

# WODONGA INSTITUTE OF TAFE ANNUAL REPORT 2018



2018 AUSTRALIAN  
LARGE TRAINING PROVIDER  
OF THE YEAR



2018 VICTORIAN  
LARGE TRAINING PROVIDER  
OF THE YEAR

**Wodonga TAFE**

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

**Annual report - 31 December 2018**

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## **Annual report - 31 December 2018**

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## Board Chair and Chief Executive Officer Statement

It is with great pleasure that we submit the 2018 Annual Report of Wodonga Institute of TAFE. 2018 was an incredibly successful year for Wodonga Institute of TAFE, with our Institute achieving great success across all facets of the organisation, culminating in the Institute being named both the Victorian and Australian Large Training Provider of the Year.

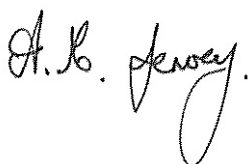
Such accolades are only possible because of an outstanding workforce culture that all at Wodonga Institute of TAFE have contributed to building and maintaining in recent years. It is that positive culture that sees all our people, at all levels of the Institute, working together and supporting each other in a 'One TAFE' approach.

We would like to acknowledge and thank The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education for her support in 2018. 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 Department of Education and Training, Higher Education and Skills Group (HESG) and the Victorian TAFE Association (VTA).

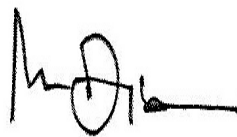
We also acknowledge our many fabulous partners from across industry, our community and the schools and university networks that continue to work with Wodonga Institute of TAFE in bringing vocational education into all aspects of the vast regional and remote area that we seek to serve. The importance of quality vocational education in building our region's workforce, overcoming unemployment, creating opportunities and addressing tertiary participation challenges, continues to grow and we are very proud to be working so closely with our partners, in helping shape a prosperous future for our region.

We would like to thank our Board Directors and the TAFE Management Team for their continued efforts to lead, support and steer our Institute through a very successful year full of challenges and complexity.

Finally, we want to thank and acknowledge all Wodonga Institute of TAFE staff who continue to give so much of themselves in helping shape what is officially the 2018 nationally awarded Large Training Provider of the Year. Our growing workforce is made up of incredibly passionate and selfless people, who all contribute to making Wodonga Institute of TAFE the successful Institute that it is. All Institute staff should be incredibly proud of not only what they do as individuals, but what they have contributed to building, as a team.



Allison Jenvey  
Chair & Ministerial Nominee Director  
Wodonga Institute of TAFE



Mark Dixon  
Managing Director and  
Chief Executive Officer  
Wodonga Institute of TAFE



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# CHARTER AND PURPOSE



## **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.

## **Our Purpose**

As the educational provider of choice servicing Victoria's Hume region, Wodonga Institute of TAFE plays a critical role in supporting the region's continued growth. With a mission to strengthen our communities and industries through accessible and innovative learning, Wodonga Institute of TAFE's success is underpinned by an uncompromising commitment to driving student success, helping build our communities through education, working in partnership with all industry, inspiring futures through innovative and future focused practices, as well as, empowering and supporting our people so they too can have productive and fulfilling careers.

We are a thriving community that facilitates positive and productive interactions between students, staff, industry, and the community, to share knowledge, support one another, and work together to ensure the future prosperity of the region.

The Institute's strategy is based on five key Directions:

***Successful learners***

We engage learners through quality learning and facilitation which enables them to aspire to achieve their full potential.

***Strengthening communities***

We build and maintain productive networks and community partnerships, working to create, connect and participate in learning communities.

***Partnering with industry***

We understand industry needs and innovate with industry to build targeted training solutions and workforce capability that enhances productivity through the development of future workforce skills.

***Inspiring futures***

We practise and drive innovation in all we do, embracing change and adapting to new technologies and methodologies.

***Empowering our people***

We inspire our people and lead by example, delivering workforce capability improvements.

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# ESTABLISHMENT



## **History**

Wodonga Institute of TAFE was established in 1986 by the Victorian State Government. Staff commenced working from a building at 1 McKoy Street Wodonga. In 1988 the Institute purchased the site at 87 McKoy Street, West Wodonga, the current main Campus, from the Albury - Wodonga Development Corporation. Wodonga Institute of TAFE delivered Health and Childcare training from what is now Building B and the Institute also offered workforce training for local businesses on-site. These facilities were shared with La Trobe University for approximately 10 years.

In 1991 Campus buildings were extended to include Building A and other buildings were added to the Campus as delivery demand grew. In 2013 operations were further expanded with the integration of the Driver Education Centre of Australia (DECA) into the Institute. DECA remained as a separate legal entity until 2017. DECA owned sites at Shepparton, Brooklyn and Newborough and delivered driver training from these sites. 2013 also saw the development of TAFESpace, a building in central Wodonga, which added to the presence of the Institute within the city. TAFESpace housed the Skills and Jobs Centre, which provided employment and career counselling services to students and the local community from its conception until it moved to the main Campus in 2018. Training continued to expand into the transport and logistic areas and so the Logic Campus at Barnawartha North was developed in 2014.

Wodonga Institute of TAFE has experienced significant success as a training provider over many years and has been recognised at state and national level by winning the Victorian Large Training Provider of the Year in 2002, 2008 and 2018 and the Australian Large Training Provider of the Year in 2008 and 2018.

## **Relevant Minister**

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

## **Programs**

In 2018, Wodonga Institute of TAFE offered over 300 courses ranging from Traineeships and Apprenticeships through to Diplomas and Advanced Diplomas. Over 11,000 students undertook courses in a range of disciplines including: Agriculture and Horticulture; Art, Creative Design & Digital Media; Building Design; Business, Leadership & Retail, Civil Construction, Earthmoving & Traffic Control; Disability Programs; Education; Engineering, Metal Fabrication & Telecomms; English Language Programs; Fashion Design & Hairdressing; Health & Community; Hospitality, Tourism, Events & Outdoor Recreation; Motorsports; Timber Studies; Transport; Warehousing & Logistics; and Work Health & Safety.

## **Services**

Wodonga Institute of TAFE continues to offer a range of services to industry including: workforce development consultancy; skills recognition; and employment services.

Our Skills and Jobs Centre provides expert advice on training and employment opportunities to current and prospective students; job starters; those returning to the workforce and employees wishes to up skill or change career; and employers.

## **Locations and facilities**

The main campus of Wodonga Institute of TAFE is located in McKoy Street, West Wodonga. The Institute has other campuses at the Logic Centre - Barnawartha North, Shepparton and Newborough and delivers training within the Australian Defence Force Army barracks at Bandiana and Puckapunyal. VET in Schools programs are currently delivered from Wodonga Senior Secondary College, with planned expansion of these programs into other local Secondary Schools. Wodonga Institute of TAFE also offers training programs in conjunction with community services in rural locations such as Tallangatta, Beechworth, Myrtleford and Corryong.



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# KEY INITIATIVES AND PROJECTS



## Quality teaching

At Wodonga Institute of TAFE we believe that maintaining the highest standards of quality in everything we do is critical. Quality is what sets Wodonga Institute of TAFE apart and is a fundamental contributing factor to why Wodonga Institute of TAFE ranks highly within the sector for student and employer satisfaction (HESG Performance and Accountability Framework). This acknowledged focus on quality was also recognised through the award of 2018 Australian Large Training Provider of the Year.

Our commitment to quality teaching and learning was further demonstrated in 2018 through the success of three key educational governance mechanisms, the Wodonga Institute of TAFE: Education Committee; Board of Studies; and Quality Teaching and Learning Unit.

The Education Committee comprises a group of senior education leaders from across the Institute who operate at the coal face of teaching and learning. Understanding the importance of providing senior educators with a voice and platform for collaboration and influencing relevant educational practice decision making led to the formation of this group. The committee has proved incredibly successful in helping information and ideas sharing between delivery departments, particularly with regard to disseminating best-practice strategy from high risk training environments across the Institute. Investment in this space drives our sector leading satisfaction rates, as well as, module completion rates.

Made up of Delivery Directors and Executive, Wodonga Institute of TAFE's Board of Studies was created to provide our Institute with educational leadership and governance of the entire delivery profile. Monitoring the scope of registration as well as trends and performance standards across the TAFE, a key success of the Board of Studies was ensuring Wodonga Institute of TAFE's scope and training capabilities aligned with industry and community needs in our region. The Board of Studies is a key reason as to why Wodonga Institute of TAFE continues to be recognised across our region as high quality, trustworthy and relevant.

Another key initiative that has contributed to Wodonga Institute of TAFE quality teaching is a new Quality Learning and Teaching Unit. Included in the team are Assessment Quality Officers who are tasked with providing higher level support to teaching practice, with an element of compliance and staff professional development. Assessment Quality Officers work hand in hand with trainers in redesigning assessment tools used in the delivery of programs, ensuring teaching and assessment align with the directions being set by the Education Committee and Board of Studies. Collaboration is key, where the expertise of Assessment Quality Officers and trainers are combined to ensure the highest quality teaching and assessing outcomes.

