	39	33	11	2	16	25	16
Executives	6	6	0	0	0	6	6	6	6	0	0	0	6	6

Employees have been correctly classified in workforce data collections.

A reduction in the fixed term and ongoing workforce data statistics for Wodonga Institute of TAFE (WIOT) primarily relates to challenges with attraction and retention of staff across a number of teaching areas and an organisational restructure which resulted in seven ongoing staff accepting targeted separation packages. Attraction and retention of staff has had a direct impact on our fixed term workforce with significant challenges experienced in attracting suitably qualified staff. This is due to a variety of reasons such as WIOT's rural location and the difficulty in attracting staff within the local market who are willing to transition from working within industry to the VET Sector.

WIOT experienced challenges in attracting and retaining teaching staff with appropriate skills sets across a number of teaching areas as stated above which resulted in an increased reliance upon a casual workforce to meet service delivery. Additionally, the demand for programs at short notice with short term delivery outcomes has required additional resources outside those available within existing internal sources.



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# YEAR IN REVIEW



## **Year in Review**

### **Summary of Performance**

The financial information in this report of operations is consistent with the information provided in the financial statements. There has been a significant focus in 2017 on implementing cost control measures and completing the DECA business transformation and merger to realise operational efficiencies.

The Institute's results for the year ending 31 December 2017 was a net surplus of \$930k compared to a Board approved budget of \$888k. This result for 2017 represents a significant improvement on the 2016 result of \$114k which was supported by Government contributions.

The revenue of \$44.26m represents a \$1.49m reduction upon 2016. The reduction in revenue has been offset by a \$2.15m expenditure reduction supporting the underlying health of our financial position.

Wodonga TAFE's financial position is stable with net assets of \$87.37m and the working capital ratio increasing to 7.0:1. Liquidity remains strong, supported by the sale of the Brooklyn/Altona site.

Financial objectives and targets as stated in the Performance Statement, where predetermined, were substantially met or exceeded.

There were no significant Government capital contributions made to Wodonga Institute of TAFE in 2017, however the government continued to support Wodonga Institute of TAFE through Stronger TAFE funding.

## SUMMARY OF PERFORMANCE - 5 YEARS

Comparative results 2013 - 2017

Item	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000	2013 \$'000
Revenue from operations <sup>1</sup>	44,264	45,771	56,285	54,440	36,772
Expenditure from operations <sup>2</sup>	40,074	42,066	50,267	48,881	34,195
<b>EBITDA incl net gain from reval of annual leave liability</b>	<b>4,190</b>	<b>3,705</b>	<b>6,018</b>	<b>5,559</b>	<b>2,578</b>
Govt capital contributions	20	-	-	-	1,571
Depreciation and amortisation	(3,515)	(3,720)	(3,545)	(3,893)	(3,274)
Expenditure from Govt contributions	-	-	-	-	(199)
Gains(losses) on disposal of assets	309	155	109	6	4
Movements in the provision for LSL	(74)	(26)	(369)	(571)	(112)
<b>Net result</b>	<b>930</b>	<b>114</b>	<b>2,213</b>	<b>1,101</b>	<b>568</b>
Assets	95,699	86,470	76,564	74,486	73,003
Liabilities	(8,326)	(8,051)	(6,529)	(6,663)	(6,281)
<b>Total equity</b>	<b>87,373</b>	<b>78,419</b>	<b>70,035</b>	<b>67,823</b>	<b>66,722</b>

Note:

<sup>1</sup> 2017 revenue has reduced \$1.5m upon 2016 due primarily to reductions in Fee for Service and Third Party Training provider income.

<sup>2</sup> Expenses have reduced \$2m due to reduced salaries and wages, other costs and Third Party Training provider expenses. The reduction in revenue \$1.5m is more than offset by expense savings \$2m, resulting in a strong EBITDA in 2017.

Assets have increased due to improved cash balances.



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# GOVERNANCE

## **Governance**

### **Wodonga TAFE Board**

The Wodonga TAFE Board is entrusted with the governance of the Institute on behalf of the State of Victoria. The primary role of the Board is to provide authoritative, broad-based, strategic advice to the Chief Executive Officer, which places Wodonga TAFE in the most advantageous position regarding trends in local, national and international training. Board Directors are drawn from business, industry, and the communities that are served by Wodonga TAFE.

Honouring its values, the Wodonga TAFE Board leads with passion to implement the Institute's vision, is responsive to the communities it serves and acts on feedback to improve performance. It has an inclusive attitude towards diversity, acts with integrity, is accountable, acts responsibly and sustainably, recognises and values the staff of Wodonga TAFE, and shares knowledge and opportunities appropriately.

### **Board Committees**

#### ***Audit, Risk and Remuneration Committee***

The Audit, Risk and Remuneration Committee is a committee of the Institute Board, with a Terms of Reference approved by resolution of the Board on 26 October 2016, and as such is fully accountable to the Institute Board. The primary objective of the Audit, Risk and Remuneration Committee is to provide assistance and recommendations to the Institute Board in the effective conduct of its responsibilities relating to the: scope of work, performance and independence of continuous audit; oversight of external audit process and findings; operation, implementation and monitoring of the risk management framework; Institute's process for monitoring compliance with laws and regulations (including the *Financial Management Act 1994*, the Victorian Government Risk Management Framework and Government guidelines); Institute Codes of Conduct; entitlements for Directors and senior executives; public reporting of financial information on remuneration matters; and application of Government policies.

Per Standing Direction 3.2.1.1(c), the Terms of Reference for the Audit, Risk and Remuneration Committee is responsible for reviewing annual financial statements and making a recommendation to the Board as to whether to authorise the statements before they are released to Parliament by the Responsible Minister.

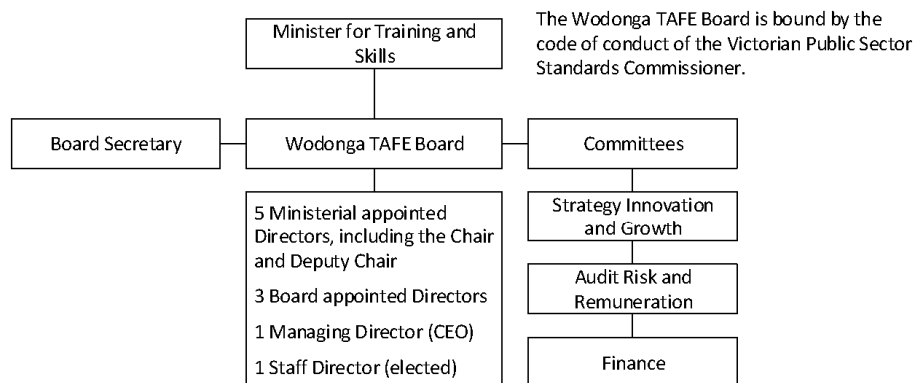
#### ***Finance Committee***

The Finance Committee is a committee of the Institute Board, with a Terms of Reference approved by resolution of the Board on 26 October 2016, and as such is fully accountable to the Institute Board. The primary objective of the Finance Committee is to assist the Board in the effective conduct of its financial responsibilities, particularly those under the Financial Management Act 1994 and Government guidelines. It does so by monitoring, reporting and making recommendations with regards to the: financial policies and procedures which support the financial integrity, values and objectives of the Institute; budget planning and setting; financial performance monitoring including the achievement of strategic financial and infrastructure goals; investments, financial authorities and banking arrangements; and financial reporting capability, financial systems and financial decision support tools.

#### ***Strategy, Innovation and Growth Committee***

The Strategy, Innovation and Growth Committee is a committee of the Institute Board, with a Terms of Reference approved by resolution of the Board on 26 October 2016, and as such is fully accountable to the Institute Board. The primary objective of the Committee is to assist the Board in the effective conduct of its responsibilities. It does so by adding insight and value to the Institute's strategy, innovation and growth collaborative effort. The Committee's areas of focus are: supporting the development of strategic plans and monitoring progress against the plans; encouraging innovative thinking across the Institute, particularly in support of teaching and learning developments; providing strategic insights to support new growth, including collaborative partnerships and agreements; overseeing investment in strategic initiatives arising from the planning process.

## Governance Structure



## 2017 Committee Membership

<b>Audit, Risk and Remuneration Committee</b>	<b>Finance Committee</b>	<b>Strategy, Innovation and Growth Committee</b>
Jessica Furst (Chair)	Annette Kearns (Chair)	Roger Powell (Chair)
Vernon Hilditch (Deputy Chair)	Brett Drinnan (Deputy Chair)	Tammy Atkins (Deputy Chair)
Tammy Atkins	Janelle Cretney	Janelle Cretney
Allison Jenvey	Mark Dixon	Mark Dixon
Annette Kearns	Jessica Furst	Brett Drinnan
Roger Powell	Kerry Grigg	Kerry Grigg
	Allison Jenvey	Vernon Hilditch
		Allison Jenvey

## **Board Directors**



### **Allison Jenvey - Board Chair from 1 July 2016**

Board appointment 1 December 2015 to 30 June 2016

Ministerial appointment 1 July 2016 to 31 August 2019

### **Employment/Directorships**

Director/Accountant, ATS Partners

### **Qualifications and professional affiliations**

Bachelor of Business (Accounting)

Fellow of CPA Australia

Graduate of Australian Institute of Company Directors

### **Summary**

Allison has been a Director at ATS Partners since 2001, having worked in the Practice as an accountant since 1996, offering taxation and financial advisory services in the Wodonga region. Allison has significant governance experience on local Boards and Committees including as a Director on the Albury Wodonga Health Board and served as Chair of its Audit and Risk Committee for four years. Allison was also previously President of the Wodonga Chamber of Commerce, a member of the Baranduda Fields Governance Groups and the Rural Housing Network Board.

### **2017 Professional Development**

In 2017, Allison attended the following:

AICD Essential Directors Update

TAFE Directors Australia Conference

Albury Wodonga Leaders Edge AICD - Big Issues for Boards and Directors

### **2017 Committee membership**

Audit, Risk and Remuneration

Finance

Strategy, Innovation and Growth

### **2017 Board and Committee meetings attended**

As a member: twenty-seven from a possible twenty-seven meetings

**Tammy Atkins - Director (Deputy Chair from 24/08/2016)**

Ministerial appointment 1 July 2016 to 31 August 2019

**Employment/Directorships**

Consultant, Tammy Atkins Consulting

Director, Winton Wetlands Committee of Management

Director, Into Our Hands Community Foundation

**Qualifications and professional affiliations**

Bachelor of Science, Mineral Economics

Post Graduate Certificate, Public Policy

Diploma, Community Development

Diploma, Project Management

Certificate IV in Training and Assessment

Member, Australian Institute of Company Directors

Member, Australian Rural Leadership Foundation

**Summary**

Tammy is a consultant with a career interest in regional policy and economic development and experience working with all three tiers of government. Tammy has involvement in a diverse range of community organisations.

