

gotafe



2012 ANNUAL REPORT

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The financial report was authorised for issue by the Board members on 22nd March, 2013. The Goulburn Ovens Institute of TAFE has the power to amend and reissue the financial report.

INTRODUCTION

About GOTAFE

Goulburn Ovens Institute of TAFE (GOTAFE) is the largest tertiary educational provider in Northern Victoria (Hume Region) delivering annually in excess of six million Student Contact Hours (SCHs) across 38 industry sub-sectors to more than 20,000 students. GOTAFE employs more than 400 staff located in 15 locations, and achieves an annual turnover in excess of \$70 million.

The region covered by GOTAFE includes 11 local government authorities and services the vocational education and training needs of more than 220,000 Victorians. Students live in locations ranging from Wallan in the south to Kyabram in the west, Mansfield in the east, and Cobram to Rutherglen in the north.

GOTAFE has a rich history of providing technical, vocational and further education to the region. The establishment of GOTAFE took effect upon the amalgamation of Wangaratta Institute of TAFE and Goulburn Valley Institute of TAFE on October 1, 1996. This followed a Committee of Review of TAFE services in North East Victoria, headed by Dr Tom Kennedy.

Goulburn Ovens Institute of TAFE was authorised under Section 23 of the *Vocational Education and Training Act 1990* and its Board established under Section 24 of the Act. Its powers and duties are primarily established in its Constitution, the *Education Training and Reform Act 2006*, *Tertiary Education Act 2003* and *Financial Management Act 1994*. The responsible Minister during 2012 was the Hon. Peter Hall, MLC, Minister for Higher Education and Skills.

The principal objective of GOTAFE, within the context of National and Victorian State Government policies and management frameworks, is articulated in its strategic purpose:

To deliver quality vocational training and tertiary education that responds to the needs of industry, enterprises, communities and individuals in the regions GOTAFE serves.

The strength of GOTAFE lies with its experienced, skilled and innovative staff who provide training, skills development and other services to students, industry clients and the wider community through:

- › **Innovative, customised and quality assured training programs and products**
- › **Flexible education and training delivery methodologies; and**
- › **A commitment to consultation, partnerships and customer satisfaction.**

Chairman Report

On behalf of GOTAFE, I am very pleased to present the Institute's 2012 Annual Report which highlights how much can be achieved through outstanding leadership, flexibility, hard work and genuine creativity.

This report demonstrates that in 2012 GOTAFE has been successful in meeting its Vision and Values as set out in the Institute's Strategic Plan.

The implementation of Government policy and demand driven funding including the substantial impacts of budget funding and the development of the Transition Plan have provided the Institute with a unique opportunity to unleash its potential and emerge as an enterprising organisation, turning creative ideas into business opportunities.

At all levels of the Institute every person has applied an extraordinary level of resilience, dedication and commitment to ensure that the GOTAFE Strategic Plan continues to be relevant and ensure its sustainability into the future.

Led by the GOTAFE Board, Chief Executive Officer Paul Culpan and the Executive Management Team, significant structural changes and a systems review were undertaken which have enabled an extraordinary review of, and response to the Institute's culture, opportunities for innovation and an understanding and the implementation of Government policy.

The leadership and management revolution within GOTAFE has been based on three key fundamental principles –courage and commitment, vision, innovation and

creativity and promoting and achieving sustainable growth.

Funding cuts announced in May 2012, enabled the Board and Management to thoroughly review the relevance and delivery of GOTAFE programs and services and facilitated greater opportunities for staff to be far more flexible and entrepreneurial.

Strong growth in student contact hours and improved satisfaction in employer and student outcome surveys reflect the success of these changes and innovation across the Institute.

Our partnerships and relationships with tertiary education providers are strongly embedded in the Institute and have opened up the opportunities for the Institute to work with private providers directly or through a brokerage model.

The financial result for 2012 is an excellent one and has mitigated the sustainability risks of the Institute, as well as enabling it to establish financial reserves to meet some of the many challenges and opportunities in the future.

The Institute is a far more efficient modern day organisation, capable of meeting the ever increasing competition and demands of vocational education and training and tertiary education provision.

Whilst there are further legislative changes affecting its governance structure to be implemented, the GOTAFE Board is confident that the Institute will meet the demands, challenges and commitment to its students and business regionally and beyond for a long time to come.

I acknowledge and thank my fellow Board Members for their business insight and leadership and their robust debate, diligence and support throughout 2012.

Thank you to Chief Executive Officer Paul Culpan for his leadership and drive within GOTAFE and beyond in the broader TAFE Sector, and for his absolute commitment to and focus on the Institute achieving the highest standards of quality and course delivery through relevant and efficient systems and creative and innovative staff.

On behalf of the Board, I record its appreciation for the leadership, hard work and willingness of Management and Staff to meet the critical challenges and cultural changes required to keep pace within our current environment.

The Institute has received and is most grateful for the advice, support and input received from business and industry partners and our local and regional communities.

The GOTAFE Board extends its appreciation to the Honourable Peter Hall Minister for Higher Education and Skills, the staff of the Department of Education and Early Childhood Development and the Higher Education and Skills Group for their advice, guidance and co-operation throughout 2012.



Michael H. Tehan
Chair of the Board
January 2013

Chief Executive Officer Report

In a year of significant change for the TAFE sector in Victoria, GOTAFE was very successful in achieving strong growth in student contact hours, excellent financial results and high employer and student satisfaction with 2012 reports indicating 94.7% of employers were satisfied with the training their apprentices or trainees are receiving from GOTAFE and 97% of learners would recommend the training they received from GOTAFE to others.

This overall excellent performance was driven by the extraordinary efforts and commitment of GOTAFE's Board and staff as well as the success of strategies implemented over the last four years. The positioning of the student at the centre of all strategic and operational thinking, the development of commercial teaching centres focussed on industry sectors, strengthening our focus on education quality, the development of strategic partnerships with Universities and schools and an underpinning staff culture based on responsiveness, creativity, collaboration, excellence, accountability, integrity and respect has led to this outstanding result.

These initiatives combined with established partnerships with five Universities and over sixty secondary schools position GOTAFE as a leading education provider in regional Victoria.

In 2013 the Institute will continue to go from strength to strength with the implementation of a new Student Management System designed to enhance the student customer service experience, strengthening of our e-Learning education models with more courses available online and an increased focus and development of interstate and international programs.

I would like to acknowledge the contribution made by our executive, management and staff in 2012 who have worked above and beyond expectations to achieve the 2012 results in an environment of significant uncertainty.

I would also like to express my appreciation for the support and guidance provided by Mr Michael Tehan, Chair of the GOTAFE Board and all Board Directors over the past year with regard to excellent governance of the Institute ensuring the success that has been achieved in 2012.

In closing, GOTAFE has demonstrated in the past year that it can be successful under the new commercial policy environment and is very well positioned to continue its success into future years.



A handwritten signature in dark ink, appearing to read 'Paul Culpan', written in a cursive style.

Paul Culpan
CEO

January 2013

OUR ORGANISATION

2012 Highlights

The highlights section of GOTAFE's Annual Report provides a snapshot of the Institute's 2012 activities and is summarised under the following headings:

- › Student and Customer
- › Working in Partnership
- › Infrastructure
- › Awards
- › People
- › Sustainability

Student and Customer

Student Outcomes Survey

A total of 326 graduates responded to the Student Outcomes Survey conducted by the Social Research Centre on behalf of National Centre for Vocational Education Research (NCVER). The outcomes for GOTAFE are stronger than the average for TAFE institutes in Victoria and VET providers nationally.

2012 Student Outcomes Survey (of 2011 graduates)

Key Indicators	2012 GOTAFE	2012 TAFE VIC	2012 All RTOs
Graduates achieved or partly achieved their main reason for undertaking training	92.1%	84.9%	84.8%
Graduates satisfied with teaching	92.1%	90.3%	91.5%
Graduates satisfied with assessment	94.0%	89.3%	90.2%
Graduates would recommend the training they undertook to others	97.0%	93.5%	n/a

In second semester 2012 GOTAFE conducted surveys of employers and selected student groups to obtain valuable client feedback and meet ASQA Quality Indicator requirements.

2012 Employer Satisfaction Survey & Learner Engagement Survey

Employers

Questions	2012 Survey
Overall, we are satisfied with the training	94.7%
We would recommend the training organisation to others	93.5%
We would recommend the training to others	93.8%

Learners

Questions	2012 Survey
Overall, I am satisfied with the training	89.5%
I would recommend the training to others	90.3%
I would recommend the training organisation to others	89.7%

STUDENT

Inaugural beauty therapy graduates

The first group of students to undertake the Certificate IV in Beauty Therapy graduated in 2012. All graduates, including Student of the Year, Claire Haigh, are employed in the beauty industry.



Student contact hours for NCDEA increase by 16 per cent

The National Centre for Dairy Education Australia (NCDEA) farming group increased the number of government funded student contact hours (SCH) across Victoria from 430,000 in 2011 to 500,000 in 2012.

New training package implemented by NCDEA

The NCDEA undertook significant development activities to introduce a new training package, *Agriculture, Horticulture and Conservation and Land Management*.

The package was adopted by the NCDEA after an extensive review of the current resources was undertaken and validation was received by an industry nominated panel.

The panel consisted of national dairy industry representatives who, for the first time conducted the validation via webinars.

Virtual business program extended to all campuses

The Virtual Enterprise (VE) program was initially implemented at GOTAFE's Benalla Campus and was extended across all four campuses to include Shepparton, Seymour and Wangaratta.

The program provides students with the opportunity to learn skills in a variety of business areas including marketing, administration and staff management. Students are able to spend virtual money in a simulated business environment, giving them business experience without the implications of using real money.

Scholarships make a career in logistics a possibility for disadvantaged students

Two students were recipients of a Logistics Scholarship that was introduced in 2012 to support disadvantaged students. The scholarships were made possible through the Mick Young Foundation and the Transport & Logistics Industry Skills Council.

'Block release' delivery style drives enrolment figures

A 'block release' delivery style instigated by the electrical department has contributed to a larger than expected enrolment figure of 70 first year apprentices, 30 more students than the target. This delivery method enables apprentices to study full-time but undertake the off-the-job part of an apprenticeship for a 'block' of time, usually one week in every six weeks.

This structure was welcomed by employees and employers located in Melbourne as there is a limited number of metropolitan TAFE's offering this delivery style.

Blended delivery creates more flexibility for animal sciences students

All courses within the Animal Sciences learning area were transitioned to a blended learning model with an emphasis on e-learning and workplace training, supporting the department's focus on developing a more sustainable business model.

The blended delivery model will allow greater accessibility to the wide geographical spread of Animal Sciences students, and greater flexibility in when, where and how students study. These developments form part of the transition process to expand the capability of the Animal Sciences team across Victoria, interstate and overseas.

CUSTOMER

GOTAFE in top ten providers of WorkSafe courses

GOTAFE became one of the top ten providers in Victoria to deliver WorkSafe approved courses for health and safety representatives. GOTAFE satisfied the WorkSafe accreditation criteria and delivered the training to more than 500 students during 2012.

Pre-employment course encourages entry into meat processing industry

A pre-employment program was initiated with Wodonga Rendering after a consultative process between the abattoirs, Sureways and Workways identified a downturn in workers within the meat processing industry. The pre-employment program provides an entry point into the meat processing industry and has been well received by both employer and employee.

Five courses have been delivered since the program was implemented in July and participants are now employed in the industry.

Industry clients commence manufacturing certificate

Employees from Peninsula Health in Frankston and various engineering companies commenced the Vocational Graduate Certificate in Competitive Manufacturing, an eighteen month course, with GOTAFE. The course is conducted on line via Moodle and virtual classrooms using Adobe Connect, enabling the participation of interstate and international students.

Sugar Australia benefit from customised training model

GOTAFE's Food Industry Centre (FIC), continued to provide significant programs to the broader food processing industry across the state. This is evident in the delivery and completion of a comprehensive award-linked training program for Sugar Australia, with 47 Certificate III in Food Processing Trainees involved in the program across all sugar production areas.

This program was delivered on-site at Yarraville to production staff by the FIC from both the Metropolitan (Werribee) and Shepparton campuses.

The success of these programs has led to the commencement of Certificate IV in Food Processing delivery at both Yarraville and the Sugar Australia site at Croydon.

Cow nutrition programs a success

Sixty dairy service providers from Victoria, Tasmania and South Australia, including farm consultants, veterinarians and feed company representatives attended three introductory level dairy cow nutrition programs that were conducted throughout Victoria by a team of NCDEA and Department of Primary Industries staff.

Delivery of new dairy programs in Northern Victoria

In collaboration with Murray Dairy and the Department of Primary Industry (DPI) Victoria, NCDEA Northern Victoria delivered seven new calf-rearing programs, In Charge an industry finance program, three leadership courses: LeadIn; Women in Dairy and a course for young farmers, Dairy for the Future in a Changing Environment.

NCDEA course prepares participants for regional leadership roles

NCDEA completed two national contracts on behalf of Dairy Australia (DA).

Twelve Alliance Partner trainers and assessors were trained to deliver the introductory leadership skills program, LeadIn. Through the support of Dairy Australia the LeadIn program develops farmers and service providers leadership skills for local and regional leadership roles. Shepparton and Terang were the first regional areas to receive the LeadIn training. Bonlac Supply Company (BSC), a milk collection agency, utilised the LeadIn program to train nominated farmers for their supplier representative program.

Developing Dairy Leaders Program (DDLDP) is another leadership program implemented by NCDEA that focussed on policy and advocacy for State-wide dairy leaders and was successfully delivered, attracting participants from throughout Australia via a competitive process managed by DA and the Australian Dairy Farmers.



Working in Partnership

UNIVERSITY PARTNERSHIPS

GOTAFE has become the leading provider of tertiary education programs in North East Victoria through a brokerage model with relevant Universities. Universities with specific articulation arrangements with GOTAFE are: La Trobe, Ballarat, Deakin, Monash, Melbourne and Charles Sturt Universities.

These partnerships improve higher education access and attainment levels for regional students, as well as providing the opportunity for GOTAFE teaching staff to develop the capacity to deliver auspiced University degree programs.

In addition to this, several targeted programs aimed at increasing pathway opportunities for students were further developed in 2012:

- ▶ Regional Gateways is a collaborative program with the University of Melbourne, Dookie Campus to provide greater flexibility and access to University of Melbourne degree programs.
- ▶ GOTAFE and the University of Ballarat (UB) have joined forces to offer the new Bachelor of Applied Management Studies to people within the Goulburn Valley interested in gaining a leadership qualification, and will further expand this partnership with UB in 2013 into other study areas.
- ▶ The Deakin at your Doorstep program offers GOTAFE and other regional TAFE students a pathway to university, where they undertake units in their target university degrees while completing their Diplomas.
- ▶ GOTAFE is one of seven partners in the Dual Sector Partnership (DSP) project, key initiatives undertaken in 2012 were:
 - ▶ Thirty GOTAFE staff undertook the Graduate Certificate in Education

(Tertiary Teaching) (GCETT).

