

ANNUAL REPORT 2023



WODONGATAFE

Wodonga TAFE

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WODONGATAFE

Building success through learning

Wodonga Institute of TAFE

ABN 68 437 423 269

Annual report

31 December 2023

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Board Chair and Chief Executive Officer Statement

It is with great pleasure that Wodonga Institute of TAFE (Wodonga TAFE) highlights our achievements in our 2023 Annual Report.

2023 was a challenging but successful year for Wodonga TAFE. We achieved remarkable success across all facets of the organisation, continuing in the top quartile Student Satisfaction rating in the Victorian TAFE sector. Flood recovery restoration of the Shepparton Campus continued through 2023, and we look forward to rebuilding our presence in 2024.

We are optimistic as we head into the new year, as we look to future opportunities through our advocacy programs including the GROW initiative, the Education First Youth Foyer (which commenced construction in 2023). Similarly, we are thrilled to receive funding from the Commonwealth Government in support of the Logical Innovation Precinct development, positioning Wodonga TAFE to meet the current and future workforce needs of our industries and the broader economy. We are investing in our TAFE to ensure we are providing not only the skills for today, but also advocating for the role Wodonga TAFE can play in developing skills for the future and the clean economy. We continue to improve our campus services and facilities including the formal opening of the Wodonga TAFE Trades Training Centre which allows for the addition of trades training in both electrical and plumbing.

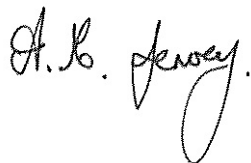
2023 marked the successful tendering for the Joint Technical Trades Training Services contract which support the trades capability for Army and Navy. We are very proud to be leading TAFE's and other education providers in servicing the Australian Defence Force vocational education needs on a national basis.

Wodonga TAFE is proud to have many exemplary partners from across industry, its regional community, along with the schools and university networks who continue to work with the Institute to bring vocational education and training into all aspects of the communities they serve. The importance of quality vocational education and training in building the local region's workforce, overcoming unemployment, creating opportunities, addressing tertiary participation challenges, and shaping a prosperous future for this region. We were also proud to continue the rollout our Veterans and Family Strategy, which aims to improve inclusivity for Veterans and their families. All Wodonga TAFE staff should be incredibly proud of not only what they do as individuals, but what we have achieved as a team.

Wodonga TAFE takes this opportunity to acknowledge and thank The Hon. Gayle Tierney MP, Minister for Skills and TAFE, for her support throughout 2023, and the ongoing commitment to removing barriers to education through the FreeTAFE initiative. The commitment shown by the Minister and the Victorian Government to Wodonga TAFE and the region's community is greatly appreciated. We also acknowledge the invaluable support of the Department of Jobs, Skills Industries and Regions, and the Office of TAFE Coordination and Delivery, the Victorian Skills Authority, and the Victorian TAFE Association.

We would like to thank our students for their efforts during 2023, they are of course our main reason for being, and we trust that they both enjoyed and received great benefit from the training provided. We also want to acknowledge and thank our Board Directors and Leadership Team for their continued efforts to lead, support and steer the Institute through a successful year in which we achieved growth, change and innovation. These results can only be sustained by a combined team effort across the whole Institute and its partners, and we thank all for their contribution.

Finally, Wodonga TAFE thanks and acknowledges all our staff who continue to give so much of themselves in helping shape what education means to its community, industry, and educational partners. The TAFE's growing workforce is made up of incredibly passionate and selfless people, who all contribute to making Wodonga TAFE successful.

A handwritten signature in black ink, appearing to read 'A. Jenvey'.

Allison Jenvey
Chair & Ministerial Nominee Director
Wodonga Institute of TAFE

A handwritten signature in black ink, appearing to read 'P. Paterson'.

Phil Paterson
Managing Director and Chief Executive Officer
Wodonga Institute of TAFE

Charter and Purpose

Manner of Establishment and Relevant Minister

Manner of Establishment

Wodonga TAFE was established in 1986 by the Victorian State Government, and staff commenced working from premises 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 TAFE delivered health and childcare training from what is now Building B on the current campus, and the Institute also offered workforce training onsite for local businesses. These facilities also 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 Driver Education Centre of Australia (DECA) into Wodonga TAFE.

Wodonga TAFE continued to increase its training offerings with its expansion into the transport and logistic industries and the growing demand saw the development of the Logic Campus at Barnawartha North in 2014.

Wodonga TAFE's Shepparton campus continues to grow to meet training and employment demands and has also commenced renovations to enhance the delivery of training at the site anticipated for completion in 2024.

As a well-renowned vocational education and training provider, Wodonga TAFE has experienced significant success over many years. This success has been recognised at state and national level with the Institute awarded as Victorian Large Training Provider of the Year in 2002, 2008 and 2018, and as the Australian Large Training Provider of the Year in 2008 and 2018.

Since, Wodonga TAFE has grown substantially in offerings, staff, delivery footprint and in our industry partnerships. Of note is the Joint Technical Trades Training Services and Driver Machinery Plant Training contracts with Defence. As a result, Wodonga TAFE staff and our training partners are operating out of locations across Australia, including Amberley, Bandiana, Cairns, Darwin, Enoggera, Mornington Peninsula, Perth, Puckapunyal, Townsville, and Watsonia. Further, our numbers have grown to 679 staff.

Relevant Minister

Wodonga TAFE is administered by the The Hon. Gayle Tierney MP, Minister for Skills and TAFE.

Purpose, functions, powers, and duties

Our purpose and duties

Wodonga TAFE's combined focus on innovation, organisational culture, and quality, ensures accessible vocational education services to a large range of diverse and geographically disparate learners.

Located in the city of Wodonga, one of Australia's largest and fastest-growing regional centres, Wodonga TAFE is proud to have earned the reputation of being the vocational education and training provider of choice for individual learners, industry, and communities across the region in which we operate. Servicing a population of approximately 180,000 people, Wodonga TAFE is seen by its stakeholders as high quality, trustworthy, relevant, and innovative. We continue to seek opportunities, to expand our offerings, continually improve our services and products, and address the needs of our communities and industries.

Wodonga TAFE is an integral contributor to the economy of north-east regional Victoria. An independent study conducted by KPMG found that Wodonga TAFE annually contributes over \$81 million in GRP to the region. We serve the local government areas of the City of Wodonga and the shires of Alpine, Indigo, and Towong, and the local government areas of Albury, Greater Hume, and Corowa in New South Wales. However, Wodonga TAFE's reach extends much further than these regional boundaries, providing training on a national scale, particularly within our extensive Australian Defence Force partnership and training network, including - but not limited to - locations such as Melbourne, Brisbane, Townsville, and Darwin.

Our sector-leading performance is achieved by a workforce of 679 staff working together in a '#loveyourtafe' approach. Guided by our values:

- Integrity and Respect
- Community and Collaboration
- Creativity and Innovation

Our Values, behaviours, and combined and coordinated efforts allow us to successfully address our 2021-2023 Strategic Directions: successful learners; empowering our people; strengthening communities; partnering with industry; and inspiring futures.

With over 200 active courses (accredited and non-accredited) on offer, Wodonga TAFE continues to expand its offerings to our communities and industry. Over recent years, Wodonga TAFE has substantially increased our financial sustainability and commercial viability by achieving increased fee-for-service revenue streams, relying less on government funding. This is achieved through developing relationships and training partnerships with industry and corporate clients and has been a key driver in the growth of Wodonga TAFE, in our delivery footprint, scope, capability, quality, and offerings.

We provide innovative and high-quality training and learning outcomes; extensive community and industry engagement and collaboration; tailored training programs to industry and community that serve the needs of our markets and economy; and have a strong focus on the economic development and future skills of our region.

We strive to build success through learning for everyone who engages with Wodonga TAFE.

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.

Our Vision

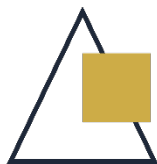
Our vision is for Wodonga TAFE to be:

*'A strong and vibrant institute, building **success through learning**'.*

Our Mission

To strengthen our communities and industries through accessible and innovative learning.

Our Values and Behaviours



INTEGRITY AND RESPECT

We are accountable for our actions and maintain the highest level of ethical behaviour. We treat everyone with respect and understanding.



COMMUNITY AND COLLABORATION

We are socially, environmentally, and economically responsible. We value diversity and work with our communities to provide opportunity for all people.



CREATIVITY AND INNOVATION

We empower and challenge each other, our students and our partners to grow, contribute and make a difference now and into the future. We inspire a culture of innovation and transformation.



Strategic Directions

Wodonga TAFE's strategy is based on five key Directions:

Successful learners

Students are at the centre of all we do at Wodonga TAFE. We inspire our learners to achieve their full potential through an engaging student experience and quality learning and teaching.

Strengthening communities

Wodonga TAFE is integral to our community. We are committed to supporting our region through educational, economic, and social development.

Partnering with industry

Wodonga TAFE collaborates with industry stakeholders. We listen, identify workforce solutions, and adapt to immediate and evolving training needs. We engage our partners and contribute to economic development by ensuring our graduates are 'work-ready'.

Inspiring futures

Wodonga TAFE invests in aspirational futures. We foster an innovation culture which enhances positive outcomes for our staff, students, industries, and partners.

Empowering our people

Our people are our strength. Our values are the centre of our organisational culture and embedded in our daily decision-making. Our workforce is resilient and innovative, and we nurture high performing teams.

Achievements

Launch of the Trades Training Centre, offering more apprenticeship training options for local community and industry.

Funding announcement for \$22 million for Logical Innovation Precinct to expand operations into future skills at our Logic campus.

Siteworks underway for partnership project of Education First Youth Foyer, to help improve the lives of homeless or at-risk of homelessness youth.

Reopening of Shepparton campus after flooding disaster.

Successful tenderer for Australian Defence Forces Joint Technical Trades Training Services contract.

Wurreker Awards Finalist for our program with Albury Wodonga Aboriginal Health Services.

Wodonga TAFE maintained positive NCVER survey results in 2023.

Employment outcomes

Of qualification completers at Wodonga TAFE:

- 76.1% had an improved employment status after training.
- 79.6% were employed before training. Of these, 24.2% were employed at a higher skill level after training.
- 20.4% were not employed before training. Of these, 55.6% were employed after training.
- 85.9% were employed after training. Of these, 85.4% received at least one job-related benefit.

Students' satisfaction with training

Of qualification completers at Wodonga TAFE:

- 88.8% were satisfied with their training overall.
- 86% of students would recommend Wodonga TAFE.

Wodonga TAFE maintained a positive VETStat 2023 report.

- 85.9% of our student respondents would recommend us.
- 84.3% of our student respondents were satisfied with their training.
- 78.7% of our employer respondents would recommend us.
- 81.1% of our employer respondents were satisfied with the training provided.
- 79.5% of our employer respondents reported improvement in the technical/job specific skills of their apprentices.

Key Initiatives and Projects

High Quality and Innovative Teaching and Learning

Wodonga TAFE's commitment to maintaining the highest standards of quality in everything it does is critical to its continued success. Consistently high quality is what sets Wodonga TAFE apart and this is a fundamental contributing factor to its high ranking within the sector, both for Victoria and Australia as a whole, for student and employer satisfaction, according to the latest National Centre for Vocational Education Research (NCVER), Performance and Accountability Framework, and VETStat reports.

Wodonga TAFE is investing heavily in a technology uplift through the Digital Technology Innovation Strategy, equipping our staff and students with the latest technology for increased interactivity, connectivity, and delivery flexibility.

Through implementing our Education Plan, under the steering of our Board of Studies Committee, we continue to provide our staff with the relevant professional development and training to ensure continuous improvement, currency, and innovation in training delivery, assessment quality, and student support.

Key Partner: Defence

Wodonga TAFE has for many years provided training services to the Australian Defence Force (ADF) and continues to deliver to Army Logistics Training Centre (ALTC), incorporating Army School of Health, Army School of Logistics, Army School of Electrical and Mechanical Engineering (ASEME), and Army School of Transport. The Institute also increased its capacity for training Army personnel, with its workforce expanded to meet the growing needs of the contract, and significant shifts in how services and training were delivered to and for Army. In 2022 Wodonga TAFE expanded its training and support services to support ALTC national training requirements.

In 2023, Wodonga TAFE was the successful tenderer for the Joint Technical Trades Training Services contract with Defence. This was the first time both Army and Navy had a joint training agreement, with a sole supplier of training. This training supersedes our contract with ASEME and is valued at approximately \$300 million over 5 years, with a potential to be extended to 10 years. This means Wodonga TAFE's training will be expanded throughout Australia via our National Technical Education Network (NTEN), including Chisholm Institute, TAFE QLD, University of New England Partnerships, National Electrical and Communications Association (NECA), Kangan Institute, Charles Darwin University, Kinetic IT, Royal Melbourne Technology (RMIT) and South Metropolitan TAFE.

Supporting Wodonga Institute of TAFE students

Wodonga TAFE continued to support students throughout 2023. Support Services and the Skills and Jobs Centre saw increased appointments and interactions with prospective and current students, with support provided in relation to welfare services, disability support, Koorie services, counselling, and career and employment skills and advice.

The Institute's Academic Skills and Study Support team has continued to provide individual support to students and deliver workshops and presentations. Services have been innovated to provide a combination of face-to-face and online support delivery to meet students' needs.

Wodonga TAFE embarked on significant updates and improvements to learning facilities and infrastructure to ensure the continued provision of modern and engaging learning and engagement environments for its

students. Of note is the addition of learning spaces based at Moorefield Park Drive to incorporate the Trades Training Centre facilitating delivery of carpentry, cabinetmaking, electrotechnology and plumbing; Shepparton campus updates to modern learning and infrastructure facilities to better support the growing offerings at the locale (due to flooding); and the refurbishment and establishment of significant amenities updates, incorporating accessibility and gender-neutral functionality across all buildings.

Further, the Institute is also investing in a complete renovation of our main student-based building at the McKoy Street campus. This renovation will accommodate modern student needs and be wrapped around with support and academic services.

The Institute further integrated the Belonging Framework, designed to guide the organisation, our staff and our students, to create a welcoming, inclusive, and safe environment for all.