**2017 Committee membership**

Audit, Risk and Remuneration

Finance until 23/08/2017

Strategy, Innovation and Growth from 23/08/2017 - Deputy Chair

**2017 Board and Committee meeting attendance**

As a member: Nineteen from a possible twenty-one meetings

As a non-member of a Board committee: Five additional meetings



## **Mark Dixon - Managing Director**

Appointment from 1 July 2016

### **Employment/Directorships**

Chief Executive Officer - Wodonga Institute of TAFE

Member of the Ovens Murray Regional Partnership

### **Qualifications and professional affiliations**

Graduate of the Royal Military Academy Sandhurst

Bachelor of Science (Hons) - Applied Science

Master of Science - Explosive Engineering and Master of Science - Technology

Graduate of the Joint Service Advanced Command and Staff College

Graduate of the Cranlana Colloquium Programme (cultivating wisdom in leadership)

Graduate of the ANZ School of Government CEO Forum

Australian Institute of Company Directors

Honorary Colonel, Royal Australian Army Ordnance Corps

### **Summary**

Mark has a wealth of experience in senior leadership positions, shaping government and business decision making in Australia and internationally. Following a highly successful career in the British and Australian Armies, Mark has employed his skills and experience in strategic leadership, governance and management, as the Chief Executive Officer/Managing Director of Wodonga Institute of TAFE.

### **2017 Professional Development**

In 2017, Mark attended the following:

Australian Institute of Company Directors Course

### **2017 Committee membership**

Finance

Strategy, Innovation and Growth

### **2017 Board and Committee meeting attendance**

As a member: Twenty-four from a possible twenty-six meetings

As a non-member of a Board Committee: One additional meeting

**Janelle Cretney - Staff Director**

Elected appointment 1 July 2016 to 30 June 2019

**Employment/Directorships**

Senior Educator, Wodonga Institute of TAFE

**Qualifications and professional affiliations**

Master of Education (Special Education)

Bachelor of Science (Psychology, Human Biology)

Graduate Diploma in Education (Secondary)

Graduate Certificate - Educational Leadership

Cert IV in Training and Assessment

Australian Council of Adult Literacy

Victorian Adult Literacy and Basic Education Council

Literacy and Numeracy Support Special Interest Group

Victorian Applied Learning Association

**Summary**

Janelle is a Senior Educator in the Education & Vocational Skills Department at Wodonga Institute of TAFE and is the elected Staff Director. She has extensive experience in the secondary and tertiary education sectors and is passionate about the difference quality education and training can make to individuals, our community and the broader society.

**2017 Professional Development**

In 2017, Janelle attended the following:

VTA State Conference - Industry and employment partnerships, Future of work, engaging with schools and communities

Independent Review into Regional, Rural and Remote Education workshop

Adult Migrant English Program Consortium meeting

Skills for Education and Employment Program briefing

Building collaborative teams

Quality teaching - EOP audit evidence, designing valid and authentic assessments, Volume of Learning Vs Amount of Training (IBSA Academy)

**2017 Committee membership**

Audit, Risk and Remuneration until 23/08/2017

Strategy, Innovation and Growth

Finance from 23/08/2017

**2017 Board and Committee meeting attendance**

As a member: Seventeen from a possible nineteen meetings

As a non-member of a Board Committee: Seven additional meetings

**Brett Drinnan - Director**

Board appointment 11 August 2016 to 10 August 2019

**Employment/Directorships**

North East Regional Manager - Dyson Group

Member, Transport Working Group - Albury/Wodonga

Regional Delegate for BUSNSW Riverina Branch, Cross Border Anomalies Committee

**Qualifications and professional affiliations**

Certificate IV Frontline Management

Associate Member, Body Corporate Management Institute of Management Victoria

**Summary**

Brett is the North East Regional Manager of the Dyson Group of Companies and has extensive management experience in the transport sector. He has a passion for the region and is keen to see it continue to prosper. Brett has been a member of the Wodonga Chamber of Commerce and served as President for two years.

**2017 Committee membership**

Finance

Strategy, Innovation and Growth

**2017 Board and Committee meeting attendance**

As a member: Sixteen from a possible twenty-two meetings

As a non-member of a Board Committee: One additional meeting

**Jessica Furst - Director**

Ministerial appointment 1 September 2013 to 31 August 2020

**Employment/Directorships**

Director, Financial Assurance - Australian Taxation Office

Director, Orangy Holdings Pty (Trustee Company) Ltd

Director, AMG & Jess Pty Ltd (SMSF Trustee)

**Qualifications and Professional associations**

Bachelor of Business (Accounting)

Certified Practicing Accountant

**Summary**

Jessica has significant experience in the fields of accounting and financial management, specialising in business advisory, banking and financial management, and tax consultancy. She has also worked in the property sector specialising in acquisitions of commercial, retail, and industrial property. Jessica's current role is to carry out financial assurance across the Australian Taxation Office to support the Australian Tax Office's departmental and administered financial statements.

Jessica was previously the Chair of the Albury Wodonga branch of CPA Australia and was the recipient of the NSW Presidents award.

**2017 Professional Development**

In 2017, Jessica attended the following:

Executive Leadership Dimensions

ATO Mentoring Program Workshop

Enterprise Risk Management for Government 2017

Government Chief Risk Officers Summit 2017

**2017 Committee membership**

Audit, Risk and Remuneration - Chair

Finance

**2017 Board and Committee meetings attended**

As a member: Twenty-two from a possible twenty-two meetings

**Kerry Grigg - Director**

Ministerial appointment 1 December 2015 to 30 June 2016

Board appointment 11 August 2016 to 10 August 2018

**Employment/Directorships**

Global University Recruitment and Early Talent Pipeline Development Director - Mars Inc

**Qualifications and professional affiliations**

PhD

Master of Commerce (Marketing) (Honours)

Bachelor of Commerce

Certified Practitioner - Australian Human Resource Institute (CAHRI)

Member - Australian Institute of Company Directors (MAICD)

**Summary**

Kerry is the Global University Recruitment and Early Talent Pipeline Development Director at Mars Incorporated and this role is based in Wodonga. She has extensive experience in people and organisational development. Kerry holds a doctorate and has produced numerous academic publications. Kerry is also a Non-Executive Director at Hume Bank and chairs the Remuneration and Succession Committee.

**2017 Professional Development**

In 2017, Kerry attended the following:

Company Directors Course - Australian Institute of Company Directors

**2017 Committee membership**

Finance

Strategy, Innovation and Growth

**2017 Board and Committee meeting attendance**

As a member: Nineteen from a possible twenty-two meetings

## **Vern Hilditch - Director**

Ministerial appointment 23 February 2017 to 31 August 2019

### **Employment/Directorships**

Executive Principal of Wodonga Senior Secondary College, Wodonga Middle Years College and the four Campuses of the North East Flexible Centre Network

Chairperson of Wodonga Indigo Schools Network - 22 schools in North East Victoria

Parklands Albury-Wodonga Board member

Junction Support Services Board Member

The Flying Fruit Fly Circus Board Member

### **Qualifications and Professional associations**

Bachelor of Science, Monash

Masters of Education Studies, Monash

Diploma, Education

Certificate of International Studies in Agriculture

Fellow Australian Council for Education Leaders (FACEL)

Fellow Australian Council of Education (FACE)

### **Summary**

Vern has extensive knowledge in the Education sector. Over his 45 years with government education he has been a teacher, central and regional administrator, curriculum developer and researcher and principal of a number of secondary school in North East Victoria.

Periods spent in the Education Department and the Ministry of Police and Emergency Services have given him a range of insights, skills and experiences which have contributed to his passion to provide outstanding educational opportunities to every young person.

Vern shares his knowledge and experience by leading and serving on a number of regional and district committees working in student achievement and well-being areas. His knowledge and experience in the fields of school regeneration and restructuring including federations, international education, vocational education, self-management, budgeting and interpretation of regulations and processes is highly regarded by colleagues.

### **2017 Professional Development**

In 2017, Vern attended the following:

Insight SRC: Coaching for Leadership Teams

McREL: Balanced Leadership

Bastow and Asialink Business: Leading Asia Capable Schools

### **2017 Committee membership**

Audit, Risk and Remuneration from 23/08/2017 - Deputy Chair

Strategy, Innovation and Growth from 23/08/2017

### **2017 Board and Committee meetings attended**

As a member: Seven from a possible ten meetings

As a non-member of Board Committees: Eleven additional meetings

**Annette Kearns - Director**

Ministerial appointment 1 July 2016 to 30 June 2018

**Qualifications and professional affiliations**

Bachelor of Education (Adult Learning)

**Summary**

Annette has extensive experience in the tertiary education sector having retired from the role of Deputy CEO, General Manager Client Services with Apprentices Trainees Employment Ltd (ATEL). Annette was a Director of Group Training Victoria and an original member of the North East Local Learning and Employment Network (NELLEN).

**2017 Professional Development**

In 2017, Annette attended the following:

AICD: Cybersecurity

**2017 Committee membership**

Finance - Chair

Strategy, Innovation and Growth until 23/08/2017

Audit, Risk and Remuneration from 23/08/2017

**2017 Board and Committee meeting attendance**

As a member: Seventeen from a possible twenty-two meetings

As a non-member of a Board Committee: Two additional meetings

## **Roger Powell AM - Director**

Board appointment 1 September 2013 to 12 August 2018

### **Employment/Directorships**

Principal - Executive Director - Executive Leadership Australia Pty Ltd

Non Executive Director - ELBIT Systems of Australia Pty Ltd

Director - Community Services, Rotary Club of Hall

### **Qualifications and Professional associations**

AM, MSc, BA, Grad Dip Strat Studies, GAICD (Member of the Order of Australia recognition for contribution to officer professional development)

Bachelor of Arts

Master of Science (Outstanding Alumnus for contribution in the fields of education and training)

Graduate Diploma in Strategic Studies

Fellow of the Australian College of Defence and Strategic Studies

Graduate Diploma Australian Institute of Company Directors

Accreditation with Institute of Executive Coaching and Leadership of Australia

### **Summary**

With 34 years of service in the Australian Army in leadership roles at all levels to Major General, Roger has served in a wide range of senior management positions in Victoria, New South Wales, Queensland and the Australian Capital Territory, blended with overseas roles in the USA, Germany, UK, PNG, and Timor Leste. Roger's vocational education and training experience includes three years as the head of the Australian Army's VET Colleges and Schools. Roger's private sector experience includes roles in executive consultancy, CEO leadership mentoring, coaching, and executive and non-executive board directorships of medium commercial entities. Roger has a comprehensive background in voluntary service, particularly mentoring young leaders and running a large charity fund raising business.