## Key partner - Defence

Wodonga Institute of TAFE has for many years provided training services to the Australian Defence Force's Army School of Health and Army School of Logistics. In 2018 our already great relationship with Defence was further enhanced with the awarding of a new training contract with the Army School of Electrical and Mechanical Engineering (ASEME), the largest Training School within the Australian Army. Wodonga Institute of TAFE is the lead training organisation within the Victorian TAFE Network collaboration with Box Hill and Chisholm Institutes. This partnership leverages sector expertise to enhance and improve program delivery which satisfies the exacting tender requirements of this critical, national defence capability.

As a result, Wodonga Institute of TAFE has been able to secure a new large revenue stream that is being reinvested into the community through employment of over 100 new staff and the supply of goods and services sourced from the local community. This provides a significant economic and social benefit to the region. Just as important Wodonga Institute of TAFE is able to reinvest revenue into the Institute, to improve learning opportunities, environments and innovation.

Because of our success in winning new training contracts such as this, as well as our overarching focus and performance in industry training provision, Wodonga Institute of TAFE has been able to achieve a fee for service / Government funded revenue split of 60/40. This funding split allows the Institute to operate in the model of an enterprise Registered Training Organisation (RTO) whilst still being able to serve wider thin market community needs.

## Collaboration

If there was one reoccurring theme that underpins Wodonga Institute of TAFE's partnership success, it is collaboration. Working effectively with multiple stakeholders, Wodonga Institute of TAFE's partnership successes are a result of understanding our strengths and limitations, and bringing the right people to the table to ensure the very best quality outcomes for all parties.

Our capability in leading collaborative efforts in 2018 is evidenced in the previously mentioned coordinated joint submission and subsequent training delivery to the Australian Defence Force's Army School of Electrical and Mechanical Engineering (ASEME). The fact that Wodonga Institute of TAFE was able to initiate and lead a coordinated Victorian TAFE Network response to a significant and critical training need is an incredibly important statement, not just to industry nationally, but also our centralised counterpart TAFEs in other states. So significant was this TAFE networked collaborative approach, the Minister provided a letter of recommendation, adding weight to the tender bid. The pooling of resources and leveraging the individual expertise of multiple Victorian TAFEs helps increase the likelihood of winning significant national training contracts. Another successful example of our Victorian TAFE Network collaborative delivery is the highly successful national Flight Centre training contract serviced by both Wodonga Institute of TAFE and Chisholm Institute in 2017 and 2018.

Wodonga Institute of TAFE in partnership with The Gordon participated in a process to identify the best solution for a new HR system to be implemented into both Institutes. With the collaboration achieving both financial and business system best practice efficiencies, the rollout of the new system, leveraging the expertise across both Institutes, will help ensure Wodonga Institute of TAFE and The Gordon achieve the best practice outcomes desired from this significant project.

Wodonga Institute of TAFE's influence in cross Victorian TAFE collaboration efforts is further demonstrated in the lead role the Institute has taken in driving the Victorian TAFE Association's (VTA) Regional CEO Network and the projects it is running. As a means to achieve pragmatic shared service efficiencies across the Network, Wodonga Institute of TAFE made the decision to release a highly experienced Executive Director to the VTA to drive the two milestone collaborative TAFE projects.

## Engagement

At Wodonga Institute of TAFE we understand that effective and ongoing engagement with stakeholder groups is critical in being responsive to the needs of industry and community. In 2018 our Institute took a leap forward in how we manage engagements with key stakeholders such as students (current and prospective), industry, schools and community organisations.

Tasked with working directly with stakeholders including secondary schools, community support organisations, employment networks, industry and others, the Wodonga Institute of TAFE Engagement team was established to play a key role in understanding the needs of these stakeholder groups, engaging with them, and finding ways to help address their specific needs. Acting as a conduit between the external market and the Institute, this dedicated workforce is invaluable in linking Wodonga Institute of TAFE's curriculum development and delivery with the specific needs of clients. Across the 2018 year we have seen the Engagement team deliver numerous engagement activations both on the TAFE site and in outreach areas. These activations have provided opportunities for the Institute to physically engage with large numbers of stakeholders, heightening relationship building and helping groups recognise the breadth of opportunities that come from a relationship with Wodonga Institute of TAFE.

Wodonga Institute of TAFE is recognised as a leader in the delivery of training solutions to industry. Our dedication to quality delivery and customer service is the reason why the Institute continues to rank highly for employer feedback (HESG Performance and Accountability Framework) in the sector, and why our links across all facets of industry are so strong. Our approach to engaging with and servicing industry is based on the four key pillars of: understanding the industry and business; designing and developing solutions contextualised specifically to needs; delivering and refining the training programs to minimize disruption to the business; and providing extra services that add increased value to the training relationship. One example was an industry collaboration with Transport Women Australia, LinFox, Australia Post, Volvo and Wodonga Institute of TAFE's specialty transport department, the Driver Education Centre of Australia (DECA) that sought to address two key industry challenges: firstly, increasing female driver participation in the transport and logistics industry; and secondly, increasing the driving standards of newly licenced heavy vehicle drivers to ensure they are industry ready.

The solution was the implementation of a targeted DECA Superior Heavy Vehicle Licensing Program for women. Together with being awarded a heavy vehicle licence, successful participants also complete DECA's unique rollover prevention and stability training, as well as a best practice industry endorsed Pro Driver training program. In order to help identify and overcome barriers to women joining the transport industry, DECA teamed with Transport Women Australia (TWA) to give participants further skills and mentoring in addressing issues such as women's health, sexism in a male dominated industry, and mapping female friendly facilities on transport routes. To complete the successful transition to employment DECA and TWA worked with Linfox and Australia Post, to check that their workplaces were ready to accommodate female drivers, ensuring cultures were supportive of women participation, workforce knowledge of anti-discrimination laws were current and facilities were appropriate. The initial program achieved 100% completion. Additionally, all participants are employed under a traineeship.

## **Workforce**

Building a motivated and cohesive workforce is critical for sustained Institute success, and during a year of significant growth at Wodonga Institute of TAFE, the importance of ensuring all staff are informed, empowered and valued was critical.

Winning the new Australian Defence Force Army School of Electrical and Mechanical Engineering (ASEME) training contract brought with it significant challenges with regard to establishing a new workforce responsible for delivery of this training. Over 100 new staff were required, with the Institute needing to on-board these new employees in only 12 weeks to meet the start date of the training contract. The process of interviewing all staff, setting them up in Wodonga Institute of TAFE systems and inducting them appropriately saw numerous stakeholders from across the Institute work hand in hand to ensure these new staff members were seamlessly integrated in time. Ensuring these new staff members immediately felt acceptance into the Wodonga Institute of TAFE family, an entire induction day was held, with leaders from all divisions of the Institute presenting to these new employees on what their functions were, and what their roles were in supporting the new staff. New staff were chaperoned by current staff across the day, meaning all levels of the organisation came together to embrace these new members. This activity was absolutely critical in instilling the Wodonga Institute of TAFE culture in this new group of people, and has proven to be a great success.

Wodonga Institute of TAFE's annual staff professional development day Knowledge Share was once again celebrated as a highly valued opportunity for the entire Institute to come together and share ideas and knowledge. With guest speakers, executive and staff presentations, this event supports the Institute's 'One TAFE' philosophy by bringing everyone together in a fun and engaging way.

Keeping a workforce informed through effective communications is critical to not only to keep staff working toward common goals, but also to ensure staff feel valued and empowered. Making sure staff hear regularly from executive leadership is important, and for this reason in 2018 Wodonga Institute of TAFE implemented 'on the couch' video interviews with our CEO, distributed to staff through our internal intranet. Taking a more relaxed and informal approach to sharing information, engagement with these messages grew significantly when compared to more traditional communication methods. This communication tool has been an invaluable resource in building a culture of open communication, willingness to share, helping reinforce Wodonga Institute of TAFE's 'One TAFE' culture.

## **Key priorities for 2019**

Our key priorities looking forward to 2019 include the following:

- Commence delivery of Free TAFE courses and consolidate Defence contract transition and growth opportunities.
- Continued focus on quality teaching, with quality resources, including the completion of the new Training and Assessment (TAE) qualification upgrade for all teaching staff.
- Implementation of a Workforce Capability Framework and ongoing focus on Staff well-being and welfare.
- Successful implementation of the teaching staff Multi Enterprise Agreement (MEA) and introduction of our new Human Resource/Payroll system.
- Build capacity and capability to plan for international delivery in 2020.
- Sustainable solutions to campus locations in Newborough and Shepparton along with upgrades to and rejuvenation of the McKoy Street and Logic Campuses.