Supporting Wodonga Institute of TAFE communities and industries

Wodonga TAFE aims to meet the future needs of our communities and industries. The Institute has a strong advocacy focus for initiatives and projects that support our regions' needs. These included:

- Environmental Strategic Plan
- Education First Youth Foyer
- Logical Innovation Precinct
- FoodShare Precinct
- Veterans and Families Strategy
- Wodonga Tech School
- Advanced Manufacturing
- GROW Program
- Health Technologies and Innovation

In 2023, Wodonga TAFE commenced or finalised many funded projects that enhance our offerings to, and strongly benefit, community and industry. This includes but isn't limited to:

- National Heavy Vehicle Regulator with Trucking Industry Council – focusing on education for Advanced Emergency Braking and driver assistance systems within the heavy vehicle, transport, and logistics industries.
- National Careers Institute – A Boost to Careers project – focusing on educating youth about Vocational Education and Training and the career and pathways options available to them.
- Iron Women project in partnership with Volvo Australia, tailored to increase female participation in the transport industry through a supported and hands-on learning program.
- \$22 million in funding was announced for Wodonga TAFE's Logical Innovation Precinct. This milestone of funding encompasses Stage 1 of the Logical Innovation Precinct and is for detailed design and the construction of infrastructure and facilities at Wodonga TAFE's Logic campus (Logic Park, Barnawartha North), including a heavy vehicle workshop, heavy vehicle offroad obstacle circuit, main corporate and client building and showroom, and a cyber range. Stage 1 of this project aims to be completed by June 2026.



Supporting Wodonga Institute of TAFE's workforce

Wodonga TAFE grew its workforce yet again in 2023, with 679 staff making up its highly skilled and diverse workforce. This expansion was a result of the Institute's increased capability and commitment to its service offerings for clients and students. Wodonga TAFE remained focused on building its workforce for the future in developing its established and emerging leaders (dedicated LEAD Program), and providing paths of progression and development, to benefit its workforce and organisation, and subsequently the Institute's students.

In 2023, Wodonga TAFE's Workforce Capability Framework continued implementation across the institute. This vital tool enabled the support, improvement, and facilitation of capability across the Institute's workforce. This provided the workforce with a great overview of its own capabilities, potential areas of development, succession planning, and the means to map out personal, and professional progression.

In support of this important project, Wodonga TAFE made significant investment to facilitate workforce growth through personal and professional development. In 2023, the Institute hosted a hybrid organisation-wide professional development day – KnowledgeShare - focusing on inclusion, empathy, and emotional intelligence. There was also significant leadership and management training, focusing on emotional intelligence, leading teams, and managing staff performance through open conversations.

The Institute continues to nurture Wodonga TAFE staff to learn, grow and better themselves, through positive engagement, support, strengthened communication tools, and by providing meaningful and impactful work to serve our community.

Expectations for the future

Apprenticeships and Traineeships

- The launch of Trades Training Centre has supported the delivery of new qualifications by Wodonga TAFE. Specifically, Plumbing and Electrotechnology are now being offered out of our new Trades Training Centre. We expect apprenticeship numbers and specialist skillset needs to increase, and therefore must be able to accommodate additional students with relevant facilities and resources.
- Traineeship offerings continue to expand as a need for this is sought by industry, businesses, and community.

Addressing challenges

- VDSS remains a significant challenge in our area. Wodonga TAFE is addressing this with new Schools Engagement Plan 2023 to include the promotion of Head start (school-based apprenticeships) providing increased opportunities for traineeships, involving continued school engagement, communications, and consultancy.
- Growth in apprenticeships continues to be constrained by Cross Border challenges, and Wodonga TAFE is advocating strongly to address the free apprenticeship issues and the distortion this is creating to apprenticeship opportunities for our local industries.
- We have several initiatives focused on Early Childhood, including different delivery models – earn while you learn, and supported by the GROW initiative's development.
- Transport/supply chain industry skill shortage challenges are being addressed through modification of the delivery model and targeted promotion of courses supporting the logistics sector within Northeast Victoria. Specifically transport skill sets and the Certificate III in Supply Chain Operations.

Enhancing teaching quality

- The Institute has enhanced quality around best teaching practice and assessments, with extensive professional learning and development training and practices in place, as well as standardised digital learning and assessment tools for a high-quality, consistent teaching and assessment approach.

Partnering

- Wodonga TAFE is partnering with community and industry sectors to develop further non-mandatory work placements. This will provide students with valuable industry experience and help to build relationships with potential employers.
- Pathways to TAFE and to university have been expanded, notably with the GROW Program in partnership with La Trobe University – creating opportunities for community and bolstering the Early Childhood Education and Care, and Community Services industries.
- Wodonga TAFE is partnered with TAFE NSW and the Regional Redevelopment Joint Venture (RRJV) to provide employment skills and training opportunities to our local communities, to work on the joint venture.

The Riverina Redevelopment Joint Venture is large scope of planned unapproved works, designed to meet the future needs of Defence for the next 30 years. These works will take place in the Riverina and Hume regions of NSW and Victoria, that includes: Albury Wodonga Military Area (including North, South and East Bandiana, Latchford Barracks, and Wirlinga), Blamey Barracks Kapooka (BBK), and RAAF Base Wagga. The overarching project is valued at over \$1.1b (RRJV). Delivery phase starts 2024 and completion of the final stage of works in 2031.

Future skills

- Through Logical Innovation Precinct, Wodonga TAFE is building industry partnerships to support a contemporary learning and Industry precinct incorporating heavy vehicle technology, future fuels, cyber and automation, robotics, and advanced manufacturing programs.
- We continue to investigate funding opportunities for the Integrated Health Technologies and Innovation Hub. This is a collaborative and interactive space where health, technology, innovation, and education converge - a platform for thought leaders and innovators to address healthcare and wellbeing challenges, and shape the future.
- A large part of our local industries includes manufacturing and engineering, and as such Wodonga TAFE is advocating and seeking funding to expand our offerings into advanced manufacturing and engineering, incorporated for industry and our apprentices and post-apprentice students within our Engineering department.
- Wodonga TAFE is also advocating for a Wodonga Tech School, which would be a significant contributor to realising the Victorian Government's vision for future skills, innovation, and a clean and circular economy.

Sustainability

- Through the launch and initiation of the Institute's Environmental Strategic Plan, we plan to integrate significant sustainable practices within our campuses, and how we operate day-to-day. In 2023 this saw additional specific recycling and composting bins made available throughout the campus, and solar-powered lighting was installed throughout our external grounds. In 2024 the Institute aims to integrate software (Waste Management System) to better understand our usage and to identify areas of improvement.

Nature and range of services provided

Training

In 2023, Wodonga TAFE offered over 200 training programs to public and corporate learners, including Traineeships and Apprenticeships, Certificate I to Advanced Diplomas, and various accredited and non-accredited short courses.

Despite a year of very high employment rate, Wodonga TAFE maintained a steady student intake in 2023. Over 7,000 students undertook courses in a range of disciplines including: Agriculture and Horticulture; Art, Creative Design & Digital Media; Building Design; Business & Leadership; Construction Trades; Civil Construction, Earthmoving & Traffic Control; Disability Programs; Education; Engineering, Metal Fabrication & Telecommunications; English Language Programs; Fashion Design & Hairdressing; Health & Community; Hospitality, Events & Outdoor Leadership; Motorsports & Automotive; Transport; Warehousing & Logistics; and Work Health & Safety.

Wodonga TAFE also continued its partnerships with regional secondary colleges and community centres in 2023 and offering through the VET Delivered to School Students (VDSS) program, along with a range of community outreach programs in rural and remote locations.

Services

Along with its training offerings to public clients, Wodonga TAFE continued to offer a range of services to industry, including workforce development consultancy, customised training programs, skills recognition, and employment services.

- Through the Wodonga Skills and Jobs Centre, Wodonga TAFE staff provided expert advice on training, employability skills, and opportunities to people from throughout its community, including current and prospective students, job starters, people returning to the workforce, employees wishing to upskill or change careers, and employers.
- Expanding upon community services with the local Koorie community, Wodonga TAFE, with funding from the Victorian Government established numerous Koorie community, education, and support roles for students and the local community.
- As a pilot with the Victorian Government, Wodonga TAFE has developed a Veteran Liaison Officer role to directly connect with the Veteran communities, and their families. This encourages post-service education and employment, and finds ways to recognise their service through the skills and knowledge attained during, and turning it into recognition of prior learning (RPL).
- Wodonga TAFE also provided a range of dedicated support services for current and prospective students. These free services included counselling and welfare assistance, Koorie support, disability support, careers advice, academic learner support and Veteran support.

Communities served

Wodonga TAFE's main campus is located at McKoy Street, West Wodonga, with additional campuses located at Logic Centre - Barnawartha North, Moorefield Park Drive, TAFESpace (Wodonga CBD), and Shepparton.

The Institute continues to expand operations and facilities, having added the Trades Training Centre at the Moorefield Park Drive, Wodonga site, in 2022 – officially launched in 2023 with Dr Helen Haines MP. This enabled Wodonga TAFE to commence delivery of training in electrotechnology and plumbing, and brought Carpentry and Cabinetmaking back onto Institute grounds, moving from its prior location based at Wodonga Senior Secondary College.

In 2023, Wodonga TAFE continued its delivery of VET Delivered to Secondary Students throughout the northeast region. This included Corryong College, Galen Catholic College, Mansfield Secondary College, Mt Beauty Secondary College, Tallangatta Secondary College, Victory Lutheran College, and Wodonga Senior Secondary College.

Wodonga TAFE also provided outreach Skills and Jobs Centre services, along with a range of training programs in partnership with local community service providers and community organisations across the region, including the rural locations of Tallangatta, Beechworth, Myrtleford, Chiltern, Rutherglen, and Corryong.

2023 saw an expansion of the partnership with the Australian Defence Force, upon signing the Joint Technical Trades Training Services contract. As a result, Wodonga TAFE staff and our training partners are operating out of locations across Australia, including Amberley, Bandiana, Cairns, Darwin, Enoggera, Mornington Peninsula, Perth, Puckapunyal, Townsville, and Watsonia.



Resources

Environmental Performance

Wodonga TAFE has experienced incremental growth, with 554.42 FTE in 2023 and an expanded Gross Floor Area of 29,832m². While electricity consumption peaked at 1,495,804 Kwt in 2023, this trend correlating with increases in staff returning to the workplace post COVID-19, signaling the need for optimisation in 2024 and beyond. Gas usage exhibits slight fluctuations, with a positive reduction against 2022 64,115 MJ / 1.5% ahead of the 2023 target 4,307,606 MJ, complimented by positive trends in efficiency metrics.

Total water usage reached 41,698 KI in 2023, surpassing the 2023 target of 35,000 KI. This increase can be attributed to weather trends over the period, with 2024 consumption expected to remain high due to lower-than-median rainfall patterns predicted. However, the shift towards reclaimed water usage showcases a dedication to sustainable water practices, and efficiency metrics indicate a positive trend, with KI per m² decreasing over the years.

In alignment with the commitment to environmental responsibility, this year saw the facilities conduct a full audit and condition assessment of exterior lighting at the McKoy Street Campus. This initiative resulted in the replacement of outdated, less efficient solar and some mains powered lighting with new modern solar panels and lights.

Sustainability initiatives continue through the strategic transition of the car fleet from petrol to petrol-hybrid cars, through lifecycle replenishment of the motor vehicle fleet with PHEV (Plug-in Hybrid Electric Vehicles) exemplifying the commitment to sustainable fleet management.

Paper consumption aligns positively with a proactive digitisation strategy realizing a reduction 638 reams / 30% reduction against 2023 target 3,040, emphasising a commitment to sustainability and consistent use of recycled content. This is the equivalent of more than two full pallets of paper and offsets the slight reduction in the use of recycled paper which was due to Australia's last white paper mill in Maryvale closing in 2023 with available stock running out by October.

These collective efforts underscore positive strides towards a more environmentally conscious organization and encourage thoughtful purchasing considerations.

| | | | | | |
|---|----------------|-------------|-------------|-------------|--------------------|
| Staff FTE | | 501.38 | 539.74 | 554.42 | |
| Gross Floor Area (GFA) - m2 | | 22,513 | 25,822 | 29,832 | |
| | | | | | |
| Type | Measure | 2021 | 2022 | 2023 | 2024 target |
| Electricity | Kilowatts | | | | |
| Total electricity usage (Kwt) | | 1,005,695 | 1,255,307 | 1,495,804 | 1,450,000 |
| Greenhouse gas emissions | | 1,128 | 1,407 | 1,601 | 1,550 |
| Units per FTE (Kwt per FTE) | | 2,005 | 2,326 | 2,698 | |
| Units per GFA (Kwt per m2) | | 45 | 48.6 | 50.14 | |
| Gas | Mega joules | | | | |
| Total gas usage (MJ) | | 3,566,297 | 4,238,113 | 4,173,998 | 4,100,000 |
| Units per FTE (MJ per FTE) | | 7,113 | 7,852 | 7,529 | |
| Units per GFA (MJ per m2) | | 158 | 168 | 139.92 | |
| Paper Use | A4 Reams | | | | |
| Total reams purchased | | 2,000 | 2,083 | 1,445 | 1,200 |
| Units per FTE (reams per FTE) | | 4 | 3.9 | 2.6 | |
| Percentage of recycled content | | 99% | 100% | 95% | |
| Water consumption | Kilolitres | | | | |
| Total water usage (KI) | | 39,398 | 16,882 | 41,698 | 35,000 |
| Reclaimed water usage (KI) | | 27,273 | 8,966 | 27,731 | |
| Mains water usage (KI) | | 12,175 | 7,916 | 13,967 | |
| Units per GFA (KI per m2) | | 1.75 | 0.6 | 0.7 | |
| Transportation | Tonnes | | | | |
| Greenhouse gas emissions from fleet - total (T) | | 193 | 188 | 638 | |
| No. petrol hybrid cars in fleet | | 9 | 10 | 12 | 15 |
| Vehicles in fleet - total | | 40 | 37 | 42 | |
| Distance travelled by air - total (KM) | | 5,903 | 147,664 | 242,040 | |
| Greenhouse gas emissions air travel (T) | | 1.5 | 26.09 | 60.51 | |
| Greenhouse gas emissions | Tonnes | | | | |
| Total - energy use (T) | | 195.8 | 214.09 | 698.51 | |

People and Development

Industrial Relations

The consultative mechanisms at Wodonga TAFE continued during 2023 through the Australian Education Union (AEU) - Multi Enterprise Agreement (MEA) Implementation Group and the National Tertiary Education Union (NTEU) - Workplace Consultative Committee. These groups work together to bring a focus on the application of related enterprise agreements and other employment related matters.

Across the Victorian TAFE sector, the 12 stand-alone TAFEs, including Wodonga TAFE, were seeking to explore a multi-enterprise agreement for the PACCT workforce. As this is a complex process to combine 12 individual Agreements into 1 multi-enterprise agreement, the Victorian TAFE Association (VTA) assisted the TAFEs to negotiate with the NTEU and work with Office of TAFE Coordination and Delivery (OTCD), to roll-over the existing PACCT Enterprise Agreements at each TAFE. The roll-over will enable more time to deal with the complexities. The process has seen all 12 stand-alone TAFEs submit their agreements to the Victorian Government for approval. The outcome of this process is expected early in 2024 and the proposed roll-over agreement will be presented for a staff vote. Once completed, the 12 TAFEs will seek to commence the process around a multi-enterprise agreement.