### **2017 Professional Development**

In 2017, Roger completed the following AICD offerings:

National Governance Summit (2 days)

Director Update

### **2017 Committee membership**

Audit, Risk and Remuneration

Strategy, Innovation and Growth - Chair

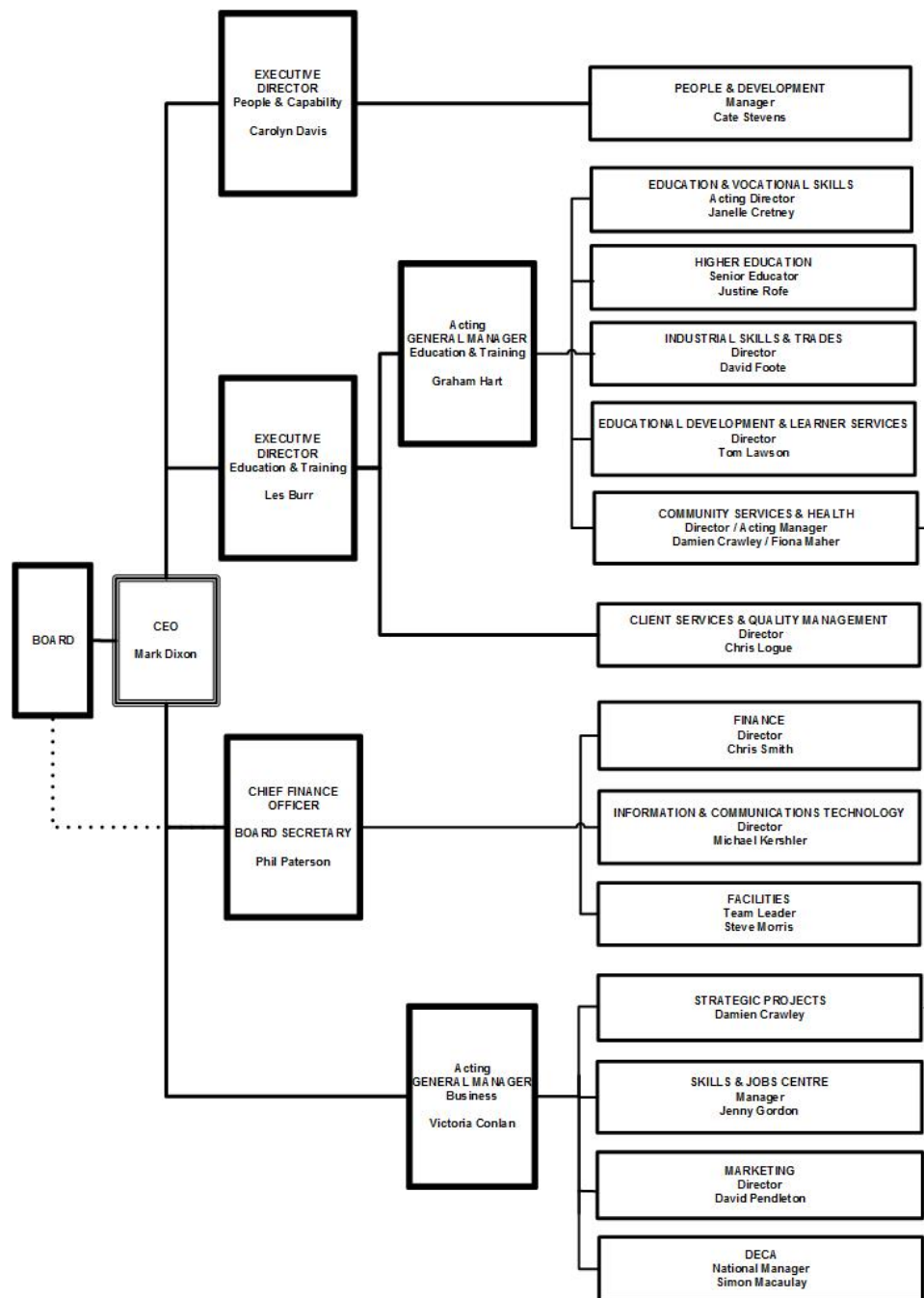
### **2017 Board and Committee meetings attended**

As a member: Fifteen from a possible seventeen meetings

As a non-member of a Board Committee: Seven additional meetings



## Organisational structure



## **Executive Team**

### **Mark Dixon**

Chief Executive Officer and Managing Director

The CEO provides leadership and advice to the Wodonga TAFE Board on establishing objectives, policies, priorities and plans for the Institute. The position works with the Wodonga TAFE Board, the Higher Education and Skills Group, community and industry partners to deliver against strategic and operational objectives for the Institute. He ensures that the strategic objectives of the Institute are achieved in a manner that best serves the greater Albury Wodonga community and the north-east region of Victoria.

### **Graham Hart** since 20/03/2017

General Manager, Education & Training

The General Manager, Education & Training manages the government service agreements for delivery with the Higher Education and Skills Group and oversees educational quality. The General Manager, Education & Training also oversees the Institute's three delivery departments: Education & Vocational Skills, Community Services & Health and Industrial Skills & Trades; as well as the Higher Education, International & VET in Schools and the Educational Development & Learner Services department which includes the library and the newly formed Quality Learning & Teaching unit.

### **Les Burr**

Executive Director, Education & Training

The Executive Director of Education & Training provides academic leadership to the Institute and strategic advice to the CEO together with overseeing the Client Services & Quality Management department which ensures outstanding services to our students.

In 2017 Les was also seconded to the Victorian TAFE Association (VTA) as Project Director of the Regional TAFE Alliance project and the Managed Shared Services project.

### **Carolyn Davis**

Executive Director, People & Capability

The Executive Director has responsibility for the development and implementation of strategic human resource management and capability building to maintain a positive high performance culture. This is achieved through programs and processes designed to increase individual and organisational capability, productivity, satisfaction and wellbeing through investment in our people. Carolyn also oversees industrial relations, employee relations, workforce development, change management processes and workplace health, safety and wellbeing.

### **David Lowe** until 22/05/2017

General Manager, Business

### **Victoria Conlan** since 24/05/2017

Acting General Manager, Business

The General Manager, Business role provides leadership and strategic direction to the CEO in regards to building and developing new business opportunities and partnerships.

The General Manager, Business has oversight of the: Driver Education Centre of Australia (DECA) which is a business arm of the Institute; Jobs & Skills Centre; and the business development and marketing functions.

**Phil Paterson**

Chief Finance Officer

The CFO's major responsibility is to lead, manage, and report on the financial performance of the Institute. The role also provides financial, risk management, and business strategy advice to the CEO, the executive team and directors of the Institute to achieve the Institute's strategic plan in the context of legislative frameworks, operational systems and financial performance. Phil also has responsibility for the facilities and ICT services supporting staff and students.

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# COMPLIANCE

## Compliance

### FINANCIAL COMPLIANCE

#### Consultancies

In 2017, there were 14 additional consultancies where the total fees payable were less than \$10,000. The total expenditure incurred during 2017 in relation to these consultancies is \$34,692.87 (excl. GST). In 2017, there were 8 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2017 in relation to these consultancies is \$534,928.49 (excl. GST).

*Details of individual consultancies (valued at \$10,000 or greater, excl. GST)*

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee	Expenditure 2017	Future expenditure
Ascender Pay Ltd	Business Process Review, Reporting and system updates	Jan 2017	Jul 2017	\$11,500.00	\$11,500.00	Nil
Department of Environment, Land, Water and Planning	Valuations performed	Aug 2017	Dec 2017	\$18,300.00	\$18,300.00	Nil
Miktysh	Migration to HPE Content Manager 9 and Sharepoint Integration	Dec 2017	Dec 2017	\$51,850.00	\$51,850.00	Nil
MGS Consultants	Wodonga TAFE Framework Plan	Nov 2017	Dec 2017	\$91,565.00	\$91,565.00	Nil
Anstra Associates	Business Case - Student Hub	Dec 2017	Dec 2017	\$14,545.00	\$14,545.00	Nil
Cookinburra International Pty Ltd	Preparation of Tender for Associates Tender for ASEME for training services to the ADF	Nov 2017	Dec 2017	\$20,000.00	\$20,000.00	Nil
Deste Consulting Services	Review of learning and teaching practice with an emphasis on quality assessment practice	Aug 2017	Aug 2017	\$15,200.00	\$15,200.00	Nil
Tallangatta Health	Support for the JVEN Project	Apr 2017	Nov 2017	\$30,000.00	\$30,000.00	Nil

Also published at [www.wodongatafe.edu.au](http://www.wodongatafe.edu.au)

#### ICT expenditure

*Details of ICT expenditure*

ICT expenditure Total	BAU Operational expenditure	BAU Capital expenditure	Non-BAU Operational expenditure	Non-BAU Capital expenditure
\$1,506,551	\$1,224,192	\$282,358		\$156,724

### LEGISLATIVE COMPLIANCE

#### *Building Act 1993*

Wodonga TAFE ensures that all works which require town planning and building approval are approved by the responsible authority and certified by a Building Surveyor. All new building works in 2017 received the mandatory approvals and inspections, and a Certificate of Occupancy. Wodonga TAFE requires that all building practitioners engaged to carry out major works have current registration and insurance for their respective discipline. All buildings are maintained to a level of acceptable performance and safety by way of periodic checks and testing in accordance with the respective Australian Standard. Records of received permits, inspections, and Certificates of Occupancy are kept in accordance with the *Building Act 1993*.

### *Freedom of Information Act 1982*

Wodonga TAFE has implemented procedures that, subject to privacy provisions, facilitate all reasonable requests for information from students, staff, and the general public without recourse to the Freedom of Information Act 1982. Wodonga TAFE ensures that its procedures are in line with the requirements of the *Freedom of Information Act 1982*. During the year ended 31 December 2017, Wodonga TAFE received one request for information.

### *Carers Recognition Act 2012 (Carers Act)*

Wodonga TAFE recognises and values the role of carers and the importance of care relationships in the Victorian community. The Institute ensures that its policies and procedures are in line with the requirements of the *Carers Recognition Act 2012*. Wodonga TAFE understands the importance of providing access to education, and provides flexibility to accommodate any group, including Carers. As an employer, Wodonga TAFE provides flexible work arrangements for Carers when required.

### *National Competition Policy*

Under the National Competition Policy, the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that the:

- Benefits of the restriction to the community as a whole outweigh the costs
- Objectives of the legislation can only be achieved by restricting competition

Wodonga TAFE has implemented procedures including costing and pricing tools that ensure full compliance with National Competition Policy.

Wodonga TAFE's implementation of its policy also addresses the particular requirements of ministerial directions on fees and charges, legislation on the goods and services tax and its guidelines, rulings, and interpretations made by the Australian Competition and Consumer Commission (ACCC). These include the following:

- Rateable values and rating levels, where relevant information has been obtained from the relevant municipal council, have been used to establish property charges for premises occupied by the Institute. These costs cover rental, council rates, and land.
- A cost of capital return on equity charge calculation, based on Wodonga TAFE's net assets and recommended rate of return, is applied.
- FID and debit taxes are based on forecast revenue and by applying the recommended rate.
- The impact of superannuation costs is taken into account.

Wodonga TAFE has implemented measures to ensure that the policy applies to commercial activity and to the pricing of bids for government-funded education and training that are advertised for competitive tender. Wodonga TAFE has also developed a pricing model which ensures that charges for business activity reflect all costs applicable, and all advantages and disadvantages of government ownership are included in pricing calculations.

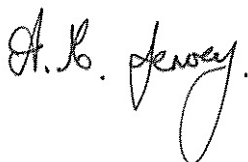
### *Protected Disclosures Act 2012*

The *Protected Disclosures Act 2012* encourages and facilitates the disclosure of improper conduct by public bodies, and other persons, and helps people to make disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and for rectifying action to be taken. Wodonga TAFE does not tolerate improper conduct by employees or the taking of reprisals against those who come forward to disclose such conduct. Wodonga TAFE endeavours to ensure that it complies with the provisions of the *Protected Disclosures Act 2012* and that its processes are transparent with appropriate accountabilities. The organisation also aims to support the making of disclosures that reveal corrupt conduct, mismanagement of public resources, or risks to public health and safety for the environment.

Wodonga TAFE does not receive Protected Disclosures, rather such information is sent directly to Independent Broad-based Anti-corruption Commission (IBAC).

