



WODONGA INSTITUTE OF TAFE **ANNUAL REPORT 2020**



WODONGATAFE

Building success through learning

Wodonga TAFE

87 McKoy Street, West Wodonga, Vic 3690

PO Box 963, Wodonga Vic 3689

1300 698 233

www.wodongatafe.edu.au

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Wodonga Institute of TAFE

ABN 68 437 423 269

Annual report

31 December 2020

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Board Chair and Chief Executive Officer Statement

It is with great pleasure that Wodonga Institute of TAFE submits its 2020 Annual Report.

2020 was a challenging but successful year for Wodonga Institute of TAFE. As with all organisations, challenges arose amidst COVID-19, however Wodonga Institute of TAFE achieved remarkable success across all facets of the organisation. The Institute continued to build upon its prior successes and embarked on many new initiatives and activities that enabled it to contribute to and service the needs of its communities and industries.

The challenges of 2020 provided opportunities for substantial advancements in how Wodonga Institute of TAFE operates. Of note was successfully enabling the move to a remote workforce and the adaptation of the Institute's educational and support services to remote and online models as a response to COVID-19 restrictions. The need to adapt to changing environments provided extended accessibility to our regional communities, and to nurture our growing workforce through providing further flexibility in staff roles, promoting health and wellbeing and improved work-life balance.

Wodonga Institute of TAFE takes considerable pride in its training services, and on providing hands-on with practical learning solutions, as well as providing a learning model with educator assistance in-person and at the ready for students. Through investment in innovation for staff, clients and students, Wodonga Institute of TAFE maintained our student and staff connectivity through the crisis.

These innovations throughout 2020 continue to highlight Wodonga Institute of TAFE as a progressive, innovative, and resilient organisation.

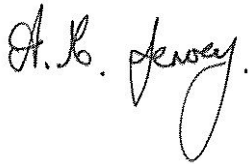
In 2020, Wodonga Institute of TAFE was again a finalist in the Australian Defence Industry Awards, highlighting again its great contribution to the Australian Defence Force in providing national capability. Further to these awards, Wodonga Institute of TAFE student Simon Watts was awarded as the Victorian Training Awards Vocational Education Student of the Year 2020 and subsequently represented Victoria as a finalist at the Australian Training Awards in the same category.

Wodonga Institute of 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, and addressing tertiary participation challenges, continues to grow. Wodonga Institute of TAFE is proud to be working so closely with its partners in helping shape a prosperous future for this region.

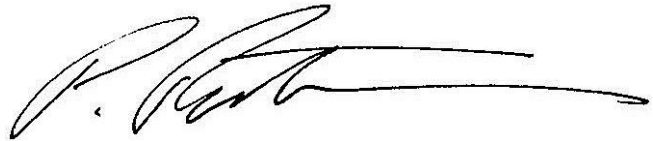
Wodonga Institute of TAFE takes this opportunity to acknowledge and thank The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education for her support throughout 2020. The commitment shown by the Minister and the Victorian Government to Wodonga Institute of TAFE and the region's community is greatly appreciated. Wodonga Institute of TAFE also acknowledges the invaluable support of the Department of Education and Training, Higher Education and Skills Group (HESG), and the Victorian TAFE Association (VTA).

Wodonga Institute of TAFE also thanks its Board Directors and Leadership Team for their continued efforts to lead, support and steer the Institute through a successful year full of challenges and complexity, but also a year of growth, change and innovation.

Finally, Wodonga Institute of TAFE thanks and acknowledges all Wodonga Institute of TAFE staff who continue to give so much of themselves - particularly in such a trying year - in helping shape what Wodonga Institute of TAFE and education means to its community, industry, and educational partners. The Institute's growing workforce is made up of incredibly passionate and selfless people, who all contribute to making Wodonga Institute of TAFE so successful. All Wodonga Institute of TAFE staff should be incredibly proud of not only what they do as individuals, but what they have contributed to building, as a team.



Allison Jenvey
Chair & Ministerial Nominee Director
Wodonga Institute of TAFE



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

Charter and Purpose

Our Purpose

As the educational provider of choice servicing regional Victoria, Wodonga Institute of TAFE plays a critical role in supporting continued growth throughout our community and industries. With a mission to strengthen our communities and industries through accessible and innovative learning leading to amazing outcomes, Wodonga Institute of TAFE's success is underpinned by an uncompromising commitment to; driving student success; helping build our communities through education; working in partnership with all industry; and inspiring futures through innovative and sustainable practices.

Wodonga Institute of TAFE focuses on empowering and supporting our staff so they too can have productive and fulfilling careers. In all, we strive to build success through learning across for everyone who engages with Wodonga Institute of 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**'.*

Values and Behaviours

Quality and Accountability

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

Innovation

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

Collaboration and Teamwork

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

Challenge

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

Future Success and Growth

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

Strategic Directions

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

Successful learners

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

Strengthening communities

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

Partnering with industry

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

Inspiring futures

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

Empowering our people

We inspire and celebrate our people and lead by example, delivering workforce capability improvements, and building our status as an employer of choice.

Establishment

History

Wodonga Institute of 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 Institute of 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 Institute of TAFE. DECA remained a separate legal entity until 2017. 2013 also saw the development of TAFEspace in central Wodonga, which added to the presence of Wodonga Institute of TAFE within Wodonga's central business district. TAFEspace also housed the Wodonga Skills and Jobs Centre, which provided employment and career counselling services to students and people from the local community in that location and continues to provide such services with its subsequent move to the main Campus in 2018.

Wodonga Institute of 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 Institute of TAFE's Shepparton campus continues to grow to meet training and employment demands and has also embarked on some significant changes to increase the delivery and breadth of training at this site.

Wodonga Institute of TAFE continues to operate out of Australian Defence Force sites located at Latchford Barracks, Bandiana, and Puckapunyal.

As a well-renowned vocational education and training provider, Wodonga Institute of 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.

Relevant Minister

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

Programs

In 2020, Wodonga Institute of TAFE offered over 300 training programs and nationally recognised qualifications, including Traineeships and Apprenticeships, Certificate I to Advanced Diplomas, and various accredited and non-accredited short courses and units.

Despite a year of uncertainty for its community, Wodonga Institute of TAFE maintained a steady student intake in 2020. Over 8,000 students - both public and corporate - undertook courses in a range of disciplines including: Agriculture and Horticulture; Art, Creative Design & Digital Media; Building Design; Business, Leadership & Retail, Civil Construction, Earthmoving & Traffic Control; Disability Programs; Education; Engineering, Metal Fabrication & Telecommunications; English Language Programs; Fashion

Design & Hairdressing; Health & Community; Hospitality, Tourism, Events & Outdoor Recreation; Motorsports; Timber Studies; Transport; Warehousing & Logistics; and Work Health & Safety.

Wodonga Institute of TAFE also continued its partnerships with regional secondary colleges and community centres in 2020, and offered VET in Schools programs, along with a range of community outreach programs in rural locations.

Services

Along with its training offerings to public clients, Wodonga Institute of 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 located at the McKoy Street campus, Wodonga Institute of 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.

Wodonga Institute of 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, and academic learner support.

Locations and Facilities

Wodonga Institute of TAFE's main campus is located at McKoy Street, West Wodonga, with additional campuses located at Logic Centre - Barnawartha North, Brockley Street Wodonga, and Shepparton. In a rationalisation of Wodonga TAFE's footprint an underused campus in Newborough was sold.

In 2020, Wodonga Institute of TAFE delivered VET in Schools programs to secondary colleges throughout the greater northeast region, including Wodonga Senior Secondary College, Tallangatta Secondary College, Victory Lutheran College, Mount Beauty Secondary College, Corryong Secondary College, and Mansfield Secondary College.

Wodonga Institute of 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.

Key Initiatives and Projects

High-quality and innovative teaching and learning

Wodonga Institute of 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 Institute of 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) results.

Wodonga Institute of TAFE's commitment to high-quality, innovative teaching and learning was again demonstrated in the challenges throughout 2020, when many of the Institute's teaching and learning operations had to shift the facilitation of learning and provision of its services to a remote learning and online environment.

Wodonga Institute of TAFE undertook to adapt its workforce and students to this new way of learning. To facilitate the process, the adoption of innovative learning and engagement tools were deployed throughout the delivery of training and for the Institute's workforce.

In 2020, a total of 972 units were created within Wodonga Institute of TAFE's online learning management system, Moodle. The majority of this was achieved as part of an overarching plan to provide flexibility and accessibility to the Institute's clients (particularly ADF personnel) and students, as well as to adhere to Government instruction regarding online delivery in a COVID-19 environment.

Wodonga Institute of TAFE's teaching workforce also adapted to these new challenges, and the Institute is incredibly proud of their efforts and outcomes. Assisted by professional development training for teaching staff, Wodonga Institute of TAFE realised a shift to online units and delivery, and the Institute had a further 438 staff move to Zoom, amassing a total of 1,738,037 minutes with over 35,000 participants.

In 2020, Wodonga Institute of TAFE invested heavily in technology to support its teachers, students, and clients. Most notably was the facilitation of remote and online lessons that enabled teaching staff with access to high-quality audio-visual equipment to create and deliver modern learning resources to industry standard, and the adoption of software and tools pertaining to assessing and reporting. These advancements significantly improved training and assessment for Wodonga Institute of TAFE, both for its own organisation and the clients and students it serves, by providing clear reporting, visibility, and much-streamlined processes.

The renovation of Wodonga Institute of TAFE's Kids on Campus Early Learning Centre was completed in 2020 and provides a welcoming, modern learning environment for the Centre's clients and staff. As part of the new build, a unique industry-embedded, innovative learning model was also introduced, that saw classrooms for students in the Certificate III and Diploma of Early Childhood Education and Care also located at the Kids on Campus Early Learning Centre. This provided significant opportunities for the students to access real-world learning, with access to supervised learning hours alongside professional early childhood education and care staff and trainers, as well as engaging with the centre's clients and children.

Wodonga Institute of TAFE's three key initiatives to promote growth and excellence in its quality learning and teaching continued to contribute to its student outcomes in 2020. These three initiatives include the Wodonga Institute of TAFE's Education and Training Operations Board (formerly Education Committee), Board of Studies, and the Quality Teaching and Learning Unit. These initiatives continued to be a driving force throughout 2020 as the Institute continued to raise the standards in its delivery of innovative high-

quality education. Wodonga Institute of TAFE strives for continuous improvement to ensure it maintains its reputation as a high quality, trustworthy, accessible, and relevant provider to its region.

Key partner: Defence – Transformation

Wodonga Institute of TAFE has for many years provided training services to the Australian Defence Force. In 2020, the Institute consolidated all its currently held key contracts with Army and continued to deliver training to Army Logistics Training Centre (ALTC), incorporating Army School of Health, Army School of Logistics, Army School of Electrical and Mechanical Engineering, 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.