The negotiations for a Victorian TAFE Teachers Multi-Enterprise agreement continued during 2023. The VTA is representing the TAFEs through the negotiation process. The AEU applied to Fair Work Australia for a Single Interest Employer Authorisation in line with new legislative changes introduced in June 2023. The approval from Fair Work was received in November 2023. The negotiating parties will continue negotiations in line with this approval into 2024.

There was no industrial action taken by staff during 2023.

Occupational Health and Safety

| Measure/Indicator | 2020 | 2021 | 2022 | 2023 |
|---|---------|---------|-----------|-----------|
| Reported hazards/incidents per 100 EFT staff | 17.0 | 21.9 | 36.11 | 19.95 |
| Lost time standard Workcover claims per 100 EFT staff | 0.22 | 0.21 | 0.92 | 2.01 |
| Average cost per claim for the year | \$1,000 | \$3,534 | \$20,186* | \$23,424* |
| Fatalities | - | - | - | - |

*Please note that the average cost per claim for the year has been calculated on only the accepted new claims lodged in 2023.

A decrease in incidents were reported in 2023 compared to 2022. There were 109 incidents / near misses logged. Increased information was sent to all staff to highlight the need for reporting. The data shows that 72% of the incidents notified were minor with the remaining rated at moderate risk. No high-risk incidents were logged. 50% of incidents involved students, 48% were staff and 2% were visitors. There were 2 notifiable incidents that were closed by WorkSafe Victoria following investigation.

WorkSafe made 4 visits to Wodonga TAFE in relation to 3 complaints received and as part of the WorkSafe project reviewing manual handling and bullying and harassment. No recommendations were made in relation to 2 complaints and the WorkSafe project. A minor action was recommended for 1 complaint and the matter was closed.

Fourteen (14) new Workcover claims were lodged in 2023 increasing from 5 claims in 2022. An increase in psychological claims was received which is consistent across all industries. Four (4) claims remain active at

the end of 2023. Aegis Risk Management were engaged to assist with managing long term claims and review claims for liability.

Health, Safety and Wellbeing Initiatives

Work Health and Safety (WHS) continued to be a priority across Wodonga TAFE in 2023. Student safety was a strong focus which saw a joint project by the Safety Lead, Student Support Services and the delivery department Industrial Skills Trades and Transport (ISTT). The project provided induction training to ISTT students to raise awareness of safety responsibilities and provided information where students can obtain help if required. This program was a great success with over 200 students attending.

A People at Work Survey (Psychosocial survey) was conducted in May and the results were combined with the People Matter Survey results to form the basis for the Psychological Safety Program at Wodonga TAFE. A focus group was established to review the de-identified survey results and develop action plans. These action plans were presented to the Manager of the team and the workgroups. Wodonga TAFE showcased its Psychological Safety Program to the Albury Wodonga Safety Health and Environment Group during safety month at both the Wangaratta and Wodonga Conferences and to the Victorian TAFE Human Resources Network.

The TradeMutt Ambassadors Project was trialled at the McKoy Street Campus which involved 22 staff wearing the TradeMutt brand shirt and being trained to support our staff and students through conversations about mental health. The trial was a success and funding has been approved for a further 10 ambassadors including staff at sites external to the McKoy Street Campus.

The Health and Wellbeing Program continues to use Work Health Consultants who engage with staff on-site combined with the Employee Assistance Program (EAP). The EAP had an annual utilisation of 4.57% down from 8.60% in 2022. This decrease could be attributed to more staff returning to work onsite following COVID work from home and utilising the Work Health Consultant when onsite.

The Health and Safety Working Group (Committee) met across 2023 and worked on changes to the agenda and the introduction of Health and Safety Representative (HSR) reporting at committee meetings. The Group reviewed its meeting frequency and moved to 3 monthly. The Group will continue to work on increasing representation at the meetings in 2024.

Health, Safety and Wellbeing Training

A range of training opportunities were conducted to support capability building for health, safety and wellbeing which included:

- Emotional Intelligence for Leaders
- Conducting Difficult Conversations
- Mediation Skills
- Mental Health First Aid
- Occupational Violence
- Contact Officers
- Workplace Health and Safety: Roles and Responsibilities for Board and the Executive Team.

Preparation of mandatory OHS training for leaders and managers was designed in 2023 and will launch in 2024. The training will include both psychological and physical safety with a focus on continuing to educate our leaders on the importance of early detection and intervention.

Employment and Conduct Principles

All employees have been correctly classified in workforce data collections.

Wodonga 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. All employees are expected to conduct themselves in a manner consistent with the Wodonga TAFE Staff Code of Conduct and its Values.

Wodonga TAFE participated in the annual Victorian Public Sector Commission (VPSC) People Matter Survey in 2023 which resulted in a very pleasing participation rate of 77%, consistent with last year's rate of 80%. The results help us to better understand employee engagement and job satisfaction as well as benchmark organisational culture and features of the work environment. The results are used for planning workplace cultural change programs.

The Institute's overall job satisfaction was 71%, which was higher than the comparison group average of 63% and the Public Sector average of 65%. An employee engagement index of 71 was higher than the comparison group average of 66, and slightly higher than the previous year's index of 70. Satisfaction and inclusion were also trending upwards compared to last year's results of 69% and 77%, which is a positive outcome.

People Matter Survey Results

| Responses for | Wodonga TAFE in 2023 | Comparator average in 2023 | Public sector average in 2023 |
|------------------------------------|----------------------|----------------------------|-------------------------------|
| Response rate | 77% | 63% | 57% |
| Satisfaction | 71% | 63% | 65% |
| High to severe work-related stress | 16% | 26% | 25% |
| Engagement index | 71 | 66 | 67 |
| Inclusion | 80% | 79% | 78% |



Workforce data

The total Full Time Equivalent (FTE) for 2023 was 554.42 and a breakdown of workforce data is below.

Performance and Accountability Framework FTE Table – For years ending 31 December 2022 and 2023

| | December 2023 | | | | | | | December 2022 | | | | | | |
|--------------|---------------|---------------|--------------|---------------|--------------|-------------|---------------|---------------|------------|--------------|--------------|-------------|--------------|---------------|
| | Full Time | | Part Time | | Casual | | Total | Full Time | | Part Time | | Casual | | Total |
| | Ongoing | Fixed Term | Ongoing | Fixed Term | Teacher | Other | | Ongoing | Fixed Term | Ongoing | Fixed Term | Teacher | Other | |
| PACCT Staff | 115.28 | 45.75 | 15.39 | 5.78 | - | 2.34 | 184.53 | 110 | 48 | 15.86 | 8.56 | NA | 2.15 | 184.58 |
| Executive | - | 5.50 | - | - | - | - | 5.50 | - | 5 | - | - | NA | - | 5 |
| Other | 14.08 | 9.17 | 5.87 | 1.13 | - | 6.08 | 36.33 | 15 | 10 | 3.31 | 1.99 | NA | 5.80 | 36.11 |
| Teacher | 110.02 | 160.00 | 27.04 | 14.80 | 16.21 | - | 328.06 | 94 | 168 | 25.04 | 17.07 | 6.47 | 3.47 | 314.05 |
| Total | 239.38 | 220.42 | 48.29 | 21.705 | 16.21 | 8.49 | 554.42 | 219 | 231 | 44.21 | 27.62 | 6.47 | 11.43 | 539.74 |

*Above table includes all staff employed during the reporting year for 2023 as per the performance and accountability framework

Workforce Disclosures (December 2023 - December 2022)

| Gender | December 2023 | | | | | | | December 2022 | | | | | | |
|------------------------|------------------|---------------|---------------------|---------------------|---------------|-----------------------|---------------|------------------|---------------|---------------------|---------------------|---------------|-----------------------|---------------|
| | All employees | | Ongoing | | | Fixed term and casual | | All employees | | Ongoing | | | Fixed term and casual | |
| | Number Headcount | FTE | Full-time Headcount | Part-time Headcount | FTE | Number Headcount | FTE | Number Headcount | FTE | Full-time Headcount | Part-time Headcount | FTE | Number Headcount | FTE |
| Women Executive | 3 | 3.00 | - | - | - | 3 | 3.00 | 3 | 3 | - | - | - | 3 | 3 |
| Women (total) | 335 | 253.51 | 136 | 59 | 176.96 | 140 | 76.54 | 352 | 253.06 | 129 | 58 | 166.51 | 164 | 83.55 |
| Men Executives | 3 | 3.00 | - | - | 0.000 | 3 | 3.00 | 2 | 2 | - | - | - | 2 | 2 |
| Men (total staff) | 338 | 286.89 | 184 | 11 | 191.76 | 143 | 95.13 | 341 | 286.68 | 91 | 8 | 96.70 | 242 | 187.98 |
| Self-described | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Age | | | | | | | | | | | | | | |
| 15-24 | 22 | 18.43 | 8 | - | 8.00 | 14 | 10.43 | 22 | 18.33 | 7 | 1 | 7.69 | 14 | 10.64 |
| 25-34 | 80 | 65.19 | 36 | 4 | 38.70 | 40 | 26.49 | 90 | 68.24 | 33 | 10 | 38.56 | 47 | 29.68 |
| 35-44 | 161 | 129.64 | 75 | 22 | 90.90 | 64 | 38.74 | 158 | 119.95 | 41 | 16 | 52.39 | 101 | 67.56 |
| 45-54 | 184 | 157.16 | 98 | 17 | 109.33 | 69 | 47.83 | 206 | 165.03 | 71 | 20 | 84.28 | 114 | 80.75 |
| 55-64 | 175 | 143.72 | 88 | 18 | 101.14 | 69 | 42.58 | 176 | 143.43 | 61 | 15 | 71.30 | 100 | 72.13 |
| 65+ | 57 | 32.27 | 15 | 9 | 20.65 | 33 | 11.61 | 46 | 24.76 | 7 | 4 | 9 | 35 | 15.76 |
| Total Employees | 679 | 546.40 | 320 | 70 | 368.73 | 289 | 177.67 | 698 | 539.74 | 220 | 66 | 263.21 | 411 | 276.53 |

*Table 2 includes employees from the last pay period in December 2023.

With changes to legislation related to fixed term employment, Wodonga TAFE analysed its fixed term positions against the changes and identified where positions could be converted to ongoing to ensure compliance with new legislation. This has reduced the FTE fixed term status and increased the ongoing status.

Governance

Wodonga TAFE is governed by a Board of Directors established under the *Constitution of the Wodonga Technical and Further Education Order 2016* (the Constitution) and the *Education Training and Reform Act 2006* (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 regarding their accountabilities and interactions.

The skills-based Board is comprised of members who have experience in Management, Economics, Finance, Corporate Governance, Law and Tertiary Education. 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 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 2023:

- Allison Jenvey - Chair
- Phil Paterson - CEO
- Tammy Atkins
- Glenda Beecher
- Vernon Hilditch
- Annette Kearns
- Catherine Prichard
- Morgana Ryan
- Matthew Austin
- David Smith

Board Committees

In 2023 the following Board Committees assisted the Board in fulfilling its duties:

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

Audit, Risk and Remuneration Committee.

The Audit, Risk and Remuneration Committee is a committee of the Institute Board, with a Terms of Reference adopted by resolution of the Board on 25 July 2023, 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 internal 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 2023 included:

- Glenda Beecher – Chair
- Tammy Atkins
- Vernon Hilditch
- Allison Jenvey
- Catherine Prichard
- Morgana Ryan
- Matthew Austin

Finance Committee

The Finance Committee is a committee of the Institute Board, with a Terms of Reference approved by resolution of the committee on 30 October 2023, 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: 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 2023 included:

- Annette Kearns - Chair
- Phil Paterson - CEO
- Vernon Hilditch
- Allison Jenvey
- Catherine Prichard
- Matthew Austin
- David Smith

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 committee on 27 November 2023, 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 opportunities, including collaborative partnerships and agreements; overseeing investment in strategic initiatives arising from the planning process.

Membership during 2023 included:

- Tammy Atkins - Chair
- Phil Paterson - CEO
- Glenda Beecher
- Allison Jenvey
- Morgana Ryan
- Annette Kearns
- David Smith



Executive management structure

Phil Paterson – 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.

Belinda Leskie – Chief Finance Officer

The Chief Finance Officer (CFO) holds a key role in overseeing the financial performance of the Institute. Responsibilities include managing governance and risk, procurement, and facilities. The CFO provides strategic advice on financial, risk management, and business strategy to both the Board and Leadership Team. Additionally, they lead in strategic asset management and infrastructure, ensuring adherence to financial governance frameworks, policies, and accounting standards. The role encompasses leadership in risk, audit, and legal advice, contributing to the overall financial plan and investments of Wodonga TAFE.

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 Communications, Engagement and Experience

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.

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.

Damien Crawley – Executive Director, Training Transformation Solutions

The Executive Director, Training Transformation Solutions is responsible for Training Transformation Solutions (TTS) which holds significant defence force contracts. Also has oversight of Logical Innovations Precinct which delivers innovation in heavy vehicle, clean economy and advanced manufacturing technologies.

Chris Logue – General Manager RTO Quality & Compliance

The General Manager RTO Quality and Compliance provides leadership and direction for the Institute's quality and, compliance Quality Management System, student support, risk management, oversight of RTO and Quality System and Student Management System. This role also has oversight of Quality Learning and Teaching Unit, Library and Education Design and Training.

Organisational Chart as at 31 December 2023



Financial Performance Summary

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 achieved a net surplus of \$364k for the year ending 31 December 2023 surpassing the Board-approved budget of (\$3.28M). This success can be attributed to an 18.8% increase in revenue driven by Grant Funded and Fee for Service income streams.

Growth through the expansion of the technical trades training services has resulted in an increase in service expenses, which has been balanced by a corresponding increase in fee-for-service income streams.

Wodonga TAFE's financial position is stable with net assets of \$107m and the working capital ratio reduced to 3.3:1. Liquidity also remains strong.

Five-year financial summary

Comparative results 2019 - 2023

| Item | 2023 \$'000 | 2022 \$'000 | 2021 \$'000 | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|----------------|----------------|----------------|
| Revenue from operations ¹ | 84,896 | 71,478 | 62,742 | 59,549 | 56,918 |
| Expenditure from operations ² | 80,135 | 71,506 | 63,229 | 56,788 | 53,024 |
| EBITDA incl net gain from reval of annual leave liability | 4,761 | (28) | (487) | 2,761 | 3,894 |
| Govt capital contributions | - | 2,655 | 333 | 472 | - |
| Depreciation and amortisation ³ | (4,122) | (2,997) | (3,045) | (3,243) | (3,367) |
| Gains(losses) on disposal of assets | (204) | 60 | (1,545) | 370 | 101 |
| Movements in the provision for LSL | (71) | 338 | (419) | (23) | (584) |
| Net result | 364 | 27 | (5,161) | 337 | 44 |
| Assets ³ | 122,141 | 116,892 | 108,626 | 102,098 | 99,935 |
| Liabilities | (14,858) | (9,972) | (9,951) | (10,489) | (8,663) |
| Total equity | 107,283 | 106,919 | 98,675 | 91,609 | 91,272 |

Note:

¹ 2023 revenue has increased \$13m upon 2022 this is primarily driven by increases in Government Grant Income and delivering training services to the Australian Defence Force (ADF), after the successful tender submission for technical trades training services on a national basis.