## RISK COMPLIANCE

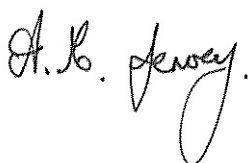
I, Allison Jenvey, certify that for the period 1 January 2017 to 30 June 2017, the Wodonga Institute of TAFE has complied with the Ministerial Standing Direction 3.7.1 - *Risk Management Framework and Processes*. The Wodonga Institute of TAFE Audit, Risk and Remuneration Committee has verified this.



Allison Jenvey  
Board Chair  
Wodonga Institute of TAFE  
14 November 2017

## FINANCIAL MANAGEMENT COMPLIANCE

I, Allison Jenvey, on behalf of the Responsible Body, certify that for the period 1 July 2017 to 31 December 2017, the Wodonga Institute of TAFE has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions. The Wodonga Institute of TAFE Audit, Risk and Remuneration Committee has verified this.



Allison Jenvey  
Board Chair  
Wodonga Institute of TAFE  
13 March 2018

### ***Additional Information available on request***

Consistent with the requirements of the *Freedom of Information Act 1982*, Wodonga TAFE has additional material available about the following items, details of which may be available on request and include:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by Wodonga TAFE about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by Wodonga TAFE;
- details of any major external reviews carried out on Wodonga TAFE;
- details of major research and development activities undertaken by Wodonga TAFE;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by Wodonga TAFE to develop community awareness of the organisation and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by Wodonga TAFE, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
  - i. consultants/contractors engaged;
  - ii. services provided; and
  - iii. expenditure committed to for each engagement

During 2017, none of the following were applicable to Wodonga TAFE.

- Accounting for dividends
- Early adoption of authoritative accounting pronouncements
- Private provision of public infrastructure
- Victorian industry participation policy disclosures

No post-balance sheet date events have been identified as having effect. Wodonga TAFE undertook no major commercial activities.

Wodonga TAFE did not receive any compulsory non-academic fees, subscriptions, or charges in 2017.

Wodonga TAFE complies with the Victorian Public Sector Travel Principles.

Wodonga TAFE complies with all relevant legislation and subordinate instruments including, but not limited to:

- *Education and Training Reform Act 2006* (ETRA)
- TAFE institute constitution
- Directions of the Minister for Training and Skills (or predecessors)
- TAFE institute Commercial Guidelines
- TAFE institute Strategic Planning Guidelines
- *Public Administration Act 2004*
- *Financial Management Act 1994*
- *Freedom of Information Act 1982*
- *Building Act 1993*
- *Protected Disclosure Act 2012*
- *Victorian Industry Participation Policy Act 2003*

In 2017, there were no significant factors affecting performance.

Enquiries about details of any of the items mentioned above should be made in writing and addressed to:

Phillip Paterson  
Chief Finance Officer

Wodonga TAFE  
PO Box 963 Wodonga Victoria 3689  
1300 698 233  
ceo@wodongatafe.edu.au





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# FINANCIAL REPORT

# Wodonga Institute of TAFE - FINANCIAL STATEMENTS

## How this report is structured

The Wodonga Institute of TAFE has presented its audited general purpose financial statements for the financial year ended 31 December 2017 in the following structure to provide users with the information about the Institute's stewardship of resources entrusted to it.

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	31 December 2017	

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<sup>1</sup> The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows - other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result. The net result is equivalent to profit or loss derived in accordance with Australian Accounting Standards.

<sup>2</sup> Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provisions of employee benefits, which are classified as current liabilities if the Institute does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

<sup>3</sup> Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

<sup>4</sup> The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.

## CERTIFICATIONS

### INDEPENDENT AUDITOR'S CERTIFICATION OF THE STATEMENT OF PERFORMANCE VAGO



## Independent Auditor's Report

### To the Board of the Wodonga Institute of TAFE

<b>Opinion</b>	<p>I have audited the accompanying performance statement of the Wodonga Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none"><li>• performance statement</li><li>• Declaration by Board Chair, Chief Executive Officer and Chief Finance Officer</li></ul> <p>In my opinion, the performance statement of the Wodonga Institute of TAFE in respect of the year ended 31 December 2017 presents fairly, in all material respects.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the statement of performance in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the statement of performance</b>	<p>The Board is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the audit of the statement of performance</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.</p>

## CERTIFICATIONS

### INDEPENDENT AUDITOR'S CERTIFICATION OF THE STATEMENT OF PERFORMANCE VAGO

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

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

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

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MELBOURNE  
9 March 2018

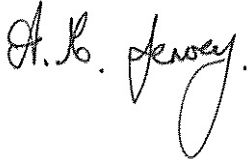


Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

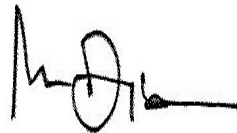
## STATEMENT OF PERFORMANCE MANAGEMENT CERTIFICATE FOR 2017

In our opinion, the accompanying Performance Statement of Wodonga TAFE in respect of the 2017 financial year is presented fairly in accordance with the *Financial Management Act 1994*.

The Statement outlines the performance indicators as determined by the responsible Minister, pre-determined targets and the actual results of the year against these indicators, and an explanation of any significant variance between the actual results and performance targets. As at the date of signing, we are not aware of any circumstance which would render any particulars in the Statement to be misleading or inaccurate.



Allison Jenvey  
Board Chair  
Wodonga Institute of TAFE



Mark Dixon  
Chief Executive Officer  
Wodonga Institute of TAFE

Wodonga  
28th March 2018

Wodonga  
28th March 2018



Phillip Paterson  
Chief Finance Officer  
Wodonga Institute of TAFE

Wodonga  
28th March 2018

## Performance statement

### PERFORMANCE STATEMENT FOR THE YEAR ENDED 31 December 2017

KPI	Definition	Performance 2017	Target 2017	Performance 2016	Comment
Revenue diversity (%)	Govt. Funded Training / Total Training Revenue	52.9%	49.2%	50.00%	Increased focus upon government enrolments through Skills First.
Revenue diversity (%)	Non Govt. Funded Training (FFS & Student Fees & Chgs) / Total Training Revenue	47.1%	50.8%	50.00%	Fee for Service (FFS) income impacted by exemptions offered through Skills First. Some FFS contracts completed reducing FFS revenue.
Employment costs as a proportion of training revenue	(Employment Costs + 3rd Party Training Delivery Costs)/Total Training Revenue	91.0%	86.3%	97.7%	Reduction in employment costs from 97.7 to 91% reflects focus upon a more efficient organisational structure.
Training revenue per teaching FTE	Training Revenue (excl. Revenue delivered via 3rd party delivery)/Total teaching FTE (including annualised casual teaching staff)	\$159,538	\$197,483	\$171,123	Decrease in training revenue per teaching Full Time Equivalent (FTE), impacted by reduced revenue from FFS contracts of \$1.4m.
Operating margin percentage	EBIT excl. capital contributions/Total revenue excl. capital contributions	1.4%	1.8%	(0.10)%	Operational margin improvement due to reduction of expenses by \$3m which more than offset revenue reductions of \$1.5m.
Module Completions	Maintain rate 90% or above	90.8%	90%	92.8%	WIOT module completions remain strong at 90.8 versus TAFE sector 83.7. The outcome is in line with target.
Student Satisfaction	Retain top quartile of all Victorian TAFEs	85.8%	78.4%	78.4%	WIOT's student satisfaction was the top in Victoria's TAFE sectors due to high calibre Teachers, strong pre-course interviews which ensured low attrition rates and increased participation, supporting increased student satisfaction.
Employer / Industry Satisfaction	Increase by 2%	81.2%	82.3%	80.7%	Employer satisfaction improved due to focus upon industry and community engagement during 2017.
Market share - Govt. funded in principal region	Grow market share for Skills First Funding by 3%	21.4%	21.8%	21.2%	WIOT's Market Share has marginally increased, due to utilisation of exemptions, and focus upon delivering high value training courses.
Market share - Fee for service revenue	Grow market share for FFS Funding by 3%	26.1%	29.7%	28.8%	Increased focus upon higher quality qualifications in line with our strategy.





Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Board of the Wodonga Institute of TAFE

<b>Opinion</b>	<p>I have audited the financial report of the Wodonga Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 31 December 2017</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including a summary of significant accounting policies</li> <li>• declaration by the Board Chair, Chief Executive Officer and Chief Finance Officer.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

## INDEPENDENT AUDITOR'S CERTIFICATION OF THE FINANCIAL REPORT

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**Auditor's  
responsibilities  
for the audit  
of the financial  
report**

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

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

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

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

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MELBOURNE  
9 March 2018



Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*



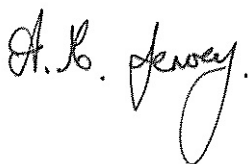
## DECLARATION BY THE BOARD CHAIR CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER

We certify that the attached financial statements and annual report for the Wodonga Institute of TAFE have been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, applicable Australian Accounting Standards and other mandatory professional reporting requirements.

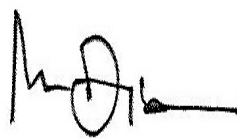
We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash flow Statement and Notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2017 and financial position of the Institute as at 31 December 2017.

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

The Board Chair and the Chief Executive Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of the Wodonga Institute of TAFE.



Allison Jenvey  
Board Chair  
Wodonga Institute of TAFE



Mark Dixon  
Chief Executive Officer  
Wodonga Institute of TAFE

Wodonga  
28th March 2018

Wodonga  
28th March 2018



Phillip Paterson  
Chief Finance Officer  
Wodonga Institute of TAFE

Wodonga  
28th March 2018

# Financial Statements

## Comprehensive Operating Statement

for the year ended 31 December 2017

	Notes	2017 \$'000	2016 \$'000
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Government Contributions	2.1	26,317	26,711
Sale of goods and services	2.2	14,954	16,536
Other income	2.3	3,013	2,524
<b>Total income from transactions</b>		<b>44,284</b>	<b>45,771</b>
<b>Expenses from transactions</b>			
Employee benefits	3.1	26,352	28,797
Depreciation and amortisation		3,515	3,720
Supplies and services	3.3	7,031	6,587
Other operating expenses	3.4	6,765	6,708
<b>Total expenses from transactions</b>		<b>43,663</b>	<b>45,812</b>
<b>Net result from transactions</b>		<b>621</b>	<b>(41)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non- financial assets		309	155
<b>Total other economic flows included in net result</b>		<b>309</b>	<b>155</b>
<b>Net result from continuing operations</b>		<b>930</b>	<b>114</b>
<b>Net result</b>		<b>930</b>	<b>114</b>
<b>Other economic flows - other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus		8,024	(3,480)
<b>Comprehensive result</b>		<b>8,954</b>	<b>(3,366)</b>

The Comprehensive Operating Statement should be read in conjunction with notes to the financial statements.