Wodonga Institute of TAFE increased the technological capability of both its Army training programs and its staff involved in the training delivery. This was achieved through innovative training simulation, video and digital learning asset creation and implementation, advanced digitised competency, personnel reporting, enhanced online learning platforms, and increased modernisation and technology-awareness for Wodonga Institute of TAFE's teaching capability. In working to deliver all training for ALTC, a consistent high standard has been developed throughout.

By utilising technology and digital training methodology such as Skills-Tracker, Moodle and iAuditor, the Institute enabled significant increases in blended learning (a combination of on-base hands-on training, with remote online learning). Blended learning enabled online and at-home training to take place, which in turn increased capacity to train more personnel, gave ADF personnel more time at home, and left more personnel and equipment available for Defence commanders on-base. Furthermore, training need not take place within each base's locale, but could be live-streamed and supervised remotely, within a Defence personnel's unit, or via an apprenticeship host employer, regardless of their location within Australia.

This innovation reduced the need for the Australian Defence Force to incur travel, living and accommodation costs for personnel coming from across Australia to train in Wodonga. This benefit also flowed to the trainees, in not having to relocate to attain specialised training, which could sometimes take upwards of three years.

Wodonga Institute of TAFE's substantial training relationship with the Australian Defence Force was further enhanced as the Institute explored further opportunities nationally for Army and ADF training in 2020. Wodonga Institute of TAFE had already partnered with TAFE Queensland to deliver the Diploma of Nursing to Army trainees in Brisbane and Darwin. Furthermore, a relationship had been established between Charles Darwin University and Wodonga Institute of TAFE to subcontract and deliver construction trades and driver instruction qualifications and units of competency on location in the Northern Territory.

Wodonga Institute of TAFE also developed relationships and subcontracts with 12 smaller private Registered Training Organisations to deliver heavy vehicle licensing and skills training Australia-wide. Most recently, this was established in Townsville, Queensland, and further opportunities will be explored in 2021.

Supporting Wodonga Institute of TAFE's students

Wodonga Institute of TAFE recognised the 2020 student cohort faced significant and unprecedented challenges throughout their studies. As face-to-face welfare services and academic support for its students was hampered throughout the year by COVID-19 restrictions, the Institute implemented digital sessions for its students. The Wodonga Skills and Jobs Centre and Wodonga Institute of TAFE's Support Services saw increased appointments and interactions with students, with support provided in relation to welfare services, disability support, Koorie services, counselling, and career and employment skills and advice.

Wodonga Institute of TAFE's Academic Learner Support undertook initiatives that made learner support more accessible to students, by providing digitally available resources that saw the Academic Learner Support online FAQs and Academic Skills Libguide accessed over 3500 times in 2020. Overall student engagements with Academic Learner Support almost doubled in 2020, and the support provided to current students by the Academic Learner Support team is pivotal in Wodonga Institute of TAFE maintaining its key focus of supporting its current students to be the best they can be.

With the move to many online units during the year and the increased need for learning and teaching flexibility and interactivity, Wodonga Institute of TAFE's Information, Communication and Technology (ICT) team played an integral role providing students with resolutions and assistance to enable their online learning journeys.

2020 also saw significant updates and improvements to Wodonga Institute of TAFE's campus learning facilities to ensure the continued provision of modern and engaging learning environments for its students.

The Design Hub and Photography Lab realised a notable transformation for students, with the installation of industry-current computing hardware, audio visual equipment, teaching and learning technology, and modern learning spaces designed to reflect modern industry workplaces.

Similarly, graphic design and print production students were provided with industry-standard print production facilities and hardware via a new Creative Hub that also saw a design and print service embedded into the course, reflecting real-world industry processes and workflows. The Creative Hub offered their design and print services to community groups and not-for-profits in the region and had overwhelming demand since inception.

Wodonga Institute of TAFE staff worked extremely hard in 2020 to continue the delivery throughout a challenging year, of industry-current and relevant learning experiences for students. The Institute has continued its focus on supporting all students to help them build success through learning.

Supporting Wodonga Institute of TAFE's communities and industries

2020 was a challenging year for Wodonga Institute of TAFE's regional community, with the bushfire emergency continuing into early 2020 and many of the outlying rural communities affected.

Wodonga Institute of TAFE undertook to maintain services into these towns and to contribute to the recovery of these communities.

Albury Wodonga Regional FoodShare, a leading community organisation with which Wodonga Institute of TAFE has been strongly aligned for many years, was pivotal in the support of these communities. Wodonga Institute of TAFE's staff assisted the FoodShare team in making and packing meals, distributing goods, and logistics coordination to aid where required.

Wodonga Institute of TAFE also provided free training to over 100 individuals within affected communities, to gain skills needed to assist in the recovery efforts. The Institute adapted current training regimes and delivered these programs locally within the communities, to ensure easier access to training.

In instances where Wodonga Institute of TAFE students were directly affected by the bushfires, the Institute assisted them with fees, and ongoing one-to-one welfare support, counselling, and academic support.

Wodonga Institute of TAFE also donated 2000 seedlings of local provenance to the Upper Murray Community Recovery Hub to assist in the revitalisation of flora throughout the Walwa, Cudgewa, and Corryong regions across northeast Victoria. These seedlings were prepared by the Institute's Horticulture team.

Throughout 2020 Wodonga Institute of TAFE ensured it maintained accessibility and support for its wider community in a time where face-to-face interaction was discouraged and provided communication and appointment avenues via digital methods. The Wodonga Skills and Jobs Centre, located at the Institute's McKoy Street campus, continued to offer dedicated services to the regional communities, where people could access expert advice and guidance on training and employment opportunities. As employment issues arose alongside the COVID-19 restrictions, the Wodonga Skills and Jobs Centre saw a marked increase in engagement throughout 2020. Wodonga Institute of TAFE was proud that its team continued to provide much needed advice and support during such trying times.

Delivery and services continued, albeit a little differently in 2020, of Wodonga Institute of TAFE's community outreach projects, Reconnect, and its secondary school engagement.

2020 also saw the Institute launch the Wodonga Institute of TAFE Reconciliation Action Plan. In launching the Reflect – Reconciliation Action Plan, the Institute acknowledged the need to do more in building success through learning and reinforced its commitment to a reconciliation journey that provides opportunities and positive outcomes for the wider community. In the new Reconciliation Action Plan, Wodonga Institute of TAFE encouraged all members of the community to actively engage with the initiatives and activities in the Reconciliation Action Plan, and work together to improve engagement, respect for and collaboration with, Aboriginal and Torres Strait Islander peoples.

During 2020, Wodonga Institute of TAFE re-pledged its support to Soldier On. In doing so, the Institute agreed to support Australian Defence personnel, veterans, and their families by offering a 'hand up, not a handout,' with employment solutions. Wodonga Institute of TAFE remains committed to the community and in particular, its Australian Defence Force partners. Through this pledge, the Institute committed to championing the skills and attributes that ADF personnel, veterans, and family members can bring to the organisation by working to provide them greater access to job opportunities.

Wodonga Institute of TAFE provided support for local businesses impacted by the effects of COVID-19 restrictions and the associated lockdowns. In late 2020 the Institute partnered with Business Wodonga to create opportunities for small businesses, by providing a storefront and a product to which small businesses could contribute, in the form of a Christmas gift hamper. A retail store in central Wodonga was leased for these purposes, and Wodonga Institute of TAFE's students also contributed to the initiative's success. Several local retail stores participated, with over \$4000 worth of goods sold in the week of operations.

Wodonga Institute of TAFE initiated and implemented a Year 12 School Leaver Guarantee for school leavers in 2020. Created specifically to give local Year 12 students peace of mind about their future, following such

an uncertain and challenging year, this program guaranteed places in specific courses at Wodonga Institute of TAFE for this student cohort, and offers were taken up by over 20 students.

The Institute also advocated for a Wodonga Education First Youth Foyer to be built on Wodonga Institute of TAFE's grounds. Modelled on previous successes in other regions, it was anticipated that the Wodonga Education Youth Foyer would provide accommodation, support services, and education opportunities to at-risk, vulnerable young people. Wodonga Institute of TAFE proposed this concept in collaboration with Brotherhood of St Laurence, City of Wodonga, Beyond Housing, Junction Support Services, Yes Unlimited, and Albury City Council.

Supporting Wodonga Institute of TAFE's workforce

Wodonga Institute of TAFE grew its workforce yet again in 2020, with over 640 staff in total 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 Institute of TAFE remained focused on building its workforce for the future in developing its established and emerging leaders, and providing paths of progression and development, to benefit its workforce and organisation, and subsequently the Institute's students.

In 2020, Wodonga Institute of TAFE's Workforce Capability Framework was further implemented across the organisation. This vital tool enabled the support, improvement, and facilitation of capability across the Institute's workforce, and 2020's key focus was to embed performance and professional development into the Framework. This provided the workforce with a great overview of its own capabilities, potential areas of development, and the means to map out career, personal, and professional progression.

In support of this important project, Wodonga Institute of TAFE made significant investment to help facilitate workforce growth through personal and professional development, and LinkedIn Learning was introduced as a strong digital 'always on' platform for Institute staff to interact with and learn. Access to this professional development platform became incredibly useful amid COVID-19 restrictions where more traditional professional development activities were hindered, and it proved its worth for the Institute's workforce to grow and learn throughout 2020 and will continue to do so into the future.

During the year, 70% of Wodonga Institute of TAFE's workforce engaged with LinkedIn Learning and undertook development, accruing a total of over 1200 hours of LinkedIn Learning across 4228 individual LinkedIn Learning courses. The feedback from the Institute's workforce has been overwhelmingly positive, with the quality of learning content, the breadth of the content available, and the accessibility, being key highlights.

Wodonga Institute of TAFE's teaching staff were particularly challenged throughout 2020 as they adopted new methodologies of delivery in remote and digital forms. Professional development was provided by the Institute to enable staff to provide the best possible services to Wodonga Institute of TAFE's clients and students.

Professional development for teaching staff in 2020 saw 153 teaching staff enrolled into the 2020 Blended Online Learning Program to facilitate and support the Institute's move to remote and digital learning. Over 300 engagements in professional development occurred for teaching staff, relating to industry, systems, and teaching and assessment.

Wodonga Institute of TAFE facilitated the requirement to move much of its workforce to remote working early in 2020, through modern and flexible Working from Home arrangements that supported staff and their unique circumstances. This was further supported by Work Health and Safety processes, and

assistance from Align Health, along with a significant contribution from the Institute's Information Communication and Technologies team that enabled staff to move quickly and successfully to remote work, through technology procurement (laptops, webcams, monitors and more) and service deployment (Microsoft Teams, Service Central, Zoom).

Performance against 2019 Annual Report key priorities outlined for 2020

Continue Government 'Free TAFE' course delivery

In 2020, the Free TAFE Victorian government initiative was engaged with by over 1000 students with Wodonga Institute of TAFE.