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# AWARDS AND ACHIEVEMENTS



## **Awards and achievements**

### **2018 Australian Training Awards**

Wodonga Institute of TAFE - Large Training Provider of the Year - winner

### **2018 Victorian Training Awards**

Wodonga Institute of TAFE - Large Training Provider of the Year - winner

Sarah Whitling - Teacher of the Year - finalist

Christian Bashimbe - Student of the Year - finalist

### **2018 Henty Field Days - Natural Fibre Fashion Awards**

Reanan Toovey - Best Garment Designed by a Student - winner

### **2018 - Victorian Sports Turf Association Awards**

Rhys Taylor - Victorian Apprentice of the Year

### **2018 Aus-TAFE Culinary Trophy - State division**

Chelsea McGuire, Stephen Klafuric, Ben Warhust, Rory Stones and Lorraine Spargo - finalists

### **2018 Albury Wodonga Red Carpet Youth Awards**

Tyler Spessot - Visual Arts and Media section - winner



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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		323.37	418.61	
Gross Floor Area (GFA) - m2		28,513	28,513	
<b>Type</b>	<b>Measure</b>	<b>2017</b>	<b>2018</b>	<b>Future target</b>
<b>Electricity</b>	Kilowatts			
Total electricity usage (Kwt)		2,052,003	1,917,943	1,822,046
Greenhouse gas emissions		1,691	2,135	
Units per FTE (Kwt per FTE)		6,346	4,582	
Units per GFA (Kwt per m2)		72	67	
<b>Gas</b>	Mega joules			
Total gas usage (MJ)		5,721,824	4,704,292	4,469,077
Units per FTE (MJ per FTE)		17,694	11,238	
Units per GFA (MJ per m2)		213	165	
<b>Paper Use</b>	A4 Reams			
Total reams purchased		2,800	3,200	3,040
Units per FTE (reams per FTE)		8.7	7.6	
Percentage of recycled content		10%	10%	
<b>Water consumption</b>	Kilolitres			
Total water usage (KI)		40,852	35,971	34,172
Reclaimed water usage (KI)		23,138	20,634	
Mains water usage (KI)		17,714	15,337	
Units per GFA (KI per m2)		1.32	1.26	
<b>Transportation</b>	Tonnes			
Greenhouse gas emissions from fleet - total (T)		297	299	
No. petrol hybrid cars in fleet		7	10	
Vehicles in fleet - total		34	34	
Distance travelled by air - total (KM)		47,331	151,322	
Greenhouse gas emissions air travel (T)		11.1	33.3	
<b>Greenhouse gas emissions</b>	Tonnes			
Total - energy use (T)		1,999	2,468	

Wodonga Institute of TAFE is committed to reducing its environmental impact, particularly energy consumption. The Institute has undertaken a building maintenance program over the past two years which has included the use of more energy efficient products such as lighting, air conditioning etc. This has resulted in a decrease in both electricity and gas usage. Total water usage has also decreased, with the main water component being the use of reclaimed water for the gardens and toilets. Institute management also made the decision to transition the Institute car fleet to petrol hybrid cars or smaller vehicles, in order to reduce fuel costs and emissions. Wodonga Institute of TAFE has increased staff and student numbers during 2018 and this is reflected in the overall increase in paper usage, however, units per FTE has decreased.

## Human Resources

### Industrial Relations

The Victorian TAFE Teaching Staff Agreement 2018 came into effect 19 October 2018 after the Victorian TAFE Association were successful in negotiating a multi- agreement on behalf of all Victorian TAFEs. Work has been commenced with the Management group to begin the implementation phase which will continue into 2019.

Negotiation of the Wodonga Institute of PACCT Staff Enterprise Agreement 2014 which nominally expired on 31 December 2017 was concluded in 2018 with Employer, Union representatives and staff bargaining representatives coming to an agreement. The proposed agreement was submitted to Fair Work Commission for approval on 30 October 2018.

A process was undertaken in 2018 to align the Trainer workforce employed under the Driver Education Centre of Australia (DECA) Enterprise Agreement 2015 which nominally expired on 30 June 2017 to the PACCT Staff Enterprise Agreement 2014. This change took effect 22 October 2018.

The Institute Consultative Committee and Workplace Consultative Committee continued to meet regularly throughout 2018 where management and elected staff representatives discussed matters relating to the implementation of the relevant enterprise agreements and other staff related matters.

With the commencement of the Victorian TAFE Teaching Staff Agreement 2018, the Institute Consultative Committee was replaced with the MEA Implementation Group (MEAIG). The MEAIG had their first and a supplementary meeting prior the end of the year to discuss the implementation of the new agreement.

There was no industrial action taken by staff during 2018.

### Occupational Health and Safety

Measure/Indicator	2016	2017	2018
Reported hazards/incidents for full time employees (FTE):	31	33	67
Equivalent Full Time (EFT) staff	303.54	323.37	418.61
Reported hazards/incidents per 100 EFT staff	10.21	10.21	16.01
Notifiable incidents	0	0	0
Lost Time Injury standard Workcover claims	0	2	2
Standard Workcover claims	0	3	3
Lost time standard Workcover claims per 100 EFT staff	0	0.62	0.48
Total payments	\$0	\$4,358	\$1897
Average cost per claim	\$0	\$1,452	\$300
Fatalities	0	0	0

A continual overarching commitment to Occupational Health and Safety (OHS) across the Wodonga Institute of TAFE has achieved an increase in safety participation, reporting, training, and health and wellbeing activities during 2018.

With an increase in EFT of approximately 25% this has resulted in an increase in incidents and hazards reported. In addition the introduction of a Health and Wellbeing program in 2018 focussing on physical and psychosocial wellbeing involving a Physiotherapist being present on site to work with staff on their physical work location and wellbeing has increased staff's awareness of the safety culture.

There has also been as strong focus on OHS training along with a relatively new Work Health and Safety Committee in 2018 throughout the year which as provided a positive safety culture.

## Workforce data

The total Full Time Equivalent (FTE) for 2018 was 418.61 and a breakdown of workforce data is below.

Demographic data	December 2018						December 2017					
	All employees			Ongoing			Fixed term and casual			All employees		
	Number Headcount	FTE	Full-time Headcount	Part-time Headcount	FTE	Number Headcount	Number Headcount	FTE	Full-time Headcount	Part-time Headcount	FTE	Fixed term and casual Number Headcount
Women	312	200.52	78	29	96.58	205	303	181.00	77	35	100.00	191
Men	317	218.09	64	1	64.60	252	228	142.00	60	3	62.00	165
Self-described	n	n	n	n	n	n	n	n	n	n	n	n
<b>Age</b>												
15-24	29	19.88	7	0	7.00	22	30	12.00	4	0	4.00	26
25-34	68	41.84	19	1	19.59	48	70	39.00	21	2	23.00	47
35-44	130	88.33	27	3	28.93	100	120	75.00	28	6	32.00	86
45-54	191	131.56	46	10	52.79	135	146	94.00	39	14	48.00	93
55-64	168	117.35	39	14	47.87	115	138	87.00	39	15	48.00	84
65+	43	19.65	4	2	5.00	37	27	17.00	6	1	7.00	20
<b>Classification Data</b>												
PACCT Staff	206	157.67	71	15	80.00	120	137	105.00	65	20	78.00	52
Teaching Staff	336	229.27	61	13	69.70	262	340	177.00	58	15	67.00	267
Other Employees	81	25.68	10	2	11.49	69	48	35.00	14.0	3	16.00	31
Executives	6	6.00	0	0	0.00	6	6	6.00	0	0	0.00	6

## Employment and Conduct Principles

Wodonga Institute of TAFE recruits and promotes the most suitably qualified, experienced and capable employees through an open, transparent and merit based selection process that complies with relevant legislative requirements. Wodonga Institute of TAFE is committed to equal opportunity and fair and transparent processes in all human resource management procedures. All employees are expected to conduct themselves in accordance with the Wodonga Institute of TAFE Code of Conduct. Staff have been correctly classified in workforce data collections.

Wodonga TAFE participated in the People Matter Survey in 2018 which is designed to capture employee's perceptions of their workplaces in the Victorian Public Sector. It is an important instrument used to measure and benchmark organisational culture and features of the work environment such as employment principles. Wodonga TAFE overall job satisfaction was at 68% which was higher than the comparison group average of 66%.



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# GOVERNANCE



## Governance

Wodonga Institute of TAFE is governed by a Board of Directors established under the Constitution of the Wodonga Institute of Technical and Further Education Order 2016 (the Constitution) and the Education Training and Reform Act 2016 (the Act). The Board's role under the Act is to oversee and govern the Institute efficiently and effectively; develop and implement strategic plans and statements of corporate intent in accordance with the requirements of the Act; and oversee the operational planning of the Institute. The Board also has a Terms of Reference and a Board Plan which provide guidance to Directors in regards to their accountabilities and interactions.

The Board is comprised of members who have experience in Management, Finance, Corporate Governance and Adult and Tertiary Education, with the majority coming from the local region. The Board is committed to ethical conduct in line with the Victorian Public Sector Commission Code of Conduct and is ultimately responsible to the Victorian Government for the governance and management of the Wodonga Institute of TAFE.

## Board members

Board members are either appointed by the Minister, appointed by the Board, or elected by staff. The CEO is an ex-officio director.