- ▶ Partnership Business Systems – establishes DSP business connectivity and identifies and purchases education program delivery technologies to build seamless interaction between partner institutions and their activities in a dual-sector environment to maximise efficiency and responsiveness.

Deakin at your Doorstep students conduct environmental research for local businesses

Students enrolled in the Deakin at your Doorstep Associate Degree at GOTAFE conducted two community sustainability investigations as part of Work and the Sustainable Society. The project required students research a local organisation and produce a report on their findings. One group of students chose a café and investigated its electricity use and on completion of the project provided suggestions to reduce the amount of electricity used and therefore the financial and environmental costs associated. The other project investigated the potential environmental savings of banning sales of bottled water at the Wangaratta Campus.

CSU and GOTAFE sign MOU

Senior representatives from Charles Sturt University (CSU) and GOTAFE signed a Memorandum of Understanding (MOU) during November that will see building extensions to GOTAFE Rural Industries Campus in Wangaratta for a CSU Centre. The \$8 million project was funded by the Federal Government and involves collaboration between CSU and GOTAFE to build, establish, develop, maintain and deliver higher education programs in Wangaratta.

In 2013 CSU will offer its Bachelor of Agriculture Business Management and Bachelor of Agriculture degrees to GOTAFE students who have completed a Diploma or Advanced Diploma in Agriculture or related fields. Construction of the new CSU centre is expected to start in 2013.

Additionally, CSU, in collaboration with GOTAFE, implemented a targeted marketing campaign aimed at encouraging GOTAFE/NCDEA Diploma and Advanced Diploma students to further their career through CSU's *Explore the Possibilities* campaign.



LOCAL PARTNERSHIPS

Secondary school students graduate from retail program

Twenty-five year nine students from Wanganui Park Secondary College graduated with a Certificate I in Retail Services as well as Safe Food Handling units in June after successfully completing a unique Ready to Work retail program developed by GOTAFE. The program prepared high school students for casual employment in the retail and food industry within the region.



School holiday program with a difference

The NCDEA worked closely with local schools across Gippsland and North East Victoria to promote training opportunities and develop interest within agriculture. Students participated in a range of activities including Chainsaw training, Farm Chemical training, ATV training, Tractor training, Wool Handling, Livestock Handling and Occupational Health and Safety.

Pigs in Space

In partnership with the Department of Primary Industries (DPI) the *Pigs in Space* project developed electronic media (e-learning) to support and educate trainers for workplace training. The aim of the project is to educate workers in the Victorian pig industry. The project grant provided \$42,200 to launch the e-learning strategy and establish the online training module.

Robotics program

The GOTAFE robotics program was extended to include four schools located in close proximity to Wangaratta: Chisholm St, St Patricks, Appin Park and Milawa Primary Schools. The program, now in its fourth year, establishes team work, trust, mechanical aptitude and computer programming and develops a relationship between GOTAFE and the local primary school community.

Customer service training for local businesses

A specialised customer service training program was implemented by the GOTAFE business studies and retail team for the Shepparton Show Me *Step Up* campaign. The program focused on providing business owners and staff with the tools to communicate effectively with customers, create a positive impression and develop and maintain customer service standards. The Shepparton Show Me committee was established by Greater Shepparton City Council to promote the offerings of the Shepparton business community.

Learning through art

The Multicultural Education Centre (MEC) delivered the *People talking with people through art* initiative that provided an opportunity for students to get together and work on art-focused projects with members of the Shepparton community. The program was conducted once a week over a six-week period at Shepparton Art Museum in partnership with Relationships Australia.

Additionally, the MEC was able to offer its clients two important opportunities to prepare for citizenship through an elective (open enrolment) and an invitation only course offered through the Department of Immigration and Citizenship (DIAC).

Three day acting workshop in Benalla

GOTAFE Regional Academy of Dramatic Arts (GRADA), in partnership with the University of Melbourne's Victorian College of the Arts (VCA) conducted free, three-day acting workshops during July. The workshops were part of a Regional Training and Engagement Program conducted by the VCA, made possible through Arts Victoria funding.

INTERNATIONAL PARTNERSHIPS

Whilst GOTAFE has no off shore operations, it has established international partnerships.

GOTAFE's international strategy is focused on targeting Asian and Pacific countries including China, Singapore, Indonesia and India due to proximity and current demand for Australian VET programs. GOTAFE programs in Equine, Dairy Farming and Dairy Processing, Horticulture, Viticulture and Performing Arts are in high demand in these countries.

Performing Arts – Singapore

During October three key GOTAFE staff undertook visits to competency based training organisations in Singapore to build relationships and determine opportunities and strategies to develop and maximise training pathways. Specifically, staff investigated current training practices and explored partnership opportunities within the performing arts.

Key outcomes will be the development of educational pathways for international students into GOTAFE Diplomas and Advanced Diplomas, specifically:

- GOTAFE deliver the TAE qualification to teaching staff at Mastereign Institute, Singapore on a Fee For Service (FFS) basis.
- A Memorandum of Understanding (MOU) is expected to be signed in early 2013 for the delivery of Performing Arts qualifications (Certificate III to Diploma) via an auspice arrangement with Mastereign Institute.

Equine – Malaysia

Senior representatives from the University of Technology Malaysia (UTM) visited GOTAFE's Rural Industries Campus and signed an agreement that will further establish the partnership between UTM and GOTAFE's National Centre for Equine Education (NCEE).

Established key outcomes are:

- UTM will utilise the NCEE's expertise in equine education to develop an equine facility in Malaysia.
- GOTAFE will provide a diploma course in equine education at the university in Malaysia.
- Increased ability for student exchange between the two campuses enabling both NCEE and UTM students to increase their equine knowledge and experience from an international perspective.



GIVING TO THE COMMUNITY

Jobs and Skills Drive

GOTAFE supported the Department of Education, Employment and Workplace Relations (DEEWR) Jobs and Skills Drive in both Benalla and Shepparton. The drives aim to provide employment and training opportunities for local people, with both drives exceeding their targets (Shepparton's by 31 per cent).

Seymour Art Festival

Hospitality staff and students supported the Seymour Art Festival, located at the Seymour campus through the serving of food and beverages at the opening night cocktail party. The event provides students with valuable event experience.

Students construct garden bed at pre-school

Seymour's local Pre-School centre located at the GOTAFE campus in Wallis Street benefitted from the skills of Certificate II in Building students who constructed garden beds as part of their course. The students were enrolled in the Pre-Apprenticeship course at GOTAFE's Seymour Campus.



Family Amazing Race

Sport and Recreation Diploma students at the Wangaratta Campus organised a Family Amazing Race day during September. More than 120 people from the local community participated in the event that aimed at encouraging families and individuals to participate in a fun activity with a strong focus on health and well-being.

GVFL sponsorship

The Goulburn Valley Football League (GVFL) secured GOTAFE as the major naming rights sponsor for 2013 and 2014. The partnership continues to be of significant benefit to both GOTAFE and the league, its clubs and their members.

Pink Ribbon Brunch

Hospitality students assisted with serving more than 700 people at the Pink Ribbon Brunch at Shepparton's Eastbank Centre. The event raised \$30,000 in profit for the Pink Ribbon appeal. The initiative provides students with valuable experience and skills in the service of large functions.

Infrastructure

\$2.1m upgrade to automotive facility

GOTAFE's redeveloped automotive facility at the Wangaratta Campus was completed as part of a \$2.1 million project. The redevelopment was a result of Commonwealth Government funding provided to a consortium that included Wangaratta High School and GOTAFE, under the Department of Education Employment and Workplace Relations' (DEEWR) Trade Training Centres in Schools Program, together with additional funding contributed by GOTAFE.

The funding has resulted in a number of improvements including open plan classrooms, an additional learning area and a large flexible learning space all overlooking the new workshop. The workshop improvements now provide access for students to a new paint and panel preparation area, spray booth and a virtual paint simulator.



New clinical nursing lab at Seymour

A new facility to house a clinical nursing laboratory was installed at the Seymour Campus to address the high demand for nursing training in the Seymour area. The simulation laboratory provides students with on-campus practical training and was officially opened in June.

Mannequins provide students with real life training

Two SimMan 3G Mannequins were purchased at a combined cost of \$265,000 through Higher Education and Skills Group's (HESG) Specialist Equipment Grant. The new units will be used extensively in the Institute's expanding Nursing and Aged Care programs across the Wangaratta, Benalla, Shepparton and Seymour Campuses.



Art and Design studios receive equipment upgrade

60 Apple iMac computers were installed at the art and design studios at both the Shepparton and Wangaratta Campuses. Graphic design students benefitted from the new industry specific equipment, featuring a 21.5 inch screen and the complete Adobe Create Suite and Microsoft software. The \$106,000 funding to purchase the iMacs was secured through HESG's Specialist Equipment Grant.

TAFE Broadband Network project

As part of the TAFE Broadband Network project VicTrack replaced an ageing network and secured high bandwidth services to GOTAFE's major campuses using a connection to the TAFE Broadband Network. The project was supported by HESG, and TBN part-B funding was utilised.

The new network will create a uniform, high capacity, low cost, Information, Communications and Technology (ICT) service as well as improved connectivity within campuses, enabling greater teaching and learning collaboration, more flexible delivery of training and reduction of staff travel.

Cheese pilot plant facility for Werribee

The Institute's specialist dairy processing training facility in Werribee received funding to install a specialist cheese pilot plant within its existing facility at Werribee. The facility costing \$161,732 will significantly improve the quality of training and meet significant industry demand for training in the areas of certificates, diploma and short courses for dairy and general foods industries.

Information Technology snapshot

- Three hundred and fifty computers were installed across all campuses at student spaces
- The engineering department changed to a new 3D software program called Solidworks for training and merging with the CNC products the Institute already delivers.
- The GOTAFE website was redeveloped for better accessibility for students and clients. The new 'look and feel' better represents the recent rebranding and maintains GOTAFE's corporate style.

Awards

GOTAFE graduation

Four GOTAFE Graduation Ceremonies were held during March. Approximately 500 students received their certificates in recognition of successfully completing nationally accredited qualifications.

The 2012 Outstanding Students of the Year for each campus were:

- ▶ **Benalla Campus**
Cheryl Robertson, Certificate III in Aged Care and Certificate III in Home and Community Care
- ▶ **Seymour Campus**
Susan Holmes, Diploma of Nursing
- ▶ **Shepparton Campus**
Claire Haigh, Certificate III in Beauty Therapy
- ▶ **Wangaratta Campus**
Jane D'Arcy, Certificate III in Aged Care and Certificate III in Home and Community Care

The guest speaker at the graduations was Arron Wood, the 2007 Prime Minister's Environmentalist of the Year, who mobilises the school community through his Kids Teaching Kids Program which won the 2010 People's Choice Banksia Award.

Apprentice awards and graduations

The 2012 GOTAFE Apprentice Awards and Graduation ceremonies held at Shepparton, Wangaratta, Benalla and Seymour campuses were attended by more than 700 people, comprising award winners, graduands, employers, school principals and guests.

A total of 111 awards were presented to the outstanding TEC students, pre-apprentices and apprentices from GOTAFE's Automotive, Baking, Building, Electrical, Engineering, Hairdressing, Hospitality and Plumbing trade areas. In total, 925 students graduated from their respective trade courses, although not all graduands were able to attend an award ceremony.

GOTAFE Apprentice of the Year award was won by:

Jay Tozer – Admoor Plumbing, for the Seymour and Shepparton Campuses

Donald Hemann – Albury Auto Body Repairs, for the Benalla and Wangaratta Campuses.

Victorian Training Awards finalists

At the Victorian Training Awards carpentry student Regan Sheehan from Benalla was nominated for Victorian School-based Apprentice of the Year, nursing student Susan Holmes was nominated for Victorian Vocational Student of the Year and GOTAFE Employer Relations Manager Carolyn Curnow was nominated for Victorian VET Client Service/Support Excellence Award.



Furnishing student receives Premier's Award

Cobram Secondary College and GOTAFE student Jason Finch received the Premier's Award for his outstanding work in furnishings.

AFL SportsReady Trainee of the Year

GOTAFE school based trainee, Jacob Tunks was announced AFL SportsReady Trainee of the Year at an award night held in April. Jacob was chosen from around 300 students and undertook his traineeship at the Euroa Secondary College.

Shepparton Business Awards Apprentice of the Year

Apprentice Chris Lee was the Powercor Business and Service Excellence Apprentice of the Year. The award recognised Chris's excellent progress in his training, his approach to the job and overall performance. The award was sponsored by the Apprenticeship Factory and provided Chris with a personalised plaque and prize worth \$1,500.



Dairy business awards

The National Centre for Dairy Education (NCDEA) Gippsland student, Ashleigh Porter won the Young Achiever award category in the Gippsland SP Ausnet Business Excellence awards.

Automotive student joins Clipsal 500 racing team

Automotive apprentice Josh Williams joined the Tradingpost Racing team at the Clipsal 500 and Ford Performance Racing (FPR) after taking out the Tradingpost Racing Recruit competition in 2011. The competition was V8 Supercars first national search to find an apprentice mechanic to complete their final year apprenticeship as part of a world-class motorsport team.

AUSTAFE Culinary Challenge

Nine Commercial Cookery apprentices competed in the AUSTAFE Culinary Challenge and were awarded three silver and six bronze medals. The students were selected to attend the Culinary Challenge at the Fine Food Expo in Melbourne after completing a series of cooking challenges during class time at both the Shepparton and Wangaratta Campuses.

Student wins at international garden show

Horticulture student Jenni Briody won the Great Victorian Hanging Basket Competition at the Melbourne International Flower and Garden Show (MIFGS). Jenni was selected as the winner out of all Victorian TAFE entrants by the Royal Horticultural Society of Victoria (RHSV).

Design student wins memorial award

Design student Aaron Palmer was presented the Bainz Design Award at GOTAFE EXIT 12 Exhibition during November. The Bainz Design Encouragement Award was founded in 1998 by the Baines family as a memorial to their son David Baines who was tragically killed in a car accident.



People

STUDENT



Interstate dairy tour

A Don Campbell Memorial Study Tour of Tasmania was conducted in conjunction with GippsDairy and managed by NCDEA. This program develops the leadership and communication skills of 14 young farmers as well as providing personal and professional development and credit towards a unit of competency. Participants utilised this opportunity to develop networks and identify innovative ideas for their respective home farms.

Hair and beauty students showcase skills

The skills of GOTAFE hairdressing and beauty students were showcased at several internal and external careers, community and fundraising events during 2012, including Careers Day Out, a women only pampering day, The Biggest Morning Tea and Pink Ribbon Brunch. The events provided an excellent opportunity for students to demonstrate and improve their skills.

Hospitality Masterclass

GOTAFE's long running hospitality masterclass program provided students with the opportunity to gain knowledge and experience from passionate and acclaimed chefs and wine makers including: Dale Prentice, director of Sous Vide Australia and the former Executive Chef of Stones of the Yarra Valley; Mark Normoyle from the RACV Club Melbourne; Stephane Le Grand, Chef Trainer at the Crown Casino, Melbourne and Billy Dohnt, Chef, Euroa Butter Factory.