² Expenses have increased by \$8.6 million, primarily attributed to an increase in salaries and wages and services expenditure. This increase is a consequence of various factors, including filling vacant positions, award increments, increased Long Service Leave utilisation, and a 0.5% increase in Superannuation Guarantee (SGC) on-costs. Furthermore, the introduction of the 0.5% COVID-19 Debt temporary payroll tax surcharge (CTS) and increased services expenditure in the technical trades training services have contributed to the overall expense escalation.

³ The asset base subject to depreciation has increased following the revaluation conducted on property, plant and equipment as of 31 December 2022. This revaluation led to an increase of \$8,250k, significantly impacting the depreciation calculations.

⁴ Total assets have experienced an increase from the previous year, primarily due to invoice timing, resulting in a higher outstanding balance of trade receivables with some of our major clients as at 31 December 2023.

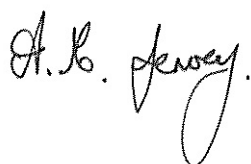
Compliance

Wodonga Institute of TAFE

Financial Management Compliance Attestation Statement

I, Allison Jenvey, on behalf of the Board of Directors, certify that for the period 1 January 2023 to 31 December 2023, the Wodonga TAFE has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.

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



Allison Jenvey
Board Chair
19th March 2024

Financial reporting directions

This report is prepared in accordance with the requirements of the *Financial Management Act 1994*, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions. For further details, please refer to the Financial Statements.

No post-balance sheet date events have been identified as having an effect, and in 2023, there were no significant financial reporting factors affecting performance.

Additional information available on request

Consistent with the requirements of the *Freedom of Information Act 1982*, Wodonga TAFE has additional material available relating to the following items, details of which may be available on request from the Institute's Freedom of Information Officer:

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

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 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 Skills and TAFE
- 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*
- *Public Interest Disclosure Act 2012*
- *Local Jobs First Act 2003*
- *Carers Recognition Act 2012*

Compulsory student services and amenities fees

Wodonga TAFE did not receive any compulsory non-academic fees, subscriptions, or charges in 2023.

Conduct principles

All staff are required to comply with the Wodonga 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 2023, there were 20 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023 in relation to these consultancies is \$781,415 (excl. GST). In 2023, there were 20 additional consultancies where the total fees payable were less than \$10,000. The total expenditure incurred during 2023 in relation to these consultancies is \$52,311 (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 2023 \$ | Future expenditure \$ |
|---|------------------------------------|------------|----------|----------------------------------|------------------------|--------------------------|
| UniLodge Australia Pty Ltd | Accommodation Management Fees | Jan-23 | Dec-23 | 173,938 | 173,938 | 156,000 |
| GHD Pty Ltd | Project Management | Jun-23 | Nov-23 | 105,674 | 105,674 | Nil |
| Technology One Ltd | IT System Support | Apr-23 | Nov-23 | 63,080 | 63,080 | Nil |
| AccomplishBiz Pty Ltd | Project Management | Jun-23 | Nov-23 | 63,035 | 63,035 | Nil |
| Rockbarton Pty Ltd | Project Management | Jul-23 | Nov-23 | 52,883 | 52,883 | Nil |
| Johnstaff Infrastructure Advisory Pty Ltd | Detailed Business Case Development | Jan-23 | Feb-23 | 49,095 | 49,095 | Nil |
| Victorian Chamber of Commerce and Industry | Investigation Assistance | Oct-23 | Dec-23 | 33,660 | 33,660 | Nil |
| Logicalis Australia | IT Developments | Jan-23 | May-23 | 32,964 | 32,964 | Nil |
| Tiger Tail Pty Ltd | Crisis Training Activity | Oct-23 | Nov-23 | 25,558 | 25,558 | Nil |
| Dept of Environmental Land Water and Planning | Market and Asset Valuation | Apr-23 | May-23 | 22,725 | 22,725 | Nil |
| AvePoint AU Pty Ltd | Systems File Migration | Jan-23 | Jun-23 | 21,368 | 21,368 | Nil |
| Web Matrix Pty Ltd | Annual Service and Support | Jan-23 | Dec-23 | 19,980 | 19,980 | 19,980 |
| Total HRM | Human Resources Services | Jan-23 | Dec-23 | 19,824 | 19,824 | Nil |
| Leadership Through Data | Course Development and Training | Apr-23 | Apr-23 | 19,500 | 19,500 | Nil |
| Aegis Risk Management Services Pty Ltd | Workers Compensation Fee | Jun-23 | Dec-23 | 19,083 | 19,083 | Nil |
| LinkedIn | Recruiter – Corporate | Jan-23 | Dec-23 | 13,450 | 13,450 | 13,450 |
| Mercer Consulting (Australia) Pty Ltd | Remuneration Review | Oct-23 | Nov-23 | 12,500 | 12,500 | Nil |
| Hays Specialist Recruitment (Australia) Pty Ltd | Temporary Staff Fees | Sep-23 | Dec-23 | 12,053 | 12,053 | Nil |
| FYB Pty Ltd | Records Management | May-23 | Dec-23 | 11,045 | 11,045 | 10,488 |
| The Centre for Continuing Education | MOU Agreement | Jan-23 | Dec-23 | 10,000 | 10,000 | 10,000 |

Also published at www.wodongatafe.edu.au

Freedom of Information

Wodonga TAFE has implemented procedures that, subject to privacy provisions, facilitate all reasonable requests for information from students, staff, and the general public without recourse to the *Freedom of Information Act 1982*. Wodonga TAFE ensures that its procedures are in line with the requirements of the *Freedom of Information Act 1982*. During the calendar year ended 31 December 2023, Wodonga TAFE received one request for information under the Freedom of Information process.

ICT expenditure

Details of ICT expenditure for 2023

| BAU ICT Expenditure Total | Non-BAU ICT Expenditure Total | Non-BAU Operational expenditure | Non-BAU Capital expenditure |
|---------------------------|-------------------------------|---------------------------------|-----------------------------|
| \$4,975,000 | \$911,000 | \$648,000 | \$263,000 |



Local Jobs First policy

The Local Jobs First Act 2003 requires departments and public sector bodies to apply the Local Jobs First policy to all projects over \$3 million in metropolitan Melbourne or state-wide, and \$1 million in regional Victoria. In 2023 Wodonga TAFE had one applicable project. The total value of Local Jobs First project within the 2023 reporting period is \$nil, the anticipated total value of \$34 million is expected to commence in 2024.

Major commercial activities

Wodonga TAFE undertook no major commercial activities in 2023.

National Competition policy

Wodonga TAFE has established policies and processes to ensure compliance with the National Competition Policy which take into account the Victorian Government's Competitive Neutrality Policy and related legislation. Wodonga TAFE views this activity as a critical part of its approach to business development along with a focus on continuous improvement and improved and efficient work practices.

Public Interest Disclosure Act

The *Public Interest Disclosure Act 2012* encourages and facilitates the disclosure of improper conduct by public bodies, and other persons, and helps people to make disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and for rectifying action to be taken. Wodonga TAFE does not tolerate improper conduct by employees or the taking of reprisals against those who come forward to disclose such conduct.

Wodonga TAFE endeavours to ensure that it complies with the provisions of the *Public Interest Disclosure Act 2012* and that its processes are transparent with appropriate accountabilities. The organisation also aims to support the making of disclosures that reveal corrupt conduct, mismanagement of public resources, or risks to public health and safety for the environment. Wodonga TAFE does not receive Protected Disclosures, rather such information is sent directly to the Independent Broad-based Anti-Corruption Commission (IBAC).

Victorian Public Sector Travel policy

Wodonga 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:

Belinda Leskie
Chief Finance Officer

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

Wodonga Institute of TAFE - Financial Statements

Table of Contents

Wodonga TAFE has presented its audited general purpose financial statements for the year ended 31 December 2023 in the following structure to provide users with the information about the Institute's stewardship of resources entrusted to it.

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Independent Auditor's Report

To the Board of Wodonga Institute of TAFE

| | |
|--|---|
| Opinion | <p>I have audited the accompanying performance statement of Wodonga Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none">• performance statement for the year ended 31 December 2023• the management certification. <p>In my opinion, the performance statement of Wodonga Institute of TAFE in respect of the year ended 31 December 2023 presents fairly, in all material respects, in line with the reporting requirements outlined by the Minister in the statement of priorities.</p> |
| Basis for Opinion | <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> |
| Board's responsibilities for the performance statement | <p>The Board are 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> |
| Auditor's responsibilities for the audit of the performance statement | <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.</p> <p>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> |

Independent Auditor's Certification of The Statement of Performance VAGO

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 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.

MELBOURNE
29 March 2024



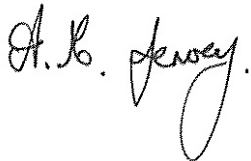
Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Performance Statement Management Certification for 2023

In our opinion, the accompanying Statement of Performance of Wodonga Institute of TAFE, in respect of the year ended 2023, is presented fairly.

The Statement outlines the performance indicators as determined by the responsible Minister, pre-determined targets where applicable, 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
Wodonga
19th March 2024



Phil Paterson
Managing Director and Chief Executive Officer
Wodonga Institute of TAFE
Wodonga
19th March 2024



Belinda Leskie
Chief Finance Officer
Wodonga Institute of TAFE
Wodonga
19th March 2024

Performance Statement

Performance Statement for the Year Ended 31 December 2023

| Indicator | Description and methodology | Measure | 2023 target | 2023 actual | Explanation of variances | Prior year result |
|--|---|---------|-------------|-------------|--|-------------------|
| Training revenue diversity | Govt. Funded Training / Total Training Revenue | % | 34.4% | 26.3% | The strategic cultivation of key commercial contracts has driven growth in fee-for-service revenue, reducing the percentage of government-funded training revenue within the overall training revenue composition, thereby fostering financial resilience and sustained growth; concurrently, student fees and charges have remained stable from 2022 to 2023. | 31.0% |
| | Fee for Service / Total Training Revenue | % | 62.3% | 71.8% | | 67.3% |
| | Student Fees & Charges / Total Training Revenue | % | 3.3% | 1.9% | | 1.7% |
| Employment costs as a proportion of training revenue | (Employment Costs + 3rd Party Training Delivery Costs) / Total Training Revenue | % | 102.1% | 105.3% | Due to the robust labour market, the demand for government-funded training in 2023 was softer than anticipated. However, this was partially mitigated by a rise in fee-for-service training activity. The increase in employment costs, driven by the superannuation guarantee charge rising from 10.5% to 11.0% and additional expenses of \$1.0 million due to staff utilization of long service leave, along with a portion of total employment expenses funded by one-off grants not reflected in this metric, had an impact. Efforts were made to manage the impact of employment costs, primarily through the strategic management of vacancies. | 106.8% |
| Training revenue per teaching FTE | Training Revenue (excl. Revenue delivered via 3rd party delivery) / Total teaching FTE (including annualised casual teaching staff) | \$ | \$188,715 | \$187,051 | Target achieved. | \$163,430 |
| Operating margin percentage | EBIT excl. capital contributions / Total revenue excl. capital contributions | % | (4.3%) | 0.7% | The result exceeded expectations, marked by a notable operating margin improvement at 0.7%, a significant turnaround from the previous year's (3.8%) and better than the budgeted operating margin of (4.3%). This positive outcome was attributed to additional once-off government grant funding such as the \$1.2m Agricultural Innovation and Skills grant combined with growth in fee-for-service training activity. The impact of this success was partially offset by an increase in services expenditure linked to the enhanced delivery of increased fee-for-service revenue. | (3.8%) |

Independent Auditor's Certification of the Financial Report



Independent Auditor's Report

To the Board of Wodonga Institute of TAFE

| | |
|--|---|
| Opinion | <p>I have audited the financial report of Wodonga Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 31 December 2023• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration by the Board Chair, Chief Executive Officer and Chief Finance Officer. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none">• presenting fairly, in all material respects, the financial position of the institute as at 31 December 2023 and of its financial performance and its cash flows for the year then ended• complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2022</i>. |
| Basis for Opinion | <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> |
| Board's responsibilities for the financial report | <p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation 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> |

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Independent Auditor's Certification of the Financial Report

| | |
|---|---|
| Auditor's responsibilities for the audit of the financial report | <p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none">• 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.• obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the institute to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the institute and the consolidated entity. I remain solely responsible for my audit opinion. <p>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.</p> |
|---|---|

MELBOURNE
29 March 2024


Charlotte Jeffries
as delegate for the Auditor-General of Victoria

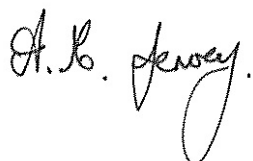
Declaration by the Board Chair Chief Executive Officer and Chief Finance Officer

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 Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards including interpretations, 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 2023 and financial position of the Institute as at 31 December 2023.

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.

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
Wodonga
19th March 2024



Phil Paterson
Managing Director and Chief Executive Officer
Wodonga Institute of TAFE
Wodonga
19th March 2024



Belinda Leskie
Chief Finance Officer
Wodonga Institute of TAFE
Wodonga
19th March 2024

Financial Statements

Comprehensive Operating Statement

for the year ended 31 December 2023

| | Notes | 2023 \$'000 | 2022 \$'000 |
|--|-------|----------------|----------------|
| Continuing operations | | | |
| Revenue and income from transactions | | | |
| Government grants | | | |
| Operating grants - revenue | 2.1.1 | 16,382 | 14,105 |
| Operating grants - income | 2.1.1 | 17,595 | 17,823 |
| Capital grants - income | 2.1.2 | - | 2,655 |
| Revenue from fees, charges and sales | 2.2 | 45,963 | 36,127 |
| Other revenue | 2.3 | 2,169 | 1,815 |
| Other income | 2.3 | 2,787 | 1,608 |
| Total income from transactions | | 84,896 | 74,133 |
| Expenses from transactions | | | |
| Employee benefits | 3.1.1 | 57,443 | 52,793 |
| Supplies and services | 3.3 | 17,165 | 13,341 |
| Other operating expenses | 3.4 | 5,598 | 5,035 |
| Depreciation and amortisation | 3.5 | 4,122 | 2,996 |
| Total expenses from transactions | | 84,328 | 74,165 |
| Net result from transactions | | 568 | (32) |
| Other economic flows included in net result | | | |
| Net gain/(loss) on non-financial assets | 4.1.3 | (204) | 60 |
| Total other economic flows included in net result | | (204) | 60 |
| Net result from continuing operations | | 364 | 27 |
| Net result | | 364 | 27 |
| Other economic flows - other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Changes in physical asset revaluation surplus | | - | 8,250 |
| Comprehensive result | | 364 | 8,277 |

The accompanying notes form part of these financial statements.