These students engaged in an array of different priority study areas:

Agriculture and Trades: 40.5%

Health and Community: 50.2%

Business and Hospitality: 9.3%

Of full qualification applications, Free TAFE made up approximately 30% and has helped reduce barriers to entry for our communities as well as increased participation in vocational education in the region.

Deliver Community Service funded projects including implementation of best practice Skills & Jobs Centre service and support, particularly in support of communities and people impacted by the bushfire emergency

Over 100 members of Wodonga Institute of TAFE's regional community engaged in free training with the Institute to support skills needed to assist in the bushfire recovery efforts. For increased accessibility, the Institute adapted current training regimes and delivered these programs locally within the communities and by partnering with community organisations. Wodonga Institute of TAFE utilised funding to deliver these programs. In addition, 2000 seedlings were donated to the Upper Murray Community Recovery Hub, which were propagated and prepared by the Institute's Horticulture team.

Wodonga Institute of TAFE's Reconnect Program delivered to 198 clients from 2018 to 2020, fulfilling the Institute's contract to 100%. A new contract for delivery of the Reconnect Program will commence in 2021.

Consolidate the delivery across three key Defence contracts and explore further opportunities.

Wodonga Institute of TAFE has for many years provided training services to the Australian Defence Force: Army School of Health and Army School of Logistics. In 2020, Wodonga TAFE's substantial collaboration with Defence was increased to deliver training to Army School of Electrical and Mechanical Engineering, the largest training school within the Australian Army.

Wodonga Institute of TAFE won the contract to deliver training to Army School of Transport at Puckapunyal in the form of Driver Machinery and Plant Training Services. This new contract incorporates what was formerly three separate contracts for driver training, on-pavement forklift operations, and high-risk licensing, into one.

The Institute also explored further opportunities throughout 2020, particularly focused on expanding its training reach and operations to a national scale.

Ensure Wodonga Institute of TAFE has a voice in representing cross border issues, including highlighting vocational education and training within the Albury/Wodonga Regional Deal planning phase and providing input to the Macklin Review.

Wodonga Institute of TAFE undertook extensive consultation both internally and externally to prepare a submission for the Macklin Review. The Institute also contributed to the formation of the Albury Wodonga Regional Deal Statement of Intent and looks forward to seeing the progression of this Statement of Intent, to further develop key educational and employment opportunities for the region.

Cross Border issues continued to be highlighted due to the significant impacts of Border Closures on our staff, our students and our communities throughout 2020. Wodonga TAFE worked with the Cross Boarder Commissioners and State Governments to represent the interests of the Institute and the community.

Complete construction of the Early Childhood Education Centre of Excellence and commence other priority master-planning projects for the McKoy Street Campus.

Construction of Wodonga Institute of TAFE's Kids on Campus Early Childhood Education Centre of Excellence was completed in 2020. In addition, further planning and development of the surrounding environment was confirmed, with the work to be completed in 2021. Other projects in 2020 included the refurbishment of The Hangar to provide a large events forum and additional classroom space, resurfacing of Wodonga Institute of TAFE's car parks, and main campus beautification and branding alignment.

Embed Workforce Capability Framework programs: talent management, workforce development and succession planning.

Wodonga Institute of TAFE further embedded parts of its overarching Workforce Capability Framework programs in 2020, with the focus on workforce development as it provided professional development opportunities and access to developmental resources such as LinkedIn Learning, and the Institute's internal L.E.A.D. Program, nurturing current and future leaders of the Institute.

Implement a range of initiatives to ensure Wodonga Institute of TAFE is considered an Employer of Choice within the region.

Wodonga Institute of TAFE implemented further professional development initiatives in 2020. This provided the Institute's workforce with clear avenues of progression and exciting new ways for staff to develop skills and expand their repertoires. This aligned with the Institute's vision to be an Employer of Choice by providing a work environment where staff feel that they can grow their skills and reach new heights.

Build financial sustainability through partnering across the education sector.

The building of partnering relationships across the education sector largely occurred within Wodonga Institute of TAFE's delivery to the Australian Defence Force, which saw the Institute collaborate with other Registered Training Organisations to sub-contract training delivery nationally. The Institute was able to increase its financial sustainability through these means.

Continue to refine delivery profile and seek new opportunities to enter areas of high demand.

In 2020, Wodonga Institute of TAFE refined its delivery profile and sought new training opportunities in the public and corporate sectors. The Institute undertook considerable research and planning throughout 2020 and identified high-demand areas and proposed training solutions and concepts. The Institute will seek to commence implementation in 2021.

Key priorities for 2021

Our key priorities looking forward to 2021 include the following:

- Develop and implement the Diversity and Social Inclusion Strategy, Social Justice policies, and the Student Experience Framework.
- Implement an Education Plan that supports delivery of best practice learning and facilitation which prepares Wodonga Institute of TAFE's students for life and work in this region and beyond.
- Drive an innovation culture in Wodonga Institute of TAFE's workforce through the Innovation Framework.
- Enhance professionalism and connection to Wodonga Institute of TAFE through embedding the Integrity Framework and the Institute's values.
- Develop and implement a Youth Plan/Strategy and lead a community partnership to establish a Youth Foyer 'Education First' model for Wodonga.
- Use the Skills & Jobs Centre, Reconnect Program, and other Government initiatives to deliver educational programs in partnership with local rural communities.
- Plan for the next phase in the Wodonga Institute of TAFE's partnership with the Australian Defence Force which will expand and deepen the educational relationship.
- Progress the Heavy Vehicle and Specialist Driver Training Centre proposal at the Logic Campus.
- Establish Wodonga Institute of TAFE's Supply Chain and Agriculture Centre of Excellence.
- Increase uptake and participation in apprenticeships and traineeships across the region, and support this with establishment of Trades Hub.
- Develop a sustainability model for Wodonga Institute of TAFE through the establishment of a Sustainability Working Group to build awareness and develop sustainability initiatives.
- Continue to develop and execute Wodonga Institute of TAFE's Masterplan.

Awards and Achievements

Wodonga Institute of TAFE

Australian Defence Industry Awards - Academic Institution of the Year Award - Finalist

Wodonga Institute of TAFE maintained a high student and employer satisfaction result.

Students

Simon Watts

Victorian Training Awards

Vocational Education Student of the Year 2020 – Winner

Simon Watts

Australian Training Awards

Vocational Education Student of the Year 2020 – Finalist

Olivier Nzovu

Victorian Multicultural Awards for Excellence 2020 - Highly Commended

Media Production

Claudia Bryan

La Trobe University – Winner

Wodonga Campus Student of the Year

Eboney Wolk

Aware Super/Australian Nursing and Midwifery Federation (ANMF) Victoria

Diploma of Nursing Student of the Year Award for Wodonga Institute of TAFE

Corey Taylor

Deep Dive – Youth Newspaper

Appointed Artistic Director

Julie Kettyle

Australian Overseas Foundation

Scholarship Awarded – Patisserie Chef

Resources

Environmental Performance

Wodonga TAFE has a sharp focus on finding practical means of reducing the impact that it has on the environment. In 2021 the Institute will re raise an environmental sustainability working group with both staff and executive representation with a view to deliver additional initiatives across our campuses. The Institute continued to meet its 2020 objectives through its focus on electricity, gas and water consumption.

Staff FTE		449.76	452.2	
Gross Floor Area (GFA) - m2		28,562	23,962	
Type	Measure	2019	2020	2021 target
Electricity	Kilowatts			
Total electricity usage (Kwt)		1,735,488	1,167,263	1,041,292
Greenhouse gas emissions		2,184	1,217	
Units per FTE (Kwt per FTE)		3,859	2,581	
Units per GFA (Kwt per m2)		61	49	
Gas	Mega joules			
Total gas usage (MJ)		6,093,315	4,534,322	4,307,606
Units per FTE (MJ per FTE)		13,548	10,027	
Units per GFA (MJ per m2)		213	189	
Paper Use	A4 Reams			
Total reams purchased		3,200	2400	3,040
Units per FTE (reams per FTE)		7.1	5	
Percentage of recycled content		75%	100%	100%
Water consumption	Kilolitres			
Total water usage (KI)		59,259	47,654	45,271
Reclaimed water usage (KI)		41,029	34,554	
Mains water usage (KI)		18,230	13,100	
Units per GFA (KI per m2)		2.07	1.99	
Transportation	Tonnes			
Greenhouse gas emissions from fleet - total (T)		312	194.27	
No. petrol hybrid cars in fleet		11	11	
Vehicles in fleet - total		36	40	
Distance travelled by air - total (KM)		108,121	5,903	
Greenhouse gas emissions air travel (T)		23.7	1.5	
Greenhouse gas emissions	Tonnes			
Total - energy use (T)		2520	195.8	

Wodonga Institute of TAFE is committed to reducing its environmental impact, particularly energy consumption. The Institute finalised installation of a 600kw roof top solar system during the latter quarter of 2019, this system has realised significant decrease in Institute power usage. Future builds will expand this solar system to further access renewable energy. The Institute continued with a program of building maintenance which has included the use of more energy efficient products such as upgraded building management system that controls lighting, air conditioning etc relative to the use of the building. This is assisting in further reducing electricity usage.

The Institute also continues to transition its car fleet to petrol hybrid cars or smaller vehicles in order to reduce fuel costs and emissions. In 2020, the Institute finalised transitioning to using 100% recycled paper, and with a greater focus on processing routine administration through online mediums the Institute has seen a reduction in paper usage per FTE.

Use of reclaimed water for the gardens and toilets has continued and newly installed roofing has seen additional opportunities to catch and store roof run off into tanks. This program will continue into 2021 with additional buildings scheduled for completion in the 3rd and 4th quarter.

Human Resources

Industrial Relations

Both the Australian Education Union (AEU) - Multi Enterprise Agreement (MEA) Implementation Group and the National Tertiary Education Union (NTEU) - Workplace Consultative Committee continued to work together in the application of related enterprise agreements and other employment related matters.

There was no industrial action taken by staff during 2020.

Occupational Health and Safety

Measure/Indicator	2018	2019	2020
Reported hazards/incidents per 100 EFT staff	16.01	13.56	17.03
Lost time standard Workcover claims per 100 EFT staff	0.48	0.44	0.22
Average cost per claim for the year	\$300	\$2,890	\$1,000
Fatalities	0	0	0

An overarching commitment to Occupational Health and Safety (OHS) across the Wodonga Institute of TAFE ensures the continuation of a positive safety culture. 2020 saw the Institute continue with a strong focus on health and wellbeing for staff with many programs implemented due to the pandemic. Staff in leadership positions were provided with tools and education sessions on leading and supporting staff during the pandemic and maintaining connection to the Institute whilst working from home. There was an increase of incidents reported in 2020 as compared to 2019, which is attributed to the education for staff on reporting incidents and hazards, and work undertaken on growing the safety culture across the Institute.

In 2020, the Institute continued to collaborate with an onsite Physiotherapist and Work health consultant / Occupational Therapist who engaged with staff on an individual basis and in group settings on improving ergonomics, wellbeing and safety culture awareness.