Cultural exchange program with ASHE students

Students undertaking the Diploma of Sport and Recreation and students from the Academy of Sport Health and Education (ASHE) conducted a cultural exchange program during June. The program involved students learning traditional indigenous games and enabled students to learn from their cultural exchange.

Renowned hair stylist visits GOTAFE

Students and industry representatives were treated to a hair masterclass presented by long hair stylist, Paula Hibbard from Sharon Blain Education in August at GOTAFE's Shepparton Campus. Students showcased their skills during the live demonstration section of the evening that was well attended by industry.

New Zealand study tour for dairy students

Five NCDEA students spent eight days visiting farms and dairy organisations in the North Island of New Zealand. The NCDEA joined the Victorian Farmers Federation (VFF) and United Dairyfarmers of Victoria (UDV) in leading the annual New Zealand Study Tour for young Australian dairy participants.

Kids Teaching Kids conference

Five GOTAFE Diploma of Events students along with trainer Claire Taylor managed the Kids Teaching Kids conference attended by more than 700 hospitality and event students. Students learnt first hand the skills required to manage an event of this magnitude.



STAFF

Leadership programs

GOTAFE Commercial Managers, Cheryl Moylan and Jennifer Arnold completed the two year Leadership Development Program for Education and Training Managers. Commercial Manager Hospitality, Ross Graham commenced the program in 2012. The leadership program is jointly delivered by The Chair Academy based in the United States and Victoria University.

Lynne McGregor-Carroll participated in the Fairley Leadership Program for the Goulburn Valley Region of Victoria.

Karen Vandesande completed the Alpine Leadership Program in North East Victoria.

Leadership forums

GOTAFE held three, one day leadership forums in 2012. All levels of management attended these designated days to reflect on results and discuss current issues including:

- › identify key improvements for 2013
- › budget re-forecasts and impact
- › performance management human resources
- › overview of Government budget announcements and impact for GOTAFE
- › develop 2013 strategic and delivery plan based on new funding model and anticipated demand
- › GOTAFE transition plan
- › upgrading of systems and resources

VET Development Centre

GOTAFE was successful in obtaining a number of competitive funding grants offered by the VET Development Centre in 2012 to supplement the support and development of key staff and programs including:

- › Building Industries Study Tour to New Zealand by Brendan Rogash
- › International Tour on Best Practice in VET provision for Pathway training to Singapore by Louise Pearce, Jenny Jackson & Ian Poole
- › Teaching and Learning Excellence program to up-skill and expand the LLN training workforce to support 10 GOTAFE teaching staff to undertake the Graduate Certificate in Language, Literacy and Numeracy Practice.
- › TAFE Specialist Scholarship for Samantha Hobbs to study double Diploma in Human Resource (HR) and Management
- › Workforce Development – Customer Experience Project, a continuation of the change management project that commenced in 2011 to streamline the customer experience.
- › Workforce Development – to provide professional development to 20 teaching staff to increase Literacy & Numeracy pedagogy, further develop an understanding of the LLN requirements of their training packages and develop collaborative teaching practices.
- › Eleven VET Scholarships were awarded for staff to undertake 21697VIC Diploma in VET Practice and nine scholarships were awarded to undertake TAE40110 Certificate IV in Training and Assessment.

Staff Development Day

Three presentations themed *GOTAFE to succeed in 2013* were organised for all staff and held at Shepparton, Wangaratta and Werribee Campuses during September. The presentation included an address by CEO, Paul Culpan about the Business Transition Plan as presented to Government.

Reward and Recognition Strategy

GOTAFE currently recognises its people for their contribution to the Institute through the Reward and Recognition program. The Educational Excellence Awards have four categories, Teacher/Trainer of the Year and Innovative Training awards, for teaching staff only, and Service and Support Excellence Awards for innovation and customer service that are open to both teaching and non-teaching staff.

Winners of these awards are considered for nomination to the Victorian Training Awards.



2012 Educational Excellence Award winners

Teacher/Trainer of the Year:

Jonathon Lee

Innovative Training:

Lesley Sanderson

Service and Support Excellence:

Benalla Administration Team – Sue Kilpatrick, Jenny Duscher, Christine Close, Karen Amaran and Kate Street

2012 Peer Awards

These awards are presented quarterly to an individual or team who demonstrate exceptional performance to one or more of GOTAFE's strategic goals. Staff from all areas of GOTAFE are given an opportunity to nominate a staff member or team who they believe to be a worthy recipient of an award. There were 14 recipients of the Peer Awards in 2012.

Years of Service Awards

The annual Years of Service Award dinner was held during May in GOTAFE's Covers Restaurant at Fryers Street Campus, Shepparton. Twenty-nine staff received Years of Service Awards for 10, 15, 20, 25 or 30 years of service with the Institute.

The event was attended by Institute Board members and senior management as well as the recipients' partners. (The service period recognised was April 1, 2011 to March 31, 2012).

Professional Development for Hair and Beauty staff

A number of Hair and Beauty staff attended industry related events, including Salon Melbourne International Spa and Beauty Expo, Advanced Nail training with Vivid and Biosculpture, Advanced Skin Care with Eve Taylor and lash extension training and hair colour workshops with a range of companies. The industry events created valuable learning experiences for staff and enhanced their specialist knowledge by keeping them up to date with the latest industry technologies.

Trainer skypes students from London Olympics

Events and Tourism Trainer, Claire Taylor conducted her lessons via skype whilst she worked at the 2012 London Olympics as Prestige Stadium Manager. Claire was one of three managers responsible for the service of food and beverages in one of only six restaurants located at the Olympic Stadium. The restaurants seated 500 guests, catering for breakfast, lunch and dinner. Claire maintained contact with students giving them valuable hospitality insights into the world's biggest international sporting event.

Staff undertake new training and assessment qualification

Approximately 420 staff commenced an upgrade to the new Training & Assessment TAE40110, which is the standard qualification required for training and assessors from 1 July 2013. The upgrade is completed through a combination of recognition of prior learning (RPL) and professional development training conducted by GOTAFE.

Benchmarking results in revised T&A strategy

A revised Training and Assessment Strategy (TAS) e-form was developed after a benchmarking exercise was undertaken with a number of other TAFE institutes. The TAS is a key component of GOTAFE's ASQA compliance documentation and provides a comprehensive training and assessment strategy for delivery of each qualification.

Graded Assessment approach implemented

A new Graded Assessment approach was implemented in late 2012. The scope of the project was to summarise the research findings, processes and practices related to Graded Assessment, review GOTAFE's approach and associated documentation and recommend a consistent approach.

Sustainability

ENVIRONMENTAL SUSTAINABILITY

Implementation of Environmental Management Plan

A key focus for environmental sustainability initiatives in 2012 has been the implementation of GOTAFE's 2012-2013 Environmental Management Plan that was developed as part of a ResourceSmart Tertiary Education program. Key objectives and targets were established in the plan within the areas of Management and Communications, Education for Sustainability, Waste, Energy Consumption and Greenhouse Gas Emissions, Transport, Water, Purchasing, and Planning & Infrastructure.

Peer awards modified to incorporate sustainability criteria

The criteria for staff Peer Awards were revised to include provision for exceptional performance in one of GOTAFE's strategic goals, including the Sustainability Goal "to achieve strong financial results, environmental improvements and contribute to social development in our region". This was an initiative of the Enviro Teams comprised of staff from the four major campuses.

Reshaping the vehicle fleet and reducing travel and emissions

GOTAFE completed its program to replace all petrol fuelled GOTAFE cars with diesel, LPG or dual fuel (one vehicle only) vehicles, further reducing fuel use, costs and greenhouse gas emissions. The vehicle data shows an 18% reduction in automotive travel for Institute cars in 2012 compared with 2011, against a target of 10% reduction.

A reduction of 53% was achieved in air travel and associated greenhouse gas emissions.

Improved connectivity reduces intra-campus travel

A one gigabyte broadband fibre optic project was completed in May to improve ICT connectivity between campuses and facilitate reduced intra-campus travel of staff. An increase of 30% in the utilisation of Adobe-Connect for meetings and training delivery occurred in 2012, continuing a trend in the uptake of ICT.

FINANCIAL SUSTAINABILITY

Summary of Business Results for 2012

Operating Revenue	\$72,766,000
Property, Plant and Equipment Assets	\$86,654,000
Student Enrolments	20,437
Student Contact Hours	6,334,598

2012 Board Members

The Board of GOTAFE demonstrates a broad range of background, skills and ability.

The Board endeavours to have an ongoing membership that covers all of the areas necessary to provide leadership and good governance for the Institute.



MICHAEL
TEHAN



LISBETH
LONG



ADAM
FURPHY



GEOFFREY
OLIVER



CHRISTOPHER
MCPHERSON



ANN
TELFORD



PETER
QUINN



REBECCA
WOOLSTENCROFT



PAUL
CULPAN



MICK
LOSCAVO



ALLAN
O'KEEFE



SARAH
MCKENZIE

MICHAEL TEHAN

Chairman

Lawyer, Tehan, George & Co*Co-opted Director, Appointed 17/03/97*

Michael is the senior partner of Tehan, George & Co, a legal firm operating in Euroa and Seymour. He has particular skills in legal matters, local government, audit, regional development, strategic planning, community networking and development, tourism, hospitality and vocational education and training.

Michael has a Bachelor of Laws and is a Notary Public and qualified mediator. Michael is also a Board member of the Benalla Performing Arts and Convention Centre.

LISBETH LONG

Deputy Chairman

General Manager, Silent Range Estate*Ministerial (Industry) Director, Appointed 14/07/08*

Lisbeth has a Bachelor in Economics and is the General Manager of a vineyard and winery at Wangaratta. She has extensive experience in education and training, governance, corporate management, finance, law, organisational development, risk management and strategic planning.

ADAM FURPHY

Deputy Chairman

Managing Director, J. Furphy & Sons*Ministerial Director, Appointed 16/03/09*

Adam has a Bachelor of Engineering (Mechanical) and is the Managing Director of J. Furphy & Sons which is a fifth generation manufacturing business based in Shepparton. He has experience with apprenticeships and industry participation in vocational education. He has experience in business development and business-to-business relationship management.

Adam is presently Chairman of the La Trobe University Shepparton Campus – Regional Advisory Board, Chairman of the Scott Peoples Foundation and a Trustee of the Shepparton Mechanics Institute.

GEOFFREY OLIVER

Small Business Operator*Co-opted Director, Appointed 17/03/97*

Geoff is the owner of a retail business in Benalla and Chairman of Associated Retailers Pty Ltd, a national retail purchasing group. He is Chairman of the Board of the Benalla Performing Arts and Convention Centre

He has particular skills in regional development, specifically in the areas of arts and theatre, business management, community networking, local government, education and training and marketing.

CHRISTOPHER

McPHERSON

Managing Director, McPherson Media Group*Ministerial Director, Appointed 30/11/09*

Chris is Managing Director of the McPherson Media Group and its publishing and printing companies. Chris is a life member and director of Victorian Country Press Association, a life member of the Pacific Area Newspaper Publishers Association, a life member and director of Country Press Australia and Chairman of Country Press Cooperative Company Limited.

Chris has completed the Company Director's Course Diploma and is a Fellow of the Australian Institute of Company Directors. In 2012 he completed a Bachelor of Applied Management (BAMS) through GOTAFE.

ANN TELFORD

Regional Manager, Environment Protection Authority (Hume Region)*Ministerial Director, Appointed 30/11/09,*

Ann holds an Australian and New Zealand School of Government (ANZSOG) Executive Master of Public Administration, a Graduate Certificate in Educational Leadership and Management and a Bachelor of Arts (Liberal Studies). She has experience in local government, the community sector and the public service.

She also serves as a Board Member of the Alpine Valleys Community Leadership Program and the Benalla Performing Arts.

PETER QUINN

Managing Director, GV Water

Ministerial Director, Appointed 26/10/11

Peter is Managing Director of Goulburn Valley Water, holds an Executive MBA, is a Churchill Fellow, a member of the Australian Property Institute and the Australian Institute of Company Directors. He currently serves on the Board of WaterAid Australia and the Victorian Smart Water Fund.

REBECCA WOOLSTENCROFT

Partner, MB+M Group

Ministerial Director, Appointed 05/03/12

Rebecca is a Chartered Accountant and has a Bachelor of Commerce degree. She is a Partner of MB+M Chartered Accountants Shepparton. Rebecca is presently a member of the Institute of Chartered Accountants Australia. Her expertise includes strategic and business development plans for small and medium sized businesses, in particular working with business owners to develop business and personal goals, and to set actions around those goals to ensure their achievement.

PAUL CULPAN

Chief Executive Officer, GOTAFE

Appointed 01/01/09

MICK LOSCAVO

Staff Representative

Appointed 16/12/11

ALLAN O'KEEFE

Student Representative

Appointed 16/12/11 - 31/03/12

SARAH MCKENZIE

Student Representative

Appointed 12/03/12

Meeting Attendance

Board Member	Attendance
Michael Tehan	10 /11
Geoff Oliver	7/11
Lisbeth Long	10/11
Adam Furphy	9/11
Ann Telford	9/11
Chris McPherson	10/11
Peter Quinn	9/11
Rebecca Woolstencroft	8/10
Paul Culpan	11/11
Mick Loscavo	10/11
Sarah McKenzie	6/9
Allan O'Keefe	2/2

Board Values and Code of Conduct

The Board of GOTAFE provides effective corporate governance for the Institute within the legal framework provided by the various acts, orders and ministerial directions. The Board has adopted a vision, mission and values statement for the Board itself and for the Institute.

The Board operates in accordance with the Excellence in Governance: A Guide to Best Practice in TAFE Institute Boards manual published by the Victorian TAFE Association.

Board Committees

The Board has three committees:

- Executive
- Audit
- Remuneration

The Executive Committee acts on behalf of the Board between Board meetings and also provides an oversight of the Institute's industrial relations matters. Members of the Board who held positions on this Committee in 2012 were Michael Tehan, Lisbeth Long and Adam Furphy.

The Audit Committee's role is to oversee the role and effectiveness of the Institute auditors and to ensure appropriate management response and follow up to meet the good governance requirements of the Institute. Members of the Board who held positions on this committee in 2012 were, Lisbeth Long, Michael Tehan, Adam Furphy, Ann Telford and Peter Quinn.

The Remuneration Committee provides assurance to the Board relating to the effectiveness, integrity and compliance of remuneration policies and practices. The Remuneration Committee's main focus is on senior executive and the CEO remuneration.

The Committee also concerns itself with the overall approach to remuneration by the Institute. Members of the Board who held positions on this committee in 2012 were Michael Tehan, Lisbeth Long, Geoff Oliver and Chris McPherson.

Only Board members hold positions on these committees.