The following Directors served on the Board during 2018:

- Tammy Atkins
- Glenda Beecher
- Janelle Cretny
- Mark Dixon (CEO - Ex-officio)
- Brett Drinnan
- Jessica Furst
- Kerry Grigg
- Vernon Hilditch
- Allison Jenvey - Chair
- Annette Kearns
- Roger Powell

## Board Committees

In 2018 the following Board Committees assisted the Board in fulfilling its duties:

- Audit, Risk and Remuneration Committee
- Finance Committee
- Strategy, Innovation and Growth

### ***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 financial statements in the Annual Report have been reviewed by the Audit, Risk and Remuneration Committee, were adopted by the Institute's Board and have been authorised by Board to be released to Parliament within the Annual Report.

Membership during 2018 included:

- Tammy Atkins
- Glenda Beecher
- Jessica Furst - Chair
- Vernon Hilditch
- Allison Jenvey
- Annette Kearns
- Roger Powell

### ***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.

Membership during 2018 included:

- Janelle Cretney
- Mark Dixon (CEO - Ex-officio)
- Brett Drinnan
- Jessica Furst
- Kerry Grigg
- Allison Jenvey
- Annette Kearns - Chair

### ***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.

Membership during 2018 included:

- Tammy Atkins
- Glenda Beecher
- Janelle Cretney
- Mark Dixon (CEO - Ex-officio)
- Brett Drinnan
- Kerry Grigg
- Vernon Hilditch
- Allison Jenvey
- Roger Powell - Chair

## Executive management structure

### Organisational Chart as at 31 December 2018

#### **Mark Dixon - Chief Executive Officer and Managing Director**

The Chief Executive Officer and Managing Director leads the operational management of the Institute and works with the Board of Directors to deliver against the strategic objectives for the Institute in line with Government priorities.

#### **Phil Paterson - Chief Finance Officer**

The Chief Finance Officer is responsible for managing the financial performance of the Institute and providing financial, risk management, and business strategy advice to the Board and Management Team.

#### **Carolyn Davis - Executive Director, People & Capability**

The Executive Director, People & Capability is responsible for the development and implementation of strategic human resource management including capability building and maintenance of a positive high performance culture across the Institute.

#### **Les Burr - Executive Director, Academic Affairs**

The Executive Director, Academic Affairs provides academic leadership to the Institute and strategic advice to the Chief Executive Officer to support strategies for innovation and growth.

#### **Graham Hart - Executive Director, Education & Training**

The Executive Director, Education & Training is responsible for the provision of educational leadership across the Institute, ensuring the delivery of high quality teaching and learning programs that meet the needs of students and industry partners.

#### **Victoria Conlan - Executive Director, Community & Industry Engagement**

The Executive Director, Community & Industry Engagement is responsible for the development and implementation of an Engagement Strategy aimed at growing vocational training participation rates within the community, regional industries, school leavers and youth cohorts.

Board of Wodonga Institute of TAFE									
Committees:									
Audit, Risk and Remuneration Committee				Finance Committee			Strategy, Innovation and Growth Committee		
Mark Dixon Chief Executive Officer									
Phillip Paterson Chief Finance Officer		Carolyn Davis Executive Director, People & Capability		Les Burr Executive Director, Academic Affairs		Graham Hart Executive Director, Education & Training		Victoria Conlan Executive Director, Community & Industry Engagement	



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# FINANCIAL PERFORMANCE

## Five year financial summary

Comparative results 2014 - 2018

Item	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000
Revenue from operations <sup>1</sup>	55,503	44,264	45,771	56,285	54,440
Expenditure from operations <sup>2</sup>	47,448	40,074	42,066	50,267	48,881
<b>EBITDA incl net gain from reval of annual leave liability</b>	<b>8,055</b>	<b>4,190</b>	<b>3,705</b>	<b>6,018</b>	<b>5,559</b>
Govt capital contributions	140	20	-	-	-
Depreciation and amortisation	(3,516)	(3,515)	(3,720)	(3,545)	(3,893)
Gains(losses) on disposal of assets	48	309	155	109	6
Movements in the provision for LSL	(29)	(74)	(26)	(369)	(571)
<b>Net result</b>	<b>4,698</b>	<b>930</b>	<b>114</b>	<b>2,213</b>	<b>1,101</b>
Assets	102,530	95,699	86,470	76,564	74,486
Liabilities	(10,459)	(8,326)	(8,051)	(6,529)	(6,663)
<b>Total equity</b>	<b>92,071</b>	<b>87,373</b>	<b>78,419</b>	<b>70,035</b>	<b>67,823</b>

Note:

<sup>1</sup> 2018 revenue has increased \$11.2m upon 2017 due primarily to the Defence training at Army School of Electrical Mechanical and Engineering (ASEME).

<sup>2</sup> Expenses have increased \$7.3m due to increased salaries and wages, resulting from the ASEME training. The \$7.3m increase in expenses is more than offset by revenue growth of \$11.2m, resulting in a strong EBITDA in 2018.

Assets have increased due to improved cash balances.

## Summary of current year financial performance

The financial information in this report of operations is consistent with the information provided in the financial statements.

The Institute's results for the year ending 31 December 2018 was a net surplus of \$4.7m compared to a Board approved budget of (\$3.8m). This result for 2018 represents a significant improvement on the 2017 result of \$930k.

The revenue of \$55.6m represents an \$11.3m increase upon 2017. The \$7.3m expenditure growth has been offset by the revenue increase supporting the underlying health of our financial position.

Wodonga TAFE's financial position is stable with net assets of \$92.07m and the working capital ratio decreased to 6.9:1. Liquidity also remains strong.

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 2018, however the government continued to support Wodonga Institute of TAFE through Stronger TAFE funding.



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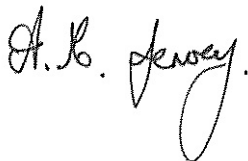
# COMPLIANCE



## FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Allison Jenvey, on behalf of the Board of Directors, certify that Wodonga Institute of TAFE has complied with the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions for the full year ending 31 December 2018.

The Audit, Risk and Remuneration Committee has reviewed and verified the Institute's compliance assessment.



Allison Jenvey  
Board Chair  
19th February 2019

### Financial reporting directions

This report is prepared in accordance with the requirements of the Financial Reporting Directions. For further details, please refer to the Financial Statements.

Please note that from 29 November 2018 the Minister for Finance position no longer exists, and all references to the Minister for Finance in this report should be read as the Assistant Treasurer.

No post-balance sheet date events have been identified as having effect and in 2018, there were no significant financial reporting factors affecting performance.

### Additional information available on request

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

- declarations of pecuniary interests of relevant officers
- shares held beneficially by senior officers as nominees of a statutory authority
- publications produced and how they can be obtained
- changes in prices, fees, charges, rates, and levies
- major external reviews
- major research and developmental activities
- overseas visits undertaken
- major promotional, public relations, and marketing activities
- assessments and measures undertaken to improve the health and safety of employees
- industrial relations issues
- major committees sponsored
- consultancies and contractors.

### Advertising campaigns

Wodonga Institute of TAFE has no government advertising campaigns in excess of \$100,000 (excluding GST) to report.

### Building Services

Wodonga Institute of TAFE has established policies and mechanism to ensure that works to existing buildings confirm with building standards and with statutory obligations arising from the Building Act 1993. 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 Standards.

## Carers Recognition 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.

## Compliance with other legislation

Wodonga Institute of 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*

## Compulsory student services and amenities fees

Wodonga Institute of TAFE did not receive any compulsory non-academic fees, subscriptions, or charges in 2018.

## Conduct principles

All staff are required to comply with the Wodonga Institute of TAFE's Staff Code of Conduct and the Code of Conduct for Victorian Public Sector employees. The Institute values and behaviours also provide guidance to staff on expected behaviour and professional conduct.

## Consultancies

In 2018, there were 11 additional consultancies where the total fees payable were less than \$10,000. The total expenditure incurred during 2018 in relation to these consultancies is \$62,024.23 (excl. GST). In 2018, there were 7 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2018 in relation to these consultancies is \$1,778,466.17 (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 2018	Future expenditure
Your Key Australia Pty Ltd	Development of the Retail Connection project	Jun 2018	Dec 2018	\$1,127,697	\$1,127,697	Nil
Anstra Associates	RDV scoping study expansion	Jun 2018	Dec 2018	\$48,600	\$48,600	Nil
Eworks Employment Solutions	Recruitment of staff for ASEME contract	Jun 2018	Jul 2018	\$20,000	\$20,000	Nil
Cookinburra International Pty Ltd	Support for Phase In and Contract Transition of ASEME	May 2018	Aug 2018	\$46,800	\$46,800	Nil
MGS Consultants	Wodonga TAFE Framework Plan	Jan 2018	Apr 2018	\$38,024	\$38,024	Nil

Retail Life	Development of the Retail Connection project	Sep 2018	Dec 2018	\$330,400	\$330,400	Nil
Technology One Ltd	Migration to Technology One HR/Payroll system	Apr 2018	Dec 2018	\$166,943	\$166,943	Nil

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

## Freedom of Information

Wodonga Institute of 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 Institute of TAFE ensures that its procedures are in line with the requirements of the Freedom of Information Act 1982. During the calendar year ended 31 December 2018, Wodonga Institute of TAFE did not receive any request for information under the Freedom of Information process.