Employment and Conduct Principles

All employees have been correctly classified in workforce data collections.

Wodonga Institute of TAFE recruits and promotes the most suitably qualified, experienced and capable employees through an open, transparent, and merit-based selection process that complies with relevant legislative requirements. All employees are expected to conduct themselves in a manner consistent with the Wodonga Institute of TAFE Code of Conduct.

Wodonga Institute of TAFE participated in the Victorian Public Sector Commission (VPSC) People Matter Survey in 2020 which focused on gaining an understanding from staff on how the Institute supported and demonstrated commitment to employee wellbeing through the pandemic. The results also help us to

better understand employee engagement and job satisfaction as well as benchmark organisational culture and features of the work environment. The Institute's overall job satisfaction was 70%, which was higher than the comparison group average of 65% and also an increase on the 2019 results of 64%.

Workforce data

The total Full Time Equivalent (FTE) for 2020 was 452.2 and a breakdown of workforce data is below.

Performance and Accountability Framework FTE Table – For years ending 31 December 2019 and 2020

	December 2019							December 2020						
	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	71	51	15.8	6.0	NA	18.6	162.4	75	58	17.8	9.5	NA	14.8	175.1
Executive	0	6	0	0	NA	0	6	0	5	0	0	NA	0	5
Other	18	9	3.7	2.2	NA	3.7	36.6	11	8	8.2	1.8	NA	2.5	31.5
Teacher	81	93	14.1	21.3	35.4	NA	244.8	72	100	22.2	29.6	16.8	NA	240.6
Total	170	159	33.6	29.5	35.4	22.3	449.8	158	171	48.2	40.9	16.8	17.3	452.2

Workforce Disclosures (December 2019 - December 2020)

Gender	December 2019							December 2020						
	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 Executives	3	3	0	0	0	3	3	3	3	0	0	0	3	3
Women (total staff)	329	219.7	94	50	126.2	185	93.5	318	220.9	92	56	130.2	170	90.6
Men Executives	3	3.00	0	0	0	3	3.00	2	2	0	0	0	2	2
Men (total staff)	307	230.1	76	2	77.4	229	152.7	280	225.9	82	5	84.8	193	141.2
Self-described	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Age														
15-24	27	20.8	8	0	8	19	12.8	22	19.6	6	1	7	15	12.6
25-34	80	50.3	21	4	23.2	55	27	69	50.3	16	7	20.5	46	29.8
35-44	139	94.5	34	17	44.5	88	50	132	95.4	41	14	50.3	77	45.1
45-54	179	133.5	57	15	67.6	107	66	169	131.9	54	19	67.6	96	64.3
55-64	172	125.6	45	12	53	115	72.6	157	122.9	48	14	57.4	95	65.5
65+	39	25.1	5	4	7.3	30	17.8	49	26.7	9	6	12.2	34	14.5
Total Employees	636	449.8	170	52	203.6	414	246.2	598	446.8	174	61	215	363	231.8

Governance

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

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

Board members

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

The following Directors served on the Board during 2020:

- Tammy Atkins
- Glenda Beecher
- Janelle Cretney
- Jessica Furst
- Vernon Hilditch
- Allison Jenvey - Chair
- Annette Kearns
- Phil Paterson (CEO - Ex-officio)
- Roger Powell
- Catherine Prichard

Board Committees

In 2020 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 approved by resolution of the Board on 25 November 2020, 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 2020 included:

- Tammy Atkins
- Glenda Beecher – Chair (from September 2020)
- Jessica Furst – Chair (to September 2020)
- Vernon Hilditch
- Allison Jenvey
- Annette Kearns
- Roger Powell
- Catherine Prichard

Finance Committee

The Finance Committee is a committee of the Institute Board, with a Terms of Reference approved by resolution of the Board on 23 September 2020, 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 2020 included:

- Janelle Cretney
- Jessica Furst
- Vernon Hilditch
- Allison Jenvey
- Annette Kearns - Chair
- Phil Paterson (CEO - Ex-officio)
- Catherine Prichard

Strategy, Innovation and Growth Committee

The Strategy, Innovation and Growth Committee is a committee of the Institute Board, with a Terms of Reference approved by resolution of the Board on 23 September 2020, 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 2020 included:

- Tammy Atkins
- Glenda Beecher
- Janelle Cretney
- Phil Paterson (CEO - Ex-officio)
- Vernon Hilditch
- Allison Jenvey
- Roger Powell - Chair

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.

Victoria Conlan - Executive Director, Community & Industry Engagement

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

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.

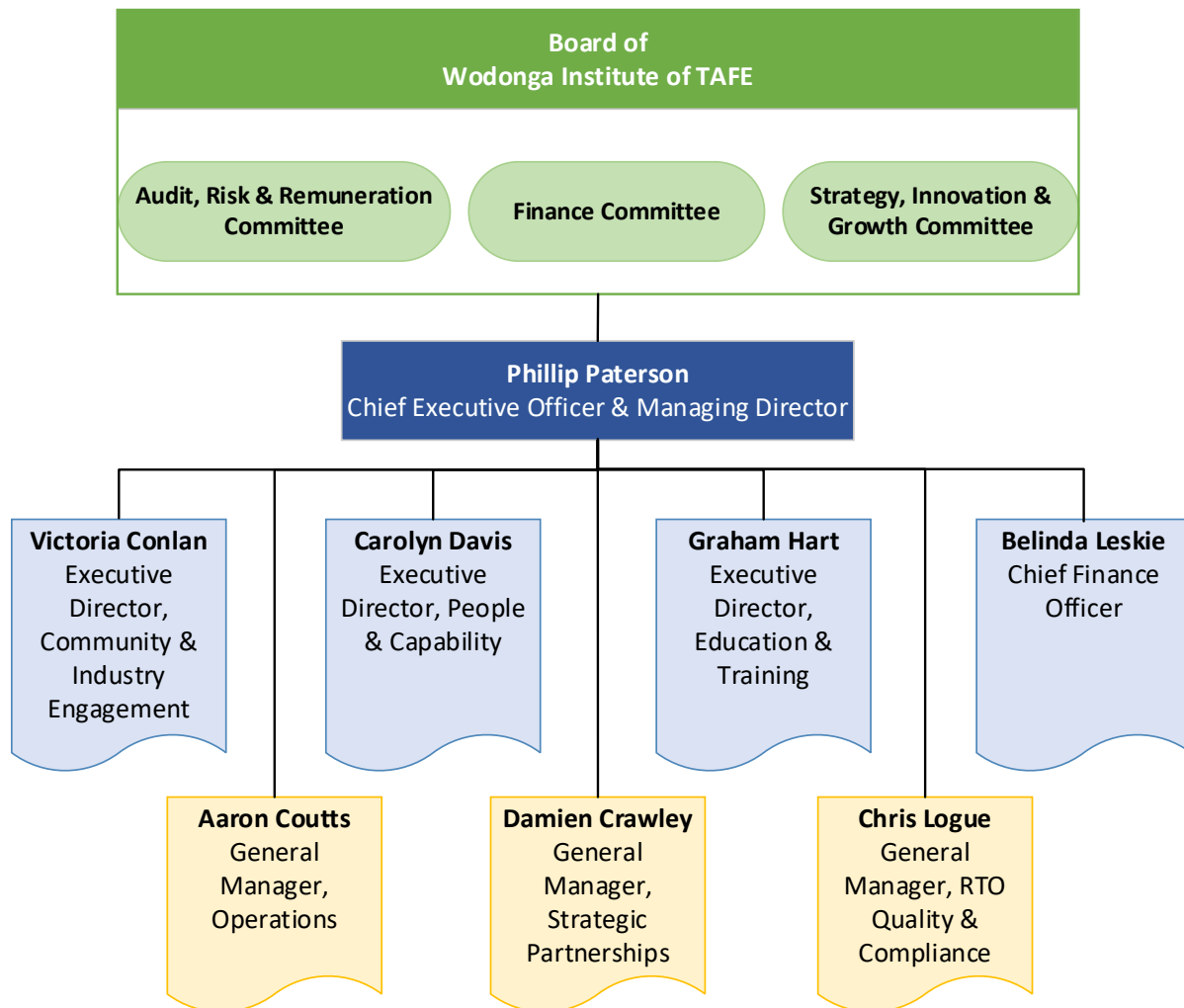
Graham Hart - Executive Director, Education & Training

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.

Belinda Leskie - Chief Finance Officer

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

Organisational Chart as at 31 December 2020



Financial Performance

Five year financial summary

Comparative results 2016 - 2020

Item	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
Revenue from operations ¹	59,549	56,918	55,503	44,264	45,771
Expenditure from operations ²	56,788	53,024	47,448	40,074	42,066
EBITDA incl net gain from reval of annual leave liability	2,761	3,894	8,055	4,190	3,705
Govt capital contributions	472	-	140	20	-
Depreciation and amortisation	(3,243)	(3,367)	(3,516)	(3,515)	(3,720)
Gains(losses) on disposal of assets	370	101	48	309	155
Movements in the provision for LSL	(23)	(584)	(29)	(74)	(26)
Net result	337	44	4,698	930	114
Assets	102,098	99,935	102,530	95,699	86,470
Liabilities	(10,489)	(8,663)	(10,459)	(8,326)	(8,051)
Total equity	91,609	91,272	92,071	87,373	78,419

Note:

¹ 2020 revenue has increased \$2.6m upon 2019 due primarily to the Defence training at Army School of Electrical Mechanical and Engineering (ASEME).

² Expenses have increased \$3.8m due to increased salaries and wages, resulting from the ASEME training. The \$3.8m increase in expenses is partially offset by revenue growth of \$2.6m, resulting in a positive EBITDA in 2020.

Summary of current year financial performance

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

The Institute's results for the year ending 31 December 2020 was a net surplus of \$0.34m compared to a Board approved budget of (\$5.1m). This result for 2020 represents an increase on the 2019 result of \$0.29m.

The revenue of \$59.5m represents a \$2.6m increase upon 2019 offset by expenditure of \$56.8m representing a \$3.8m increase upon 2019. The results were better than reforecast due to some increases in funds receivable from Government and lower than anticipated salaries and wages expenditure.

Wodonga TAFE's financial position is stable with net assets of \$91.61m and the working capital ratio increased to 8.4:1. Liquidity also remains strong.

There were no significant Government capital contributions made to Wodonga Institute of TAFE in 2020, however the government continued to support Wodonga Institute of TAFE through Stronger TAFE funding.

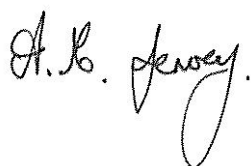
Compliance

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 2020 to 31 December 2020, the Wodonga Institute of 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
24th March 2021

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 effect and in 2020 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 Institute of 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 Institute of 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 Institute of TAFE complies with all relevant legislation and subordinate instruments including, but not limited to:

- *Education and Training Reform Act 2006 (ETRA)*
- TAFE Institute Constitution
- Directions of the Minister for Training and Skills (or predecessors)
- TAFE Institute Commercial Guidelines
- TAFE Institute Strategic Planning Guidelines
- *Public Administration Act 2004*
- *Financial Management Act 1994*
- *Freedom of Information Act 1982*
- *Building Act 1993*
- *Public Interest Disclosure Act 2012*
- *Local Jobs First Act 2003*

Compulsory student services and amenities fees

Wodonga Institute of TAFE did not receive any compulsory non-academic fees, subscriptions, or charges in 2020.