Board Training

In 2012 four Board members attended the Victorian TAFE Association (VTA) State Conference (Melbourne) to assist them in undertaking their Board duties. They were:

- Michael Tehan
- Lisbeth Long
- Geoff Oliver
- Paul Culpan

Executive Management Team

The GOTAFE Executive Management Team's focus is strategic leadership and business development, with day-to-day operations supported by middle management under a policy and procedural framework established by the Executive Management Team under the Board's delegation framework.



PAUL
CULPAN



RUSS
FRANCIS



GEOFFREY
COBBLEDICK



PETER
CARKEEK



SANDY
POWELL



LOUISE
PEARCE



JEANETTE
BROWN



ALBERT
AMADEI



NATASHA
MCCORMICK

Paul Culpan

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer (Director) is employed by the Board of the Institute with significant delegations of authority from the Board to:

- Assist the Institute Board in the update and implementation of its long-term strategic directions in operational terms
- Provide leadership and authoritative advice to the Institute Board and Board Committees on the strategic directions, policies and review mechanisms for the Institute
- Promote and represent the Institute to governments and government authorities in order to gain contracts and resources to achieve the Institute's goals
- Lead and develop the Institute to ensure that it maintains its status as a nationally Registered Training Organisation (RTO) and that its functions are benchmarked against best national and international practice

Russ Francis

DEPUTY CEO & GENERAL MANAGER

CORPORATE DEVELOPMENT
(RESIGNED 12 MARCH 2012)

Responsibilities are:

- Planning and research - strategic and operational business planning
- Organisational Development - workforce development, industrial relations and human resources
- Educational Development - ASQA compliance support, tertiary education partnerships, blended learning strategy and improving quality teaching practices
- Business Development - marketing and business development initiatives, major events and publications
- Student Records - QLS functionality, new Student Management System, scope of registration, enrolments and resulting, and apprenticeship and traineeship coordination
- Digital Services and Design - internet and intranet websites, design of Institute publications and digital business process improvements
- Student Services – careers advice, professional welfare counselling and youth pathways projects
- Information Access – libraries and bookshop
- Seymour Campus Management – campus support and Wallan growth corridor development

Geoffrey Cobbledick

GENERAL MANAGER FINANCE AND INFRASTRUCTURE

Responsibilities are:

- Financial management and procurement
- Property, capital development, equipment and minor works
- Information and communications technology, information systems
- Audit and risk management
- Environmental sustainability
- Quality compliance
- Legal
- Commercial operations - Benalla, Wangaratta and Shepparton
- Benalla Performing Arts and Convention Centre (BPACC)
- Organisational Development (April 2012)
- Information Access (October 2012)
- Student Services (October 2012)

Peter Carkeek

EXECUTIVE MANAGER

NATIONAL CENTRE FOR DAIRY EDUCATION
AUSTRALIA (NCDEA) – DAIRY FARMING

Responsibilities are:

- Coordinating the roll out of the National Centre for Dairy Education Australia (NCDEA) within Victoria and across Australia
- Developing industry relationships and harnessing industry resources
- liaising with the regional industry guidance group network
- Overall operations
- Strategic development
- Financial and team management
- Marketing, Communications and Business Development - marketing and business development initiatives, major events and publications (October 2012)

Vocational Pathways Division includes (from October 2012):

- Multicultural Education Centre (MEC)
- Koorie Education Unit (KEU)
- Learning Skills Unit

Sandy Powell

EXECUTIVE MANAGER
RURAL AND MANUFACTURING INDUSTRIES

Responsibilities are:

- › Overall operations
- › Strategic development
- › Financial management
- › Management of teaching delivery teams and support staff
- › Educational development
- › Development of key industry relationships

Rural and Manufacturing Industries Division includes:

- › Agriculture
- › Amenity Horticulture
- › Animal Sciences
- › Conservation and Land Management;
- › Food Processing
- › Manufacturing
- › National Centre for Dairy Education Australia (NCDEA) – Dairy Processing
- › National Centre for Equine Education (NCEE)
- › Occupational Health and Safety (OHS)
- › Production Horticulture
- › Transport and Logistics
- › Veterinary Nursing
- › Viticulture

Louise Pearce

EXECUTIVE MANAGER
SERVICE INDUSTRIES

Responsibilities are:

- › Overall operations
- › Strategic development
- › Educational development and growth
- › Development of partnerships and articulation with Universities and ACE providers
- › Industry engagement and relationship development with a range of organisations
- › Management of teaching delivery teams and support staff
- › Financial management

Service Industries Division includes:

- › Art and Design
- › Business
- › Information Technology (IT)
- › Management
- › Community Services
- › Children's Services
- › Health - includes Nursing and First Aid
- › GOTAFE Regional Academy of Dramatic Arts (GRADA)
- › Sport and Recreation

Albert Amadei

EXECUTIVE MANAGER
TECHNOLOGY INDUSTRIES

Responsibilities are:

- › Educational development
- › Relationship development
- › Management of teaching delivery teams and support staff
- › Financial management
- › Vocational Education and Training in Schools (VETiS) business activity

Technology Division includes:

- › Automotive (Mechanical and Body)
- › Building and Plumbing
- › Electrical
- › Engineering (Mechanical and Fabrication)
- › Hair and Beauty
- › Hospitality & Baking
- › Retail
- › Shepparton Technical Education Centre (TEC)
- › Wangaratta Technical Education Centre (TEC)
- › Corrections Education Centre (October 2012)

Jeanette Brown

EXECUTIVE MANAGER,
VOCATIONAL PATHWAYS
(RESIGNED 28 SEPTEMBER 2012)

Responsibilities are:

- › Educational development
- › Strategic development
- › Financial management
- › Management of teaching delivery teams and support staff
- › Relationship development with a range of organisations and individual clients

Vocational Pathways Division includes:

- › Multicultural Education Centre (MEC)
- › Koorie Education Unit (KEU)
- › Learning Skills Unit
- › Corrections Education Centre.

COMPLIANCE INFORMATION

Statutory Requirements & Statements

The Institute's 2012 Annual Report has been prepared in accordance with the requirements of the *Freedom of Information Act 1982*, *Building Act 1993*, *Tertiary Education Act 1993*, Directions of the Minister for Finance issued under section 8 of the *Financial Management Act 1994*, the Decision of Public Accounts and Estimates Committee of Parliament, the *Public Sector Management and Employment Act 1998*, the OHS Improvement Strategy for the Victorian Budget Sector, Department of Treasury and Finance (October 2001) and the *Whistleblowers Protection Act 2001*.

The required reporting appears throughout this publication, either in the main body of the Annual Report or on the following pages. A Disclosure Index appears at the end of this publication to facilitate identification of compliance with statutory disclosure requirements.

Additional Information Available on Request

Consistent with requirements of the *Financial Management Act 1994*, GOTAFE has prepared material on the following items, details of which are available to the relevant Minister, Members of Parliament and the public on request:

- ▶ statement regarding declarations of pecuniary interest
- ▶ shares held by senior officers beneficially or as nominees of a statutory authority or subsidiary
- ▶ publications
- ▶ changes in prices, fees, charges, rates and levies
- ▶ major external reviews
- ▶ major research and development activities
- ▶ industrial relations issues
- ▶ major committees sponsored by GOTAFE
- ▶ overseas visits taken

Enquiries regarding details of any of the above should be addressed to:

Mr Paul Culpan
 Chief Executive Officer
 Goulburn Ovens Institute of TAFE
 152 – 200 Fryers Street,
 Shepparton, Victoria 3630

Phone: 1300 GOTAFE (1300 468 233)
 Email: pculpan@gotafe.vic.edu.au
 Web: www.gotafe.vic.edu.au

Freedom of Information

GOTAFE operates in accordance with the *Freedom of Information Act 1982* and its amendments.

During 2012 there were no requests received for access to Institute documents or information under the *Freedom of Information Act 1982* legislation.

The authorised Freedom of Information Officer for the Institute is the General Manager Finance and Infrastructure, who is responsible for the initial receipt and action upon requests for information or access to a document or record. Enquiries regarding access can be made by phone to the General Manager Finance and Infrastructure on 1300 GOTAFE (1300 468 233) in the first instance. Formal requests for access to documents or records under Freedom of Information are required to be directed in writing to:

The Chief Executive Officer
 Attention: Freedom of Information Officer
 Goulburn Ovens Institute of TAFE
 152 – 200 Fryers Street,
 Shepparton, Victoria 3630

Charges for access are in accordance with the *Freedom of Information (Access Charges) Regulations 1983*.

Maintenance and capital works

GOTAFE's aim is for the provision of quality infrastructure which is compliant with the following;

- *Building Act 1993*
- *Building Regulations 2006*
- Building Code of Australia
- *Disability Act 2006*

Actions for 2012 included;

- update of Asset Management Plan
- program, reactive and general maintenance and repairs of buildings, plant and grounds
- management of compliance to Essential Safety Measures with Building Commission
- management of compliance to cooling towers system with Building Commission
- re-tendering of numerous maintenance contracts
- numerous minor works based on a Facilities Audit
- construction of Automotive Trade Training Centre at Wangaratta in partnership with a cluster of local high schools
- development of design documentation for the construction of a joint agriculture facility at Rural Industries Campus Wangaratta in partnership with Charles Sturt University
- commencement of construction of a training facility at Shepparton for Hair & Beauty
- minor works at Wangaratta with a redistribution of spaces

Whistleblowers' protection

GOTAFE has a procedure in place to meet the requirements of the *Whistleblowers Protection Act 2001*. There were no disclosures made to the Institute during 2012, nor any disclosures referred to or from the Ombudsman or taken over by the Ombudsman. There were no recommendations made by the Ombudsman under the Act that related to the Institute.

Competitive Neutrality

The Institute has a clearly established policy on Competitive Neutrality that helps ensure compliance with Government legislation within the spirit of the National Competition Policy and the Victorian Government's Competitive Neutrality Principles. This policy is applicable to commercial activity and to pricing of bids for that part of government-funded education and training that is advertised for competitive tender.

The Institute has developed and maintained a pricing model that ensures prices charged for business activity reflect all costs applicable and that all advantages and disadvantages of Government ownership are included in pricing calculations.

External Reviews

There were no major external reviews carried out on the Institute in 2012.

Non-Academic Student Fees

2012 students enrolling in government-funded programs were provided a brochure on Institute Fees and Charges. This detailed:

- fees and charges
- exemptions and concessions information
- financial assistance and refunds
- Student Services and Amenities Fee

Fees and charges and Student Services information was also available on the Institute's website.

The purpose for which the Institute collected the Student Services and Amenities Fee was to provide a range of services and amenities to students. The management of the funds from the fees was delegated to the Manager Student Services through budgets.

In 2012 the Institute collected a net amount of \$535,524 from the application of the Student Services and Amenities Fee. This amount was fully expended on student services, amenities and activities,

which included orientation activities, student handbook, youth pathway plans, counselling, disability support, first aid assistance and student activities, support and information on various topics, accommodation, public transport, course advice and fee payment assistance and health information.

The expenditure was as follows:

- Salary of Student Services Officers and Counselling Officers - \$787,356
- Non-Salary - \$32,215

The services provided by the Institute for students were further detailed within the Student Services brochures provided at the point of enrolment and displayed and made freely available throughout the Institute and on the GOTAFE website.

Recruitment

By the end of December 2012 GOTAFE had advertised 48 positions, 38 of these positions were advertised both internally and externally and 10 advertised only internally. Of these 48 positions seven were not filled. This was either due to the position being withdrawn or due to the candidate not being suitably qualified or experienced for the role.

Workforce information

Average Equivalent Full Time (EFT) Staffing Statistics:

Classification	2011	2012
Executive	3.5	2.2
Teaching	243.2	233.6
PACCT	133.0	120.7
Casuals/Sessionals	66.3	69.7
Others (Agreed Contracts)	46.8	47.2
Totals	492.8	473.4

Note: The information above represents an average equivalent full-time (EFT) staffing figure for the 2011 and 2012 calendar years, i.e. the sum of the monthly figures divided by 12.

Occupational Health and Safety

GOTAFE is committed to the provision of a safe and healthy working environment for staff, students, contractors and visitors. During 2012, the Institute implemented its 2011-2012 Occupational Health and Safety (OHS) Plan. Key performance indicators developed through the OHS Committee to monitor Institute OHS performance for the 2012 year included:

- Review of the 2010-2011 OHS Plan and development of future strategies for 2012-2013; and
- Revision of OHS procedures.

Maintenance of incident reporting, follow-up and finalisation processes:

- There were 165 incidents reported within the Institute during 2012, 18 fewer in total than 2011.

Provision of OHS training for Institute staff in identified priority areas, with 105 persons trained in the following areas:

- Fire and Evacuation Warden Training
- First Aid Training: Apply First Aid
- First Aid Training: CPR and Defibrillator update
- Introduction to OHS for Supervisors and HSR's
- Contractor Induction

Implementation of systematic hazard identification process:

- 512 Hazard Inspections were undertaken across the Institute.
- 506 Risk Assessments of Plant and Equipment, Manual Handling and Chemicals took place at the workplace level

Workcover & Injury Management Performance:

The Institute Lost Time Injury Frequency Rate (LTIFR) for 2012 Workcover claims was calculated for Standard Workcover claims, and All Workcover claims (Standard and Minor) as per AS1885.

The LTIFR is the number of occurrences of injury/disease for each one million work hours worked by staff and is used to measure OHS trends over time. Results for 2012 were:

- i. Standard Workcover Lost Time claims – 2.96 occurrences/million work hours (significantly lower than 2011).
- ii. All Workcover Lost Time claims – 7.40 occurrences/million work hours (lower than 2011).

The Incidence Rate for Workcover leave claims for 2012 was 0.806 incidents per 100 workers/annum (lower than 2011).

The Average Time Lost Rate (ATLR) for lost time injuries was measured as an indicator of injury/illness severity and the effectiveness of the injury management return to work system. The ATLR for each 2012 lost time claim was 8.00 days (significantly lower than 2011).

Several Health & Safety initiative programs were introduced during 2012. These were:

- Introduction of a regular 6 monthly restocking program for all First Aid facilities across all campuses,
- Completion of the 2011 Facilities works program with all identified health and safety related improvement works having been completed during 2012.

Application of Employment and Conduct Principles

GOTAFE is committed to recruiting the best available people into the organisation and remunerating them appropriately. Recruitment practices are in accordance with the Government guidelines to ensure that the Institute meets the requirements of the *Public Sector Management and Employment Act 1998*. Recruitment processes are detailed in the Institute's Recruitment Policy and associated procedures.

The Institute observes an Employee Code of Conduct Procedure detailing the minimum obligations and standards of personal

behaviour and conduct expected of staff employed by the Institute. The purpose of the code is to promote adherence to the public sector values prescribed in the *Public Administration Act 2004*. The code outlines standards of behaviour rather than detailed policies and procedures.

All new staff to the Institute are provided with a copy of the Code of Conduct for Victorian Public Sector Employees Handbook at the point of induction.

Industrial Relations

The AEU (Australian Education Union) consultative Committee met regularly during 2012 with a small number of teaching staff taking industrial action during 2012 in response to State Government funding adjustments. The Multi-Business Agreement 2009 that was in place with teaching staff was extended for a twelve month period in October 2012.