## ICT expenditure

*Details of ICT expenditure for 2018 (full year)*

ICT expenditure Total	BAU Operational expenditure	BAU Capital expenditure	Non-BAU Operational expenditure	Non-BAU Capital expenditure
\$3,850,000	\$3,178,000	\$185,000	\$487,000	\$0

## Major commercial activities

Wodonga Institute of TAFE undertook no major commercial activities.

## National Competition policy

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

## Protected Disclosures Act

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 Institute of TAFE does not tolerate improper conduct by employees or the taking of reprisals against those who come forward to disclose such conduct.

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

## Victorian Industry Participation Policy disclosures

Wodonga Institute of TAFE undertook no projects applicable under the Local Jobs First - *Victorian Industry Participation Policy*.

## **Victorian Public Sector Travel Policy**

Wodonga Institute of TAFE has policies and procedures in relation to domestic and international travel and accommodation to ensure compliance with the Victorian Public Sector Travel Policy.

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](mailto: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 year ended 31 December 2018 in the following structure to provide users with the information about the Institute's stewardship of resources entrusted to it.

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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> 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'.

<sup>4</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.



## 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 for the year ended 31 December 2018</li> <li>• the management certification.</li> </ul> <p>In my opinion, the performance statement of the Wodonga Institute of TAFE in respect of the year ended 31 December 2018 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. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the performance statement</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 performance statement</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 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  
21 February 2019

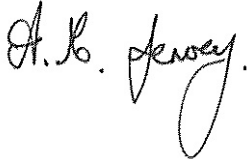


Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

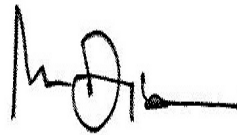
## Performance statement management certification for 2018

In our opinion, the accompanying Performance Statement of Wodonga TAFE in respect of the 2018 year present a true and fair view of the performance of Wodonga TAFE.

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  
Chair & Ministerial Nominee Director  
Wodonga Institute of TAFE



Mark Dixon  
Managing Director and Chief Executive Officer  
Wodonga Institute of TAFE

Wodonga  
19th February 2019



Phillip Paterson  
Chief Finance Officer  
Wodonga Institute of TAFE

Wodonga  
19th February 2019

Wodonga  
19th February 2019

## Performance statement

### PERFORMANCE STATEMENT FOR THE YEAR ENDED 31 December 2018

KPI	Definition	Measure	Performance 2018	Target 2018	Performance 2017	Comment
Training revenue diversity	Govt. Funded Training / Total Training Revenue	%	37.4%	51.8%	52.9%	Reduction in the proportion of Govt funded training due to increased Fee for Service (FFS) contracts, notably the Defence training at Army School Electrical Mechanical and Engineering (ASEME). - We will need to generate a 2019 target based upon our 2019 budget.
	Fee for Service / Total Training Revenue	%	56.2%	37.5%	39.1%	Improved diversification away from Victorian Govt funded training due to ASEME contract improves revenue mix and financial sustainability.
	Student Fees & Charges / Total Training Revenue	%	6.4%	10.7%	8.0%	Revenue from Student fees declined as a proportion of total revenue due to the growth in FFS revenue.
Employment costs as a proportion of training revenue	(Employment Costs + 3rd Party Training Delivery Costs)/Total Training Revenue	%	85.2%	95.0%	91.0%	Reduction in employment costs as a percentage of training revenue due to focus upon efficient organisation structure while growing revenue base.
Training revenue per teaching FTE	Training Revenue (excl. Revenue delivered via 3rd party delivery)/Total teaching FTE (including annualised casual teaching staff)	\$	\$156,597	\$141,855	\$159,538	Increase in training revenue per teaching FTE against target due to FFS growth.
Operating margin percentage	EBIT excl. capital contributions/Total revenue excl. capital contributions	%	8.1%	(9.0%)	1.4%	EBITDA improvements due to proactive control of expenditure, improvement in revenue base including both FFS and non Capital grant income.

## 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 2018</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration by the Board Chair, Chief Executive Officer 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 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of <i>Part 7 of the 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. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<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>Part 7 of the Financial Management Act</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

## 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  
21 February 2019



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

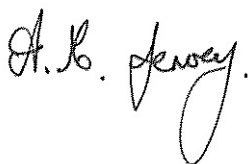
## DECLARATION BY THE BOARD CHAIR CHIEF EXECUTIVE OFFICER AND CHIEF FINANCE OFFICER

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.

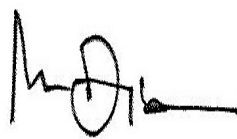
We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash flow Statement and Notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2018 and financial position of the Institute as at 31 December 2018.

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



Allison Jenvey  
Chair & Ministerial Nominee Director  
Wodonga Institute of TAFE



Mark Dixon  
Managing Director and Chief Executive Officer  
Wodonga Institute of TAFE

Wodonga  
19th February 2019



Phillip Paterson  
Chief Finance Officer  
Wodonga Institute of TAFE

Wodonga  
19th February 2019

Wodonga  
19th February 2019

# Financial Statements

## Comprehensive Operating Statement

for the year ended 31 December 2018

	Notes	2018 \$'000	2017 \$'000
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Government Contributions	2.1	28,683	26,317
Sale of goods and services	2.2	23,843	14,954
Other income	2.3	3,117	3,013
<b>Total income from transactions</b>		<b>55,643</b>	<b>44,284</b>
<b>Expenses from transactions</b>			
Employee benefits	3.1	30,965	26,352
Depreciation and amortisation		3,516	3,515
Supplies and services	3.3	9,730	7,031
Other operating expenses	3.4	6,782	6,765
<b>Total expenses from transactions</b>		<b>50,993</b>	<b>43,663</b>
<b>Net result from transactions</b>		<b>4,650</b>	<b>621</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non- financial assets		48	309
<b>Total other economic flows included in net result</b>		<b>48</b>	<b>309</b>
<b>Net result from continuing operations</b>		<b>4,698</b>	<b>930</b>
<b>Net result</b>		<b>4,698</b>	<b>930</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
<b>Comprehensive result</b>		<b>4,698</b>	<b>8,954</b>

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

## Balance Sheet

as at 31 December 2018

	Notes	2018 \$'000	2017 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.1	3,082	5,263
Receivables	5.1	5,266	3,498
Investments and other financial assets	4.3	36,010	26,560
<b>Total financial assets</b>		<b>44,358</b>	<b>35,321</b>
<b>Non-financial assets</b>			
Property, plant and equipment	4.1	54,376	55,442
Intangible assets	4.2	3,260	4,542
Other assets	5.2	536	394
<b>Total non-financial assets</b>		<b>58,172</b>	<b>60,378</b>
<b>Total assets</b>		<b>102,530</b>	<b>95,699</b>
<b>Liabilities</b>			
Payables	5.3	4,596	3,581
Employee provisions	3.1	5,863	4,745
<b>Total liabilities</b>		<b>10,459</b>	<b>8,326</b>
<b>Net assets</b>		<b>92,071</b>	<b>87,373</b>
<b>Equity</b>			
Contributed capital	6.2	14,015	14,015
Accumulated surplus		38,500	33,802
Reserves	9.1	39,556	39,556
<b>Net worth</b>	6.1	<b>92,071</b>	<b>87,373</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 2018

	Physical asset revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
<b>At 1 January 2017</b>	31,532	32,872	14,015	78,419
Net result for the year	-	930	-	930
Revaluation of PPE	8,024	-	-	8,024
	<u>8,024</u>	<u>930</u>	<u>-</u>	<u>8,954</u>
<b>Year ended 31 December 2017</b>	<b>39,556</b>	<b>33,802</b>	<b>14,015</b>	<b>87,373</b>
Net result for the year	-	4,698	-	4,698
<b>Year ended 31 December 2018</b>	<b>39,556</b>	<b>38,500</b>	<b>14,015</b>	<b>92,071</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 2018

	Notes	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Government contributions		30,576	26,317
User fees and charges received		22,942	14,574
Goods and services tax recovered		1,372	2,983
Other receipts		3,253	3,013
<b>Total receipts</b>		<b>58,143</b>	<b>46,887</b>
<b>Payments</b>			
Payments to suppliers and employees		(46,362)	(39,468)
Goods and services tax paid		(2,891)	(1,024)
<b>Total payments</b>		<b>(49,253)</b>	<b>(40,492)</b>
<b>Net cash flows from/(used in) operating activities</b>	6.1	<b>8,890</b>	<b>6,395</b>
<b>Cash flows from investing activities</b>			
Purchase of investments		(36,010)	(26,445)
Proceeds from investments maturing		26,560	13,177
Purchases of non-financial assets		(1,774)	(1,010)
Proceeds from sales of non-financial assets		153	4,880
<b>Net cash provided by/(used in) investing activities</b>		<b>(11,071)</b>	<b>(9,398)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	(1,075)
<b>Net cash (outflow) from financing activities</b>		<b>-</b>	<b>(1,075)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,181)</b>	<b>(4,078)</b>
Cash and cash equivalents at the beginning of the financial year		5,263	9,341
<b>Cash and cash equivalents at the end of the financial year</b>	6.1	<b>3,082</b>	<b>5,263</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 as an individual reporting entity.