Conduct principles

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

Consultancies

In 2020, there were 19 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2020 in relation to these consultancies is \$1,164,308.23 (excl. GST). In 2020, there were 15 additional consultancies where the total fees payable were less than \$10,000. The total expenditure incurred during 2020 in relation to these consultancies is \$45,816.29 (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 2020	Future expenditure
Cookinburra International Pty Ltd	Support for Course Development of ASEME	Feb 2020	Dec 2020	\$233,150	\$233,150	Nil
GHD Pty Ltd	Project Management Services	Nov 2020	Dec 2020	\$224,431	\$224,431	Nil
Premier Building and Construction Pty Ltd	Design Consultants and Architectural Drafting	Jun 2020	Dec 2020	\$216,761	\$216,761	Nil
Thomas Duryea Logicalis Pty Ltd	IT Consulting & Testing	Jun 2020	Dec 2020	\$95,500	\$95,500	Nil
Belvoir Consulting Pty Ltd	Development of Integrated Trades Hub	Nov 2020	Dec 2020	\$82,500	\$82,500	Nil
Ag Skills Victoria	Student Engagement	Jan 2020	Oct 2020	\$50,000	\$50,000	Nil
Align Work Health	Workplace Health Program	Mar 2020	Dec 2020	\$47,917	\$47,917	Nil
Y Train Pty Ltd	Development of Course Materials	May 2020	Aug 2020	\$36,075	\$36,075	Nil
Technology One Ltd	AMS Uplift	Jan 2020	Dec 2020	\$32,867	\$32,867	Nil
Tingle Tree Pty Ltd	IT Consulting for Ticket Management System	Jul 2020	Dec 2020	\$19,000	\$19,000	Nil
Spiire Australia Pty Ltd	Engineering Concept Designs	May 2020	Jul 2020	\$18,750	\$18,750	Nil
RBD Consulting	Building Services Consultancy	Nov 2020	Dec 2020	\$17,000	\$17,000	Nil
Brotherhood of Saint Lawrence	Youth Foyer Consultation	Sep 2020	Sep 2020	\$15,000	\$15,000	Nil
Leslie Burr	Consultation on Development Plans	Jul 2020	Dec 2020	\$14,000	\$14,000	Nil
Hays Personnel	Human Resource Services	Nov 2020	Nov 2020	\$13,458	\$13,458	Nil
TOPdesk Australia Pty Ltd	IT Consulting for Ticket Management System	Aug 2020	Nov 2020	\$12,750	\$12,750	Nil
SK Consulting Pty Ltd	Program Design & Development	Oct 2020	Dec 2020	\$12,240	\$12,240	Nil
SCA Management Consultants	Public Construction Procurement Services	Aug 2020	Oct 2020	\$12,000	\$12,000	Nil

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee	Expenditure 2020	Future expenditure
Hanson Constructions Materials Pty Ltd	Course Capability Framework Delivery	Dec 2020	Dec 2020	\$10,909	\$10,909	Nil

Also published at www.wodongatafe.edu.au

Freedom of Information

Wodonga Institute of TAFE has implemented procedures that, subject to privacy provisions, facilitate all reasonable requests for information from students, staff, and the general public without recourse to the *Freedom of Information Act 1982*. Wodonga Institute of TAFE ensures that its procedures are in line with the requirements of the *Freedom of Information Act 1982*. During the calendar year ended 31 December 2020, Wodonga Institute of TAFE did not receive any request for information under the Freedom of Information process.

ICT expenditure

Details of ICT expenditure for 2020 (full year)

BAU ICT Expenditure Total	Non-BAU ICT Expenditure Total	Non-BAU Operational expenditure	Non-BAU Capital expenditure
\$3,626,000	\$496,000	\$21,000	\$475,000

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 2020 there was 1 applicable project that commenced. The total value of Local Jobs First projects within the 2020 reporting period is \$Nil, the anticipated total value is \$2.4 million with expected completion in 2021.

Major commercial activities

Wodonga Institute of TAFE undertook no major commercial activities in 2020.

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

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

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

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

How this report is structured

The Wodonga Institute of TAFE has presented its audited general purpose financial statements for the year ended 31 December 2020 in the following structure to provide users with the information about the Institute's stewardship of resources entrusted to it.

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

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

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

³ The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.

⁴ Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

Certifications

Independent Auditor's Certification of The Statement of Performance VAGO



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 2020• the management certification. <p>In my opinion, the performance statement of Wodonga Institute of TAFE in respect of the year ended 31 December 2020 presents fairly, in all material respects.</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 is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>
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. 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 the performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
8 April 2021

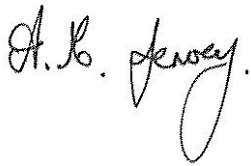


Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Performance Statement Management Certification for 2020

In our opinion, the accompanying Performance Statement of Wodonga Institute of TAFE in respect of the 2020 year is presented fairly.

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



Allison Jenvey
Chair & Ministerial Nominee Director
Wodonga Institute of TAFE

Wodonga
24th March 2021



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

Wodonga
24th March 2021



Belinda Leskie
Chief Finance Officer
Wodonga Institute of TAFE

Wodonga
24th March 2021

Performance Statement

Performance Statement for the Year Ended 31 December 2020

KPI	Definition	Measure	Performance 2020	Target 2020	Performance 2019	Comment
Training revenue diversity	Govt. Funded Training / Total Training Revenue	%	37.8%	37.7%	37.5%	Increase in the proportion of Government funded training due to increased fee for service (FFS) contracts, with continued growth in defence training offerings.
	Fee for Service / Total Training Revenue	%	59.3%	56.3%	58.4%	Increased diversification away from Victorian Government Funded training due to defence training contract at Army School Electrical Mechanical and Engineering (ASEME) driving improved revenue mix and financial sustainability.
	Student Fees & Charges / Total Training Revenue	%	2.8%	6.0%	4.1%	Revenue from Student fees declined as a proportion of total revenue due to the growth in FFS revenue.
Employment costs as a proportion of training revenue	(Employment Costs + 3rd Party Training Delivery Costs) / Total Training Revenue	%	97.6%	101.1%	98.5%	Decrease in employment costs as a percentage of training revenue due to higher training revenue and lower partnership expenses associated with the delivery of ASEME training.
Training revenue per teaching FTE	Training Revenue (excl. Revenue delivered via 3rd party delivery) / Total teaching FTE (including annualised casual teaching staff)	\$	\$184,535	\$155,929	\$173,089	Increase in training revenue per teaching FTE, impacted by reduced Government funded training revenue whilst maintaining teaching levels.
Operating margin percentage	EBIT excl. capital contributions / Total revenue excl. capital contributions	%	(0.8%)	(9.1%)	0.5%	Operational margin reduction against prior year due to increase in expenses by \$3.1m which offsets the increase in revenue of \$2.6m.

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 2020• 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 presents fairly, in all material respects, the financial position of the institute as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
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>

Independent Auditor's Certification of the Financial Report

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
8 April 2021


Charlotte Jeffries
as delegate for the Auditor-General of Victoria

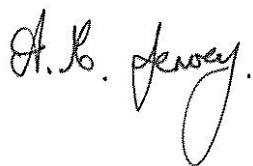
Declaration by the Board Chair Chief Executive Officer and Chief Finance Officer

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash flow Statement and Notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2020 and financial position of the Institute as at 31 December 2020.

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

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



Allison Jenvey
Chair & Ministerial Nominee Director
Wodonga Institute of TAFE

Wodonga
24th March 2021



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

Wodonga
24th March 2021



Belinda Leskie
Chief Finance Officer
Wodonga Institute of TAFE

Wodonga
24th March 2021

Financial Statements

Comprehensive Operating Statement

for the year ended 31 December 2020

	Notes	2020 \$'000	2019 \$'000
Continuing operations			
Income from transactions			
Revenue from Government Contributions	2.1.1	28,145	26,718
Income from Government Contributions	2.1.2	472	-
Revenue from fees, charges and sales	2.2	28,516	26,299
Other income	2.3	2,888	3,901
Total income from transactions		60,021	56,918
Expenses from transactions			
Employee benefits	3.1.1	41,612	38,760
Supplies and services	3.3	12,025	11,210
Other operating expenses	3.4	2,943	3,638
Depreciation and amortisation	3.5	3,243	3,367
Impairment		231	-
Total expenses from transactions		60,054	56,975
Net result from transactions		(33)	(57)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ¹	4.1.3	370	101
Total other economic flows included in net result		370	101
Net result from continuing operations		337	44
Net result		337	44
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus		-	(843)
Comprehensive result		337	(799)

Notes:

¹ Net gain/(loss) on non financial assets¹ includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

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

Balance Sheet

as at 31 December 2020

	Notes	2020 \$'000	2019 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	43,634	38,683
Receivables	5.1	2,334	3,941
Total financial assets		45,968	42,624
Non-financial assets			
Discontinued operations and non-current assets held for sale	4.4	-	1,200
Property, plant and equipment	4.1	53,407	52,980
Intangible assets	4.2	1,935	2,588
Other non-financial assets	5.2	788	543
Total non-financial assets		56,130	57,311
Total assets		102,098	99,935
Liabilities			
Payables	5.3	2,212	1,598
Contract liabilities	5.4	625	-
Employee provisions	5.5	7,652	7,065
Total liabilities		10,489	8,663
Net assets		91,609	91,272
Equity			
Contributed capital	6.2	14,015	14,015
Accumulated surplus		38,881	38,544
Reserves	9.1	38,713	38,713
Net worth		91,609	91,272

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

Statement of Changes in Equity

for the year ended 31 December 2020

	Physical asset revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
At 1 January 2019	39,556	38,500	14,015	92,071
Net result for the year	-	44	-	44
Revaluation of PPE	(843)	-	-	(843)
	-	-	-	-
Year ended 31 December 2019	38,713	38,544	14,015	91,272
Net result for the year	-	337	-	337
Revaluation of PPE	-	-	-	-
Year ended 31 December 2020	38,713	38,881	14,015	91,609

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

Cash Flow Statement

As at 31 December 2020

	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts			
Government contributions		30,238	28,488
User fees and charges received		30,944	28,407
Goods and services tax recovered from the ATO		1,474	1,839
Other receipts		3,034	4,074
Total receipts		65,690	62,808
Payments			
Payments to suppliers and employees		(56,669)	(57,249)
Goods and services tax paid		(2,622)	(2,727)
Total payments		(59,291)	(59,976)
Net cash flows from/(used in) operating activities	6.1	6,399	2,832
Cash flows from investing activities			
Proceeds from investments		-	36,010
Purchases of non-financial assets		(2,521)	(3,378)
Proceeds from sales of non-financial assets		1,073	137
Net cash provided by/(used in) investing activities		(1,448)	32,769
Cash flows from financing activities			
Net cash inflow (outflow) from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		4,951	35,601
Cash and cash equivalents at the beginning of the financial year		38,683	3,082
Cash and cash equivalents at the end of the financial year	6.1	43,634	38,683

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

Note 1 – About This Report

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

Its registered office and principal address is:

Wodonga Institute of TAFE
87 McKoy Street
Wodonga VIC 3690

1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of the Wodonga Institute of TAFE, and 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 that different basis. Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

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

Judgements, estimates and assumptions are required to be made about 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.