It is anticipated that a new Non-Teaching PACCT (Professional, Administrative, Computing, Clerical and Technical) Certified Agreement will be negotiated during 2013.

Consultants

The Institute engaged six consultants during 2012; costs totalled \$65,414 excl GST.

There were three consultants engaged during 2012 that were less than \$10,000 totalling \$6,243 excl GST.

There were three consultants engaged during 2012 that were in excess of \$10,000 as follows:

Consultant/Project	Total approved project fee	Expenditure
Gill Sawyer Consulting <i>Customer Service Excellence</i>	\$10,473	\$10,473
Five Consulting <i>Various Standards Compliance Consultations</i>	\$25,875	\$25,875
Vince Chrisp Architects <i>Architectural Consultancy Services</i>	\$22,823	\$22,823

There are no future expenditure commitments with the above consultants.

GOTAFE contracted an external auditor, Burns, Counter & Associates, to undertake reviews of 20 qualifications against elements in Standards 15 and 16 of the ASQA Standards for NVR Registered Training Organisations. The reviews, conducted between May and October, and subsequent audit reports, proved most valuable to teaching centres and management of where improvements could be made.

Attestation on compliance

Attestation on compliance with the Australian/New Zealand Risk Management Standard.

I, Michael Tehan, Chair of the Goulburn Ovens Institute of TAFE (GOTAFE) Board, certify that the Goulburn Ovens Institute of TAFE (GOTAFE) has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard (or equivalent designated standard) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures. The audit committee verifies this assurance and that the risk profile of GOTAFE has been critically reviewed within the last 12 months.



Michael H. Tehan
Chair of the Board
GOTAFE, January 2013

Summary of Financial Results

A summary of the financial results of the Institute with comparative results for the previous five years appears in the following table:

Financial indicator	2012	2011	2010	2009	2008
Operating Revenue <i>[Excludes capital contributions]</i>	72,766,000	53,493,000	53,141,000	48,132,000	43,558,000
Operating Surplus/(Deficit) <i>[Excludes capital contributions, depreciation and profit/loss on asset disposals]</i>	14,507,000	(1,452,191)	2,103,000	3,268,000	599,000
Liquidity Ratio <i>[Current Assets / Current Liabilities adjusted to exclude long-term benefits]</i>	4.81	2.88	3.08	2.62	2.90

The increase in the operating revenue in 2012 reflects increased delivery of student contact hours and resulting increase in Victorian Government contestability funding. The improvement in the operating result for 2012 reflects third-party program delivery efficiencies and controls on non-salary costs.



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INDEPENDENT AUDITOR'S REPORT

To the Board Members of Goulburn Ovens Institute of Technical and Further Education

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2012 of the Goulburn Ovens Institute of Technical and Further Education which comprises the statement, the related notes and the declaration of the Chair of the Board, Chief Executive Officer, and Chief Finance and Accounting Officer has been audited.

The Board Members' Responsibility for the Statement of Performance

The Board Members of Goulburn Ovens Institute of Technical and Further Education are responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1994* and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the statement of performance that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the statement of performance based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the statement of performance is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of performance. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the statement of performance, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the entity's preparation and fair presentation of the statement of performance in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the statement of performance.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

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INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In my opinion, the statement of performance of the Goulburn Ovens Institute of Technical and Further Education in respect of the 31 December 2012 financial year presents fairly, in all material respects, in accordance with the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Goulburn Ovens Institute of Technical and Further Education for the year ended 31 December 2012 included both in the Goulburn Ovens Institute of Technical and Further Education's annual report and on the website. The Board Members of the Goulburn Ovens Institute of Technical and Further Education are responsible for the integrity of the Goulburn Ovens Institute of Technical and Further Education's website. I have not been engaged to report on the integrity of the Goulburn Ovens Institute of Technical and Further Education's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
22 March 2013



Dr Peter Frost
Acting Auditor-General

Statement Of Performance

For the year ended 31 December 2012

In our opinion, the accompanying Statement of Performance of the Goulburn Ovens Institute of Technical and Further Education, in respect of the year ended 31 December 2012, is presented fairly in accordance with the *Financial Management Act 1994* and applicable Financial Reporting Directions issued under that legislation.

The Statement outlines the performance indicators as determined by the responsible Minister, pre-determined targets and the actual results for the year against these indicators, and an explanation of any significant variance between the actual results and performance targets.

At the date of signing, we are not aware of any circumstance that would render any particulars included in the Statement to be misleading or inaccurate.



Michael Tehan
Chair of the Board

Shepparton, 21 March 2013



Paul Culpan
Chief Executive Officer

Shepparton, 21 March 2013



Geoffrey Cobbledick
Chief Finance and Accounting Officer

Shepparton, 21 March 2013

Statement of Performance

For the year ended 31 December 2012

KPI	Definition	2012 Target	2012 Actual
STRATEGIC ALIGNMENT			
Participation of 15 - 24 year olds	Number of Students within the age group	Target not predetermined	8,346
Participation of 25 - 64 year olds	Number of Students within the age group	Target not predetermined	11,761
TRAINING OUTCOMES			
Module Load Completion Rate	Scheduled hours assessed and passed or satisfactorily completed / Total scheduled hours reported less hours recorded with Credit Transfer and continuing studies outcomes.	Target not predetermined	89.90%
Student Satisfaction	Of the student surveys returned, the proportion of graduates satisfied with the overall quality of training.	90.00%	84.00%
FINANCIAL MANAGEMENT			
Total Cost per Student Contact Hour (SCH)	Total funded expenditure (excluding Capital) / Total SCH	Target not predetermined	\$9.20
Working Capital Ratio	Current Assets / Current Liabilities (adjusted to exclude long-term benefits in current liability measured at present value)	> 1.5 : 1	4.81:1
Net Operating Margin	Funded Operating Surplus / Total Revenue (excl Capital)	2.36%	19.94%
Fee for Service Revenue	Fee for Service Revenue / Total Revenue (excl Capital)	14.78%	11.88%
ORGANISATIONAL MANAGEMENT			
Revenue per EFT Staff	Total Revenue (excl Capital) / Average EFT Staff	\$130,802	\$153,707
Student Contact Hours	Total number of student contact hours delivered against contracted delivery	Target not predetermined	6,334,598
ENVIRONMENT			
Energy Consumption	Percentage change in energy consumption for Electricity, Gas, LPG, Green Power and Heating Oil:		
	Electricity	-4.0%	1.1%
	Gas	-4.0%	18.7%
	Green Power Electricity		11.4%

2011 Actual	2012 % variance to target	2012 % variance 2011 actual	Comments
6,937	-	20.31%	No target was set for this cohort but the increase in the number of students aged 15-24 between 2011 and 2012 reflects the effort the Institute is making to attract and retain students undertaking pre-apprenticeship, apprenticeship, traineeship, disengaged youth and VCAL programs. The activity generated through arrangements with third party contractors has also increased training to this cohort.
9,804	-	19.96%	No target was set for this cohort and the increase in students aged 25-64 between 2011 and 2012 reflects the significant effort taken by GOTAFE to increase the quantum of training delivered. Some of this additional activity has been generated through relationships established with third party contractors.
84.00%	-	7.02%	The Institute has implemented retention strategies at the student support level, which have resulted in a steady improvement in retention and completion rates in recent years, from 82% in 2008.
87.30%	-6.67%	-3.78%	A less than desirable result from the survey. The Institute continues to implement strategies to improve the quality of training to students.
\$13.71	-	-32.90%	During 2012 the Institute has continued to improve productivity and to drive a more efficient delivery model. The significant increase in SCH, whilst not proportionally increasing expenditure, has given an excellent result in this category.
2.88:1	-	67.01%	This is an excellent result for GOTAFE and reflects the very sound financial result in 2012. The Board are aware that with changes to funding arrangements for the TAFE sector becoming effective in 2013 it is extremely important that GOTAFE have adequate cash reserves to meet operational requirements.
-2.71%	744.92%	835.79%	The extremely sound performance in 2012 largely resulted from a significant increase Government-funded training whilst restricting increases in expenditure.
15.45%	-19.62%	-23.11%	Whilst overall Fee for Service Income exceeded 2012 budget levels and also exceeded income generated in 2011, the significant growth in Government Funded training has resulted in a percentage reduction in this category.
\$108,541	17.51%	41.61%	The significant growth in Government-funded activity, and with staffing levels reduced, a far higher ratio has been recorded.
4,014,291	-	57.80%	This has been an excellent result for GOTAFE with strategies implemented to increase training delivery activity being very successful.
-3.2%	127.50%	134.38%	The Institute continues to implemented energy savings measures however increased activity in this area has resulted in increased usage levels. Changes to Government requirements has resulted in the levels of Green Power being purchased by the Institute.
-6.3%	567.50%	396.83%	
27.8%		-58.99%	

FINANCIALS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Goulburn Ovens Institute of Technical and Further Education

The Financial Report

The accompanying financial report for the year ended 31 December 2012 of the Goulburn Ovens Institute of Technical and Further Education which comprises comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration of the Chair of the Board, Chief Executive Officer, and Chief Finance and Accounting Officer has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members' of Goulburn Ovens Institute of Technical and Further Education are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members' determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members', as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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INDEPENDENT AUDITOR'S REPORT (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

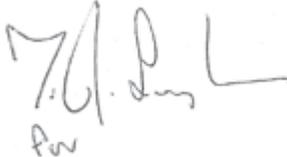
Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Goulburn Ovens Institute of Technical and Further Education as at 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Goulburn Ovens Institute of Technical and Further Education for the year ended 31 December 2012 included both in the Goulburn Ovens Institute of Technical and Further Education's annual report and on the website. The Board Members of the Goulburn Ovens Institute of Technical and Further Education are responsible for the integrity of the Goulburn Ovens Institute of Technical and Further Education's website. I have not been engaged to report on the integrity of the Goulburn Ovens Institute of Technical and Further Education's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
22 March 2013



Dr Peter Frost
Acting Auditor-General

Declaration by Chair of the Board, Chief Executive Officer and Chief Finance and Accounting Officer

We certify that the attached financial statements for the Goulburn Ovens Institute of TAFE has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions issued under that legislation, 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 2012 and financial position of the Institute as at 31 December 2012.

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 became due and payable.

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



Michael Tehan
Chair of the Board

Shepparton, 21 March 2013



Paul Culpan
Chief Executive Officer

Shepparton, 21 March 2013



Geoffrey Cobbledick
Chief Finance and Accounting Officer

Shepparton, 21 March 2013

Comprehensive Operating Statement

For the year ended 31 December 2012

	Note	2012 \$'000	2011 \$'000
CONTINUING OPERATIONS			
Income from transactions			
Government contributions - operating	2(a)(i)	56,775	38,738
Government contributions - capital	2(a)(ii)	1,460	1,768
Sales of goods and services	2(b)	14,656	13,176
Interest	2(c)	766	418
Total fair value of assets and services received free of charge or for nominal consideration	2(d)	-	-
Other income	2(e)	992	1,097
Total income from transactions		74,649	55,197
Expenses from transactions			
Employee benefits	3(a)	47,172	40,083
Depreciation	3(b)	3,835	3,908
Grants and other transfers	3(c)	83	53
Supplies and services	3(d)	6,427	8,684
Other operating expenses	3(e)	5,382	6,384
Total expenses from transactions		62,899	59,112
Net result from transactions (net operating balance)		11,750	(3,915)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4(a)	195	(325)
Net gain/(loss) on financial instruments and statutory receivables/payables	4(b)	(473)	(40)
Other gains/(losses) from other economic flows	4(c)	21	(194)
Total other economic flows included in net result		(257)	(559)
Net result from continuing operations		11,493	(4,474)
Net result		11,493	(4,474)
OTHER ECONOMIC FLOWS – OTHER NON-OWNER CHANGES IN EQUITY			
Changes in physical asset revaluation surplus	15	8,727	1,881
Total other economic flows – Other non-owner changes in equity		8,727	1,881
Comprehensive result		20,220	(2,593)

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 31 December 2012

	<i>Note</i>	2012 \$'000	2011 \$'000
ASSETS			
Financial assets			
Cash and deposits	5	24,238	11,433
Receivables	6	7,458	3,200
Other financial assets	7	-	4,010
Total financial assets		31,696	18,643
Non-financial assets			
Inventories	8	101	115
Property, plant and equipment	9	86,654	79,570
Biological assets	10	113	47
Investment properties	11	1,630	1,580
Other non financial assets	12	510	588
Total non-financial assets		89,008	81,900
Total assets		120,704	100,543
LIABILITIES			
Payables	13	4,494	4,344
Provisions	14	6,417	6,626
Total liabilities		10,911	10,970
Net assets		109,793	89,573
EQUITY			
Accumulated surplus/(deficit)	15 (b)	29,518	18,025
Reserves	15 (c)	46,298	37,571
Contributed capital	15 (a)	33,977	33,977
Net worth		109,793	89,573
Commitments for expenditure	17	434	669
Contingent assets and contingent liabilities	19	-	-

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 31 December 2012

		CHANGES DUE TO:			
		Equity at 1 Jan 2012	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 31 Dec 2012
	Note	\$'000	\$'000	\$'000	\$'000
Accumulated surplus/(deficit)		18,025	11,493	-	29,518
Accumulated surplus/(deficit) at the end of the year	15	18,025	11,493	-	29,518
Contributed capital		33,977	-	-	33,977
Contribution by owners at the end of the year	15	33,977	-	-	33,977
Physical assets revaluation reserve		37,571	8,727	-	46,298
	15	37,571	8,727	-	46,298
Total equity at the end of the year		89,573	20,220	-	109,793

		CHANGES DUE TO:			
		Equity at 1 Jan 2011	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 31 Dec 2011
	Note	\$'000	\$'000	\$'000	\$'000
Accumulated surplus/(deficit)		22,499	(4,474)	-	18,025
Accumulated surplus/(deficit) at the end of the year	15	22,499	(4,474)	-	18,025
Contributed capital		33,977	-	-	33,977
Contribution by owners at the end of the year	15	33,977	-	-	33,977
Physical assets revaluation reserve		35,690	1,881	-	37,571
	15	35,690	1,881	-	37,571
Total equity at the end of the year		92,166	(2,593)	-	89,573

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 31 December 2012

	<i>Note</i>	2012 \$'000	2011 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government contributions - operating		57,499	40,615
Government contributions - capital		1,397	2,301
User fees and charges received		12,286	13,405
Goods and services tax recovered from the ATO		58	483
Interest received		606	410
Other receipts		3,032	3,046
Total receipts		74,878	60,260
Payments			
Payments to suppliers and employees		(61,300)	(54,643)
Goods and services tax paid to the ATO		(2,802)	(1,340)
Other payments		(83)	(53)
Total payments		(64,185)	(56,036)
Net cash/(used in) operating activities	<i>16 (a)</i>	10,693	4,224
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for non-financial assets		(2,759)	(2,968)
Proceeds from sale of non-financial assets		4,871	683
Net cash provided by/(used in) investing activities		2,112	(2,285)
Net increase (decrease) in cash and cash equivalents		12,805	1,939
Cash and cash equivalents at the beginning of the financial year		11,433	9,494
Cash and cash equivalents at the end of the financial year	<i>5</i>	24,238	11,433

The above cash flow statement should be read in conjunction with the accompanying notes.