## Balance Sheet

as at 31 December 2017

	Notes	2017 \$'000	2016 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.1	5,263	9,341
Receivables	5.1	3,498	3,118
Investments and other financial assets	4.3	26,560	13,292
<b>Total financial assets</b>		<b>35,321</b>	<b>25,751</b>
<b>Non-financial assets</b>			
Discontinued operations and non-current assets held for sale		-	4,500
Property, plant and equipment	4.1	55,442	49,255
Intangible assets	4.2	4,542	6,268
Other assets	5.2	394	696
<b>Total non-financial assets</b>		<b>60,378</b>	<b>60,719</b>
<b>Total assets</b>		<b>95,699</b>	<b>86,470</b>
<b>Liabilities</b>			
Payables	5.3	3,581	2,037
Employee Provisions	3.1	4,745	4,939
Borrowings	6.2	-	1,075
<b>Total liabilities</b>		<b>8,326</b>	<b>8,051</b>
<b>Net assets</b>		<b>87,373</b>	<b>78,419</b>
<b>Equity</b>			
Contributed capital		14,015	14,015
Accumulated surplus		33,802	32,872
Reserves	9.1	39,556	31,532
<b>Net worth</b>		<b>87,373</b>	<b>78,419</b>

The Balance Sheet should be read in conjunction with notes to the financial statements.

## Statement of Changes in Equity

for the year ended 31 December 2017

	Physical asset revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
<b>At 1 January 2016</b>	43,264	29,914	8,607	81,785
Net result for the year	-	114	-	114
Transactions with owners in their capacity as owners:				
Revaluation of PPE	(3,480)	-	-	(3,480)
Administrative restructure - net assets transferred	(8,252)	-	8,252	-
Transfer of DECA accumulated deficit	-	2,844	(2,844)	-
	(11,732)	2,958	5,408	(3,366)
<b>Year ended 31 December 2016</b>	<b>31,532</b>	<b>32,872</b>	<b>14,015</b>	<b>78,419</b>
Net result for the year	-	930	-	930
Revaluation of PPE	8,024	-	-	8,024
<b>Year ended 31 December 2017</b>	<b>39,556</b>	<b>33,802</b>	<b>14,015</b>	<b>87,373</b>

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

## Cash flow statement

As at 31 December 2017

	Notes	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Government contributions		26,317	26,711
User fees and charges received		14,574	17,819
Goods and services tax recovered		2,983	4,453
Other receipts		3,013	2,524
<b>Total receipts</b>		<b>46,887</b>	<b>51,507</b>
<b>Payments</b>			
Payments to suppliers and employees		(39,468)	(42,340)
Goods and services tax paid		(1,024)	(4,238)
<b>Total payments</b>		<b>(40,492)</b>	<b>(46,578)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.1	<b>6,395</b>	<b>4,929</b>
<b>Cash flows from investing activities</b>			
Purchase of investments		(26,445)	(2,029)
Proceeds from investments maturing		13,177	3,865
Purchases of non-financial assets		(1,010)	(1,249)
Payments for intangible assets		-	(5)
Proceeds from sales of non-financial assets		4,880	919
<b>Net cash provided by/(used in) investing activities</b>		<b>(9,398)</b>	<b>1,501</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(1,075)	-
<b>Net cash (outflow) from financing activities</b>		<b>(1,075)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(4,078)</b>	<b>6,430</b>
Cash and cash equivalents at the beginning of the financial year		9,341	2,911
<b>Cash and cash equivalents at the end of the financial year</b>	6.1	<b>5,263</b>	<b>9,341</b>

The Cash Flow Statement should be read in conjunction with the notes to the financial statements.



## Note 1 ABOUT THIS REPORT

The Wodonga Institute of TAFE is a statutory body corporate, established pursuant to an Act made by the Victorian Government under the *Education and Training Reform Act 2006 Section 3.1.12 4(a)*.

Its registered office and principal address is:

Wodonga Institute of TAFE  
87 McKoy Street  
Wodonga VIC 3690

### 1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of the Wodonga Institute of TAFE has been prepared in accordance with the historical cost convention unless a different measurement basis is specifically disclosed in notes associated with the item measured on that different basis. Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 7.3); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to note 3.1).

These financial statements cover Wodonga Institute of TAFE and its controlled entities as an individual reporting entity and include all the controlled activities of Wodonga Institute of TAFE.

### Goods and Services Tax (GST)

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

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

## **Basis of consolidation**

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

With Ministerial approval, the Driver Education Centre of Australia Pty Ltd (DECA) was merged with Wodonga Institute of TAFE. The DECA Balance Sheet was merged with Wodonga Institute of TAFE effective 31st December 2016 and trading within the entity ceased effective 31st December 2016. The 2016 Financial statements were prepared upon a consolidated basis, whereas in 2017 the Financial statements reflect Wodonga Institute of TAFE, with the DECA operations fully integrated within the Institute. References to consolidation relate to 2016 only.

## **Funding risk**

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

Wodonga Institute of TAFE has substantial economic dependency on Government operating and capital contributions.

Wodonga Institute of TAFE manages funding risk by rigorous management of costs while pursuing revenue diversity and increased funding from commercial activities, both domestically and offshore.

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

## **1.2 Compliance information**

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)* and applicable AAS which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

For the purposes of preparing financial statements, Wodonga Institute of TAFE is classed as a not-for-profit entity. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

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

## Note 2 HOW WE EARNED OUR FUNDS

### 2.1 Government contributions

	2017 \$'000	2016 \$'000
<b>Grants and other transfers</b>		
State government - contestable	15,763	15,365
State government - other contributions	10,256	10,431
Commonwealth Government - other contributions	278	285
<b>Total Government contributions - operating</b>	<b>26,297</b>	<b>26,081</b>
State-capital	20	630
<b>Total Government contributions - capital</b>	<b>20</b>	<b>630</b>
<b>Total Government contributions</b>	<b>26,317</b>	<b>26,711</b>

### Government contributions

Government contributions are recognised as revenue in the period when the following conditions are met: Wodonga Institute of TAFE obtains control of the contributions or the right to receive the contribution, the economic benefits comprising the contribution will flow to Wodonga Institute of TAFE and the amount of the contribution can be measured reliably.

### 2.2 Sales of goods and services

	2017 \$'000	2016 \$'000
Student fees and charges	2,501	2,469
Fee for service - Government	8,763	9,158
Fee for service - International operations - offshore	100	100
Fee for service - other	3,391	4,430
<b>Other non-course fees and charges</b>		
Sale of goods	199	379
<b>Total fees and charges</b>	<b>14,954</b>	<b>16,536</b>

### Student fees and charges

Student fees and charges revenue is recognised by reference to the percentage completion of education and training services provided. Where student fees and charges revenue has been clearly received in respect of courses or programs to be delivered in the following year relating to modules not delivered are then treated as revenue in advance.

### Fee for service

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

## Revenue from sale of goods

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

- the significant risks and rewards of ownership of the goods have been transferred to the buyer;
- Wodonga Institute of TAFE retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to Wodonga Institute of TAFE; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## 2.3 Other income

	2017 \$'000	2016 \$'000
Rental income	283	399
Other revenue	2,730	2,125
<b>Total other income</b>	<b>3,013</b>	<b>2,524</b>

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

### Rental income

Rental income is recognised on a time proportional basis and is brought to account when the Institute's right to receive the rental is established.

### Fair value of assets received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

### Donations bequests and contribution

Donations, bequests and contributions are recognised when received and the amount can be measured reliably.

### Scholarship

Scholarship revenue is recognised when the relevant conditions attached have been fulfilled.

### Other revenue

Other revenue includes childcare fees, interest income, venue hire, restaurant income and other miscellaneous income.

## Note 3 HOW WE EXPENDED OUR FUNDS

### 3.1 Employee benefits

#### **Significant judgement and estimates: Provision for employee benefits**

The present value of employee benefit obligations including annual leave, long service leave and on-costs are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include:

- 2017 Employee tenure period 6.7 years (2016: 6.5 years)
- 2017 Future salary growth rate 3.6% (2016: 3.8%)

	2017 \$'000	2016 \$'000
<b>3.1.1 Employee benefits in the comprehensive operating statement</b>		
Salaries, wages, overtime and allowances	22,214	23,605
Superannuation	2,070	2,164
Payroll tax	1,056	1,245
Worker's compensation	258	254
Long service leave	374	866
Termination Benefits	380	663
<b>Total employee benefits</b>	<b>26,352</b>	<b>28,797</b>

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

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

	2017 \$'000	2016 \$'000
<b>3.1.2 Employee benefits in the balance sheet</b>		
<b>Current provisions</b>		
<b>Employee benefits - Annual leave</b>		
Unconditional and expected to wholly settle within 12 months	1,103	1,186
Unconditional and expected to wholly settle after 12 months	166	171
<b>Employee benefits - Long service leave</b>		
Unconditional and expected to wholly settle within 12 months	315	357
Unconditional and expected to wholly settle after 12 months	2,174	2,735
<b>Employee benefits - Other</b>		
Unconditional and expected to wholly settle within 12 months	80	-
<b>Provisions for on-costs</b>		
Unconditional and expected to wholly settle within 12 months	50	54
Unconditional and expected to wholly settle after 12 months	347	-
<b>Total current provisions for employee benefits</b>	<b>4,235</b>	<b>4,503</b>
<b>Non-current provisions</b>		
Employee benefits	440	376
Employee benefits on-costs	70	60
<b>Total non-current provisions</b>	<b>510</b>	<b>436</b>
<b>Total employee provisions</b>	<b>4,745</b>	<b>4,939</b>

A provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

## Reconciliation of movements in on-cost provision

	<b>\$'000</b>
<b>Carrying amount at the start of the year</b>	<b>490</b>
Additional provisions recognised	19
Additions due to transfer in	-
Reductions arising from payments/other sacrifices of future economic benefits	(23)
Unwind of discount and effect of changes in the discount rate	(18)
<b>Carrying amount at the end of the year</b>	<b>467</b>

## Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits annual leave are all recognised in the provision for employee benefits as 'current liabilities', because the Institute does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- undiscounted value - if the Institute expects to wholly settle within 12 months; or
- present value - if the Institute does not expect to wholly settle within 12 months.

## Long service leave (LSL)

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where the Institute does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of the current LSL liability are measured at:

- nominal value (undiscounted value) - component that is expected to be wholly settled within 12 months; and
- present value (discounted value) - component that is not expected to be wholly settled within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest for which it is then recognised as an other economic flow. The discount rate applied is as advised by the Minister of Finance.

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

## 3.2 Superannuation

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

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

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

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

	2017 \$'000	2016 \$'000
<b>Paid Contribution for the Year</b>		
<b>Defined benefit plans:</b>		
State Superannuation Fund – revised and new	95	121
<b>Defined contribution plans:</b>		
VicSuper	1,095	1,153
Other	880	889
<b>Total paid contribution for the year</b>	<b>2,070</b>	<b>2,163</b>
<b>Contribution outstanding at year end</b>		
<b>Defined benefit plans:</b>		
State Superannuation Fund - revised and new	1	-
<b>Defined contribution plans:</b>		
VicSuper	24	30
Other	18	24
<b>Total contribution outstanding at year end</b>	<b>43</b>	<b>54</b>

#### Defined contribution plans

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

#### Defined benefit plans

The expenses recognised represents the contributions made by the Institute to the superannuation plan in respect of current services of current Institute staff which are based on the relevant rules of each plan.