### 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.

## **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

	2018 \$'000	2017 \$'000
<b>Grants and other transfers</b>		
State government - contestable	13,538	15,763
State government - other contributions	14,639	10,256
Commonwealth Government - other contributions	366	278
<b>Total Government contributions - operating</b>	<b>28,543</b>	<b>26,297</b>
State-capital	140	20
<b>Total Government contributions - capital</b>	<b>140</b>	<b>20</b>
<b>Total Government contributions</b>	<b>28,683</b>	<b>26,317</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

	2018 \$'000	2017 \$'000
Student fees and charges	2,418	2,501
Fee for service - Government	16,485	8,763
Fee for service - International operations - offshore	-	100
Fee for service - other	4,782	3,391
<b>Other non-course fees and charges</b>		
Sale of goods	158	199
<b>Total fees and charges</b>	<b>23,843</b>	<b>14,954</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

	2018 \$'000	2017 \$'000
Rental income	292	283
Other revenue	2,825	2,730
<b>Total other income</b>	<b>3,117</b>	<b>3,013</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, 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:

- 2018 Employee tenure period 6.3 years (2017: 6.7 years)
- 2018 Future salary growth rate 4.1% (2017: 3.6%)

	2018 \$'000	2017 \$'000
<b>3.1.1 Employee benefits in the Comprehensive Operating Statement</b>		
Salaries, wages, overtime and allowances	26,496	22,214
Superannuation	2,423	2,070
Payroll tax	823	1,056
Worker's compensation	122	258
Long service leave	924	374
Termination Benefits	177	380
<b>Total employee benefits</b>	<b>30,965</b>	<b>26,352</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.

	2018 \$'000	2017 \$'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	1,416	1,103
Unconditional and expected to wholly settle after 12 months	207	166
<b>Employee benefits - Long service leave</b>		
Unconditional and expected to wholly settle within 12 months	245	315
Unconditional and expected to wholly settle after 12 months	2,610	2,174
<b>Employee benefits - Other</b>		
Unconditional and expected to wholly settle within 12 months	114	80
<b>Provisions for on-costs</b>		
Unconditional and expected to wholly settle within 12 months	240	50
Unconditional and expected to wholly settle after 12 months	428	347
<b>Total current provisions for employee benefits</b>	<b>5,260</b>	<b>4,235</b>
<b>Non-current provisions</b>		
Employee benefits	570	440
Employee benefits on-costs	33	70
<b>Total non-current provisions</b>	<b>603</b>	<b>510</b>
<b>Total employee provisions</b>	<b>5,863</b>	<b>4,745</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>467</b>
Additional provisions recognised	(35)
Additions due to transfer in	-
Reductions arising from payments/other sacrifices of future economic benefits	(6)
Unwind of discount and effect of changes in the discount rate	34
<b>Carrying amount at the end of the year</b>	<b>461</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:

	2018 \$'000	2017 \$'000
<b>Paid contribution for the year</b>		
<b>Defined benefit plans:</b>		
State Superannuation Fund – revised and new	67	95
<b>Defined contribution plans:</b>		
VicSuper	1,194	1,095
Other	1,117	880
<b>Total paid contribution for the year</b>	<b>2,378</b>	<b>2,070</b>
<b>Contribution outstanding at year end</b>		
<b>Defined benefit plans:</b>		
State Superannuation Fund - revised and new	1	1
<b>Defined contribution plans:</b>		
VicSuper	29	24
Other	30	18
<b>Total contribution outstanding at year end</b>	<b>60</b>	<b>43</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

	2018 \$'000	2017 \$'000
Purchases of supplies and consumables	1,736	1,475
Communication expenses	267	277
Contract and other services	2,992	2,740
Building repairs and maintenance	1,928	1,692
Fees and charges	2,807	847
<b>Total supplies and services</b>	<b>9,730</b>	<b>7,031</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

	2018 \$'000	2017 \$'000
General expenses	385	447
Marketing and promotional expenses	632	722
Utilities	924	952
Audit fees and services	66	102
Staff development	145	124
Travel and motor vehicle expenses	666	762
3rd Party training providers	1,450	2,142
Bad debts from transactions	5	(10)
Consumables	1,819	352
Operating lease rental expenses <sup>1</sup>	190	185
Impairment	500	987
<b>Total other expenses</b>	<b>6,782</b>	<b>6,765</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 photocopier lease payments reflected as operating leases in 2018.

## 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	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Land	9,721	9,721	-	-	9,721	9,721
Buildings & Improvements	38,380	38,380	(1,502)	(101)	36,878	38,279
Plant, equipment & other assets	19,352	18,269	(16,954)	(16,670)	2,398	1,599
Motor Vehicles	5,834	5,968	(4,838)	(4,996)	996	972
Land Improvements	4,874	4,874	(491)	(3)	4,383	4,871
<b>Net carrying amount</b>	<b>78,161</b>	<b>77,212</b>	<b>(23,785)</b>	<b>(21,770)</b>	<b>54,376</b>	<b>55,442</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	5 - 50 years (2017: 5 - 50 years)
Plant & equipment & other assets	2 - 50 years (2017: 2 - 50 years)
Motor vehicles	1 - 13 years (2017: 1 - 13 years)
Leasehold improvements	10 years (2017: 10 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>2018</b>	<b>2017</b>
<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>48</b>	<b>309</b>

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	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Opening balance	9,721	9,442	38,279	33,133	-	1,599	1,980	972	1,176	4,871	3,524	55,442	49,255
Additions	-	-	-	-	267	1,352	169	422	424	-	-	1,774	860
Revaluations	-	279	-	6,746	-	-	-	-	-	-	999	-	8,024
Disposals	-	-	-	-	-	(19)	(2)	(87)	(75)	-	-	(106)	(77)
Transfers	-	-	-	(442)	(267)	-	194	-	26	-	489	-	-
Depreciation	-	-	(1,401)	(1,158)	-	(534)	(742)	(311)	(579)	(488)	(141)	(2,734)	(2,620)
<b>Closing balance</b>	<b>9,721</b>	<b>9,721</b>	<b>36,878</b>	<b>38,279</b>	<b>-</b>	<b>2,398</b>	<b>1,599</b>	<b>996</b>	<b>972</b>	<b>4,383</b>	<b>4,871</b>	<b>54,376</b>	<b>55,442</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 \$3.26 million (2017: Software: \$4.04 million and Access Rights: \$500 thousand). Its useful life is six years.

	2018 \$000			2017 \$000		
	Internally generated software	Access Rights	Total	Internally generated software	Access Rights	Total
<b>Software</b>						
Gross carrying amount						
Opening Balance	8,868	500	9,368	8,712	500	9,212
Additions	-	-	-	156	-	156
Disposals	(328)	-	(328)	-	-	-
<b>Closing balance</b>	<b>8,540</b>	<b>500</b>	<b>9,040</b>	<b>8,868</b>	<b>500</b>	<b>9,368</b>
<b>Accumulated amortisation and impairment</b>						
Accumulation amortisation and impairment	(4,826)	-	(4,826)	(2,944)	-	(2,944)
Disposals	328	-	328	-	-	-
Amortisation charge	(782)	-	(782)	(895)	-	(895)
Impairment charge	-	(500)	(500)	(987)	-	(987)
<b>Closing balance</b>	<b>(5,280)</b>	<b>(500)</b>	<b>(5,780)</b>	<b>(4,826)</b>	<b>-</b>	<b>(4,826)</b>
<b>Net carrying amount at end of the year</b>	<b>3,260</b>	<b>-</b>	<b>3,260</b>	<b>4,042</b>	<b>500</b>	<b>4,542</b>

### 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.

With the number of visits falling and given the further expected reduction in the number of visitations and the due to the changing nature of Library utilisation, a zero value access rights has been implemented.

### 4.3 Investments and other financial assets

	2018 \$'000	2017 \$'000
<b>Current investment and other financial assets</b>		
Australian dollar term deposits > three months	36,010	26,560
<b>Total investments and other financial assets</b>	<b>36,010</b>	<b>26,560</b>

### Ageing analysis of investments and other financial assets

		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
2018 - Term Deposits	36,010	36,010	-	-	-	-
2017 - Term Deposits	26,560	26,560	-	-	-	-

## Note 5 BALANCES FROM OPERATIONS

### 5.1 Receivables

	2018 \$'000	2017 \$'000
<b>Contractual</b>		
Sales of goods and services	4,250	2,100
Impairment loss on trade receivables	(275)	(277)
<b>Total contractual</b>	<b>3,975</b>	<b>1,823</b>
<b>Statutory</b>		
Amount receivable from Victorian Government	1,291	1,675
<b>Total receivables</b>	<b>5,266</b>	<b>3,498</b>
Represented by		
<b>Current receivables</b>	<b>5,266</b>	<b>3,498</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.