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 7.3); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to note 5.5).

These financial statements cover Wodonga Institute of TAFE as an individual reporting entity. Wodonga Institute of TAFE had no controlled entities for the period ended 31 December 2020.

Goods and Services Tax (GST)

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

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

Funding risk

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

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

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

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

1.2 Compliance information

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

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

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

1.3 Impact of COVID-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including Wodonga Institute of TAFE.

In response, the Institute transferred to remote learning where possible, placed restrictions on non-essential work, performed COVID-19 testing and implemented work from home arrangements where appropriate.

The key impacts on the performance as well as various accounting treatments and estimates are summarised below and disclosed in subsequent notes where relevant and material.

The key impacts on the performance is summarised as follows:

Revenue and other income

The Department of Education and Training provided funding due to the lost revenue with certain direct and indirect COVID-19 costs also reimbursed. These funding's consisted of Business Continuity Grant and Crisis Support Funding. This is further discussed in Note 2.1.

Expenses

The Institute's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being included, such as additional staffing costs for new or expanded services, additional supplies and consumables for staff and students, and staffing costs for replacement and maintenance of core staffing. Similarly, cost reductions have occurred such as reductions in building maintenance.

Employee Provisions

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victorian state lockdown. As a result, the leave provisions have increased by \$587,986 (2019: \$1,202,003). This is further discussed in Note 5.5.

The key impacts on accounting treatments and estimates are as follows:

Fair value of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103H. A full revaluation of education assets normally occurs every five years, with this last occurring for the year ended 31 December 2017. Due to COVID-19, there is an increased element of estimation uncertainty with regard to the fair values of the Institute's non-financial physical assets. This is further discussed in Note 7.3.

Note 2 – How We Earned Our Funds

2.1 Government contributions

2.1.1 Revenue from government contributions

	2020 \$'000	2019 \$'000
Grants and other transfers		
State government - contestable	16,011	14,745
State government - other contributions	11,437	11,579
Commonwealth Government - other contributions	697	394
Total Government contributions - operating	28,145	26,718

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

Where grants or contracts are recognised over time, the input method of costs incurred-to-date will be used to measure progress towards satisfaction of the performance obligation. The nature of the service or product and its satisfaction is directly related to the expert knowledge used to provide the service or produce the product. Costs incurred-to-date mainly comprise salaries accordingly, costs incurred-to-date is the best measure of the transfer of control over the service or product.

Revenue is measured at the amount of consideration to which the Institute expects to be entitled in exchange for transferring promised goods or services to a customer. Specific revenue recognition criteria are set out below.

In 2020, Wodonga Institute of TAFE received \$2.1 million in crisis support funding to assist them with its immediate response to the pandemic, and \$982 thousand in business continuity grants to support the retention of staff, transition to on-line and remote learning, and to maintain government funding at pre-pandemic levels.

Revenue Type	Nature	Performance obligation	Timing of satisfaction
State Government – contestable	Refers to contributions received from a limited pool of government funding for which the Institute must compete with other registered training providers. Funding is allocated primarily through a competitive tendering process and a 'User Choice' system.	Provision of education services.	Over time, as the student receives and consumes the educational services.
State Government – other contributions	Refers to funding such as specific-purpose grants and additional contributions relating to students who are	These categories meet the criteria to be recognised as a contract with a customer if the below facts and circumstances exist. Otherwise, they are recognised on receipt or when the right to receive payment is established.	

	eligible for concession discounts.	Provision of a final product. For example, a conceptual framework with measures or an evaluation report containing data and recommendations.	At the point-in-time when the final product is delivered.
			Where the customer controls the benefit throughout the agreement term, the revenue will be recognised over time as the service is provided.
		Provision of a specific number of internships with an industry partner.	At the point-in-time when each internship is completed. Transaction price is the amount agreed with the customer for each internship.

2.1.2 Income from government contributions

	2020 \$'000	2019 \$'000
State-capital	472	-
Total Government contributions - capital	472	-

State Government – capital	Where the Institute receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by the Institute.	To acquire or construct a non-financial asset.	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.
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2.2 Revenue from fees, charges and sales

	2020 \$'000	2019 \$'000
Student fees and charges	1,288	1,711
Fee for service - Government	25,428	22,197
Fee for service - other	1,592	2,240
Other non-course fees and charges		
Sale of goods	208	151
Total fees and charges	28,516	26,299

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 the Institute 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 or the public. For example, rent and student accommodation revenue is recognised as the Institute provides the accommodation or use of the space to the student or the public.

The Institute 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	The Institute provides educational services to the general public, both nationally and internationally.	Provision of education services	Course fees and charges revenue is recognised as the course is delivered to the student and is measured as the amount the Institute 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.
Fee for service – government operations	Fee for service relates to course fees funded by government or students.	Provision of services	Revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability.
Fee for service – other	Relates to non-course fees and charges	Provision of services	Other non-course fees and charges are recognised as the service is delivered to the student or the public. For

			example, rent is recognised as the Institute provides the use of space to the public.
Revenue from sale of goods		Delivery of goods	Revenue is recognised 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). Payment of transaction price is due immediately.

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:

	2020 \$'000	2019 \$'000
Student fees and charges	445	801
Other	91	109
	536	910

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:

	2021 \$'000	2022 \$'000
Other	606	24

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
- 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 units without commencement.

2.3 Other income

	2020 \$'000	2019 \$'000
Interest income	248	641
Rental income	185	263
Other revenue	2,455	2,997
Total other income	2,888	3,901

Revenue 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	The Institute receives rental income for certain land and buildings leased out to the general public during the semester break period and when the buildings are excess to the current requirement. The Institute also receives rental income from long term lease arrangements with third parties.	Provision of services	Rental income is recognised on a time proportional basis and is brought to account when the Institute's right to receive the rental is established.
Other income		Other income is recognised when the Institute's right to receive payment is established.	

Note 3 – How We Expended Our Funds

3.1 Employee benefits

Significant judgement and estimates: Provision for employee benefits

The present value of employee benefit obligations including annual leave, long service leave and on-costs are determined using 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 in accordance with wage inflation rates and discount rates provided by the Assistant Treasurer.

3.1.1 Employee benefits in the Comprehensive Operating Statement	2020	2019
	\$'000	\$'000
Salaries, wages, overtime and allowances	36,389	33,821
Superannuation	3,535	3,088
Payroll tax	843	910
Worker's compensation	190	43
Annual Leave	593	-
Long service leave	23	614
Termination Benefits	8	284
Other	31	-
Total employee benefits	41,612	38,760

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

3.2 Superannuation

The Institute employees are entitled to receive superannuation benefits and the Institute 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.

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive income statement.

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

	2020 \$'000	2019 \$'000
Paid contribution for the year		
Defined benefit plans:		
State Superannuation Fund – revised and new	78	118
Total defined benefit plans	78	118
Accumulation contribution plans:		
VicSuper	1,683	1,698
Other	2,127	1,925
Total accumulation contribution plans	3,810	3,623
Total paid contributions for the year	3,888	3,741
Contribution outstanding at year end		
Defined benefit plans:		
State Superannuation Fund – revised and new	2	1
Total defined benefit plans	2	1
Accumulation contribution plans:		
VicSuper	56	16
Other	76	17
Total accumulation contribution plans	132	33
Total contribution outstanding at year end	134	34

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

	2020 \$'000	2019 \$'000
Purchases of supplies and consumables	2,324	2,117
Communication expenses	272	252
Contract and other services	3,704	2,749
Building repairs and maintenance	2,578	1,703
Fees and charges	2,244	3,415
3rd Party training providers	903	974
Total supplies and services	12,025	11,210

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

	2020	2019
	\$'000	\$'000
General expenses	566	376
Marketing and promotional expenses	598	688
Utilities	629	933
Audit fees and services	65	71
Staff development	299	216
Travel and motor vehicle expenses	321	636
Bad debts from transactions	(4)	(127)
Consumables	469	845
Total other expenses	2,943	3,638

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

Audit fees and services relate to remuneration to the Victorian Auditor General's office for the audit of the financial statements.

3.5 Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Depreciation of Property, Plant and Equipment	2,564	2,694
Amortisation of Intangible Assets	679	672
Total depreciation and amortisation	3,243	3,367

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 & equipment includes all operational assets.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	8,495	8,495	-	-	8,495	8,495
Buildings & Improvements	40,012	38,415	(4,112)	(2,790)	35,900	35,625
Construction in progress	541	30	-	-	541	30
Plant, equipment & other assets	22,195	20,924	(17,761)	(16,520)	4,434	4,405
Motor Vehicles	5,342	5,886	(4,655)	(4,936)	687	950
Land Improvements	4,428	4,428	(1,078)	(952)	3,350	3,475
Net carrying amount	81,013	78,178	(27,606)	(25,198)	53,407	52,980

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 below by asset category.

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

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

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

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

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2017. For the year ended 31 December 2020, 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.

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

	Land \$'000	Buildings \$'000	Construction in progress \$'000	Plant, Equipment & Other assets \$'000	Motor Vehicles \$'000	Land Improvements \$'000	Total \$'000
2020							
Opening net book amount	8,495	35,625	30	4,405	950	3,475	52,980
Additions	-	1,567	541	847	50	-	3,005
Disposals	-	-	-	(14)	-	-	(14)
Transfers to additions	-	30	(30)	-	-	-	-
Depreciation charge	-	(1,322)	-	(804)	(313)	(125)	(2,564)
Closing balance	8,495	35,900	541	4,434	687	3,350	53,407

	Land \$'000	Buildings \$'000	Construction in progress \$'000	Plant, Equipment & Other assets \$'000	Motor Vehicles \$'000	Land Improvements \$'000	Total \$'000
2019							
Opening net book amount	9,721	36,878	-	2,398	996	4,383	54,376
Additions	-	436	30	2,607	335	-	3,408
Revaluation surplus	(26)	(388)	-	-	-	(429)	(843)
Disposals	-	-	-	-	(66)	-	(66)
Assets included in a disposal group classified as held for sale and other disposals ¹	(1,200)	-	-	-	-	-	(1,200)
Depreciation charge	-	(1,301)	-	(600)	(315)	(479)	(2,695)
Closing balance	8,495	35,625	30	4,405	950	3,475	52,980

¹ Non-financial assets classified as held-for-sale including disposal group asset are held at fair value less costs to sell.