Balance Sheet

as at 31 December 2023

| | Notes | 2023 \$'000 | 2022 \$'000 |
|-----------------------------------|-------|----------------|----------------|
| Assets | | | |
| Financial assets | | | |
| Cash and cash equivalents | 6.1 | 32,437 | 29,844 |
| Receivables | 5.1 | 11,288 | 5,794 |
| Total financial assets | | 43,725 | 35,638 |
| Non-financial assets | | | |
| Property, plant and equipment | 4.1 | 77,331 | 80,108 |
| Intangible assets | 4.2 | 11 | 173 |
| Other non-financial assets | 5.2 | 1,074 | 972 |
| Total non-financial assets | | 78,416 | 81,253 |
| Total assets | | 122,141 | 116,891 |
| Liabilities | | | |
| Payables | 5.3 | 5,235 | 1,664 |
| Contract liabilities | 5.4 | 1,269 | 393 |
| Employee provisions | 5.5 | 8,354 | 7,915 |
| Total liabilities | | 14,858 | 9,972 |
| Net assets | | 107,283 | 106,919 |
| Equity | | | |
| Contributed capital | 6.2 | 14,015 | 14,015 |
| Accumulated surplus | | 34,111 | 33,747 |
| Reserves | 9.1 | 59,157 | 59,157 |
| Net worth | | 107,283 | 106,919 |

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2023

| | Physical asset revaluation surplus \$'000 | Accumulated surplus \$'000 | Contributions by owner \$'000 | Total \$'000 |
|------------------------------------|--|----------------------------------|-------------------------------------|-----------------|
| At 1 January 2022 | 50,907 | 33,720 | 14,015 | 98,642 |
| Net result for the year | - | 27 | - | 27 |
| Revaluation of PPE | 8,250 | - | - | 8,250 |
| Year ended 31 December 2022 | 59,157 | 33,747 | 14,015 | 106,919 |
| Net result for the year | - | 364 | - | 364 |
| Revaluation of PPE | - | - | - | - |
| Year ended 31 December 2023 | 59,157 | 34,111 | 14,015 | 107,283 |

The accompanying notes form part of these financial statements.

Cash Flow Statement

As at 31 December 2023

| | Notes | 2023 \$'000 | 2022 \$'000 |
|---|-------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Government contributions | | 35,838 | 36,246 |
| Receipts from customers – fees, charges and sales | | 41,620 | 36,314 |
| Goods and services tax recovered from the ATO | | 1,780 | 2,274 |
| Interest received | | 1,318 | 456 |
| Other receipts | | 3,843 | 3,079 |
| Total receipts | | 84,399 | 78,369 |
| Payments | | | |
| Payments to suppliers | | (19,196) | (20,752) |
| Payments to employees | | (57,453) | (52,799) |
| Goods and services tax paid to the ATO | | (3,770) | (3,382) |
| Total payments | | (80,419) | (76,933) |
| Net cash flows from operating activities | 6.1.1 | 3,980 | 1,436 |
| Cash flows from investing activities | | | |
| Purchases of non-financial assets | | (2,037) | (6,631) |
| Proceeds from sales of non-financial assets | | 650 | 76 |
| Net cash used in investing activities | | (1,387) | (6,555) |
| Cash flows from financing activities | | | |
| Net cash inflow (outflow) from financing activities | | - | - |
| Net increase/(decrease) in cash and cash equivalents | | 2,593 | (5,119) |
| Cash and cash equivalents at the beginning of the financial year | | 29,844 | 34,963 |
| Cash and cash equivalents at the end of the financial year | 6.1 | 32,437 | 29,844 |

The accompanying notes form part of these financial statements.

Note 1 – About This Report

Wodonga 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).

Wodonga TAFE is a Technical and Further Education (TAFE) provider, based predominantly in Wodonga of Victoria.

Its registered office and principal address is:

Wodonga Institute of TAFE
87 McKoy Street
Wodonga VIC 3690
Australia

1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of the Wodonga TAFE (the “Institute”). These financial statements have 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 a 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 financial information being presented. 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.

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

- determining whether government contributions received should be recognised as revenue under AASB 15 *Revenue from Contracts with Customers* or income under AASB 1058 *Income of Not-for-Profit Entities* depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring Wodonga TAFE’s satisfaction of a performance obligation (refer to Note 2.2); and
- AASB 16 *Leases* and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.3).

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

- 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 5.5);
- the loss rate used in calculating the allowance for expected credit losses (refer to Note 7.1.2);
- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 7.3); and
- the fair value of assets measured at current replacement cost as a result of rising costs of construction and inflation.

These 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.

These financial statements cover Wodonga TAFE as an individual reporting entity. Wodonga TAFE had no controlled entities for the period ended 31 December 2023.

Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST.

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 TAFE manages funding risk by continuing to diversify and increase funding from commercial activities, both domestically and offshore.

There has been no significant change in Wodonga 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)*, the *Australian Charities and Not-for-Profit Act 2012* 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 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 balance or financial statement matter is disclosed.

1.3 Impact of COVID-19

In 2023, the impacts of the COVID-19 pandemic, including movement and density restrictions, were no longer significant to Wodonga TAFE's operations.

Between 2020 and 2022, various restrictions such as self-isolation and border entry rules were enforced and implemented by the government in order to contain the spread of the virus and to prioritise the health and safety of our communities. Wodonga TAFE conducted classes through remote learning where possible, held examinations online, placed restrictions on non-essential work, performed COVID-19 testing and implemented work from home arrangements where possible. The Department of Jobs, Skills, Industry and Regions (formerly Department of Education) also provided grants to assist Wodonga TAFE with response to the pandemic in order to retain staff, assist with the transition to online and remote learning and maintain government funding at pre-pandemic levels.

Following the easing of restrictions in 2022, learning returned to campus and no further funding was provided by the Department in relation to the pandemic.

Note 2 – How We Earned Our Funds

2.1 Government grants

2.1.1 Revenue and income from government grants

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Grants and other transfers | | |
| Government grants – operating revenue | | |
| State Government - contestable | | |
| DE/DJSIR | 15,065 | 12,996 |
| Other States, Territories, Local Govt. | 697 | 522 |
| Commonwealth Government - contestable | | |
| Commonwealth | 620 | 587 |
| Total government grants – operating revenue | 16,382 | 14,105 |
| Government grants – operating income | | |
| Government – other grants | | |
| DE/DJSIR | 16,274 | 15,823 |
| Other Vic. Government Departments | 1,321 | 2,000 |
| Total government grants – operating income | 17,595 | 17,823 |
| Total government grants – operating | 33,977 | 31,928 |

Revenue and income from government grants

Wodonga TAFE is first required to determine whether the government grants received should be accounted for as Revenue per AASB 15 or Income per AASB 1058.

Significant judgement is applied to assess if a government grant or contract contains sufficiently specific performance obligations.

Revenue from government grants

Wodonga TAFE's revenue streams are predominately for transactions relating to the delivery of courses to students and education services to clients. In all cases, the total transaction price for these services is allocated amongst the various performance obligations based on the consideration specified in the contract with the customer. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time as Wodonga TAFE satisfies the performance obligations by transferring the promised goods or services to its customers. Where government grants have been received for services to be delivered in the following year, these amounts are deferred as a contract liability (Note 5.4).

Revenue is measured at the amount of consideration to which Wodonga TAFE expects to be entitled in exchange for transferring promised goods or services to a customer.

Income from government grants

Income from government grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when Wodonga TAFE has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, Wodonga TAFE recognises any related grants by owners, increases in liabilities and decreases in assets ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004 *Contributions*
- a lease liability in accordance with AASB 16 *Leases*
- a financial instrument, in accordance with AASB 9 *Financial Instruments*
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Specific criteria in relation to determining whether government grants are accounted for as revenue per AASB 15 or income per AASB 1058 are set out below.

| Source of Funding | Nature | Performance obligation | Timing of satisfaction |
|---------------------------------|---|---|---|
| State government – contestable | Refers to Victorian state government funding for which the Institute must compete with other registered training providers. Funding is allocated primarily through a combination of a 'User Choice' system for all providers and a competitive tendering process for private providers. | The funding agreement for these grants outlines the performance obligations to provide education services to eligible students. These grants are recognised as revenue from contracts with customers in line with the requirements of AASB 15. | Revenue is recognised over time, on the basis of the number of units of training delivered to eligible students over the life of the agreement. |
| State government – other grants | Refers to funding that is not recognised as contestable and includes specific purpose grants. | In general, funding agreements for these grants do not contain sufficiently specific performance obligations and are therefore recognised as income under AASB 1058. The Institute recognises income immediately in the comprehensive operating statement when control is achieved over the funds which occurs on execution of the relevant contract. | |
| | | Where performance obligations are sufficiently specific in accordance with AASB 15. | Revenue is recognised over time in the comprehensive operating statement as the performance obligations are delivered. |

2.1.2 Capital grants income

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| State government – capital | - | 2,655 |
| Total government grants - capital | - | 2,655 |

| Income Type | Nature | Performance obligation | Timing of satisfaction |
|----------------------------|--|---|--|
| State government – capital | Where Wodonga TAFE receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by the Wodonga Institute of TAFE. | Whilst Wodonga TAFE has an obligation to acquire or construct a non-financial asset, such transactions are accounted for following specific guidance under AASB 1058. | When the asset is acquired. Or Over time, as the building or facility is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction are the best measure of the stage of completion of the building. Where government grants have been received for services to be delivered in the following year, these amounts are deferred as a liability (Note 5.4). |

2.2 Revenue from fees, charges and sales

| | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Student fees and charges | 1,156 | 886 |
| Fee for service - government | 42,525 | 33,269 |
| Fee for service - other | 2,102 | 1,771 |
| Other non-course fees and charges | | |
| Student amenities and services | 180 | 201 |
| Total revenue from fees, charge and sales | 45,963 | 36,127 |

The timing of satisfaction of a sufficiently specific performance obligation and the amount of revenue to be allocated to each performance obligation involves significant judgement. The accounting policy below outlines the material performance obligations and, how and when these are satisfied.

Revenue for student fees and charges is recognised as the course is delivered to the student and is measured as the amount Wodonga TAFE expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.

Other non-course fees and charges are recognised as the service is delivered to the student. For example, student amenities and services revenue is recognised as Wodonga TAFE provides the service to the student.

Wodonga TAFE uses performance obligations as set out in project plans to recognise revenue over time in line with AASB 15.

| Revenue Type | Nature | Performance obligation | Timing of satisfaction |
|------------------------------|--|----------------------------------|--|
| Student fees and charges | <p>Wodonga TAFE provides educational services to eligible domestic students.</p> <p>Student fees and charges revenue includes student tuition fees and course materials received or to be received from eligible students for the provision of these services.</p> | Provision of education services. | <p>Student fees and charges are recognised in accordance with the relevant enrolment terms and conditions and over the period that the education and training services are provided.</p> <p>Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.</p> |
| Fee for service – government | Relates to course fees funded by State government departments (excluding revenue/income recognised in note 2.1.1). | Provision of services. | <p>Revenue is recognised over time by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered.</p> <p>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 a contract liability.</p> |
| Fee for service – other | Relates to revenue from training programs to domestic students (who are not eligible for a government funded subsidy) and private organisations. | | |
| Revenue from sale of goods | | Delivery of goods. | <p>Revenue is recognised at a point in time when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable).</p> <p>Payment of transaction price is due immediately.</p> |

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------|----------------|----------------|
| Student fees and charges | 193 | 317 |
| Fee for Service | - | - |
| | 193 | 317 |

Transaction price allocated to remaining performance obligations

Revenue is recognised on a quantitative basis using the time bands that are most appropriate for the duration of the remaining performance obligations.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date:

| | 2024 \$'000 | 2025 \$'000 | 2026 \$'000 |
|--|----------------|----------------|----------------|
| Student fees | 269 | - | - |
| Revenue expected to be recognised | 269 | - | - |

Note: These are estimates only, based on professional judgement and past experience.

Payment terms

The payment terms for student fees are as follows:

- Up-front payment via cash, EFTPOS or credit card prior to course commencement;
- Payment plan via a third party (debit success);
- Federal Government assistance (VET Student Loan); and/or
- Invoice to a third party (e.g. a student's employer or workers' compensation provider), (payment terms are 30 days).

Students are generally entitled to a refund (less administration fee) if they withdraw from a course within 28 days of enrolment. Students who withdraw after this time are generally not entitled to a refund.

2.3 Other Revenue and Income

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------------|----------------|----------------|
| Childcare revenue | 2,169 | 1,815 |
| Total other revenue | 2,169 | 1,815 |
| Interest income | 1,318 | 456 |
| Rental income | 366 | 519 |
| Other income | 1,103 | 633 |
| Total other income | 2,787 | 1,608 |
| Total other revenue and income | 4,956 | 3,423 |

| Other Revenue Type | Nature | Performance obligation | Timing of satisfaction |
|-------------------------------------|---|---|---|
| Childcare revenue | Revenue received from childcare services provided. | Provision of childcare services. | Recognised evenly over the period of providing care to the child given the inputs are expended evenly throughout the period. The child receives the care as the care is provided. |
| Other Income Type | Nature | Performance obligation | Timing of satisfaction |
| Interest | Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. | None. | Recognised taking into account the effective interest rates applicable to the financial assets. |
| Rental income from operating leases | Wodonga TAFE 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. Wodonga TAFE also receives rental income from long term lease arrangements with third parties. | None. | Rental income is recognised on a time proportional basis and is brought to account when Wodonga TAFE's right to receive the rental is established. |
| Other income | | Other income is recognised when Wodonga TAFE's right to receive payment is established. | |

Note 3 – How We Expended Our Funds

3.1 Employee benefits

The present value of employee benefit obligations including annual leave, long service leave and on-costs are determined using various assumptions that may differ from actual developments in the future. These include future salary growth rate, future discount rates, tenure of existing staff, and patterns of leave claims.

All assumptions are reviewed at each reporting date.

| 3.1.1 Employee benefits in the Comprehensive Operating Statement | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Salaries, wages, overtime and allowances | 45,637 | 43,114 |
| Superannuation | 5,231 | 4,709 |
| Payroll tax | 782 | 701 |
| Mental health levy | 370 | 201 |
| Worker's compensation | 473 | 283 |
| Annual Leave | 3,597 | 3,439 |
| Long service leave | 1,297 | 239 |
| Termination Benefits | 31 | 54 |
| Other | 25 | 51 |
| Total employee benefits | 57,443 | 52,793 |

Employee expenses include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, termination payments and Work Cover premiums. Superannuation expenses / benefits 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. Wodonga TAFE 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 which are expected to be wholly-settled more than 12 months after balance sheet date are discounted to present value.