Note 1

Statement of significant accounting policies

The annual financial statements represent the audited general purpose financial statements and notes for Goulburn Ovens Institute of TAFE.

1.01 Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (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*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

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

1.02 Basis of accounting preparation and measurement

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.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Institute.

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

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the next year, are disclosed throughout the notes to the financial statements.

These financial statement have been prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets.

Exceptions to the historical cost convention include:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- the fair value of an asset other than land is generally based on its depreciated replacement value;
- derivative financial instruments, managed investment schemes, certain debt securities, investment properties after initial recognition, which are measured at fair value through profit and loss; and
- available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is de-recognised.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2012 and the comparative information presented for the year ended 31 December 2011.

The following is a summary of the material accounting policies adopted by the Institute in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

1.03 Reporting entity

The financial statements cover the Goulburn Ovens Institute of TAFE as an individual reporting entity. The Institute is a TAFE Provider, established pursuant to an Order made by the Governor in Council under the *Education and Training Reform Act 2006* on the recommendation of the responsible Minister.

Its principal address is:

Goulburn Ovens Institute of TAFE
Fryers Street
Shepparton, Victoria
Australia 3630

1.04 Basis of consolidation

The financial statements include all the activities of the Institute. The Institute has no controlled entities.

1.05 Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Institute and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date.

Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date.

Note disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

1.06 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.

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 is classified as operating cash flows.

Commitments and contingent assets or liabilities are presented on a gross basis.

1.07 Income from transactions

Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of the Institute's major activities as follows:

Government contributions

Government contributions are recognised as revenue in the period when the Institute gains control of the contributions. Control is recognised upon receipt or notification by relevant authorities of the right to receive a contribution for the current period.

Sale of goods and services

i. Student fees and charges

Student fees and charges revenue is recognised by reference to the percentage of services provided. Where student fees and charges revenue has been clearly received in respect of courses or programs to be delivered in the following year, any non-refundable portion of the fees is treated as revenue in the year of receipt and the balance as Revenue in Advance.

ii. Fee for Service

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

iii. Revenue from sale of goods

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

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

Interest

Interest from cash, short-term deposits and investments is brought to account on a time proportional basis taking into account interest rates applicable to the financial assets.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains and losses taken direct to equity, forming part of the total change in net worth in the comprehensive result.

Other income

i. Dividend revenue

Dividend revenue is recognised when the right to receive payment is established.

ii. Rental income

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

Fair value of assets and services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

1.08 Expenses from transactions

Employee benefits

Expenses for employee benefits are recognised when incurred, except for contributions in respect of defined benefit plans.

Retirement benefit obligations

i. Defined contribution plan

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

ii. Defined benefit plans

The amount charged to the comprehensive operating statement in respect of superannuation represents the contributions made by the Institute to the superannuation plan in respect of current services of current Institute staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

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

Depreciation and amortisation

Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

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

Class of Asset	Method	Rate / Rates
Buildings	Straight	2-4%
Plant and equipment	Straight	15.0%
Computer and electronic equipment	Straight	15-34%
Furniture and fittings	Straight	10.0%
Motor vehicles	Straight	25.0%

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis. There has been no change in the methodology and rates for 2012.

Interest Expense

Interest expense is recognised as expenses in the period in which they are incurred.

Interest expense includes interest on bank overdrafts and short term and long term borrowings, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and finance lease charges.

Grants and other transfers

Grants and other transfers to third parties are recognised as an expense in the reporting period in which they are paid or payable.

Other operating expenses

Supplies and services

Supplies and services expenses 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 distributed.

Fair value of assets and services provided free of charge or for nominal consideration

Resources provided free of charge or for nominal consideration are recognised at their fair value.

1.09 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets

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.

Disposal of non-financial 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.

Gain/(loss) arising from fair value changes of biological assets

Biological assets are measured at fair value, and the resultant gain/(loss) is reported as an other economic flow.

Impairment of assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount and so require write downs).

All other assets are assessed annually for indications of impairment.

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, except to the extent that the write down can be debited to an asset revaluation reserve amount applicable to that class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

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 flows 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. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

Revaluations of financial instruments at fair value

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

Impairment of financial assets

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as 'other economic flows'.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

1.10 Financial Assets

Cash and deposits

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

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

Receivables

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, and accrued investment income.

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Investments and other financial assets

Investments are classified in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables, and
- available for sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Any dividend or interest earned on the financial asset is recognised in the consolidated comprehensive operating statement as a transaction.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised when:

- the rights to receive cash flows from the asset have expired; or
- the Institute retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Institute has transferred its rights to receive cash flows from the asset and either:
 - a. has transferred substantially all the risks and rewards of the asset, or
 - b. has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Institute has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Institute's continuing involvement in the asset.

At the end of each reporting period, the Institute assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as 'other economic flows' in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

1.11 Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Finance Leases

Institute as lessor

Amounts due from lessees under finance leases are recorded as receivables. Finance lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease receipts are apportioned between periodic interest income and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Institute as lessee

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Operating Leases

Institute as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Institute as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

1.12 Non-Financial Assets

Inventories

Inventories include goods and other property held either for sale or for distribution at no or nominal cost in the ordinary course of business operations. It includes land held-for-sale and excludes depreciable assets.

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.

The basis used in assessing loss of service potential for inventories held-for-distribution include 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.

Cost is assigned to land for sale (undeveloped, under development and developed) and to other high value, low volume inventory items on a specific identification of cost basis.

Cost for all other inventory is measured on the basis of weighted average cost.

Inventories acquired for no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

Non-current physical assets classified as held-for-sale, including disposal group assets

Non-financial physical assets (including disposal group assets) are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

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

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

Property, plant and equipment

All non-financial physical assets, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

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

Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

Non-financial physical assets such as national parks, other Crown land and heritage assets are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

The fair value of cultural assets and collections, heritage assets and other non-financial physical assets that the State intends to preserve because of their unique historical, cultural or environmental attributes, is measured at the replacement cost of the asset less, where applicable, accumulated depreciation (calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset) and any accumulated impairment. These policies and any legislative limitations and restrictions imposed on their use and/or disposal may impact their fair value.

The fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost, or where the infrastructure is held by a for profit entity, the fair value may be derived from estimates of the present value of future cash flows. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Certain assets are acquired under finance leases, which may form part of a service concession arrangement.

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.

Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition. For the accounting policy on impairment of non-financial physical assets refer to Note 1.09 on Impairment of non-financial assets.

Leasehold improvements

The cost of a leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

Restrictive nature of cultural and heritage assets, Crown land and infrastructures

Certain agencies hold cultural assets, heritage assets, Crown land and infrastructure, which are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. Consequently, there are certain limitations and restrictions imposed on their use and/or disposal.

Non financial physical assets constructed by the Institute

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

Revaluations of non-current physical assets

Non-current physical assets measured at fair value are revalued in accordance with FRDs issued by the Minister for Finance. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Revaluation increases are credited directly to equity in the revaluation reserve, except to the extent that an increase reverses a revaluation decrease in respect of that class of property, plant and equipment, previously recognised as an expense (other economic flows) in the net result, the increase is recognised as income (other economic flows) in determining the net result.

Revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except to the extent that a credit balance exists in the revaluation reserve in respect of the same class of property, plant and equipment, they are debited to the revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Biological assets

Bloodstock is measured at fair value less estimated point of sale costs.

Investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the Institute.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Institute.

Rental income from the leasing of investment properties is recognised in the statement of comprehensive income on a straight-line basis, over the lease term.

1.13 Liabilities

Payables

Payables consist of:

- contractual payables, such as accounts payable, and unearned income including deferred income from concession arrangements. 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

Provisions

Provisions are recognised when the Institute has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

Employee benefits

The calculation of employee benefits includes all relevant on-costs and are calculated as follows at reporting date.

i. Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

ii. Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL representing 7 years is disclosed as a current liability even when the Institute does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

- present value - component that is not expected to be settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

Non-current liability - conditional LSL representing less than 7 years is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow (refer to Note 4(c)).

iii. Termination benefits

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.

Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

Performance Payments

Performance payments for TAFE Executive Officers are based on a percentage of the annual salary package provided under the contract of employment. A liability is provided for under the term of the contracts at reporting date and paid out in the next financial year.

Onerous contracts

An onerous contract is considered to exist where the Institute has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

1.14 Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value and inclusive of the GST payable.

1.15 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer note 19) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

1.16 Equity

Contributed capital

Funding that are in the nature of contributions by the 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. Commonwealth capital funds are not affected and are treated as income.

1.17 Foreign currency translations

Functional and presentation currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The Institute's financial statements are presented in Australian dollars which is the Institute's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the comprehensive operating statement in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the comprehensive operating statement

1.18 Materiality

In accordance with Accounting Standard AASB1031 'Materiality', accounting policies need only be identified in the summary of accounting policies where they are considered 'material'. Accounting policies will be considered material if their omission, misstatement or non-disclosure has the potential, individually or collectively, to:

- a. influence the economic decisions of users taken on the basis of the financial report; and
- b. affect the discharge of accountability by the management or governing body of the entity.

1.19 Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

1.20 Comparative information

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.21 Change in accounting policy

There was no change in accounting policy for the financial year ending 31 December 2012.

1.22 New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2012 reporting period. As at 31 December 2012 the following standards and interpretations (applicable to the Institute) had been issued but were not mandatory for financial year ending 31 December 2012. The Institute has not, and does not intend to, adopt these standards early.

Amending pronouncements and errata	Standards affected	Outline of amendment	Application date of standard	Impact on financial statements
AASB 9 Financial Instruments.	AASB 139 Financial Instruments: Recognition and Measurement	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.	Reporting periods beginning on 1 January 2013.	Detail of impact is still being assessed.
AASB 1053 Application of Tiers of Australian Accounting Standards.		This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Reporting periods beginning on 1 July 2013.	The Victorian Government is currently considering the impacts of reduced disclosure requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2010 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.		These amendments introduce reduced disclosure requirements for application by certain types of entities.	Reporting periods beginning on 1 July 2013.	The amendments do not affect financial measurement or recognition and are not expected to have any impact on financial result or position.
AASB 2010 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19 and 127	This relates to the introduction of AASB 9 Financial instruments.	Reporting periods beginning on 1 January 2013.	Detail of impact is still being assessed.
AASB 2011 2 Amendments to Australian Accounting Standards arising from the Trans Tasman Convergence Project – Reduced Disclosure Requirements	AASB 101 and AASB 1054	The objective of this amendment is to include some additional disclosure from the Trans Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements (RDRs)	Reporting periods beginning on 1 January 2013.	The Victorian Government is currently considering the impacts of RDRs and has not decided if they will be implemented in the Victorian public sector.

Note 2

Income from transactions

	2012 \$'000	2011 \$'000
(A) GRANTS AND OTHER TRANSFERS (OTHER THAN CONTRIBUTIONS BY OWNERS)		
Government financial assistance		
(i) Government contributions - operating		
Commonwealth government recurrent	68	105
State government recurrent	55,391	35,777
Other contributions	1,316	2,856
Total government contributions - operating	56,775	38,738
(ii) Government contributions - capital		
Commonwealth capital	900	976
State capital	560	792
Total government contributions - capital	1,460	1,768
Total government financial assistance	58,235	40,506
(B) SALES OF GOODS AND SERVICES		
Student fees and charges	4,312	3,334
Rendering of services:		
Fee for service - Government	4,623	4,926
Fee for service - International operations - onshore	52	-
Fee for service - Other	3,972	3,341
Total rendering of services	8,647	8,267
Other non-course fees and charges:		
Sale of goods	1,697	1,575
Total other fees and charges	1,697	1,575
Total revenue from sale of goods and services	14,656	13,176
(C) INTEREST		
Interest from financial assets not at fair value through P/L:		
Interest on bank deposits	766	418
Total interest revenue from financial assets not at fair value through P/L	766	418
Net interest income	766	418

	2012 \$'000	2011 \$'000
(D) FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION:		
Assets		
Plant and equipment	-	-
Total Assets	-	-
Total fair value of assets and services received free of charge or for nominal consideration	-	-
(E) OTHER INCOME		
Rental revenue		
Investment properties	152	148
Other	200	66
Total rental revenue	352	214
Donations, bequests and contributions	13	10
Scholarships and prizes	-	-
Other revenue	627	873
Total other income	992	1,097

Note 3

Expenses from transactions

	2012 \$'000	2011 \$'000
(A) EMPLOYEE BENEFITS		
Salaries, wages, overtime and allowances	41,853	34,169
Superannuation	2,864	2,894
Payroll tax	1,715	1,760
Worker's compensation	242	313
Long service leave	(98)	271
Annual leave	(119)	273
Termination benefits	543	189
Other	172	214
Total employee benefits	47,172	40,083

	2012 \$'000	2011 \$'000
(B) DEPRECIATION		
Depreciation of non-current assets		
Buildings	1,836	1,835
Plant and equipment	1,299	1,345
Motor vehicles	700	728
Total depreciation	3,835	3,908
(C) GRANTS AND OTHER TRANSFERS (OTHER THAN CONTRIBUTIONS BY OWNERS)		
Grants and subsidies apprentices and trainees	83	53
Total grants and other transfers	83	53
(D) SUPPLIES AND SERVICES		
Purchase of supplies and consumables	2,253	2,530
Communication expenses	836	963
Contract and other services	1,157	1,257
Cost of goods sold/distributed (ancillary trading)	417	741
Repairs and maintenance	982	1,297
Fees and charges	782	1,896
Total supplies and services	6,427	8,684
(E) OTHER OPERATING EXPENSES		
General Expenses		
Marketing and promotional expenses	501	829
Occupancy expenses	1,096	1,055
Audit fees and services	79	71
Staff development	238	520
Travel and motor vehicle expenses	1,088	1,313
Motor vehicle taxes	53	58
Other expenses	807	1,039
Insurances	136	133
Total other operating expenses	3,998	5,018
Operating lease rental expenses		
Minimum lease payments	259	290
Total operating lease rental expenses	259	290
Subtotal	4,257	5,308
Equipment below capitalisation threshold	1,125	1,076
Total other operating expenses	5,382	6,384

Note 4

Other economic flows included in net result

	2012 \$'000	2011 \$'000
(A) NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS (INCLUDING PPE AND INTANGIBLE ASSETS)		
Revaluation of non-current physical assets	50	65
Net gain/(loss) arising from changes in fair value less estimated point-of-sale costs of biological assets	78	(22)
Net gain/(loss) on disposal of physical assets	67	(368)
Total net gain/(loss) on non-financial assets and liabilities	195	(325)
(B) NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AND STATUTORY RECEIVABLES / PAYABLE OF:		
Net gain/(loss) arising from revaluation of financial assets at fair value through profit and loss	(473)	(40)
Total net gain/(loss) on financial instruments	(473)	(40)
(C) OTHER GAINS/(LOSSES) FROM OTHER ECONOMIC FLOWS		
Net gain/(loss) arising from revaluation of long service leave liability	21	(194)
Total other gains/(losses) from other economic flows	21	(194)

Note 5

Cash and cash equivalents

	2012 \$'000	2011 \$'000
Cash at bank and on hand	5,997	7,854
Australian currency Deposits - at call	18,241	3,579
Total cash and cash equivalents	24,238	11,433
<i>The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:</i>		
(A) RECONCILED TO CASH AT THE END OF THE YEAR		
Balances as above	24,238	11,433
Balance as per cash flow statement	24,238	11,433

(B) CASH AT BANK AND ON HAND

These are non-interest bearing.