4.1.2 Capital Commitments

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

Payable	2020	2019
	\$'000	\$'000
Within one year	5,363	-
Total capital expenditure commitments	5,363	-
GST payable on the above	(487)	-
Net capital expenditure commitments	4,876	-

4.1.3 Gain/loss on property, plant and equipment

	2020	2019
	\$'000	\$'000
Net gain/(loss) on disposal of property, plant and equipment	370	101

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

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

4.2 Intangible assets

The Institute has capitalised software development expenditure for the development of its SMS software. The carrying amount of the capitalised software development expenditure is \$1.93 million (2019: Software: \$2.59 million). Its useful life is between three & ten years.

	2020			2019		
	\$'000			\$'000		
	ICT Software	Access Rights	Total	ICT Software	Access Rights	Total
Gross carrying amount						
Opening Balance	8,540	500	9,040	8,540	500	9,040
Additions	26	-	26	-	-	-
Disposals	-	-	-	-	-	-
Closing balance	8,566	500	9,066	8,540	500	9,040
Accumulated amortisation and impairment						
Accumulation amortisation and impairment	(5,952)	(500)	(6,452)	(5,280)	(500)	(5,780)
Disposals	-	-	-	-	-	-
Amortisation charge	(679)	-	(679)	(672)	-	(672)
Impairment charge	-	-	-	-	-	-
Closing balance	(6,631)	(500)	(7,131)	(5,952)	(500)	(6,452)
Net carrying amount at end of the year	1,935	-	1,935	2,588	-	2,588

Initial recognition

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

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

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

Subsequent measurement

Intangible assets 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.

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 of impairment is identified.

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

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

4.3 Depreciation & 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. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

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

Class of Assets	Useful Life
Buildings	5 - 50 years (2019: 5 - 50 years)
Plant & equipment & other assets	2 - 40 years (2019: 2 - 50 years)
Motor vehicles	1 - 13 years (2019: 1 - 13 years)
Leasehold improvements	10 years (2019: 10 years)
Land Improvements	3 - 50 years (2019: 3 - 50 years)
Library collections	2 - 18 years (2019: 2 - 18 years)
ICT Software	3 - 10 years (2019: 3 - 10 years)
Access Rights	0 years (2019: 0 years)

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

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

4.4 Non-financial physical assets classified as held for sale including disposal groups and directly associated liabilities

	2020	2019
	\$'000	\$'000
Non-financial physical assets including disposal groups assets classified as held for sale¹		
a. Non-current assets:		
Non-financial physical assets including disposal group assets classified as held for sale		
Freehold Land and Buildings held-for-sale ²	-	1,200
Total non-financial physical assets and disposal group assets classified as held for sale	-	1,200

Note:

¹ Vacant facility was sold in November 2020.

² Non-financial assets, Freehold Land and Buildings classified as held-for-sale are held at fair value per valuation less costs to sell.

Note 5 – Balances From Operations

5.1 Receivables

	2020 \$'000	2019 \$'000
Current		
Sales of goods and services	982	2,814
Amounts receivable from Victorian Government	1,455	-
Allowance for credit losses	(103)	(118)
Total receivables from contracts with customers	2,334	2,696
Statutory		
Amounts receivable from Victorian Government	-	1,245
Total current receivables	2,334	3,941

Receivables consist of:

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

Receivables 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 not classified as financial instruments.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for 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 is considered to be the same as their fair value.

Impairment

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

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	2020 \$'000	2019 \$'000
Movement in loss allowance for contractual receivables		
Balance at the beginning of the year	(118)	(275)
Amounts written off	11	30
Reversal of unused loss allowance recognised in net result	4	127
	(103)	(118)

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
2020						
Trade receivables	2,334	2,089	214	20	11	-
Total	2,334	2,089	214	20	11	-
2019						
Trade receivables	2,697	2,393	260	17	26	-
Total	2,697	2,393	260	17	26	-

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

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

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

5.2 Other non-financial assets

	2020 \$'000	2019 \$'000
Current		
Other non-financial assets	788	543

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

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

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

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

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

5.3 Payables

	2020 \$'000	2019 \$'000
Contractual		
Supplies and services	2,098	1,219
Revenue in advance	-	359
	2,098	1,578
Statutory		
GST payable	-	20
Other taxes payable	114	-
Total current payables	2,212	1,598

Payables consist of:

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

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

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

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.

Maturity analysis of contractual payables

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000
2020						
Supplies and services	2,098	2,098	2,078	11	9	-
Total	2,098	2,098	2,078	11	9	-
2019						
Supplies and services	1,219	1,219	1,219	-	-	-
Total	1,219	1,219	1,219	-	-	-

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Notes:

1. The disclosures above excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes payable).
2. 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.

5.4 Contract liabilities

	2020 \$'000	2019 \$'000
Contract liabilities – student fees	320	268
Contract liabilities – fee for service	8	-
Contract liabilities – other	297	91
Total contract liabilities	625	359

5.5 Employee benefits in the Balance Sheet

	2020	2019
	\$'000	\$'000
Annual leave	3,159	2,482
Long service leave	299	3,841
Performance Payments	-	68
Total short-term benefits	3,458	6,391
Long service leave	4,194	674
Total long-term benefits	4,194	674
Total employee provisions	7,652	7,065

The leave obligations cover Wodonga Institute of 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. 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.

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victorian state lockdown. As a result, the leave provisions have increased by \$587,986 (2019: \$1,202,003). The impact of COVID-19 is further discussed in Note 1.3.

	2020	2019
	\$'000	\$'000
Unconditional and expected to wholly settle within 12 months	3,048	-
Unconditional and expected to wholly settle after 12 months	3,862	2,465
Total current employee provisions	6,910	2,465

Note 6 – How We Financed Our Operations

6.1 Cash and deposits

	2020	2019
	\$'000	\$'000
Cash at bank and on hand	4,912	5,687
Deposits at call	38,722	32,996
Total cash and deposits	43,634	38,683

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

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

	2020	2019
	\$'000	\$'000
Net result for the year	337	44
Non cash movements		
(Gain)/loss on sale or disposal of non current assets	(370)	(101)
Depreciation and amortisation of non current assets	3,243	3,367
Movements in assets and liabilities		
Decrease / (increase) in trade receivables	1,607	1,325
Decrease / (increase) in non-financial assets	(244)	(7)
Increase / (decrease) in payables	1,239	(2,998)
Increase / (decrease) in provisions	587	1,202
Net cash flows from/(used in) operating activities	6,399	2,832

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

	2020	2019
	\$'000	\$'000
Contributed capital		
Balance at 1 January	14,015	14,015
Balance at 31 December	14,015	14,015

Contributed capital

Funding that are in the nature of contributions by the Victorian State government are treated as contributed capital when designated in accordance with 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, all entities would 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 Institute of 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 Institute of 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 Institute of TAFE is reasonably certain to exercise, lease payments in an optional renewal period if Wodonga Institute of TAFE is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Wodonga Institute of TAFE is reasonably 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 Institute of TAFE's estimate of the amount expected to the payable under a residual value guarantee; or
- If Wodonga Institute of 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

Wodonga Institute of TAFE has elected to apply the option available under AASB 16 which allows not-for-profit entities to not measure right of use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Short-term and low value leases

Wodonga Institute of 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 Institute of 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.

Financial Assets	2020	2019
	\$'000	\$'000
Financial assets measured at amortised cost		
Cash, deposits and receivables		
Cash and deposits	43,634	38,683
Trade receivables	2,334	2,696
Total financial assets	45,968	41,379
Financial liabilities		
Financial liabilities measured at amortised cost		
Payables		
Supplies and services	2,098	1,219
Total financial liabilities	2,098	1,219

Categories of financial instruments

The Institute 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. The Institute recognises the following liabilities in this category:

- payables (excluding statutory payables).

7.1.1 Financial risk management objectives and policies

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

Primary responsibility for the identification and management of financial risks rests with the Audit and Risk Committee of The Institute with oversight by 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 the Institute, which comprise cash and deposits and non-statutory receivables. The Institute's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Institute.

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

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

The trade receivables balance at 31 December 2020 and 31 December 2019 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

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

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

	Financial Institutions (AA- rating) \$'000	Other counter- party \$'000	Total \$'000
2020			
Cash and deposits	43,634	-	43,634
Receivables ¹	-	2,334	2,334
Total contractual financial assets	43,634	2,334	45,968
2019			
Cash and deposits	38,683	-	38,683
Receivables	-	2,696	2,696
Total contractual financial assets	38,683	2,696	41,379

Notes:

¹The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to/from Victorian Government, 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 2020 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 according 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 (ie 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 The Institute 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 2020:

31 December 2020	Estimated gross carrying amount \$'000	Weighted average loss rate	Estimated loss allowance \$'000	Credit impaired
Current (not past due)	\$2,089	4.2%	\$87	Yes
1 - 30 days past due	\$214	5%	\$11	Yes
31 - 60 days past due	\$8	10%	\$1	Yes
61 - 90 days past due	\$12	15%	\$2	Yes
More than 90 days past due	\$11	21%	\$2	Yes

31 December 2019	Estimated gross carrying amount \$'000	Weighted average loss rate	Estimated loss allowance \$'000	Credit impaired
Current (not past due)	\$2,500	0%	\$0	No
1 - 30 days past due	\$260	0%	\$0	No
31 - 60 days past due	\$17	0%	\$0	No
61 - 90 days past due	\$26	0%	\$0	No
More than 90 days past due	\$11	39%	\$4	Yes

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 the Institute, 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 the Institute would be unable to meet its financial obligations as and when they fall due.

The Institute operates under a payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

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

The Institute manages liquidity risk by:

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

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

There has been no significant change in The Institute'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, the Institute, is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse effect on the operating result and /or net worth of the Institute.

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

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.

Foreign currency risk

Foreign currency risk is the risk that the Institute's operating result, cash flow or capital are negatively impacted by a change in foreign exchange rates. The Institute has minimal exposure to foreign currency risk.

Equity price risk

Equity price risk is the risk that the investments' value will change due to changes in market prices caused by factors specific to the investment or its issuers, or factors affecting similar investments traded on relevant markets. This risk is managed by the Victorian Funds Management Corporation (VFMC) for funds held on behalf of the Institute.

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.

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
2020					
Cash and deposits	0.48	43,634	43,634	-	-
Contractual receivables	-	2,334	-	-	2,334
Total financial assets	-	45,968	43,634	-	2,334
Supplies and services	-	2,098	-	-	2,098
Total contractual financial liabilities	-	2,098	-	-	2,098

Sensitivity analysis and assumptions

	Carrying amount at 31 December	-1% (100 basis points) Result \$'000	Equity \$'000	+1% (100 basis points) Result \$'000	Equity \$'000
2020					
Cash and deposits	43,634	(436)	(436)	436	436
Total impact	43,634	(436)	(436)	436	436

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 2020 (31 December 2019: nil) that may have a material effect on the financial operations of Wodonga Institute of 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 the Institute.