3.2 Superannuation

Wodonga TAFE employees are entitled to receive superannuation benefits and Wodonga TAFE contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary.

Wodonga TAFE 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 income statement.

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Paid contribution for the year | | |
| Defined benefit plans: | | |
| State Superannuation Fund – revised and new | 30 | 42 |
| Total defined benefit plans | 30 | 42 |
| Accumulation contribution plans: | | |
| VicSuper | 1,987 | 1,972 |
| Other | 3,842 | 3,528 |
| Total accumulation contribution plans | 5,829 | 5,500 |
| Total paid contributions for the year | 5,859 | 5,542 |
| Contribution outstanding at year end | | |
| Defined benefit plans: | | |
| State Superannuation Fund – revised and new | - | - |
| Total defined benefit plans | - | - |
| Accumulation contribution plans: | | |
| VicSuper | - | - |
| Other | 46 | - |
| Total accumulation contribution plans | 46 | - |
| Total contribution outstanding at year end | 46 | - |

Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3.3 Supplies and services

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------------|----------------|----------------|
| Purchases of supplies and consumables | 1,894 | 1,903 |
| Communication expenses | 362 | 364 |
| Payments to Contractors | 2,010 | 1,959 |
| Building repairs and maintenance | 1,969 | 2,008 |
| General consultancy | 2,379 | 4,163 |
| Services purchased within portfolio | 7,590 | 2,152 |
| Legal expenses | 115 | 126 |
| 3rd Party training providers | 846 | 666 |
| Total supplies and services | 17,165 | 13,341 |

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

| | 2023 | 2022 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Audit fees and services | 135 | 94 |
| Insurance | 187 | 153 |
| Equipment below capitalisation threshold | 1,344 | 1,670 |
| Marketing and promotional expenses | 673 | 863 |
| Staff development | 356 | 190 |
| Travel and motor vehicle expenses | 936 | 786 |
| Utilities | 665 | 657 |
| Other | 807 | 479 |
| Catering | 122 | 23 |
| Uniform | 155 | 104 |
| Bad debts from transactions | 218 | 16 |
| Total other operating expenses | 5,598 | 5,035 |

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and are recognised when they are incurred and reported in the financial year to which they relate.

Audit fees and services relate to costs associated with internal audit services, as well as remuneration of the Victorian Auditor-General's office for the audit of the financial statements.

3.5 Depreciation and amortisation

| | 2023 | 2022 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Buildings | 2,099 | 1,775 |
| Plant and equipment | 1,025 | 746 |
| Land Improvements | 729 | 171 |
| Motor vehicles | 229 | 256 |
| Amortisation of Intangible Assets | 40 | 47 |
| Total depreciation and amortisation | 4,122 | 2,996 |

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 connection with how those fair values were determined.

In accordance with government purpose classifications (used by the Australian Bureau of Statistics to classify expenses and acquisitions of non-financial assets of the public sector and general government sector), the Institute's property, plant and equipment are assets used for the purpose of education. Property, plant and equipment includes all operational assets.

| | Gross carrying amount | | Accumulated depreciation | | Net carrying amount | |
|------------------------------|-----------------------|---------------|--------------------------|-----------------|---------------------|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Land | 14,146 | 14,146 | - | - | 14,146 | 14,146 |
| Buildings | 49,525 | 49,525 | (2,298) | (199) | 47,227 | 49,326 |
| Construction in progress | 243 | 580 | - | - | 243 | 580 |
| Plant and equipment | 15,102 | 15,793 | (8,822) | (9,595) | 6,280 | 6,198 |
| Motor Vehicles | 4,903 | 4,933 | (4,170) | (4,421) | 733 | 513 |
| Land Improvements | 9,431 | 9,345 | (729) | - | 8,702 | 9,345 |
| Total carrying amount | 93,350 | 94,322 | (16,019) | (14,214) | 77,331 | 80,108 |

Refer to 4.1.1 for reconciliation of movements in carrying amount of property, plant and equipment.

Initial recognition

Immediately upon acquisition, 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.

Subsequent measurement

Where there is an indication that the value of Property, plant and equipment has changed, these assets 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 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 current 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.

The last formal revaluation of land and building assets (including land improvements) was conducted for the year ended 31 December 2022. For the year ended 31 December 2023, an assessment was conducted using indices provided by the Office of the Victorian Valuer-General. No revaluation was required as a result of this assessment, due to materiality considerations.

Revaluations of non-financial physical assets

Non-financial physical assets measured at fair value are revalued in accordance with Financial Reporting Directions (FRDs) issued by the Assistant Treasurer.

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

4.1.1 Reconciliation of movements in carrying amount of property, plant and equipment

| 2023 | Land \$'000 | Buildings \$'000 | Construction in progress \$'000 | Plant, & Equipment \$'000 | Motor Vehicles \$'000 | Land Improvements \$'000 | Total \$'000 |
|----------------------------|------------------------|-----------------------------|--|--|----------------------------------|---|-------------------------|
| Opening net book amount | 14,146 | 49,326 | 580 | 6,198 | 513 | 9,345 | 80,108 |
| Additions | - | - | 370 | 1,218 | 449 | - | 2,037 |
| Revaluations | - | - | - | - | - | - | - |
| Disposals | - | - | (621) | (111) | - | - | (732) |
| Transfers | - | - | (86) | - | - | 86 | - |
| Depreciation | - | (2,099) | - | (1,025) | (229) | (729) | (4,082) |
| Net carrying amount | 14,146 | 47,227 | 243 | 6,280 | 733 | 8,702 | 77,331 |

| 2022 | Land \$'000 | Buildings \$'000 | Construction in progress \$'000 | Plant, & Equipment \$'000 | Motor Vehicles \$'000 | Land Improvements \$'000 | Total \$'000 |
|----------------------------|------------------------|-----------------------------|--|--|----------------------------------|---|-------------------------|
| Opening net book amount | 10,834 | 44,408 | 4,216 | 4,096 | 493 | 4,146 | 68,193 |
| Additions | - | 6,788 | 8,070 | 2,859 | 282 | 337 | 18,336 |
| Revaluations | 3,312 | (95) | - | - | - | 5,033 | 8,250 |
| Disposals | - | - | - | (11) | (6) | - | (17) |
| Transfers | - | - | (11,706) | - | - | - | (11,706) |
| Depreciation | - | (1,775) | - | (746) | (256) | (171) | (2,948) |
| Net carrying amount | 14,146 | 49,326 | 580 | 6,198 | 513 | 9,345 | 80,108 |

4.1.2 Capital Commitments

These capital commitments are recorded below at their nominal value and inclusive of GST.

| Payable | 2023 | 2022 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Within one year | 1,727 | 400 |
| Later than one year but not later than five years | - | - |
| Later than five years | - | - |
| Total capital expenditure commitments | 1,727 | 400 |
| GST payable on the above | (173) | (36) |
| Net capital expenditure commitments | 1,554 | 364 |

The disclosed capital commitment relates to the 'Heavy Vehicle Technology Program' at Logic Centre. Funded by a \$22m grant from the Department of Jobs, Skills, Industry and Regions. Funds to be received 2023-2025.

| 4.1.3 Gain/loss on property, plant and equipment | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Net gain/(loss) on disposal of property, plant and equipment | (88) | 60 |
| Net gain/(loss) on disposal of intangibles | (116) | - |
| Total Net gain/(loss) on disposal of non-financial assets | (204) | 60 |

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

4.2 Intangible assets

| | 2023 | | 2022 | | |
|--|-----------------|--------------|-----------------|---------------|--------------|
| | \$'000 | | \$'000 | | |
| | ICT | | ICT | Access | |
| | Software | Total | Software | Rights | Total |
| Gross carrying amount | | | | | |
| Opening Balance | 738 | 738 | 2,368 | 500 | 2,368 |
| Additions | - | - | - | - | - |
| Disposals | (216) | (216) | (1,630) | (500) | (2,130) |
| Closing balance | 522 | 522 | 738 | - | 738 |
| Accumulated amortisation and impairment | | | | | |
| Opening Balance | (565) | (565) | (2,148) | (500) | (2,648) |
| Amortisation charge | (40) | (40) | (47) | - | (47) |
| Disposals | 94 | 94 | 1,630 | 500 | 2,130 |
| Closing balance | (511) | (511) | (565) | - | (565) |
| Net carrying amount at end of the year | 11 | 11 | 173 | - | 173 |

Initial recognition

Internally generated intangible assets

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, 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 sale;
- 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.

Configuration and customisation costs incurred related to a Software as a Service (SaaS) arrangement

SaaS arrangements are service contracts providing Wodonga TAFE with the right to access the software provider's application software over the contract period. Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where Wodonga TAFE has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset. Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide Wodonga TAFE with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs capitalised as a prepayment are recognised as expenses over the duration of the SaaS contract.

Judgement is required in determining whether:

- costs incurred result in the creation of an intangible asset that meets the recognition criteria in AASB 138;
- the configuration and customisation costs provide a distinct service where such costs do not give rise to the recognition of an intangible asset.

Subsequent measurement

Intangible assets are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Intangible assets have useful lives of 0 – 10 years.

Intangible assets recognised in accordance with AASB 1059 are subsequently measured under the revaluation model.

Impairment of intangible assets

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 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. Impairment of goodwill is not reversed.

4.3 Depreciation and amortisation

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

Depreciation and amortisation 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.

Depreciation and amortisation methods and useful life used for each class of depreciable assets are:

| Class of Assets | Useful Life | Method |
|----------------------------------|------------------------------------|---------------|
| Buildings | 15 - 70 years (2022: 5 - 55 years) | Straight Line |
| Plant & equipment & other assets | 2 - 40 years (2022: 2 - 40 years) | Straight Line |
| Motor vehicles | 5 - 15 years (2022: 5 - 10 years) | Straight Line |
| Leasehold improvements | 10 years (2022: 10 years) | Straight Line |
| Land Improvements | 10 – 33 years (2022: 3 - 28 years) | Straight Line |
| ICT Software | 3 - 10 years (2022: 3 - 10 years) | Straight Line |

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.

Note 5 – Balances From Operations

5.1 Receivables

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Current | | |
| Trade receivables | 11,470 | 5,935 |
| Loss allowance trade receivables | (182) | (142) |
| Total receivables from contracts with customers | 11,288 | 5,794 |
| Statutory | | |
| GST input tax credit recoverable | - | - |
| Total current receivables | 11,288 | 5,794 |

Receivables consist of:

- statutory receivables, which include predominantly 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 other than sale of goods and services are stated exclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are recognised and measured similarly to contractual receivables, but are not classified as financial instruments and are not included in the category of financial assets at amortised cost, because they do not arise from a contract.

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Institute holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Due to the short-term nature of the current receivables, their carrying amount approximates the fair value.

Impairment

Wodonga 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 is shown in the following table:

| | 2023 | 2022 |
|---|---------------|--------------|
| | \$'000 | \$'000 |
| Balance at the beginning of the year | (142) | (128) |
| Amounts written off | - | 2 |
| Increase in loss allowance recognised in net result | (40) | (16) |
| Balance at the end of the year | (182) | (142) |

In respect of trade and other receivables, the Institute is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

Ageing analysis of contractual receivables

| | 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 |
|-------------------|------------------------------|---|--------------------------------|----------------------|--------------------------------|---------------------|
| 2023 | | | | | | |
| Trade receivables | 11,470 | 8,860 | 2,389 | 142 | 79 | - |
| Total | 11,470 | 8,860 | 2,389 | 142 | 79 | - |
| 2022 | | | | | | |
| Trade receivables | 5,242 | 4,638 | 206 | 279 | 118 | - |
| Total | 5,242 | 4,638 | 206 | 279 | 118 | - |

Note: The disclosures above exclude statutory receivables (e.g. GST credits).

The average credit period on receivables is 30 days.

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Current | | |
| Prepayments | 1,074 | 972 |
| Total current other non-financial assets | 1,074 | 972 |

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.

5.3 Payables

| | 2023 \$'000 | 2022 \$'000 |
|-----------------------------------|----------------|----------------|
| Contractual | | |
| Supplies and services | 4,822 | 1,558 |
| Total contractual payables | 4,822 | 1,558 |
| Statutory | | |
| GST payable | 320 | 33 |
| Other taxes payable | 93 | 73 |
| Total statutory payables | 413 | 107 |
| Total current payables | 5,235 | 1,664 |

Payables consist of:

- contractual payables, such as accounts payable, and refund liabilities. 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 payable.

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.

Ageing 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 |
|-----------------------|------------------------------|-----------------------------|--------------------------------|-------------------------|--------------------------------|------------------------|
| 2023 | | | | | | |
| Supplies and services | 3,822 | 3,822 | 5,656 | 83 | 83 | - |
| Total | 3,822 | 3,822 | 5,656 | 83 | 83 | - |
| 2022 | | | | | | |
| Supplies and services | 1,558 | 1,558 | 1,551 | 7 | - | - |
| Total | 1,558 | 1,558 | 1,551 | 7 | - | - |

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Note: The disclosures above exclude statutory payables (e.g. GST 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. Due to their short-term nature, the carrying amounts of trade and other payables are not considered to be materially different to their fair values.

5.4 Contract and other liabilities

Refer to 2.2 for further information around revenue recognised in relation to contract liabilities.

Contract Liabilities

| | 2023 \$'000 | 2022 \$'000 |
|-----------------------------------|------------------------------|------------------------------|
| Student fees | 269 | 393 |
| Fee for Service | - | - |
| Total contract liabilities | 269 | 393 |

Contract liabilities

Any fees received by the Institute during the current financial year in respect of performance obligations that have not been satisfied are classified as a liability and recognised as a contract liability.

Other Liabilities

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------------|------------------------------|------------------------------|
| Deferred capital grants | 1,000 | - |
| Total other liabilities | 1,000 | - |

Deferred capital grants

Grant consideration was received from Department of Jobs, Skills, Industry and Regions to support the construction of Logic Centre. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of Logic Centre. As such, Wodonga TAFE has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Contractual | | |
| Deferred capital grants at beginning of the year | - | - |
| Grant consideration for capital works received during the year | 1,000 | - |
| Grant consideration recognised as income under AASB 1058 | - | - |
| Closing balance of deferred capital grants | 1,000 | - |

5.5 Employee benefits in the balance sheet

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Current Provisions | | |
| Employee benefits | | |
| Annual Leave | | |
| Unconditional and expected to settle within 12 months | 2,387 | 2,559 |
| Unconditional and expected to settle after 12 months | 334 | 365 |
| Long service leave | | |
| Unconditional and expected to settle within 12 months | 460 | 275 |
| Unconditional and expected to settle after 12 months | 2,825 | 2,939 |
| On costs | | |
| Annual leave | | |
| Unconditional and expected to settle within 12 months | 368 | 353 |
| Unconditional and expected to settle after 12 months | 60 | 58 |
| Long service leave | | |
| Unconditional and expected to settle within 12 months | 62 | 35 |
| Unconditional and expected to settle after 12 months | 557 | 480 |
| Total current provisions | 7,053 | 7,064 |
| Non-Current Provisions | | |
| Long service leave | | |
| Conditional and expected to settle after 12 months | 1,301 | 851 |
| Total non-current provisions | 1,301 | 851 |
| Total employee provisions | 8,354 | 7,915 |

The leave obligations cover Wodonga TAFE's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. However, based on past experience, the Institute does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken or paid within the next 12 months:

| | 2023 | 2022 |
|---|---------------|--------|
| | \$'000 | \$'000 |
| Unconditional and expected to settle within 12 months | 3,277 | 3,223 |
| Unconditional and expected to settle after 12 months | 5,016 | 4,634 |
| Total current employee provisions | 8,293 | 7,857 |

Note 6 – How We Financed Our Operations

6.1 Cash and deposits

| | 2023 | 2022 |
|--------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Cash at bank and on hand | 2,000 | 4,706 |
| Deposits at call | 30,437 | 25,137 |
| Total cash and deposits | 32,437 | 29,844 |

Cash and 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.