#### Impairment

TAFE measures loss allowances at an amount equal to lifetime Expected Credit Losses (ECLs). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. ECLs are a probability-weighted estimate of credit-losses. Credit losses are measured as the present value of all cash shortfalls.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows. Comparative amounts for 2017 represent the allowance amount for impairment losses under AASB 139.

	2018 \$'000	2017 \$'000
<b>Movement in the provision for doubtful contractual receivables</b>		
Balance at beginning of the year under AASB 139	(277)	(326)
Adjustment on initial application of AASB 9	172	-
Balance at the beginning of the year under AASB 9	(105)	-
Net remeasurement of loss allowance	(170)	49
<b>Balance at end of the year</b>	<b>(275)</b>	<b>(277)</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>2018</b>								
Trade receivables		3,975	3,822	51	69	33	-	-
<b>Total</b>		3,975	3,822	51	69	33	-	-
<b>2017</b>								
Trade receivables		1,823	1,541	249	20	12	-	-
<b>Total</b>		1,823	1,541	249	20	12	-	-

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

	2018 \$'000	2017 \$'000
<b>Current</b>		
Other non-financial assets	536	394

**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

	2018 \$'000	2017 \$'000
<b>Contractual</b>		
Supplies and services	4,379	2,215
Revenue in advance	146	1,200
	<b>4,525</b>	<b>3,415</b>
<b>Statutory</b>		
GST payable	71	166
<b>Total current payables</b>	<b>4,596</b>	<b>3,581</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>2018</b>							
Supplies and services	4,379	4,379	4,357	22	-	-	-
<b>Total</b>	<b>4,379</b>	<b>4,379</b>	<b>4,357</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2017</b>							
Supplies and services	2,215	2,215	2,215	-	-	-	-
<b>Total</b>	<b>2,215</b>	<b>2,215</b>	<b>2,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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

	2018 \$'000	2017 \$'000
Cash at bank and on hand	3,082	5,263
<b>Total cash and deposits</b>	<b>3,082</b>	<b>5,263</b>

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

	2018 \$'000	2017 \$'000
Net result for the year	4,698	930
<b>Non cash movements</b>		
(Gain)/loss on sale or disposal of non current assets	(48)	(309)
Depreciation and amortisation of non current assets	3,516	3,515
Impairment	500	987
<b>Movements in assets and liabilities</b>		
Decrease / (increase) in trade receivables	(1,766)	(380)
Decrease / (increase) in non-financial assets	(142)	302
Increase / (decrease) in payables	1,014	1,544
Increase / (decrease) in provisions	1,118	(194)
<b>Net cash flows from/(used in) operating activities</b>	<b>8,890</b>	<b>6,395</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 Contributed equity

	2018 \$'000	2017 \$'000
<b>Contributed capital</b>		
Balance at 1 January	14,015	14,015
<b>Balance at 31 December</b>	<b>14,015</b>	<b>14,015</b>

#### 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.

	2018 \$'000	2017 \$'000
<b>Financial Assets</b>		
<b>Financial assets measured at amortised cost</b>		
<b>Cash, deposits and receivables</b>		
Cash and deposits	3,082	5,263
Trade receivables	3,975	1,823
Term deposits	36,010	26,560
<b>Total financial assets</b>	<b>43,067</b>	<b>33,646</b>
<b>Financial liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
<b>Payables</b>		
Supplies and services	4,379	2,215
<b>Total financial liabilities</b>	<b>4,379</b>	<b>2,215</b>

#### Categories of financial instruments

**Financial assets measured at amortised cost** are financial instruments which meet both of the following criteria and are not designated at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Institute recognises the following financial assets in this category:

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

**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).

#### Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139. The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, revenue receivable and term deposits.

Under AASB 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

TAFE measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

### **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 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 counterparty 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 2018 and 31 December 2017 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 (AA- rating) \$'000	Financial Institutions (A-1+ rating) \$'000	Government agencies (AAA rating) \$'000	Other counter-party \$'000	Total \$'000
<b>2018</b>					
Cash and deposits	3,082	-	-	-	3,082
Receivables <sup>1</sup>	-	-	-	3,975	3,975
Investments and other financial assets	-	-	36,010	-	36,010
<b>Total contractual financial assets</b>	<b>3,082</b>	<b>-</b>	<b>36,010</b>	<b>3,975</b>	<b>43,067</b>
<b>2017</b>					
Cash and deposits	-	5,263	-	-	5,263
Receivables	-	-	-	1,823	1,823
Investments and other financial assets	-	-	26,560	-	26,560
<b>Total contractual financial assets</b>	<b>-</b>	<b>5,263</b>	<b>26,560</b>	<b>1,823</b>	<b>33,646</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).

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 1 January 2018.

	Estimated gross carrying amount \$'000	Weighted average loss rate	Estimated loss allowance \$'000	Credit impaired
Current (not past due)	\$1,782	5%	\$89	Yes
1 - 30 days past due	\$249	5%	\$12	Yes
31 - 60 days past due	\$20	5%	\$1	Yes
61 - 90 days past due	\$31	5%	\$2	Yes
More than 90 days past due	\$18	5%	\$1	Yes

## 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	
	2018 %	2017 %	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Interest rate exposure of financial instruments</b>										
Cash and deposits	1.70	1.70	3,082	5,263	3,082	5,263	-	-	-	-
<b>Investments and other financial assets:</b>										
Trade receivables	-	-	2,586	1,823	-	-	-	-	2,586	1,823
Term deposits	2.01	1.71	36,010	26,560	-	-	36,010	26,560	-	-
<b>Total financial assets</b>			41,678	33,646	3,082	5,263	36,010	26,560	2,586	1,823
Supplies and services	-	-	2,990	2,215	-	-	-	-	2,990	2,215
<b>Total contractual financial liabilities</b>	-	-	2,990	2,215	-	-	-	-	2,990	2,215

#### Interest rate risk sensitivity

A reasonably possible change of 50 basis points (2017: 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	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash and deposits	3,082	5,263	(15)	(26)	(15)	(26)	15	26	15	26
Investments and other financial assets	36,010	26,560	(180)	(133)	(180)	(133)	180	133	180	133
<b>Total impact</b>	39,092	31,823	(195)	(159)	(195)	(159)	195	159	195	159

## 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 2019 reporting period.

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

The Institute holds property, plant and equipment 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>2018</b>				
Non specialised land	9,721	-	9,721	-
Specialised land	4,383	-	-	4,383
<b>Total of land fair value</b>	<b>14,104</b>	<b>-</b>	<b>9,721</b>	<b>4,383</b>
Specialised buildings & improvements	36,878	-	-	36,878
<b>Total buildings &amp; improvements at fair value</b>	<b>36,878</b>	<b>-</b>	<b>-</b>	<b>36,878</b>
<b>2017</b>				
Non specialised land	9,721	-	9,721	-
Specialised land	4,871	-	-	4,871
<b>Total land at fair value</b>	<b>14,592</b>	<b>-</b>	<b>9,721</b>	<b>4,871</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>

#### Valuations of property, plant and equipment

Fair value assessments have been performed per the Valuer General effective as at 31/12/2017 for all classes of assets. Based upon the 2018 vacant land and building cost indices, managerial assessment determined that the fair value for all asset classes was materially similar to the carrying value. The next scheduled full valuation for the institute will be conducted in 2022.

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

For non specialised land, an independent valuation was performed by the Valuer General Victoria with an effective date of 31 December 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 2018.

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	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Opening balance	4,871	3,524	38,279	33,133
Purchases (sales)	-	489	-	(442)
Depreciation	(488)	(141)	(1,401)	(1,158)
Revaluations	-	999	-	6,746
<b>Closing balance</b>	<b>4,383</b>	<b>4,871</b>	<b>36,878</b>	<b>38,279</b>

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

2018 and 2017	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 for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MP	1 January 2018 to 31 December 2018
Managing Director and Chief Executive Officer	Mark Dixon	1 January 2018 to 31 December 2018
Chair Ministerial Nominee Director	Allison Jenvey	1 January 2018 to 31 December 2018
Ministerial Nominee Director	Tammy Atkins	1 January 2018 to 31 December 2018
Ministerial Nominee Director	Jessica Furst	1 January 2018 to 31 December 2018
Ministerial Nominee Director	Annette Kearns	1 January 2018 to 31 December 2018
Ministerial Nominee Director	Vern Hilditch	1 January 2018 to 31 December 2018
Board Nominee Director	Roger Powell	1 January 2018 to 31 December 2018
Board Nominee Director	Brett Drinnan	1 January 2018 to 31 December 2018
Board Nominee Director	Kerry Grigg	1 January 2018 to 30 June 2018
Board Nominee Director	Glenda Beecher	1 August 2018 to 31 December 2018
Staff Director - Elected	Janelle Cretney	1 January 2018 to 31 December 2018

### Remuneration

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

The remuneration for the responsible Minister is disclosed in the financial report of the Department of Parliamentary Services.

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 2017).