### 3.3 Supplies and services

	2017 \$'000	2016 \$'000
Purchases of supplies and consumables	1,475	1,457
Communication expenses	277	279
Contract and other services	2,740	3,136
Building repairs and maintenance	1,692	844
Fees and charges	847	871
<b>Total supplies and services</b>	<b>7,031</b>	<b>6,587</b>

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

### 3.4 Other operating expenses

	2017 \$'000	2016 \$'000
General expenses	447	513
Marketing and promotional expenses	722	792
Utilities	952	1,029
Audit fees and services	102	118
Staff development	124	153
Travel and motor vehicle expenses	762	967
3rd Party training providers	2,142	2,744
Bad debts from transactions	(10)	201
Consumables	352	190
Operating lease rental expenses <sup>1</sup>	185	1
Impairment	987	-
<b>Total other expenses</b>	<b>6,765</b>	<b>6,708</b>

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debt expense from transactions that are mutually agreed.

Other operating expenses are recognised as when they are incurred and reported in the financial year to which they relate to.

<sup>1</sup> Treatment of photocopy lease payments reflected as operating leases in 2017.



## Note 4 THE ASSETS WE INVESTED IN

### 4.1 Property, plant and equipment

#### *Fair value measurement*

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Land	9,721	9,442	-	-	9,721	9,442
Buildings & Improvements	38,380	52,639	(101)	(19,506)	38,279	33,133
Construction in progress	-	2,344	-	-	-	-
Plant, equipment & other assets	18,269	18,380	(16,670)	(16,400)	1,599	1,980
Motor Vehicles	5,968	6,610	(4,996)	(5,434)	972	1,176
Land Improvements	4,874	5,361	(3)	(1,839)	4,871	3,524
<b>Net carrying amount</b>	<b>77,212</b>	<b>94,776</b>	<b>(21,770)</b>	<b>(43,179)</b>	<b>55,442</b>	<b>49,255</b>

#### **Initial recognition**

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

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

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

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

#### **Subsequent measurement**

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

Non-specialised land, non-specialised buildings and artworks are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

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

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

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

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

## Revaluations of non-financial physical assets

Non-current physical assets measured at fair value are revalued in accordance with Financial Reporting Directions (FRDs) issued by the Minister for Finance.

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

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

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

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

<b>Class of Assets</b>	<b>Useful Life</b>
Buildings	14 - 46 years (2016: 14 - 46 years)
Plant & equipment & other assets	2 - 40 years (2016: 2 - 40 years)
Motor vehicles	1 - 13 years (2016: 1 - 13 years)
Leasehold improvements	5 - 45 years (2016: 4 - 45 years)

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

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

### Impairment

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

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

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

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

	<b>2017</b>	2016
<b>4.1.1 Gain/loss on property, plant and equipment</b>	<b>\$'000</b>	<b>\$'000</b>
Net gain/(loss) on disposal of property, plant and equipment	<b>309</b>	155

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

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

#### 4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment

	Land		Buildings and Improvements		Construction in progress		Plant, Equipment & Other assets		Motor vehicles		Land Improvements		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Opening balance	9,442	11,598	33,133	38,904	-	362	1,980	1,942	1,176	1,847	3,524	4,929	49,255	59,582
Additions	-	-	-	10	267	353	169	418	424	220	-	-	860	1,001
Revaluations	279	-	6,746	(2,732)	-	-	-	-	-	-	999	(748)	8,024	(3,480)
Disposals	-	-	-	(61)	-	(48)	(2)	-	(75)	(395)	-	(12)	(77)	(516)
Transfer to disposal group held for sale	-	(2,156)	-	(1,851)	-	-	-	-	-	-	-	(493)	-	(4,500)
Transfers	-	-	(442)	97	(267)	(667)	194	570	26	-	489	-	-	-
Depreciation	-	-	(1,158)	(1,234)	-	-	(742)	(950)	(579)	(496)	(141)	(152)	(2,620)	(2,832)
<b>Closing balance</b>	<b>9,721</b>	<b>9,442</b>	<b>38,279</b>	<b>33,133</b>	<b>-</b>	<b>-</b>	<b>1,599</b>	<b>1,980</b>	<b>972</b>	<b>1,176</b>	<b>4,871</b>	<b>3,524</b>	<b>55,442</b>	<b>49,255</b>

## 4.2 Intangible assets

The Institute has capitalised software development expenditure for the development of its SMS software. The carrying amount of the capitalised software development expenditure is \$4.54 million (2016: \$6.27 million). Its useful life is six years.

	2017 \$000			2016 \$000		
	Internally generated software	Access Rights <sup>1</sup>	Total	Internally generated software	Access Rights <sup>1</sup>	Total
<b>Software</b>						
Gross carrying amount						
Opening Balance	8,712	500	9,212	8,707	500	9,207
Additions	156	-	156	5	-	5
<b>Closing balance</b>	<b>8,868</b>	<b>500</b>	<b>9,368</b>	<b>8,712</b>	<b>500</b>	<b>9,212</b>
<b>Accumulated amortisation and impairment</b>						
Accumulation amortisation and impairment	(2,944)	-	(2,944)	(2,056)	-	(2,056)
Amortisation charge	(895)	-	(895)	(888)	-	(888)
Impairment charge	(987)	-	(987)	-	-	-
<b>Closing balance</b>	<b>(4,826)</b>	<b>-</b>	<b>(4,826)</b>	<b>(2,944)</b>	<b>-</b>	<b>(2,944)</b>
<b>Net carrying amount at end of the year</b>	<b>4,042</b>	<b>500</b>	<b>4,542</b>	<b>5,768</b>	<b>500</b>	<b>6,268</b>

<sup>1</sup> Due to the infinite nature of the Library rights intangible asset of \$500,000, no amortisation has been recognised in the Comprehensive Operating Statement.

### Initial recognition

Purchased intangible assets are initially recognised at cost. When recognition criteria AASB 138 Intangible Assets are met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

### Subsequent measurement

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

### Impairment

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

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the Comprehensive Operating Statement.

### 4.3 Investments and other financial assets

	2017 \$'000	2016 \$'000
<b>Current investment and other financial assets</b>		
Australian dollar term deposits > three months	26,560	13,292
<b>Total investments and other financial assets</b>	<b>26,560</b>	<b>13,292</b>

### Ageing analysis of investments and other financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
			Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000
2017 - Term Deposits	26,560	26,560	-	-	-	-
2016 - Term Deposits	13,292	13,292	-	-	-	-

## Note 5 BALANCES FROM OPERATIONS

### 5.1 Receivables

	2017 \$'000	2016 \$'000
<b>Contractual</b>		
Sales of goods and services	2,100	1,410
Provision for doubtful contractual receivables	(277)	(326)
<b>Total contractual</b>	<b>1,823</b>	<b>1,084</b>
<b>Statutory</b>		
Amount receivable from Victorian Government	1,675	2,034
<b>Total receivables</b>	<b>3,498</b>	<b>3,118</b>
Represented by		
<b>Current receivables</b>	<b>3,498</b>	<b>3,118</b>

**Receivables** consist of:

- statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable; and
- contractual receivables, which include mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables.

Receivables are stated inclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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

#### **Doubtful debts**

Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

	2017 \$'000	2016 \$'000
<b>Movement in the provision for doubtful contractual receivables</b>		
Balance at beginning of the year	(326)	(200)
Increase/(Decrease) in provision recognised in the net result	49	(126)
<b>Balance at end of the year</b>	<b>(277)</b>	<b>(326)</b>

## Ageing analysis of contractual receivables

### Past due but not impaired

	Carrying amount \$'000	Not past due and not impaired \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000	5+ Years \$'000
<b>2017</b>							
Trade receivables	1,823	1,541	249	20	12	-	-
<b>Total</b>	<b>1,823</b>	<b>1,541</b>	<b>249</b>	<b>20</b>	<b>12</b>	<b>-</b>	<b>-</b>
<b>2016</b>							
Trade receivables	1,084	592	261	203	26	-	-
<b>Total</b>	<b>1,084</b>	<b>592</b>	<b>261</b>	<b>203</b>	<b>26</b>	<b>-</b>	<b>-</b>

Note: The disclosures above excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes payable).

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

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

## 5.2 Other Non-financial assets

	2017 \$'000	2016 \$'000
<b>Current</b>		
Other Non-financial Assets	394	696

**Prepayments** represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

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

Inventories held-for-distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Cost, includes an appropriate portion of fixed and variable overhead expenses. Cost for all inventory is measured on the basis of weighted average cost.

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

### 5.3 Payables

	2017 \$'000	2016 \$'000
<b>Contractual</b>		
Supplies and services	2,215	1,559
Revenue in advance	1,200	283
	<b>3,415</b>	<b>1,842</b>
<b>Statutory</b>		
GST payable	166	195
<b>Total current payables</b>	<b>3,581</b>	<b>2,037</b>

**Payables** consist of:

- contractual payables, such as accounts payable, and unearned income. Accounts payable represent liabilities for goods and services provided to the Institute prior to the end of the financial year that are unpaid, and arise when the Institute becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost.

Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

#### Maturity Analysis of contractual payables

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000	5+ years \$'000
<b>2017</b>							
Supplies and services	2,215	2,215	-	-	-	-	-
<b>Total</b>	<b>2,215</b>	<b>2,215</b>	-	-	-	-	-
<b>2016</b>							
Supplies and services	1,559	1,559	1,559	-	-	-	-
Advances from Government	1,075	1,075	-	-	-	-	-
<b>Total</b>	<b>2,634</b>	<b>2,634</b>	<b>1,559</b>	-	-	-	-

Notes:

- The disclosures above excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes payable).
- The average credit period is 30 days. No interest is charged on the other payables. Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.



## Note 6 HOW WE FINANCED OUR OPERATIONS

### 6.1 Cash and deposits

	2017 \$'000	2016 \$'000
Cash at bank and on hand	5,263	9,341
<b>Total cash and deposits</b>	<b>5,263</b>	<b>9,341</b>

The Institute does not hold a large cash reserve in its bank accounts. Cash received by the Institute from the generation of income is generally paid into the Institute's bank accounts. Similarly, any Institute expenditure, including those in the form of cheques drawn by the Institute for the payment of goods and services to its suppliers and creditors are made via the Institute's bank accounts.

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

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

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

	2017 \$'000	2016 \$'000
Net result for the year	930	114
<b>Non cash movements<sup>1</sup></b>		
(Gain)/loss on sale or disposal of non current assets	(309)	(155)
Depreciation and amortisation of non current assets	3,515	3,720
Impairment	987	-
<b>Movements in assets and liabilities<sup>1</sup>:</b>		
Decrease / (increase) in trade receivables	(380)	1,283
Decrease / (increase) in other assets	-	(110)
Decrease / (increase) in non-financial assets	302	-
Increase / (decrease) in payables	1,544	(272)
Increase / (decrease) in provisions	(194)	349
<b>Net cash flows from/(used in) operating activities</b>	<b>6,395</b>	<b>4,929</b>

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

## 6.2 Borrowings

	2017 \$'000	2016 \$'000
<b>Current</b>		
Advances from Government	-	1,075
<b>Total borrowings</b>	-	1,075

### Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs.

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

Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Institute determines the classification of its interest bearing liabilities at initial recognition.