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

| | 2023 | 2022 |
|---|--------------|--------------|
| | \$'000 | \$'000 |
| Net result for the year | 364 | 27 |
| Non cash movements | | |
| Depreciation and amortisation of non-financial assets | 4,122 | 2,996 |
| Net (gain)/loss on sale or disposal of non-financial assets | 204 | (60) |
| Movements in assets and liabilities | | |
| Decrease / (increase) in receivables | (5,494) | (1,420) |
| Decrease / (increase) in other assets | (102) | 157 |
| (Decrease) / increase in payables | 3,571 | (207) |
| (Decrease) / increase in contract liabilities | 876 | - |
| (Decrease) / increase in provisions | 439 | (58) |
| Net cash flows from operating activities | 3,980 | 1,436 |

Per cash flow statement

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 capital

| | 2023 | 2022 |
|-------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Contributed capital | | |
| Balance at 1 January | 14,015 | 14,015 |
| Balance at 31 December | 14,015 | 14,015 |

Contributed capital

Funding that is in the nature of contributions by the Victorian State Government are treated as contributed capital when designated in accordance with UIG Interpretation 1038 *Contribution by Owners Made to Wholly-Owned Public Sector Entities*. Capital funds provided by the Commonwealth Government are treated as income.

6.3 Leases

Policy

At inception of a contract, Wodonga TAFE will assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

As a lessee

Wodonga TAFE recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- Any lease payments made at or before the commencement date; plus
- Any initial direct costs incurred; and
- An estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located; less any lease incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate as provided by Treasury Corporation of Victoria (TCV). Generally, Wodonga TAFE uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Wodonga TAFE is reasonably certain to exercise, lease payments in an optional renewal period if Wodonga TAFE is reasonable certain to exercise an extension option, and penalties for early termination of a lease unless Wodonga TAFE is reasonable certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured:

- When there is a change in future lease payments arising from a change in an index or rate;
- If there is a change in Wodonga TAFE's estimate of the amount expected to be payable under a residual value guarantee; or
- If Wodonga TAFE changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Peppercorn leases

The locations where Wodonga TAFE have operated under a peppercorn lease in the past are disclosed below:

- TAFE Space - 158 Lawrence Street, Wodonga VIC 3690

The premises has not been leased out for a significant period.

Short-term and low value leases

Wodonga TAFE has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than AUD\$10,000), including IT equipment. Wodonga TAFE recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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.

| Contractual Financial Assets | 2023 | 2022 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Financial assets measured at amortised cost | | |
| Cash and cash equivalents | 32,437 | 29,844 |
| Trade receivables | 11,288 | 5,242 |
| Total contractual financial assets | 43,725 | 35,085 |
| Contractual Financial liabilities | | |
| Loans and payables | | |
| Supplies and services | 4,823 | 1,004 |
| Total contractual financial liabilities | 4,823 | 1,004 |

Categories of financial instruments

Wodonga TAFE classifies its financial assets at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect contractual cashflows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets measured at amortised cost are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any necessary impairment).

The Institute recognises the following financial assets in this category:

- Cash and deposits; and
- Receivables (excluding statutory receivables).

Financial liabilities at amortised cost are initially recognised on the date they originate. 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. Wodonga TAFE recognises the following liabilities in this category:

- payables (excluding statutory payables).

7.1.1 Financial risk management objectives and policies

The Wodonga TAFE is exposed to a variety of financial risks, market risk (including foreign currency risk, interest rate risk, and equity price risk), credit risk and liquidity risk.

The Wodonga TAFE's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Wodonga TAFE. Wodonga TAFE 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.

Primary responsibility for the identification and management of financial risks rests with the Audit and Risk Committee of Wodonga TAFE on behalf of the Board.

7.1.2 Credit risk

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

The trade receivables balance at 31 December 2023 and 31 December 2022 largely relate to student debtors, sponsor debtors and other debtors who engage Wodonga TAFE to provide training services or short courses as well as government agencies. These balances do not include any counterparties with external credit ratings.

Wodonga TAFE does not hold any security on the trade receivables balance. In addition, the Institute does not hold collateral relating to other financial assets.

In addition, Wodonga TAFE 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. Wodonga TAFE'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 | Other counter- party \$'000 | Total \$'000 |
|---|---|-----------------------------------|-----------------|
| 2023 | | | |
| Cash and deposits | 32,437 | - | 32,437 |
| Receivables ¹ | - | 11,288 | 11,288 |
| Total contractual financial assets | 32,437 | 11,288 | 43,725 |
| 2022 | | | |
| Cash and deposits | 29,844 | - | 29,844 |
| Receivables | - | 5,242 | 5,242 |
| Total contractual financial assets | 29,844 | 5,242 | 35,085 |

Notes:

¹The total amounts disclosed here exclude statutory amounts (e.g. GST input tax credit recoverable and taxes payable).

AASB 9 uses an 'expected credit loss' (ECL) model. Under this model, 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.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 12 months before 31 December 2023 and 1 January respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Institute has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 120 days from the invoice date and failure to engage with Wodonga TAFE on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2023:

| 31 December 2023 | Estimated gross carrying amount \$'000 | Weighted average loss rate | Estimated loss allowance \$'000 | Credit impaired |
|----------------------------|---|-----------------------------------|--|------------------------|
| Current (not past due) | 8,777 | 1% | 88 | Yes |
| 1 - 30 days past due | 2,381 | 3% | 79 | Yes |
| 31 - 60 days past due | 145 | 6% | 9 | Yes |
| 61 - 90 days past due | 20 | 8% | 2 | Yes |
| More than 90 days past due | 147 | 8.5% | 12 | Yes |
| | 11,470 | - | 182 | - |

| 31 December 2022 | Estimated gross carrying amount \$'000 | Weighted average loss rate | Estimated loss allowance \$'000 | Credit impaired |
|----------------------------|---|-----------------------------------|--|------------------------|
| Current (not past due) | 4,845 | 2.7% | 128 | Yes |
| 1 - 30 days past due | 242 | 5% | 2 | Yes |
| 31 - 60 days past due | 37 | 10% | 4 | Yes |
| 61 - 90 days past due | 84 | 15% | 13 | Yes |
| More than 90 days past due | 34 | 100% | 34 | Yes |
| | 5,242 | - | 181 | - |

Loss rates are based on actual credit loss experience. These rates are multiplied by scale factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Institute's view of economic conditions over the expected lives of the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with Wodonga TAFE, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

7.1.3 Liquidity risk

Liquidity risk is the risk that Wodonga TAFE would be unable to meet its financial obligations as and when they fall due.

Wodonga TAFE 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.

Wodonga TAFE's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in note 7.1.

Wodonga TAFE 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.

Wodonga TAFE's exposure to liquidity risk is deemed to be not material based on prior periods data and current assessment of risk.

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

7.1.4 Market Risk

In its daily operations, Wodonga TAFE, 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 Wodonga TAFE.

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

There has been no significant change in the organisation'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.

The objective is to manage the interest rate risk to achieve stable and sustainable net interest earnings in the long term. This is managed predominantly through a mixture of short term and longer term investments. Management monitors movement in interest rates on a monthly basis.

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

The organisation's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are set out in the financial instrument composition and maturity analysis table below:

Interest rate exposure of financial instruments

| | Weighted average interest rate | Carrying amount at 31 December | Floating interest rate | Fixed interest rate | Non-interest bearing |
|------------------------------------|--------------------------------------|---|---------------------------|------------------------|-------------------------|
| | % | \$'000 | \$'000 | \$'000 | \$'000 |
| 2023 | | | | | |
| Cash and cash equivalents | 4.07 | 32,437 | 32,437 | - | - |
| Trade receivables | - | 11,288 | - | - | 11,288 |
| Total financial assets | - | 43,725 | 32,437 | - | 11,288 |
| Trade and other payables | - | 3,822 | - | - | 3,822 |
| Total financial liabilities | - | 3,822 | - | - | 3,822 |

| | Weighted average interest rate | Carrying amount at 31 December | Floating interest rate | Fixed interest rate | Non-interest bearing |
|------------------------------------|--------------------------------------|---|---------------------------|------------------------|-------------------------|
| | % | \$'000 | \$'000 | \$'000 | \$'000 |
| 2022 | | | | | |
| Cash and cash equivalents | 1.48 | 29,844 | 29,844 | - | - |
| Trade receivables | - | 5,242 | - | - | 5,242 |
| Total financial assets | - | 35,085 | 29,844 | - | 5,242 |
| Trade and other payables | - | 1,004 | - | - | 1,004 |
| Total financial liabilities | - | 1,004 | - | - | 1,004 |

Sensitivity analysis and assumptions

| | Carrying amount at 31 December | -1% (100 basis points) | | +1% (100 basis points) | |
|---------------------------|---|------------------------|--------|------------------------|--------|
| | | Result | Equity | Result | Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2023 | | | | | |
| Cash and cash equivalents | 32,437 | (324) | (324) | 324 | 324 |
| Total impact | 32,437 | (324) | (324) | 324 | 324 |

| | Carrying amount at 31 December | -1% (100 basis points) | | +1% (100 basis points) | |
|---------------------------|---|------------------------|--------|------------------------|--------|
| | | Result | Equity | Result | Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2022 | | | | | |
| Cash and cash equivalents | 29,844 | (298) | (298) | 298 | 298 |
| Total impact | 29,844 | (298) | (298) | 298 | 298 |

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

There were no contingent assets or contingent liabilities as at 31 December 2023 (31 December 2022: nil) that may have a material effect on the financial operations of Wodonga TAFE.

7.3 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 Wodonga TAFE.

This section sets out information on how Wodonga TAFE 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:

- land, buildings, plant and equipment, vehicles, leasehold improvements.

In addition, the fair values of other assets and liabilities that are carried at amortised cost also need to be determined for disclosure purposes.

Wodonga TAFE determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value estimation

A number of inputs are used in determining fair values. 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.

Wodonga TAFE 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.

A summary of changes between levels can be found in Note 7.3(a).

The Valuer-General Victoria (VGX) is Wodonga TAFE's independent valuation agency.

Fair value determination of financial assets and liabilities

Wodonga TAFE 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.

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2023.

(a) Fair value determination of non-financial assets

Wodonga TAFE holds property, plant and equipment for which fair values are determined.

Wodonga TAFE, in conjunction with the Valuer-General Victoria (VGV), monitors changes in the fair value of each asset through relevant data sources to determine whether revaluations are required. The recurring fair value measurements of non-financial physical assets, such as land and buildings, are based on level 2 observable inputs and level 3 unobservable inputs due to the nature and characteristics of Wodonga TAFE's campus assets. There is little or no observable market evidence of the market selling price of campus assets as they are specialised assets with a Community Service Obligation (CSO) applied.

Fair value measurement hierarchy

| | Carrying amount at 31 December \$'000 | Level 1 Quoted Prices \$'000 | Level 2 Observable Price Inputs \$'000 | Level 3 Unobservable Inputs \$'000 |
|--|---|---------------------------------------|---|---|
| 2023 | | | | |
| Non specialised land | 14,146 | - | 14,146 | - |
| Specialised land | 8,702 | - | - | 8,702 |
| Total of land fair value | 22,848 | - | 14,146 | 8,702 |
| Specialised buildings & improvements | 47,227 | - | - | 47,227 |
| Total buildings & improvements at fair value | 47,227 | - | - | 47,227 |
| Plant, Equipment & Other assets | 6,280 | 6,280 | - | - |
| Total Plant, Equipment & Other assets at fair value | 6,280 | 6,280 | - | - |
| Motor Vehicles | 733 | 733 | - | - |
| Total Motor Vehicles at fair value | 733 | 733 | - | - |
| 2022 | | | | |
| Non specialised land | 14,146 | - | 14,146 | - |
| Specialised land | 9,345 | - | - | 9,345 |
| Total of land fair value | 23,491 | - | 14,146 | 9,345 |
| Specialised buildings & improvements | 49,327 | - | - | 49,327 |
| Total buildings & improvements at fair value | 49,327 | - | - | 49,327 |
| Plant, Equipment & Other assets | 6,197 | 6,197 | - | - |
| Total Plant, Equipment & Other assets at fair value | 6,197 | 6,197 | - | - |
| Motor Vehicles | 513 | 513 | - | - |
| Total Motor Vehicles at fair value | 513 | 513 | - | - |

Impairment

Non-financial assets, including items of software, 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) Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103 *Non-financial Physical Assets* issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value. Consistent with all Government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2022.

For the year ending 31 December 2023 Wodonga TAFE conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

- (a) assumptions made about the future
- (b) source of estimation uncertainty
- (c) the nature or class of assets impacted
- (d) the carrying amount of the assets subject to the significant uncertainty
- (e) sensitivity of the carrying amounts to methods, assumptions and estimates including the reasons for their sensitivity; and
- (f) expected resolution of the uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts.

During the current year, the RBA have progressively increased the cash rate target from 3.1% at 1 January to 4.35% by year end. The RBA have taken these measures in response to higher than target inflation rates currently being experienced in the Australian economy. The increases in the cash rate target has had a consequential impact on the risk free and capitalisation rates used in determining the fair value of non-financial assets and creates increased estimation uncertainty as the market continues to adjust.

Further, rising costs of construction and inflation creates estimation uncertainty for assets measured at current replacement cost.

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer General Victoria with an effective date of 31 December 2022. 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 and non-specialised buildings 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 a Level 3 asset.

For Wodonga TAFE's majority of specialised buildings, the depreciated replacement cost method is used. The replacement cost of specialised buildings is based on comparing the existing building with a modern equivalent, then adjusting for associated depreciation. 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 Wodonga TAFE'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 2022.

Construction in progress assets are held at cost. Wodonga TAFE transfers the assets out of construction in progress and into the relevant asset category when they are ready for use.