(C) DEPOSITS AT CALL

The deposits are bearing floating interest rates between 3.6% and 5.5% (2011 - 4.0% and 6.1%).

Note 6

Receivables

	2012 \$000	2011 \$000
CURRENT RECEIVABLES		
Contractual		
Trade receivables ¹	2,468	1,941
Provision for doubtful contractual receivables(a) (See also Note 6(a) below)	(577)	(104)
Revenue receivable		
Amount receivable from:		
Victorian Government bodies	4,929	972
Other parties	168	82
Total contractual	6,988	2,891
Statutory		
GST receivable from ATO	470	309
Total statutory	470	309
Total current receivables	7,458	3,200
Total receivables	7,458	3,200

¹ The average credit period on sales of goods and services is 30 days. Debts attributable to Victorian Government bodies that are outstanding greater than 30 days may be charged penalty interest in accordance with the Victorian Government's Fair Payments Policy. A provision has been made in 2012 for estimated irrecoverable amounts from the sale of goods and services, based on past default experience. The \$473,000 increase was recognised in the operating result for the current financial year.

(A) MOVEMENT IN THE PROVISION FOR DOUBTFUL CONTRACTUAL RECEIVABLES

Balance at beginning of the year	(104)	(64)
Reversal of unused provision recognised in the net result	-	-
Increase in provision recognised in the net result	(473)	(40)
Balance at end of the year	(577)	(104)

(B) AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES

Please refer to Note 27(iv) for the ageing analysis of contractual receivables.

(C) NATURE AND EXTENT OF RISK ARISING FROM CONTRACTUAL RECEIVABLES

Please refer to Note 27 for the nature and extent of credit risk arising from contractual receivables.

Note 7

Other financial assets

	2012 \$'000	2011 \$'000
CURRENT OTHER FINANCIAL ASSETS		
Revenue receivable from sale of Christensen Lane	-	4,010
Total current other financial assets	-	4,010
Total current other financial assets	-	4,010

Land comprising the Institute's rural campus at Christensen Lane, Wangaratta was sold on 21 December, 2011 and revalued to the sale price (\$4,010,000) less costs to sell (\$78,909), the revaluation increment (\$1,881,091) being shown in the comprehensive operating statement under "Changes in physical asset revaluation surplus", and represented the profit on the sale.

The full proceeds from the sale of the Christensen Lane land were received on 9 March 2012, the settlement date specified in the Contract of Sale.

Note 8

Inventories

	2012 \$'000	2011 \$'000
CURRENT		
Supplies and consumables - at cost	13	17
Work in progress - at cost	70	71
Inventories held-for-sale		
at cost	18	27
Total current inventories	101	115

Note 9

Property, plant and equipment

	Land \$'000	Buildings \$'000	Construction in Progress \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Total \$'000
At 1 January 2011						
Cost	410	17,657	283	-	-	18,350
Valuation	13,294	73,234	-	13,699	2,942	103,169
Accumulated depreciation	-	(28,900)	-	(9,946)	(818)	(39,664)
Net book amount	13,704	61,991	283	3,753	2,124	81,855

	Land	Buildings	Construction in Progress	Plant & Equipment	Motor Vehicles	Total
Year ended 31 December 2011	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening net book amount	13,704	61,991	283	3,753	2,124	81,855
Additions	-	29	1,064	263	1,471	2,827
Disposals	-	(503)	-	-	(701)	(1,204)
Depreciation expense ¹	-	(1,835)	-	(1,345)	(728)	(3,908)
Transfers to/from construction in progress	-	531	(531)	-	-	-
Closing net book amount	13,704	60,213	816	2,671	2,166	79,570

At 31 December 2011

Cost	410	18,217	816	-	-	19,443
Valuation	13,294	72,475	-	13,884	3,117	102,770
Accumulated depreciation	-	(30,479)	-	(11,213)	(951)	(42,643)
Net book amount	13,704	60,213	816	2,671	2,166	79,570

Year ended 31 December 2012

Opening net book amount	13,704	60,213	816	2,671	2,166	79,570
Additions	-	13	1,320	468	1,112	2,913
Disposals	-	-	-	(40)	(681)	(721)
Net revaluation increments/ decrements	(901)	9,628	-	-	-	8,727
Depreciation expense ¹	-	(1,836)	-	(1,299)	(700)	(3,835)
Transfers to/from construction in progress	-	1,252	(1,252)	-	-	-
Closing net book amount	12,803	69,270	884	1,800	1,897	86,654

At 31 December 2012

Cost	-	-	884	-	-	884
Valuation	12,803	112,610	-	14,184	2,888	142,485
Accumulated depreciation	-	(43,340)	-	(12,384)	(991)	(56,715)
Net book value at the end of the financial year	12,803	69,270	884	1,800	1,897	86,654

Footnote:

¹ The useful lives of assets as stated in Note 1 are used in the calculation of depreciation as shown in note 3(b).**a. Valuations of land and buildings**

The valuation of land and buildings was undertaken by the Valuer-General Victoria. Except for a property comprising land and buildings at Wangaratta, for which in the valuer's opinion there is an active and liquid market and so valued at fair market value, the fair values are determined in accordance with the following criteria. The valuation of buildings is at fair value based on the going concern presumption and using the assets depreciated replacement cost. The valuation of land is at fair value based on the highest and best use of the land with constraints based on the existence of substantial buildings and other improvements. The valuations were completed as at 31 December 2012.

b. Plant and equipment carried at fair value

A valuation of plant and equipment was undertaken by the Institute management to determine its fair value. The effective date of the valuation is 31 December 2012.

c. Non-current assets pledged as security

The Institute has no non-current assets pledged as security.

d. Restricted assets

The Institute has no restricted assets.

Note 10

Biological assets

BIOLOGICAL ASSETS - ANIMALS

Nature - Mares

Activities - Equine studies

	2012 \$'000	2011 \$'000
BEARER ASSETS		
Mature assets		
Mares	113	47
Total bearer assets	113	47
	Qty	Qty
Quantities		
Mares	2	10
Total quantity	2	10

There were no reportable outputs arising from the mares for the years ended 31 December.

	2012 \$'000	2011 \$'000
BIOLOGICAL ASSETS - RECONCILIATION		
Reconciliation of changes in carrying amount of biological assets		
Carrying amount at 1 January	47	114
Increases due to:		
Purchases	-	5
Net gain arising from change in fair value	78	-
Decreases attributable to:		
Sales	(12)	(50)
Net loss arising from change in fair value	-	(22)
Carrying amount at 31 December	113	47

Note 11

Investment properties

	2012 \$'000	2011 \$'000
AT FAIR VALUE		
Opening balance at 1 January	1,580	1,515
Net gain/ (loss) from fair value adjustments	50	65
Closing balance at 31 December	1,630	1,580
a) Amounts recognised in profit and loss for investment properties		
Rental income	152	148
Other income - insurance recovery	2	-
Direct operating expenses (rent generating properties)	(5)	-
Total recognised in profit and loss	149	148

b) Valuation basis

Investment properties were revalued to fair value by a registered independent valuer as at 31 December 2012 in accordance with AASB 140.

Note 12

Other non-financial assets

	2012 \$'000	2011 \$'000
CURRENT OTHER NON-FINANCIAL ASSETS		
Prepayments	510	588
Total current other non-financial assets	510	588

Total other non-financial assets	510	588
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Note 13

Payables

	2012 \$'000	2011 \$'000
CURRENT		
Contractual		
Supplies and services	3,397	3,683
Other employee entitlements payable within 12 months	220	23
Revenue in advance	321	252
	3,938	3,958
Statutory		
Taxes Payable	556	386
Total current payables	4,494	4,344
Total payables	4,494	4,344

The carrying amounts of the Institute's payables are denominated in Australian dollars.

Notes

1. The average credit period is 30 days. No interest is charged on payables.
2. For an analysis of the sensitivity of payables to foreign currency risk refer to Note 27.

Maturity analysis of contractual payables

Refer to Note 27 for maturity analysis of contractual payables.

Note 14

Provisions

	2012 \$'000	2011 \$'000
CURRENT PROVISIONS EXPECTED TO BE SETTLED WITHIN 12 MONTHS		
Employee benefits		
Annual leave	1,913	1,955
Long service leave	104	167
Performance payments	30	-
Total current provisions expected to be settled within 12 months	2,047	2,122
CURRENT PROVISIONS EXPECTED TO BE SETTLED AFTER 12 MONTHS		
Employee benefits		
Annual leave	174	251
Long service leave	3,114	3,121
Total current provisions expected to be settled after 12 months	3,288	3,372
Total current provisions	5,335	5,494
NON-CURRENT		
Employee benefits		
Long service leave	1,082	1,132
Total non-current provisions	1,082	1,132
Total provisions	6,417	6,626

The requirement to make provision for the cost of annual leave and long service leave arises from employees' entitlement as specified in their relevant workplace employment award.

Timing of the resulting outflows is largely determined by the management approval of applications by employees to take the respective leave up to their recorded leave balance.

Payment of annual leave and long service leave is made from cash reserves.

The calculation and classification methodology of the provisions is outlined in Note 1.13

MOVEMENTS IN PROVISIONS

Movements in each class, other than employee provisions during the financial year are set out below:

Carrying amount at start of year	6,626	5,927
Additional provisions recognised	787	1,497
Amounts used	(996)	(798)
Carrying amount at end of year	6,417	6,626

Note 15

Equity

	2012 \$'000	2011 \$'000
(A) CONTRIBUTED CAPITAL		
Balance at 1 January	33,977	33,977
Balance at 31 December	33,977	33,977
(B) ACCUMULATED SURPLUS / (DEFICIT)		
Balance at 1 January	18,025	22,499
Net result for the year	11,493	(4,474)
Balance at 31 December	29,518	18,025
(C) RESERVES		
Composition of Reserves		
Physical asset revaluation surplus	46,298	37,571
Balance at 31 December	46,298	37,571
Total equity	109,793	89,573

MOVEMENTS IN RESERVES

Asset Revaluation Reserve - Land		
Balance at 1 January	11,885	10,004
Revaluation increment on non-current assets	-	1,881
Revaluation (decrement) on non-current assets	(901)	-
Balance at 31 December	10,984	11,885
Asset Revaluation Reserve - Buildings		
Balance at 1 January	25,686	25,686
Revaluation increment on non-current assets	9,628	-
Balance at 31 December	35,314	25,686

NATURE AND PURPOSE OF RESERVES

Asset Revaluation Reserve - Land

The Asset Revaluation Reserve reflects any increases/decreases in the values of land.

Asset Revaluation Reserve - Buildings

The Asset Revaluation Reserve reflects any increases/decreases in the values of buildings.

Note 16

Cash flow information

	2012 \$'000	2011 \$'000
(A) RECONCILIATION OF OPERATING RESULT AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Net Result for the year	11,493	(4,474)
Non-cash flows in operating result		
Depreciation of non-current assets	3,835	3,908
Net (gain) / loss on sale of non-current assets	(67)	368
Allowance to recoverable amounts	473	40
(Revaluation)/devaluation of investment properties	(50)	(65)
Total non-cash flows in operating result	4,191	4,251
Movements in operating assets and liabilities		
Decrease / (increase) in trade receivables	(4,805)	1,660
Decrease / (increase) in inventories	(52)	109
Decrease / (increase) in other assets	78	(48)
Increase / (decrease) in payables	(3)	2,027
Increase / (decrease) in employee benefits	(209)	699
Total movement in operating assets and liabilities	(4,991)	4,447
Net cash flows provided by/(used in) operating activities	10,693	4,224

(B) NON-CASH FINANCING AND INVESTING ACTIVITIES

There were no acquisitions of plant and equipment by means of finance leases.

(C) CREDIT STANDBY ARRANGEMENTS WITH BANKS

The Institute has no credit standby arrangements with banks.

(D) LOAN FACILITIES

The Institute has no loan facilities with financial institutions.

Note 17

Commitments

	2012 \$'000	2011 \$'000
COMMITMENTS FOR EXPENDITURE		
(a) Capital commitments		
<i>Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:</i>		
Property, Plant and Equipment		
Payable:		
Within one year	35	114
Total Property, Plant and Equipment	35	114
GST reclaimable on the above	(3)	(11)
Net Commitments Property, Plant and Equipment	32	103
Total capital expenditure commitments	32	103
(b) Lease commitments		
<i>Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:</i>		
Within one year	205	292
Later than one year but not later than five years	237	330
Total lease commitments	442	622
GST reclaimable on the above	(40)	(56)
Net commitments Operating leases	402	566
Representing:		
Non-cancellable operating leases	402	566
Total lease commitments	402	566

(I) OPERATING LEASES

Properties

The Institute, as lessee, leases land at Wangaratta, and building floor space at Tatura, Terang, Warragul, Leongatha and Cranbourne. The Institute leases out certain land and buildings that are in excess to current requirements.

Equipment

The Institute contracts for photocopier materials usage on a per copy basis.

Communications Access

The Institute leases out its own communications tower space that is in excess to current requirements.

<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	187	266
Later than one year but not later than five years	215	300
Total minimum lease payments in relation to non-cancellable operating leases	402	566

Note 18

Leased assets

	2012 \$'000	2011 \$'000
NON-CANCELLABLE OPERATING LEASE RECEIVABLES		
Payments due:		
Within one year	348	433
Later than one year and not later than five years	480	654
Later than five years	-	43
Total finance lease receivables	828	1,130
GST reclaimable on the above	(75)	(103)
Net commitments operating leases assets	753	1,027

The Institute leases out certain land, buildings and equipment, which are excess to current requirements, at current market rates.

Note 19

Contingent Assets and Contingent Liabilities

Contingent Assets

There were no contingent assets (2011, Nil)

Contingent Liabilities

A complaint has been filed against the Institute in the Fair Work Commission by an ex-employee of the Institute in relation to an application for unfair dismissal. The matters are currently proceeding in the Commission and no estimate can yet be made as to any settlement conditions that may apply.

Contingent liabilities reported in 2011 in relation to a discrimination claim by a student and a Workcover claim by a former employee have both been resolved.

Note 20

Economic Dependency

	2012 \$'000	2011 \$'000
Victorian State Government Department of Education and Early Childhood Development	57,942	40,042
	57,942	40,042

Victorian State Government Department of Education and Early Childhood Development

The Institute has an economic dependency on funding for recurrent and specific funding of education and capital programs.