### Maturity analysis of borrowings

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000	5+ years \$'000
<b>2017</b>							
Advances from Government	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-
<b>2016</b>							
Advances from Government	1,075	1,075	-	1,075	-	-	-
<b>Total</b>	1,075	1,075	-	1,075	-	-	-

## 6.3 Contributed equity

	2017 \$'000	2016 \$'000
<b>Contributed capital</b>		
Balance at 1 January	14,015	14,015
<b>Balance at 31 December</b>	14,015	14,015

### Contributed capital

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

## Note 7 MANAGING RISKS AND UNCERTAINTIES

### 7.1 Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

	2017 \$'000	2016 \$'000
<b>Financial assets</b>		
<b>Loans and receivables and cash</b>		
Cash and deposits	5,263	9,341
Trade receivables	1,823	1,084
Term deposits	26,560	13,292
<b>Total financial assets</b>	<b>33,646</b>	<b>23,717</b>

<b>Financial liabilities</b>		
<b>Loans and payables and cash</b>		
Supplies and services	2,215	1,559
<b>At amortised cost</b>		
Advances from government	-	1,075
<b>Total financial liabilities</b>	<b>2,215</b>	<b>2,634</b>

### Categories of financial instruments

**Loans and receivables and cash** are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Institute recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits.

**Held to maturity financial assets:** If the Institute has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held to maturity. These are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. The Institute makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held to maturity investments not close to their maturity, would result in the whole category being reclassified as available-for-sale. The held to maturity category includes certain term deposits and debt securities for which the Institute intends to hold to maturity.

**Financial assets and liabilities at fair value through net result** are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows.

**Financial liabilities at amortised cost** are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Institute recognises the following liabilities in this category:

- payables (excluding statutory payables).

### **Net holding gain/(loss) on financial instrument by category**

The net holding gains or losses disclosed are determined as follows:

- for cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;
- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost;
- and for financial asset and liabilities that are held for trading or designated at fair value through profit or loss, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

### **Financial risk management objectives and policies**

The Institute is exposed to a variety of financial risks, market risk, credit risk and liquidity risk.

The Institute's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

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

Risk management is carried out by Financial Services under policies approved by the Board. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk. There has been no significant change in the the Institute's exposure, or its objectives, policies and processes for managing the Institute's financial risks or the methods used to measure the risk from the previous reporting period.

### **Credit risk**

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

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

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

The trade receivables balance at 31 December 2017 and 31 December 2016 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

In addition, the Institute does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. The Institute's policy is to only deal with banks with high credit ratings.

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

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

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

	Financial Institutions (A-1+ rating) \$'000	Government agencies (AAA rating) \$'000	Other counter-party \$'000	Total \$'000
<b>2017</b>				
Cash and deposits	5,263	-	-	5,263
Receivables <sup>1</sup>	-	-	1,823	1,823
Investments and other financial assets	-	26,560	-	26,560
<b>Total contractual financial assets</b>	<b>5,263</b>	<b>26,560</b>	<b>1,823</b>	<b>33,646</b>
<b>2016</b>				
Cash and deposits	9,341	-	-	9,341
Receivables	-	-	1,084	1,084
Investments and other financial assets	-	13,292	-	13,292
<b>Total contractual financial assets</b>	<b>9,341</b>	<b>13,292</b>	<b>1,084</b>	<b>23,717</b>

Notes:

<sup>1</sup> The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

## Liquidity risk

Liquidity risk is the risk that the Institute would be unable to meet its financial obligations as and when they fall due. The Institute operates under a payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

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

The Institute manages liquidity risk by:

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

The Institute's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

## Market risk

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

Objectives, policies and processes used to manage each of these risks are disclosed below.

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

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

**Interest rate risk**

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

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Institute does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Institute has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

The Institute manages cash flow interest rate risk through a mixture of short term and longer term investments, and undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management monitors movement in interest rates on a monthly basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Institute's sensitivity to interest rate risk are set out below.

	Weighted average effective rate		Total carrying amount per balance sheet		Floating interest rate		Fixed interest rate		Non-interest bearing	
	2017 %	2016 %	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Interest rate exposure of financial instruments</b>										
Cash and Deposits	1.70	2.20	5,263	9,341	5,263	9,341	-	-	-	-
<b>Receivables :</b>										
Trade receivables		-	1,823	1,084	-	-	-	-	1,823	1,084
Term Deposits	1.71	2.06	26,560	13,292	-	-	26,560	13,292	-	-
<b>Total financial assets</b>			33,646	23,717	5,263	9,341	26,560	13,292	1,823	1,084
Supplies and services		-	2,215	1,559	-	-	-	-	2,215	1,559
Advances from government	-	-	-	1,075	-	-	-	-	-	1,075
<b>Total contractual financial liabilities</b>		-	2,215	2,634	-	-	-	-	2,215	2,634

#### Interest rate risk sensitivity

A reasonably possible change of 50 basis points (2016: 50 basis points) in interest rates at the reporting date would have increased (decreased) equity and results by the amount shown below. This analysis assumes that all other variables remain constant.

	-50 basis points						+50 basis points			
	Carrying amount		Result		Equity		Result		Equity	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash and deposits	5,263	9,341	(26)	(47)	(26)	(47)	37	47	37	47
Investments	26,560	13,292	(133)	(66)	(133)	(66)	133	66	133	66
<b>Total impact</b>	31,823	22,633	(159)	(113)	(159)	(113)	170	113	170	113

## 7.2 Fair value determination

### *Significant judgement: Fair value measurements of assets and liabilities*

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

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

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result;
- available-for-sale financial assets; and
- land, buildings, plant and equipment, vehicles, lease hold improvements.

### **Fair value estimation**

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

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Institute determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### **Fair value determination of financial assets and liabilities**

The Institute currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2018 reporting period.



### 7.3 Fair value determination of non-financial assets

The Institute holds property, plant and equipments for which fair values are determined. Below are the relevant fair value information relating to those assets.

Refer to Note 7.2 for Fair Value determination.

#### Fair value measurement hierarchy

		Level 1	Level 2	Level 3
	Carrying amount at 31 December \$'000	Quoted Prices \$'000	Observable Price Inputs \$'000	Unobservable Inputs \$'000
<b>2017</b>				
Non specialised land	9,721	-	9,721	-
Specialised land	4,870	-	-	4,870
<b>Total of land fair value</b>	<b>14,591</b>	<b>-</b>	<b>9,721</b>	<b>4,870</b>
Specialised Buildings & Improvements	38,279	-	-	38,279
<b>Total Buildings &amp; Improvements at fair value</b>	<b>38,279</b>	<b>-</b>	<b>-</b>	<b>38,279</b>
<b>2016</b>				
Non specialised land	9,442	-	9,442	-
Specialised land	3,524	-	-	3,524
<b>Total land at fair value</b>	<b>12,966</b>	<b>-</b>	<b>9,442</b>	<b>3,524</b>
Specialised Buildings & Improvements	33,133	-	-	33,133
<b>Total Buildings &amp; Improvements at fair value</b>	<b>33,133</b>	<b>-</b>	<b>-</b>	<b>33,133</b>

#### Valuations of property, plant and equipment

Fair value assessments have been performed and are effective as at 31 December 2017 for all classes of assets. This assessment demonstrated that the fair value of land was materially different to carrying value, and therefore a managerial revaluation based on land indices provided by the Valuer General Victoria was carried out. The fair value of all other asset classes was materially similar to carrying value. The next scheduled full revaluation for the Institute will be conducted in 2022.

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

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

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

#### Specialised land and specialised buildings

The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the Institute's majority of specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

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

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

There were no changes in valuation techniques throughout the period to 31 December 2017.

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

#### Reconciliation of level 3 fair value movements

	Specialised land		Specialised buildings & improvements	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Opening balance	3,524	4,929	33,133	38,904
Purchases (sales)	489	(12)	(442)	46
Transfers in (out) of Level 3	-	(493)	-	(1,851)
Depreciation	(141)	(152)	(1,158)	(1,234)
Revaluations	999	(748)	6,746	(2,732)
<b>Closing balance</b>	<b>4,871</b>	<b>3,524</b>	<b>38,279</b>	<b>33,133</b>

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

2017 and 2016	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre. Useful life of specialised buildings
Motor vehicles	Depreciated replacement cost	Cost per unit. Useful life of vehicles
Plant and equipment	Depreciated replacement cost	Cost per unit. Useful life of plant and equipment
Library	Depreciated replacement cost	Cost per unit. Useful life of collection
Leasehold improvements	Depreciated replacement cost	Cost per unit. Useful life of improvements

## Note 8 GOVERNANCE DISCLOSURES

### 8.1 Responsible Persons

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

The persons who held the positions of Ministers and Accountable Officers in the Institute are as follows:

Position	Name	Dates of appointment
Minister of Training and Skills	The Hon. Gayle Tierney MP	1 January 2017 to 31 December 2017
Director and Chief Executive Officer	Mark Dixon	1 January 2017 to 31 December 2017
Chair Ministerial Nominee Director	Allison Jenvey	1 January 2017 to 31 December 2017
Ministerial Nominee Director	Jessica Furst	1 January 2017 to 31 December 2017
Ministerial Nominee Director	Annette Kearns	1 January 2017 to 31 December 2017
Ministerial Nominee Director	Vern Hilditch	23 February 2017 to 31 December 2017
Board Nominee Director	Roger Powell	1 January 2017 to 31 December 2017
Board Nominee Director	Brett Drinnan	1 January 2017 to 31 December 2017
Board Nominee Director	Kerry Grigg	1 January 2017 to 31 December 2017
Ministerial Nominee Director	Tammy Atkins	1 January 2017 to 31 December 2017
Staff Director - Elected	Janelle Cretney	1 January 2017 to 31 December 2017

### Remuneration

Accountable Officer	Remuneration range \$0 - \$20,000	Remuneration range \$20,000 - \$29,999	Remuneration range \$40,000 - \$49,999
Allison Jenvey			X
Jessica Furst		X	
Annette Kearns		X	
Brett Drinnan		X	
Kerry Grigg		X	
Roger Powell		X	
Tammy Atkins		X	
Vern Hilditch	X		
Janelle Cretney	X		

Remuneration received or receivable by the Accountable Officer in connection with the management of the Institute during the reporting period was in the range: \$240 000 - \$249 999 (\$240 000 - \$249 999 in 2016).

### 8.2 Remuneration of executives

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

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

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

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

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

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

	<b>Total Remuneration</b>
<b>Remuneration</b>	2017
Short-term employee benefits	\$1,102,254
Post-employment benefits	\$92,246
Other long-term benefits	\$12,608
Termination benefits	\$50,165
<b>Total remuneration</b>	<b>\$1,257,273</b>
<b>Total number of executives</b>	<b>9</b>
<b>Total annualised employee equivalent (AEE)<sup>(i)</sup></b>	<b>6.4</b>

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

### 8.3 Related parties

Related parties of the Wodonga Institute of TAFE include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over); and
- all cabinet ministers and their close family members

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

Key management personnel of the TAFE includes the Minister of Training and Skills, the Hon. Gayle Tierney MP, and members of the Wodonga Institute of TAFE Board and Executive Team, which includes:

- Chair Ministerial Nominee Director, Allison Jenvey;
- Ministerial Nominee Director, Jessica Furst;
- Ministerial Nominee Director, Annette Kearns;
- Ministerial Nominee Director, Vern Hilditch;
- Board Nominee Director, Roger Powell;
- Board Nominee Director, Brett Drinnan;
- Board Nominee Director, Kerry Grigg;
- Ministerial Nominee Director, Tammy Atkins;
- Staff Director - Elected, Janelle Cretney;
- Chief Executive Officer, Mark Dixon;
- Chief Finance Officer and Board Secretary, Phillip Paterson;
- Executive Director - People & Capability, Carolyn Davis;
- Executive Director - Education & Training, Les Burr;
- Acting General Manager - Education and Training, Graham Hart;
- Acting General Manager - Business, Victoria Conlan;

<b>Compensation of Key management personnel</b>	<b>Total Remuneration</b>
<b>Remuneration</b>	2017
Short-term employee benefits	1,272,148
Post-employment benefits	107,053
Other long-term benefits	14,634
Termination benefits	50,165
<b>Total remuneration</b>	<b>1,444,000</b>

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

Other related transactions and loan requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

## Note 9 OTHER DISCLOSURES

### 9.1 Other equity reserves

	2017 \$'000	2016 \$'000
<b>Physical asset revaluation surplus:<sup>1</sup></b>		
Balance at 1 January	31,532	43,264
Revaluation increments/(decrements)	8,024	(3,480)
Contributed Capital	-	(8,252)
<b>Balance at 31 December</b>	<b>39,556</b>	<b>31,532</b>

Note:

<sup>1</sup>The physical assets revaluation surplus arises on the revaluation of infrastructure, land and buildings.