Motor vehicles are valued using the current replacement cost method. Wodonga TAFE acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in Wodonga TAFE who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

Leasehold improvements are held at fair value being current replacement 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 a Level 3 asset.

There were no changes in valuation techniques throughout the period to 31 December 2023.

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

Reconciliation of level 3 items for the periods ended 31 December 2022 and 31 December 2023

| | Leasehold Improvements | Specialised land and buildings | Plant and equipment |
|---------------------------------------|---------------------------|--------------------------------------|------------------------|
| | \$'000 | \$'000 | \$'000 |
| Level 3 Fair value measurements 2022 | | | |
| As at 1 January 2022 | - | 48,555 | - |
| Additions | - | 7,125 | - |
| Disposals | - | - | - |
| Depreciation | - | (1,946) | - |
| Revaluation | - | 4,938 | - |
| Transfers into or out of Level 3 | - | - | - |
| Balance as at 31 December 2022 | - | 58,672 | - |

| | Leasehold Improvements | Specialised land and buildings | Plant and equipment |
|---------------------------------------|---------------------------|--------------------------------------|------------------------|
| | \$'000 | \$'000 | \$'000 |
| Level 3 Fair value measurements 2023 | | | |
| As at 1 January 2023 | - | 58,672 | - |
| Additions | - | 86 | - |
| Disposals | - | - | - |
| Depreciation | - | (2,829) | - |
| Revaluation | - | - | - |
| Transfers into or out of Level 3 | - | - | - |
| Balance as at 31 December 2023 | - | 55,929 | - |

Description of significant unobservable inputs to Level 3 valuations

| 2023 and 2022 | Valuation technique | Significant unobservable inputs |
|------------------------|--------------------------|---|
| Specialised land | Market approach | Community Service Obligation (CSO) adjustment |
| Specialised buildings | Current replacement cost | Useful life of buildings and cost per square metre. |
| Motor vehicles | Current replacement cost | Useful life of vehicles |
| Plant and equipment | Current replacement cost | Useful life of plant and equipment |
| Library collections | Current replacement cost | Useful life of collection |
| Leasehold improvements | Current replacement cost | Useful life of lease |

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Note 8 – Governance Disclosures

8.1 Responsible Persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer 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 Wodonga TAFE were as follows:

| Position | Name | Dates of appointment |
|--------------------------------------|----------------------------|------------------------------------|
| Minister for Skills and TAFE | The Hon. Gayle Tierney MLC | 1 January 2023 to 31 December 2023 |
| Director and Chief Executive Officer | Phil Paterson | 1 January 2023 to 31 December 2023 |
| Chair Ministerial Nominee Director | Allison Jenvey | 1 January 2023 to 31 December 2023 |
| Ministerial Nominee Director | Tammy Atkins | 1 January 2023 to 31 December 2023 |
| Ministerial Nominee Director | Morgana Ryan | 1 January 2023 to 31 December 2023 |
| Ministerial Nominee Director | Annette Kearns | 1 January 2023 to 31 December 2023 |
| Ministerial Nominee Director | Vernon Hilditch | 1 January 2023 to 31 December 2023 |
| Board Nominee Director | David Smith | 1 January 2023 to 31 December 2023 |
| Board Nominee Director | Glenda Beecher | 1 January 2023 to 31 December 2023 |
| Board Nominee Director | Catherine Prichard | 1 January 2023 to 31 December 2023 |
| Staff Director - Elected | Matthew Austin | 1 January 2023 to 31 December 2023 |

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of Wodonga TAFE during the reporting period was in the range: \$420,000 - \$429,999 (\$420,000 - \$429,000 in 2022).

Remuneration received or receivable by the Responsible Persons, excluding the Accountable Officer, during the reporting period was in the range:

| Income range | 2023 | 2022 |
|-----------------------------|-------|-------|
| Less than \$10,000 | 1 | 4 |
| \$10,000 – \$19,999 | - | 1 |
| \$20,000 – \$29,999 | 6 | 5 |
| \$40,000 – \$49,999 | 1 | 1 |
| Total number | 8 | 11 |
| Total remuneration (\$'000) | \$188 | \$187 |

Remuneration of the Responsible Minister is included in the State's Annual Financial Report.

8.2 Remuneration of executives

The number of executive officers, other than the Accountable Officer, and their total remuneration during the reporting period is 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 | |
|---|--------------------|----------------|
| | 2023 \$'000 | 2022 \$'000 |
| Short-term employee benefits | 1,153 | 969 |
| Post-employment benefits | 115 | 91 |
| Other long-term benefits | 54 | 54 |
| Termination benefits | - | - |
| Total remuneration | 1,322 | 1,114 |
| Total number of executives | 5 | 4 |
| Total annualised employee equivalent (AEE)⁽ⁱ⁾ | 4.5 | 4 |

⁽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 Wodonga 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.

Significant transactions with related entities:

Wodonga TAFE has common Directors with the below entities:

- Victorian TAFE Association
- Beechworth Health Service
- Goulburn Valley Water

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

| Related party transactions | Transaction values for year ended | | Balances outstanding | |
|-------------------------------------|-----------------------------------|------------|----------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Debtor – Victorian TAFE Association | 52 | 88 | - | 28 |
| Debtor - Beechworth Health Service | 19 | 21 | - | 1 |
| Debtor - Goulburn Valley Water | 6 | 6 | - | - |
| Total | 77 | 115 | - | 29 |

Key management personnel of Wodonga TAFE include the Minister for Skills and TAFE, the Hon. Gayle Tierney MLC, and members of the Wodonga TAFE Board, Chief Executive Officer, the Chief Finance Officer, and Wodonga TAFE Executive Directors. The compensation detailed below excludes the salary and benefits received by the Minister for Skills and TAFE. The Minister's remuneration and allowances is reported within the State's Annual Financial Report.

| Compensation of Key Management Personnel | Total Remuneration | |
|--|--------------------|--------------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Short-term employee benefits | 1,680 | 1,497 |
| Post-employment benefits | 158 | 131 |
| Other long-term benefits | 68 | 69 |
| Termination benefits | - | - |
| Total remuneration | 1,906 | 1,697 |

Transactions and balances with key management personnel and other related parties

Wodonga TAFE had no related party transactions for the period ending 31 December 2023.

8.4 Remuneration of auditors

| | Total Remuneration | |
|---|--------------------|-----------|
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Remuneration of the Victorian Auditor-General's Office | | |
| Audit of the financial statements | 73 | 73 |
| Total remuneration of the Victorian Auditor-General's Office | 73 | 73 |
| Remuneration of other auditors | | |
| Internal audit service | 53 | 21 |
| Total remuneration of other auditors | 53 | 21 |
| Total | 126 | 94 |

The Victorian Auditor-General's Office is not allowed to provide non-audit services.

Note 9 – Other Disclosures

9.1 Reserves

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Physical asset revaluation surplus:¹ | | |
| Balance at 1 January | 59,157 | 50,908 |
| Revaluation increment/(decrement) of non-current assets | - | 8,250 |
| Balance at 31 December | 59,157 | 59,157 |

Note:

¹The physical asset revaluation surplus arises on the revaluation of land and buildings.

9.2 Events after reporting date

No matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of Wodonga TAFE and the Consolidated Group, the results of those operations or the state of affairs of Wodonga TAFE and the Consolidated Group in subsequent financial years.

9.3 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2023 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises Wodonga TAFE of their applicability and early adoption where applicable.

AASB 2022-5 - Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback amends AASB 16 Leases to add subsequent requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendment is not expected to impact the Institute and the Institute will not early adopt the standard.

In March 2020, the AASB issued AASB 2020-1 - Amendments to Australian Accounting Standards - *Classification of Liabilities as Current or Non-Current*, which makes amendments to AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

In December 2022, the AASB issued AASB 2022-6 - Amendments to Australian Accounting Standards - *Non-current Liabilities with Covenants*, which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

The amendment is not expected to impact the Institute and the Institute will not early adopt the standard.

AASB 2022-10 - Amendments to Australian Accounting Standards - *Fair Value Measurement of Non-Financial assets of Not-for-Profit Public Sector Entities* amends AASB 13 *Fair Value Measurement*, including adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The amendment is not expected to impact the Institute and the Institute will not early adopt the standard.

9.4 New or amended Accounting Standards and Interpretations adopted

The following Australian Accounting Standards and interpretations are mandatory for the 31 December 2023 reporting period.

AASB 2021-2 - Amendments to Australian Accounting Standards – *Disclosure of Accounting Policies and Definition of Accounting Estimates* amends:

- AASB 7 - *Financial Instruments*;
- AASB 101 - *Presentation of Financial Statements*;
- AASB 108 - *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- AASB 134 - *Interim Financial Reporting*.

The Standard also makes amendments to AASB Practice Statement 2 *Making Materiality Judgements* (December 2017). These amendments arise from the issuance by the International Accounting Standards Board (IASB) in February 2022 of the following International Financial Reporting Standards:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2); and
- Definition of Accounting Estimates (Amendments to IAS 8)

The amendment has not had a material impact on the consolidated entity's financial statements.

AASB 2022-3 - Amendments to Australian Accounting Standards - *Illustrative examples for NFPs accompanying AASB 15* amends the Australian illustrative examples for not-for-profit entities accompanying AASB 15 *Revenue from Contracts with Customers* to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15. The Basis for Conclusions also document the Board's decision to retain the accounting policy choice on an ongoing basis for NFP private sector lessees to elect to initially measure a class of right-of-use assets arising under concessionary leases at cost or at fair value. The amendment did not have an impact on the consolidated entity's financial statements.

AASB 2022-7 - *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards* makes editorial corrections to six Standards and to Practice Statement 2 *Making Materiality Judgements*. It also formally repeals superseded and redundant Australian Account Standards as set out in Schedules 1 and 2 to the Standard. The amendment did not have an impact on the consolidated entity's financial statements.

Summary of reporting requirements

| Item No. | Source | Summary of Reporting Requirement | Page No. |
|--|--------------------|--|-----------------|
| REPORT OF OPERATIONS | | | |
| CHARTER AND PURPOSE | | | |
| 1. | FRD 22 | Manner of establishment and the relevant Minister | 4 |
| 2. | FRD 22 | Purpose, functions, powers and duties | 5-8 |
| 3. | FRD 22 | Key initiatives and projects | 9-13 |
| 4. | FRD 22 | Nature and range of services provided | 14-15 |
| MANAGEMENT AND STRUCTURE | | | |
| 5. | FRD 22 | Organisational structure | 20-26, 84-86 |
| FINANCIAL AND OTHER INFORMATION | | | |
| 6. | FRD 10 | Disclosure Index | 89-91 |
| 7. | FRD 22 | Employment and conduct principles | 20 |
| 8. | FRD 29 | Workforce data disclosures | 21 |
| 9. | FRD 22 | Occupational health and safety policy | 18 |
| 10. | FRD 22 | Summary of the financial results for the year | 27 |
| 11. | FRD 22 | Significant changes in financial position during the year | 27 |
| 12. | FRD 22 | Summary of operational and budgetary objectives | 9-12, 27, 38 |
| 13. | FRD 22 | Major changes or factors affecting performance | 27 |
| 14. | FRD 22 | Subsequent events | 87 |
| 15. | FRD 22 | Application and operation of the <i>Freedom of Information Act 1982</i> | 28-29 |
| 16. | FRD 22 | Compliance with building and maintenance provisions of <i>Building Act 1993</i> | 29 |
| 17. | FRD 22 | Statement on National Competition Policy | 32 |
| 18. | FRD 22 | Application and operation of the <i>Public Interest Disclosures Act 2012</i> | 32 |
| 19. | FRD 22 | Application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act) | 29 |
| 20. | FRD 22I | Details of consultancies over \$10 000 | 30 |
| 21. | FRD 22 | Details of consultancies under \$10 000 | 30 |
| 22. | FRD 22 | Disclosure of government advertising expenditure | 29 |
| 23. | FRD 22 | Disclosure of ICT expenditure | 31 |
| 24. | FRD 22 | Summary of Environmental Performance | 16 |
| 25. | FRD 22 | Statement of availability of other information | 28 |
| 26. | FRD 25 | Local Jobs First | 32 |
| 27. | SD 5.2 | Specific requirements under Standing Direction 5.2 | 41 |
| 28. | CG 10 Clause 27 | Summary of Major Commercial Activities | 32 |

| Item No. | Source | Summary of Reporting Requirement | Page No. |
|---|--|--|------------------|
| 29. | CG 12 Clause 33 | TAFE Institute Controlled Entities | N/A |
| COMPLIANCE ATTESTATION AND DECLARATION | | | |
| 30. | SD 5.1.4 | Financial Management Compliance Attestation Statement | 28 |
| 31. | SD 5.2.3 | Declaration in report of operations | 41 |
| FINANCIAL STATEMENTS | | | |
| DECLARATION | | | |
| 32. | SD 5.2.2 | Declaration in financial statements | 41 |
| OTHER REQUIREMENTS UNDER STANDING DIRECTIONS 5.2 | | | |
| 33. | SD 5.2.1(a) | Compliance with Australian accounting standards and other authoritative pronouncements | 41 |
| 34. | SD 5.2.1(a) | Compliance with Standing Directions | 41 |
| OTHER DISCLOSURES AS REQUIRED BY FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS | | | |
| 35. | FRD 11 | Disclosure of ex-gratia expenses | N/A |
| 36. | FRD 21 | Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report | 84-86 |
| 37. | FRD 103 | Non-financial physical assets | 43, 58-61, 79-83 |
| 38. | FRD 110 | Cash flow statements | 45, 70 |
| 39. | FRD 112 | Defined benefit superannuation obligations | 55-56 |
| Note: References to FRDs have been removed from the Disclosure Index when specific FRDs do not contain requirements that are in the nature of disclosure. | | | |
| COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES | | | |
| 40. | Legislation | Compliance statement | 28 |
| 41. | ETRA s3.2.8 | Statement about compulsory non-academic fees, subscriptions and charges payable in 2023 | 29 |
| 42. | Policy | Statement of compliance with the <u>Victorian Public Service Travel Policy</u> | 32 |
| 43. | KPIs | Key Performance Indicators: <ul style="list-style-type: none"> • Employment costs as a proportion of training revenue • Training revenue per teaching FTE • Operating margin percentage • Training revenue diversity | 38 |
| 44. | PAEC and VAGO (June 2003 Special Review – Recommendation 11) | Overseas operations: <ul style="list-style-type: none"> • Financial and other information on initiatives taken or strategies relating to the Institute’s overseas operations • Nature of strategic and operational risks for overseas operations • Strategies established to manage such risks of overseas operations | N/A |

| Item No. | Source | Summary of Reporting Requirement | Page No. |
|----------|--------|---|----------|
| | | <ul style="list-style-type: none"> • Performance measures and targets formulated for overseas operations • The extent to which expected outcomes for overseas operations have been achieved | |