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

The following assets and liabilities are carried at fair value:

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

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

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

Fair value estimation

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

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

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

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

The Valuer-General Victoria (VGV) is the Institute's independent valuation agency.

Fair value determination of financial assets and liabilities

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

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2020.

(a) Fair value determination of non-financial assets

The Institute holds property, plant and equipment for which fair values are determined.

The Institute, 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 the Institute'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 Unobservab le Inputs \$'000
2020				
Non specialised land	8,495	-	8,495	-
Specialised land	3,350	-	-	3,350
Total of land fair value	11,845	-	8,495	3,350
Specialised buildings & improvements	35,900	-	-	35,900
Total buildings & improvements at fair value	35,900	-	-	35,900
Plant, Equipment & Other assets	4,434	4,434	-	-
Total Plant, Equipment & Other assets at fair value	4,434	4,434	-	-
Motor Vehicles	687	687	-	-
Total Motor Vehicles at fair value	687	687	-	-
2019				
Non specialised land	8,495	-	8,495	-
Specialised land	3,475	-	-	3,475
Total of land fair value	11,970	-	8,495	3,475
Specialised buildings & improvements	35,625	-	-	35,625
Total buildings & improvements at fair value	35,625	-	-	35,625
Plant, Equipment & Other assets	4,405	4,405	-	-
Total Plant, Equipment & Other assets at fair value	4,405	4,405	-	-
Motor Vehicles	950	950	-	-
Total Motor Vehicles at fair value	950	950	-	-

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) 103H 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 2017.

For the year ending 31 December 2020 Wodonga Institute of 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.

COVID-19 has caused an increase to the estimation uncertainty around the fair value of non-physical financial assets. The impact of COVID-19 is further discussed in Note 1.3.

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

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

To the extent that non-specialised land 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 the Institute'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 Institute of 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 2017.

Construction in progress assets are held at cost. The Institute 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 depreciated replacement cost method. Wodonga Institute of 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 the Institute 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 depreciated replacement cost method.

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

There were no changes in valuation techniques throughout the period to 31 December 2020.

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

Description of significant unobservable inputs to Level 3 valuations

2020 and 2019	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment
Specialised buildings	Current replacement cost	Direct 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

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 the Institute are as follows:

Position	Name	Dates of appointment
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MP	1 January 2020 to 31 December 2020
Managing Director and Chief Executive Officer	Phil Paterson	1 January 2020 to 31 December 2020
Chair Ministerial Nominee Director	Allison Jenvey	1 January 2020 to 31 December 2020
Ministerial Nominee Director	Tammy Atkins	1 January 2020 to 31 December 2020
Ministerial Nominee Director	Jessica Furst	1 January 2020 to 31 December 2020
Ministerial Nominee Director	Annette Kearns	1 January 2020 to 31 December 2020
Ministerial Nominee Director	Vern Hilditch	1 January 2020 to 31 December 2020
Board Nominee Director	Roger Powell	1 January 2020 to 31 December 2020
Board Nominee Director	Glenda Beecher	1 January 2020 to 31 December 2020
Board Nominee Director	Catherine Prichard	1 January 2020 to 31 December 2020
Staff Director - Elected	Janelle Cretney	1 January 2020 to 31 December 2020

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the Institute during the reporting period was in the range: \$280,000 - \$289,999 (\$280,000 - \$289,999 in 2019).

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

Income range	2020	2019
Less than \$10,000	2	3
\$10,000 – \$19,999	-	1
\$20,000 – \$29,999	6	5
\$40,000 – \$49,999	1	1
Total number	9	10
Total remuneration (\$'000)	\$180	\$186

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

8.2 Remuneration of executives

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

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

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

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

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

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

Compensation of Executives	Total Remuneration	
	2020 \$'000	2019 \$'000
Short-term employee benefits	\$1,052	\$1,258
Post-employment benefits	\$92	\$99
Other long-term benefits	\$13	\$25
Total remuneration	\$1,157	\$1,382
Total number of executives	6	6
Total annualised employee equivalent (AEE)⁽ⁱ⁾	5.2	5.2

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

8.3 Related parties

Related parties of the Wodonga Institute of TAFE include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

Key management personnel of the Institute include the Minister for Training and Skills and Minister for Higher Education, the Hon. Gayle Tierney MP, and members of the Wodonga Institute of TAFE Board, Chief Executive Officer, and members of the Executive Committee. The compensation detailed below excludes the salary and benefits received by the Minister for Training and Skills. The Minister's remuneration and allowances is reported within the Department of Parliamentary Services' Financial Report.

Compensation of Key Management Personnel

	Total Remuneration	
	2020	2019
	\$'000	\$'000
Short-term employee benefits	\$1,218	\$1,428
Post-employment benefits	\$107	\$115
Other long-term benefits	\$13	\$25
Total remuneration	\$1,338	\$1,568

Transactions and balances with key management personnel and other related parties

The Institute had no related party transactions for the period ending 31 December 2020.

Note 9 – Other Disclosures

9.1 Other equity reserves

	2020 \$'000	2019 \$'000
Physical asset revaluation surplus:¹		
Balance at 1 January	38,713	39,556
Revaluation increments/(decrements)	-	(843)
Balance at 31 December	38,713	38,713

Note:

¹The physical assets 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 the Institute, the results of those operations or the state of affairs of the Institute 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 2020 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises the Institute of their applicability and early adoption where applicable.

As at 31 December 2020, there were no new accounting standards issued by the AASB, which are applicable for the year ending 31 December 2021 that are expected to impact the Institute.

9.4 Transition impact on financial statements

The following accounting standards were adopted for the first time, from 1 January 2019:

- AASB 15 Revenue from Contracts with Customers;
- AASB 1058 Income of Not-for-Profit Entities; and
- AASB 16 Leases.

The impact to Wodonga Institute of TAFE on transition can be found in the 2019 published financial statements.

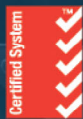
Summary of reporting requirements

Item No.	Source	Summary of Reporting Requirement	Page No.
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1	FRD 22H 5.4a	Manner of establishment and the relevant Minister	7
2	FRD 22H 5.4b 5.5	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	5-17
3	FRD 22H 5.4c	Nature and range of services provided including the communities served	7-8
MANAGEMENT AND STRUCTURE			
4	FRD 22H 5.4d 5.6	Organisational chart detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	23-26, 83-85
FINANCIAL AND OTHER INFORMATION			
5	FRD 03A	Accounting for Dividends	N/A
6	FRD 07B	Early adoption of authoritative accounting pronouncements	N/A
7	FRD 10A	Disclosure Index	87-90
8	FRD 17B	Wage inflation and discount rates for employee benefits	55
9	FRD 22H 5.11c	Operational and budgetary objectives, including performance against objectives and achievements	9-17, 27, 39
10	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	20
11	FRD 22H 5.8	Workforce data for current and previous reporting period, including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections	20-22
12	FRD 22H 5.11a	Summary of the financial results, with comparative information for the preceding four reporting periods	27
13	FRD 22H 5.11b	Summary of significant changes in financial position	27
14	FRD 22H 5.7	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	9-16
15	FRD 22H 5.11d	Post-balance sheet date events likely to significantly affect subsequent reporting periods	29
16	FRD 22H 5.18a	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	32
17	FRD 22H 5.12	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	27
18	FRD 22H 5.9	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target	N/A
19	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST)	30

Item No.	Source	Summary of Reporting Requirement	Page No.
20	FRD 22H 5.18e	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform.	32
21	FRD 22H 5.18g	Statement on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act	30
22	FRD 22H 5.18c	Summary of application and operation of the <i>Public Interest Disclosures Act 2012</i> including disclosures required by the Act	32-33
23	FRD 22H 5.18h	Summary of Environmental Performance (Use table in FRD 24D guidance material)	19-20
24	FRD 22H 5.13 5.14 5.15	Consultants: Report of Operations must include a statement disclosing each of the following 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period	30-32
25	FRD 22H 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	29
26	FRD 22H 5.17	An entity shall disclose the following in the report of operations: a) Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and b) Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX).	32
27	FRD 25D	Local Jobs First	32
28	AASB16	Leases	70-71
29	SD 5.1.4	Financial Management Compliance Attestation Statement The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions and the Instructions, and disclose all Material Compliance Deficiencies.	29
30	FRD 119A	Transfers through contributed capital	N/A
31	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable	42

Item No.	Source	Summary of Reporting Requirement	Page No.
		Australian Accounting Standards and Financial Reporting Directions.	
32	SD 5.2.3	The report of operations must be signed and dated by a member of the Responsible Body.	42
33	CG 10 Clause 27	Summary of Major Commercial Activities	32
34	CG 12 Clause 33	TAFE Institute Controlled Entities	N/A
FINANCIAL REPORT			
35	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: <ul style="list-style-type: none"> the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. 	42
36	SD 5.2.2(a) and FMA s49	An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"> the Accountable Officer; subject to Direction 5.2.2(c), the CFO; and for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. 	42
37	FRD 30D	Rounding of amounts	47
38	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament 	23-24
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
39	FRD 11A	Disclosure of ex-gratia payments	N/A
40	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	83-85
41	FRD 102A	Inventories	66
42	FRD 103H	Non-financial physical assets	44, 58-60, 79-82
43	FRD 105B	Borrowing costs	N/A
44	FRD 106B	Impairment of assets	61-62
45	FRD 107B	Investment properties	N/A
46	FRD 109A	Intangible assets	61-62
47	FRD 110A	Cash flow statements	46, 69

Item No.	Source	Summary of Reporting Requirement	Page No.
48	FRD 112D	Defined benefit superannuation obligations	55-56
49	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	N/A
50	FRD 114C	Financial instruments	72-77
51	FRD 120N	Accounting and reporting pronouncements applicable to the reporting period	86
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
52	Legislation	<p>The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • <i>Education and Training Reform Act 2006</i> (ETRA) • TAFE institute constitution • Directions of the Minister for Training and Skills (or predecessors) • TAFE institute Commercial Guidelines • TAFE institute Strategic Planning Guidelines • <i>Public Administration Act 2004</i> • <i>Financial Management Act 1994</i> • <i>Freedom of Information Act 1982</i> • <i>Building Act 1993</i> • <i>Public Interest Disclosure Act 2012</i> • <i>Local Jobs First Act 2003</i> 	30
53	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2020	30
54	Policy	Statement that the TAFE institute complies with the Victorian Public Service Travel Policy	33
55	Key Performance Indicators	<p>Institutes to report against:</p> <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. 	39
OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES			
56	PAEC and VAGO (June 2003 Special Review Item, Recommendation 11)	<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 • Performance measures and targets formulated for overseas operations • The extent to which expected outcomes for overseas operations have been achieved. 	N/A



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