### 9.2 Discontinued operations and non-current assets held for sale

#### Disposal of the Institute's Vacant Facility in Altona

In 2016, the Board approved the vacant Altona site for sale. As at 31st December 2016, the site was held for sale and duly sold in 2017 with settlement occurring on the 30th August 2017.

#### Non-financial assets held for sale

The following non-financial assets held for sale exist at the reporting date:

	2017 \$'000	2016 \$'000
Freehold land held-for-sale	-	2,156
Buildings held-for-sale	-	2,344
<b>Total non-financial asset classified as held for sale</b>	<b>-</b>	<b>4,500</b>

**Non-financial physical assets** (including disposal group assets) are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when:

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

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

Freehold land held for sale is carried at fair value less costs to disposal. Refer to Note 7.3 for the valuation technique applied to non-specialised land.

### 9.3 Application of standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not effective for the 31 December 2017 reporting period.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<i>AASB 9 Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1-Jan-2018	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.
<i>AASB 16 Leases</i>	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1-Jan-2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase. Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. No change for lessors. The Institute has minimal operating leases, and this standard will have an immaterial impact upon the Institute.
<i>AASB 15 Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1-Jan-18	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
<i>AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1-Jan-18	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.
<i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1-Jan-19	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.

<b>Standard/ Interpretation</b>	<b>Summary</b>	<b>Applicable for annual reporting periods beginning on</b>	<b>Impact on public sector entity financial statements</b>
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	<p>This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.</p> <p>The amendments:</p> <ul style="list-style-type: none"> <li>• require non-contractual receivables arising from statutory requirements (i.e. taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments; and</li> <li>• clarifies circumstances when a contract with a customer is within the scope of AASB 15.</li> </ul>	1-Jan-19	The assessment has indicated that there will be no significant impact for the public sector, other than the impacts identified for AASB 9 and AASB 15 above.
<i>AASB 1058 Income of Not-for-Profit Entities</i>	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	1-Jan-19	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.

## Summary of reporting requirement

Item No.	Source	SUMMARY OF REPORTING REQUIREMENTS	Page Number
<b>REPORT OF OPERATIONS</b>			
<b>CHARTER AND PURPOSE</b>			
1	FRD 22H	Manner of establishment and the relevant Minister	3, 100
2	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	2 - 25
5	FRD 22H	Nature and range of services provided including communities served	3 - 24
<b>MANAGEMENT AND STRUCTURE</b>			
4	FRD 22H	Organisational structure and chart, including responsibilities and details of the accountabilities of an entity's main activities	40
5	FRD 22H	Names of Board and Committee members	30 - 39, 91
<b>FINANCIAL AND OTHER INFORMATION</b>			
6	FRD 03A	Accounting for Dividends	N/A
7	FRD 07B	Early adoption of authoritative accounting pronouncements	93 - 94
8	FRD 10A	Disclosure Index	95 - 98
9	FRD 17B	Long Service leave and annual leave for employees	68 - 69
10	FRD 20A	Accounting for State motor vehicle lease arrangements prior to 1 Feb 2004	N/A
11	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements	7 - 12, 24, 55
12	FRD 22H	Occupational health and safety statement including performance indicators, performance against those indicators. Reporting must be on the items listed at 5.10(a) to (e) in the FRD	19 - 20
13	FRD 22H	Workforce data for current and previous reporting period including a statement on employment and conduct principles and that employees have been correctly classified in the workforce data collections (see Attachment B for details of the Department's required reporting approach to all workforce data)	19 - 22
14	FRD 22H	Summary of the financial results, with comparative information for the preceding four reporting periods	25
15	FRD 22H	Summary of significant changes in financial position	24 - 25
16	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	4 - 11
17	FRD 22H	Post-balance sheet date events likely to significantly affect subsequent reporting periods	47
18	FRD 22H	Summary of application and operation of the Freedom of Information Act 1982	45, 47
19	FRD 22H	Discussion and analysis of operating results and financial results	24 - 25
20	FRD 22H	Significant factors affecting performance	26 - 27
21	FRD 22H	Where a TAFE has a workforce inclusion policy, a measurable target and report on the progress towards the target should be included	N/A
22	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST) include list from 5.16(a) – (d) in the FRD	N/A
23	FRD 22H	Statement of compliance with building and maintenance provisions of the Building Act 1993	44
24	FRD 22H	Statement, where applicable, on the implementation and compliance with the National Competition Policy	45
25	FRD 22H	Summary of application and operation of the Protected Disclosure Act 2012	45
26	FRD 22H and FRD 24C	Summary of Environmental Performance including a report on office based environmental impacts	18



## Summary of reporting requirement (continued)

Item No.	Source	SUMMARY OF REPORTING REQUIREMENT	Page number
27	FRD 22H	<p>Consultants:</p> <p>Report of Operations must include a statement disclosing each of the following:</p> <ol style="list-style-type: none"> <li>1.Total number of consultancies of \$10,000 or more (excluding GST)</li> <li>2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available</li> <li>3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period AND for each consultancy more than \$10,000, a schedule is to be published on the TAFE institute website listing: Consultant engaged Brief summary of project Total project fees approved (excluding GST) Expenditure for reporting period (excluding GST) Any future expenditure committed to the consultant for the project</li> </ol>	44
28	FRD 22H	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	45
29	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at 5.19 (a) – (l) in the FRD)	49
30	FRD 22H	<p>An entity shall disclose the following in the report of operations:</p> <ol style="list-style-type: none"> <li>a) Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and</li> <li>b) Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: <ol style="list-style-type: none"> <li>(i) Operational expenditure (OPEX); and</li> <li>(ii) Capital expenditure (CAPEX).</li> </ol> </li> </ol>	44
31	FRD 25C	Victorian Industry Participation Policy Disclosures	N/A
32	FRD 26B	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004	N/A
33	FRD 29B	Workforce Data Disclosures on the public service employee workforce. Note: TAFEs must report on a calendar year basis (ie not financial year basis).	20 - 22
34	SD 3.7.1	The Responsible Body must ensure that the Agency applies the Victorian Government Risk Management Framework.	48
35	FRD 22H	An entity's report of operations shall contain general and financial information, including other relevant information, outlining and explaining an entity's operations and activities for the reporting period.	1 - 48
36	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, these Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	59
37	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	59
38	CG 10 (clause 27)	Register of Major Commercial Activities and Report	47
39	CG 12 (clause 33)	TAFE Institute Controlled Entities	60 - 92

## Summary of reporting requirement (continued)

Item No.	Source	SUMMARY OF REPORTING REQUIREMENT	Page number
<b>FINANCIAL REPORT</b>			
<b>FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE FINANCIAL MANAGEMENT ACT 1984</b>			
40	SD 5.2.2(b)	<p>The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons:</p> <ul style="list-style-type: none"> <li>• the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and</li> <li>• the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards.</li> </ul>	59
<b>OTHER REQUIREMENTS UNDER STANDING DIRECTION / FINANCIAL MANAGEMENT ACT 1994 (FMA)</b>			
41	SD 5.2.2(a) and FMA s 49	<p>An Agency's financial statements must include a signed and dated declaration by:</p> <ul style="list-style-type: none"> <li>• the Accountable Officer;</li> <li>• subject to Direction 5.2.2(c), the CFO; and</li> <li>• for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body.</li> </ul>	59
42	FRD 30D	Rounding of amounts	64
43	SD 3.2.1.1(c)	<p>The Responsible Body must establish an Audit Committee to:</p> <ul style="list-style-type: none"> <li>• review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament by the Responsible Minister</li> </ul>	30
<b>OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS</b>			
44	FRD 11A	Disclosure of ex-gratia payments	N/A
45	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	90 - 91
46	FRD 102A	Inventories	70, 78
47	FRD 103F	Non-financial physical assets	72 - 73, 87 - 89
48	FRD 105B	Borrowing costs	N/A
49	FRD 106A	Impairment of assets	75 - 76
50	FRD 107B	Investment properties	N/A
51	FRD 109A	Intangible assets	75 - 76
52	FRD 110A	Cash flow statements	63, 80
53	FRD 112D	Defined benefit superannuation obligations	69 - 70
54	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	N/A
55	FRD 114B	Financial instruments – general government entities and public non-financial corporations	82 - 87
56	FRD 119A	Transfers through contributed capital	62, 81, 92
57	FRD 120K	Accounting and reporting pronouncements applicable to the reporting period	93 - 94

## Summary of reporting requirement (continued)

Item No.	Source	SUMMARY OF REPORTING REQUIREMENT	Page number
<b>COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES</b>			
58	Legislation	<p>The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, (and which should be listed in the Report) including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Education and Training Reform Act 2006 (ETRA)</li> <li>• TAFE institute constitution</li> <li>• Directions of the Minister for Training and Skills (or predecessors)</li> <li>• TAFE institute Commercial Guidelines</li> <li>• TAFE institute Strategic Planning Guidelines</li> <li>• Public Administration Act 2004</li> <li>• Financial Management Act 1994</li> <li>• Freedom of Information Act 1982</li> <li>• Building Act 1983</li> <li>• Protected Disclosure Act 2012</li> <li>• Victorian Industry Participation Policy Act 2003</li> </ul>	47
59	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2016	47
60	Policy	Statement that the TAFE institute complies with the Victorian Public Sector Travel Principles	47
61	Key Performance Indicators	<p>Institutes to report against:</p> <ul style="list-style-type: none"> <li>• KPIs set out in the annual Statement of Corporate Intent; and</li> <li>• Employment costs as a proportion of training revenue;</li> <li>• Training revenue per teaching FTE;</li> <li>• Operating margin percentage;</li> <li>• Training Revenue diversity.</li> </ul>	55
<b>OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES</b>			
62	PAEC and VAGO (June 2003 Special Review item 3.110)	<ul style="list-style-type: none"> <li>• Financial and other information on initiatives taken or strategies relating to the institute's overseas operations</li> <li>• Nature of strategic and operational risks for overseas operations</li> <li>• Strategies established to manage such risks of overseas operations</li> <li>• Performance measures and targets formulated for overseas operations</li> <li>• The extent to which expected outcomes for overseas operations have been achieved</li> </ul>	N/A