### 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.

Remuneration	Total Remuneration	
	2018	2017
Short-term employee benefits	\$1,275,751	\$1,102,254
Post-employment benefits	\$109,148	\$92,246
Other long-term benefits	\$15,029	\$12,608
Termination benefits	-	\$50,165
<b>Total remuneration</b>	<b>\$1,399,928</b>	<b>\$1,257,273</b>
<b>Total number of executives</b>	<b>7</b>	<b>9</b>
<b>Total annualised employee equivalent (AEE)<sup>(i)</sup></b>	<b>6.2</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);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

Key management personnel of the TAFE includes the Minister for Training and Skills and Minister for Higher Education, 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;
- Ministerial Nominee Director, Tammy Atkins;
- Board Nominee Director, Brett Drinnan;
- Board Nominee Director, Kerry Grigg;
- Board Nominee Director, Glenda Beecher;
- Board Nominee Director, Roger Powell;
- Staff Director - Elected, Janelle Cretney;
- Chief Executive Officer, Mark Dixon;
- Chief Finance Officer and Board Secretary, Phillip Paterson;
- Strategic Advisor, Les Burr;
- Executive Director - People & Capability, Carolyn Davis;
- Executive Director - Education & Training, Graham Hart; and
- Executive Director - Engagement, Victoria Conlan.

Compensation of Key management personnel	Total Remuneration	
	2018	2017
Short-term employee benefits	\$1,450,410	\$1,272,148
Post-employment benefits	\$124,316	\$107,053
Other long-term benefits	\$17,107	\$14,634
Termination benefits	-	\$50,165
<b>Total remuneration</b>	<b>\$1,591,832</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

2018  
\$'000

2017  
\$'000

#### Physical asset revaluation surplus:<sup>1</sup>

Balance at 1 January	39,556	31,532
Revaluation increments/(decrements)	-	8,024
<b>Balance at 31 December</b>	<b>39,556</b>	<b>39,556</b>

Note:

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

### 9.2 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 2018 reporting period.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<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-19	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 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.

<i>AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	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. The amendments 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 clarifies circumstances when a contract with a customer is within the scope of AASB 15.	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 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 a 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.
<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-19	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.

### 9.3 Changes in accounting policies

#### Estimated impact of the adoption of AASB 9

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 financial instruments: Recognition and Measurement.

#### Classification and measurement - Financial assets

AASB 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value in other comprehensive income and fair value through profit or loss. The standard eliminates the existing AASB 139 categories of held to maturity, loans and receivables and available for sale.

Under AASB 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification.

The following table and accompanying notes below explain the original measurement categories under AASB 139 and the new measurement categories under AASB 9 for each class of TAFE's financial assets and financial liabilities as at 1 January 2018.

	Original classification under AASB 139	New classification under AASB 9	Original carrying amount under AASB 139 \$'000	Reclassification	Remeasurement \$'000	New carrying amount under AASB 9 \$'000
Cash and deposits	Amortised cost	Amortised cost	\$5,263			\$5,263
Trade receivables	Amortised cost	Amortised cost	\$1,823		\$172	\$1,995
Other receivables	Amortised cost	Amortised cost	\$1,675			\$1,675
Term deposits	Amortised cost	Amortised cost	\$26,560			\$26,560
Total financial assets			\$35,321		\$172	\$35,493

Supplies and services	Amortised Cost	Amortised Cost	\$2,215			\$2,215
Other payables	Amortised Cost	Amortised Cost	\$1,366			\$1,366
Total Financial liabilities			\$3,581			\$3,581

#### Impairment - Financial assets and contract assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with a forward-looking 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt investments at fair value through other comprehensive income but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139. Please refer to note 7.1

#### Classification - Financial liabilities

AASB 9 largely retains the existing requirements in AASB 139 for the classification of financial liabilities.

However, under AASB 139 all fair value changes of liabilities designated as at FVTPL are recognised in profit or loss, whereas under AASB 9 these fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

TAFE has not designated any financial liabilities at FVTPL and it has no current intention to do so. TAFE's assessment did not indicate any material impact regarding the classification of financial liabilities at 1 January 2018.

**Transition**

Changes in accounting policies resulting from the adoption of AASB 9 have generally been applied retrospectively, except as described below.

- TAFE will take advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of AASB 9 have been recognised in retained earnings and reserves as at 1 January 2018.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
  - The determination of The business model within which a financial asset is held.

## 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	9
2	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	5-19, 34-35
5	FRD 22H	Nature and range of services provided including communities served	9
<b>MANAGEMENT AND STRUCTURE</b>			
4	FRD 22H	Organisational structure and chart, detailing member of the governing board, Audit Committee, CEO, senior officers and their responsibilities.	29-31, 82-83
<b>FINANCIAL AND OTHER INFORMATION</b>			
5	FRD 03A	Accounting for Dividends	N/A
6	FRD 07B	Early adoption of authoritative accounting pronouncements	85-86
7	FRD 10A	Disclosure Index	89-92
8	FRD 17B	Long Service leave and annual leave for employees	61-63
9	FRD 20A	Accounting for State motor vehicle lease arrangements prior to 1 Feb 2004	N/A
10	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements	13-19, 34-35, 49
11	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	24
12	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	25
13	FRD 22H	Summary of the financial results, with comparative information for the preceding four reporting periods	34
14	FRD 22H	Summary of significant changes in financial position	34-35
15	FRD 22H	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	13-16
16	FRD 22H	Post-balance sheet date events likely to significantly affect subsequent reporting periods	39
17	FRD 22H	Summary of application and operation of the Freedom of Information Act 1982	39-41
18	FRD 22H	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	34-35
19	FRD 22H	TAFE workforce inclusion policy (where TAFE has one), including a measurable target and report on the progress towards the target	N/A
20	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST)	39
21	FRD 22H	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competition Neutrality Policy and any subsequent reform.	41
22	FRD 22H	Statement, to the extent applicable, on the application and operation of the Carer's Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	40
23	FRD 22H	Summary of application and operation of the Protected Disclosure Act 2012 including disclosures required by the Act	40-41
24	FRD 22H and FRD 24D	Summary of Environmental Performance	23

## Summary of reporting requirement (continued)

Item No.	Source	SUMMARY OF REPORTING REQUIREMENT	Page number
25	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> </ol> <ul style="list-style-type: none"> <li>• Consultant engaged</li> <li>• Brief summary of project</li> <li>• Total project fees approved (excluding GST)</li> <li>• Expenditure for reporting period (excluding GST)</li> <li>• Any future expenditure committed to the consultant for the project</li> </ul> <ol style="list-style-type: none"> <li>3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period</li> </ol>	40-41
26	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	39-42
27	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>	41
28	FRD 25C	Victorian Industry Participation Policy Disclosures	41
29	FRD 26B	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004	N/A
30	SD 5.1.4	Financial management compliance attestation The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions of the Minister for Finance and the Instructions, and disclose all Material Compliance Deficiencies.	39
31	FRD 119A	Transfers through contributed capital	N/A
32	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.	39, 52
33	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	52
34	CG 10 (clause 27)	Summary of Major Commercial Activities	41
35	CG 12 (clause 33)	TAFE Institute Controlled Entities	N/A

## 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>			
36	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>	52
<b>OTHER REQUIREMENTS UNDER STANDING DIRECTION / FINANCIAL MANAGEMENT ACT 1994 (FMA)</b>			
37	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>	52
38	FRD 30D	Rounding of amounts	57
39	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>	29-30
<b>OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS</b>			
40	FRD 11A	Disclosure of ex-gratia payments	N/A
41	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	82-84
42	FRD 102A	Inventories	63, 71
43	FRD 103G	Non-financial physical assets	65-67, 79-81
44	FRD 105B	Borrowing costs	N/A
45	FRD 106B	Impairment of assets	68-69
46	FRD 107B	Investment properties	N/A
47	FRD 109A	Intangible assets	68-69
48	FRD 110A	Cash flow statements	56, 73
49	FRD 112D	Defined benefit superannuation obligations	62-63
50	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	N/A
51	FRD 114B	Financial instruments – general government entities and public non-financial corporations	74-79
52	FRD 120L	Accounting and reporting pronouncements applicable to the reporting period	85-86

## Summary of reporting requirement (continued)

Item No.	Source	SUMMARY OF REPORTING REQUIREMENT	Page number
<b>COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES</b>			
53	Legislation	<p>The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, 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>• <i>Public Administration Act 2004</i></li> <li>• <i>Financial Management Act 1994</i></li> <li>• <i>Freedom of Information Act 1982</i></li> <li>• <i>Building Act 1983</i></li> <li>• <i>Protected Disclosure Act 2012</i></li> <li>• <i>Victorian Industry Participation Policy Act 2003</i></li> </ul>	40
54	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2017	40
55	Policy	Statement that the TAFE institute complies with the Victorian Public Sector Travel Policy	42
56	Key Performance Indicators	<p>Institutes to report against:</p> <ul style="list-style-type: none"> <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>	49
<b>OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES</b>			
57	PAEC and VAGO (June 2003 Special Review - Recommendation 11)	<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