Note 21

Subsequent Events

No matters or circumstances have arisen since the end of the reporting period which 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 future financial years.

Note 22

Remuneration of Auditors

	2012 \$'000	2011 \$'000
Remuneration of Victorian Auditor General's Office for:		
Audit of the financial report	22	21
Total remuneration of Victoria Auditor General's Office	22	21
Remuneration of other auditors for:		
Continuous audit and grant acquittals	57	50
Total remuneration of other auditors	57	50
Total remuneration of auditors	79	71

Note 23

Superannuation

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

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

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

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

	2012 \$'000	2011 \$'000
PAID CONTRIBUTION FOR THE YEAR		
Defined benefit plans:		
State Superannuation Fund - revised and new	198	221
State Employee Retirement Benefits Fund	11	12
Total defined benefit plans	209	233
Defined contribution plans:		
VicSuper	1,685	1,736
Other	970	925
Total defined contribution plans	2,655	2,661
Total paid contribution for the year	2,864	2,894
CONTRIBUTION OUTSTANDING AT YEAR END		
Defined contribution plans:		
Other than VicSuper	-	2
Total defined contribution plans	-	2
Total	-	2

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.

Note 24-1

Key Management Personnel Disclosures (Part I)

RESPONSIBLE PERSONS RELATED DISCLOSURES

In accordance with the directions of the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made for the responsible Ministers, responsible members of the Board and Executive Officers.

i. Minister

The relevant Minister is The Hon Peter Hall MLC, Minister for Higher Education and Skills. Remuneration of the Minister is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members interests which is completed by each member of the Parliament.

ii. Members of the Board of Goulburn Ovens Institute of TAFE

The following persons were responsible persons and executive officers of the Institute during the year:

Director and Chairperson - Mr Michael Tehan, co-opted member

Chief Executive Officer - Mr Paul Culpan

Director - Mr Adam Furphy, Ministerial appointment

Director - Ms Lisbeth Long, Ministerial appointment

Director - Mr Christopher McPherson, Ministerial appointment

Director - Ms Ann Telford, Ministerial appointment

Director - Mr Peter Quinn, Ministerial appointment

Director - Mr Geoffrey Oliver, co-opted member

Director - Mr Michael Loscavo, staff representative

Director - Ms Rebecca Woolstencroft, Ministerial appointment *Appointed 5th March 2012*

Director - Ms Sarah McKenzie, student representative *Appointed 28th March 2012*

Acting Chief Executive Officer - Mr Geoffrey Cobbledick

Appointed Acting Chief Executive Officer for the period from 3rd January to 6th January inclusive, 16th January to 20th January inclusive, 23rd November, 26th November, 28th November to 30th November inclusive and 24th December

Acting Chief Executive Officer - Mr Russell Francis

Appointed Acting Chief Executive Officer for the period from 9th January to 13th January inclusive and 23rd January to 27th January inclusive

iii. Executive Officers

The following persons also had authority and responsibility for planning, directing and controlling the activities of Institute during the financial year:

Mr Albert Amadei, Executive Manager

Mr Peter Carkeek, Executive Manager

Ms Louise Pearce, Executive Manager

Mr Andrew Powell, Executive Manager, Appointed 30th January 2012 (previously Acting Executive Manager)

Ms Natasha McCormick, Acting Executive Manager until 29th January 2012

Ms Jeanette Brown, Executive Manager, Appointed 30th January 2012, Resigned 28th September 2012

All of the above persons were also key management persons during the year ended 31 December 2012

Responsible persons

REMUNERATION OF BOARD MEMBERS	2012 \$'000	2011 \$'000
Remuneration received, or due and receivable from the Institute in connection with the management of the Institute. Includes termination payments and bonuses paid at end of contracts.	582	782
INCOME RANGE		
	2012 No.	2011 No.
The number of Board members whose remuneration from the Institute was within the specified bands are as follows:		
Nil	-	1
\$1 - \$10,000	9	10
\$50,001 - \$60,000	1	-
\$60,001 - \$70,000	-	1
\$80,001 - \$90,000	1	-
\$110,001 - \$120,000	-	1
\$170,001 - \$180,000	-	2
\$180,001 - \$190,000	1	-
\$220,001 - \$230,000	-	1
\$230,001 - \$240,000	1	-
Total number of Responsible Persons	13	16

There were no retirement benefits paid by the Institute in connection with the retirement of Responsible Persons of the Institute.

Executive officers

EXECUTIVE OFFICERS' REMUNERATION	2012 \$'000	2011 \$'000
The number of executive officers whose total remuneration exceeded \$100,000 during the financial year are shown in their relevant income bands. The base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.		
Base remuneration of executive officers	723	643
Total remuneration of executive officers	724	703

INCOME RANGE	2012 No.	2011 No.
The number of executive officers whose remuneration from the Institute was within the specified bands are as follows:		
\$80,001 - \$90,000	1	-
\$100,001 - \$110,000	1	1
\$110,001 - \$120,000	-	2
\$120,001 - \$130,000	-	3
\$130,001 - \$140,000	4	-
Total executive officers	6	6

KEY MANAGEMENT PERSONNEL DISCLOSURES	2012 \$'000	2011 \$'000
Short-term employee benefits	1,278	1,376
Termination benefits	28	109
Total key management personnel compensation	1,306	1,485

Note 24-2

Key Management Personnel Disclosures (Part II)

Loans to key management personnel

There were no loans in existence at reporting date that have been made, guaranteed or secured by the Institute or any related party to Responsible Persons of the Institute or Responsible Persons-related party of those Responsible Persons.

Other transactions with key management personnel

- › Mr. M. Tehan is a member of the Advisory Board of FCJ College which engaged the services of the Goulburn Ovens Institute of TAFE for the provision of training services and facilities hire on normal commercial terms and conditions.
- › Mr. M. Tehan is a member of the Goulburn Valley Football League which provided sponsorship rights and advertising services to the Goulburn Ovens Institute of TAFE on normal commercial terms and conditions.
- › Mr. M. Tehan is a member of the Audit Committee of the Strathbogie Shire Council which engaged the services of the Goulburn Ovens Institute of TAFE for the provision of training services on normal commercial terms and conditions.
- › Mr. A. Furphy is Managing Director of J Furphy & Sons Pty Ltd, which provided operational services to the Goulburn Ovens Institute of TAFE on normal commercial terms and conditions. J Furphy & Sons Pty Ltd engaged the services of the Goulburn Ovens Institute of TAFE for the provision of training services on normal commercial terms and conditions.
- › Mr. C. McPherson is Executive Director of McPherson Media Pty Ltd which provided internet services to the Goulburn Ovens Institute of TAFE on normal commercial terms and conditions.
- › Mr. C. McPherson is Executive Director of Shepparton Newspapers Pty Ltd which provided media advertising services to the Goulburn Ovens Institute of TAFE on normal commercial terms and conditions.
- › Mr. C. McPherson is Executive Director of Benalla Newspapers Pty Ltd which provided media advertising services to the Goulburn Ovens Institute of TAFE on normal commercial terms and conditions.
- › Mr. C. McPherson is Executive Director of Seymour Telegraph Pty Ltd which provided media advertising services to the Goulburn Ovens Institute of TAFE on normal commercial terms and conditions.
- › Mr. C. McPherson is Executive Director of Newsprinters Pty Ltd which engaged the services of the Goulburn Ovens Institute of TAFE for the provision of training services on normal commercial terms and conditions.
- › Mr. C. McPherson is Executive Director of McPherson Newspapers Pty Ltd which engaged the services of the Goulburn Ovens Institute of TAFE for the provision of training services on normal commercial terms and conditions.
- › Mr. P. Quinn is the Chief Executive Officer of Goulburn Valley Water which provided operational services to the Goulburn Ovens Institute of TAFE on normal commercial terms and conditions.
- › Mr. G. Oliver is the Chairman of the Board of Associated Retailers Ltd which engaged the services of the Goulburn Ovens Institute of TAFE for the provision of facilities hire on normal commercial terms and conditions.
- › Mr. G. Cobblestick is a Director of Goulburn Murray Credit Union which engaged the services of the Goulburn Ovens Institute of TAFE for the provision of training services on normal commercial terms and conditions.

Note 25

Related parties

Key management personnel

Disclosures relating to directors and specified executives are set out in Note 24.

Transactions with related parties

The following transactions occurred with related parties:

	2012 \$'000	2011 \$'000
SALE OF GOODS AND SERVICES		
Training and facilities hire	33	17
Total sale of goods and services	33	17
PURCHASE OF GOODS		
Operational services	50	27
Sponsorship and media advertising	25	49
Internet services	28	51
Total purchase of goods	103	127

Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

CURRENT RECEIVABLES (SALE OF GOODS AND SERVICES)		
Related parties	2	-
Total current receivables	2	-
CURRENT PAYABLES (PURCHASES OF GOODS)		
Related parties	2	5
Total current payables	2	5

No provision for doubtful debts has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

Note 26

Institute details

The registered office of the Institute is:

Goulburn Ovens Institute of TAFE
Fryers Street, Shepparton, Victoria, Australia 3630

The principal place of business is:

Goulburn Ovens Institute of TAFE
Fryers Street, Shepparton, Victoria, Australia 3630

Note 27-1

Financial Instruments (Part I)

Financial risk management

i. Financial risk management objectives

The Institute's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Institute's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Institute by adhering to appropriate business principles. Compliance with policies and procedure is reviewed by management on a continuous basis. The Institute does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

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 and other price risks, ageing analysis for credit risk and data analysis in respect of investment portfolios to determine market risk.

The Institute's Finance Section co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Institute. These risks include market risk (including currency risk), credit risk and liquidity risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in note 1 of the financial statements.

ii. Financial risk exposures and management

The Institute's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivables and payables and leases.

The main risks the Institute is exposed to through its financial instruments are market risk, foreign currency risk, price risk, funding risk, interest rate risk, credit risk and liquidity risk.

iii. Categorisation of financial instruments

Carrying amount of financial instruments by category:

	Note	Category	2012 \$'000	2011 \$'000
FINANCIAL ASSETS				
Cash and deposits	5	Cash	24,238	11,433
Receivables ¹	6	Loans & receivables	6,988	2,891
Receivable - Sale of Christensen Lane land ¹	7	Receivables	-	4,010
Total			31,226	18,334
FINANCIAL LIABILITIES				
Payables ¹	13	Financial liabilities	3,938	3,958
Total			3,938	3,958

Net holding gain/(loss) on financial instruments by category:

	Note	Category	2012 \$'000	2011 \$'000
FINANCIAL ASSETS				
Receivables ¹	4	Loans & receivables	(473)	(40)
Total			(473)	(40)

Note¹ : Receivables and payables disclosed here exclude statutory receivables and statutory payables.

Market risk

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

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 Institute's exposure, or its objectives, policies and processes for managing market risk or the methods used to measure this risk from the previous reporting period.

Foreign currency risk

The Institute has minimal exposure to fluctuations in foreign currencies arising from the delivery of services in currencies other than AUD\$. This risk is managed by natural hedging where possible.

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

Price risk

The Institute is exposed to price risk in respect of fee for service and contract services which are subject open market competition.

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

Interest rate risk

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

The objective is to manage the rate risk to achieve stable and sustainable net interest earnings in the long term. This is managed predominately through a mixture of short term and longer term investments.

Funding risk

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

The Institute manages funding risk by continuing to diversify and increase funding from Commercial activities, both domestically and off shore.

There has been no significant change in the Institute'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.

Concentrations of credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no amounts of collateral held as security at 31 December 2012.

Credit risk is managed on an Institute-wide basis and reviewed regularly by the Institute Board. It arises from exposures to customers as well as through deposits with financial institutions. The Institute monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

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

The Institute does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into.

The trade receivables balance at 31 December 2012 and 31 December 2011 do not include any counter parties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

The Institute minimises credit risk in relation to student loans receivable by direct debit agreements entered into with students who are unable to pay fees at the time of enrolment.

There has been no significant change in the Institute'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.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Institute's governing body, which has built an appropriate policy for the investment of liquid assets. The Institute manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

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.

Note 27-2

Financial Instruments (Part II)

Summarised sensitivity analysis

The following table summarises the sensitivity of the Institute's financial assets and financial liabilities to interest rate risk.

31 December 2012	Carrying Amount	Interest Rate Risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	24,238	(242)	(242)	242	242
Receivables ¹	6,988	-	-	-	-
Receivable - Sale of Christensen Lane land ¹	-	-	-	-	-
Total increase/ (decrease) in financial assets	31,226	(242)	(242)	242	242
LIABILITIES					
Payables ¹	3,938	-	-	-	-
Total increase/ (decrease) in financial liabilities	3,938	-	-	-	-
Total increase / (decrease)	35,164	(242)	(242)	242	242

31 December 2011	Carrying Amount	Interest Rate Risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	11,433	(114)	(114)	114	114
Receivables ¹	2,891	-	-	-	-
Receivable - Sale of Christensen Lane land ¹	4,010	-	-	-	-
Total increase/ (decrease) in financial assets	18,334	(114)	(114)	114	114
LIABILITIES					
Payables ¹	3,958	-	-	-	-
Total increase/ (decrease) in financial liabilities	3,958	-	-	-	-
Total increase / (decrease)	22,292	(114)	(114)	114	114

Note¹ : Receivables and payables disclosed here as financial instruments exclude statutory receivable and statutory payables.

Note 27-3

Financial Instruments (Part III)

Financial instrument composition and interest rate exposure

The tables below reflect the un-discounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

Exposure to interest rate risk is insignificant and may arise primarily through the Institute's investments. Minimisation of risk is achieved by mainly undertaking fixed rate or non interest bearing financial instruments. The Institute's exposure to interest rate risk is set out below.

2012	Weighted average effective rate %	Total Carrying Amount per Balance Sheet \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-Interest Bearing \$'000
FINANCIAL ASSETS					
Cash and deposits					
Cash at bank and on hand	3.53%	5,997	5,992	-	5
Deposits at call	4.41%	18,241	18,241	-	-
Contractual receivables					
Trade receivables	-	2,252	-	-	2,252
Revenue receivables	-	5,313	-	-	5,313
Total financial assets	-	31,803	24,233	-	7,570
FINANCIAL LIABILITIES					
Contractual liabilities					
Trade and other payables	-	3,938	-	-	3,938
Total financial liabilities	-	3,938	-	-	3,938

2011	Weighted average effective rate %	Total Carrying Amount per Balance Sheet \$'000	Floating interest rate \$'000	Fixed interest rate \$'000	Non-Interest Bearing \$'000
FINANCIAL ASSETS					
Cash and deposits					
Cash at bank and on hand	4.38%	7,854	7,848	-	6
Deposits at call	4.77%	3,579	3,579	-	-
Contractual receivables					
Trade receivables	-	1,837	-	-	1,837
Revenue receivables	-	1,054	-	-	1,054
Receivable - Sale of Christensen Lane land	-	4,010	-	-	4,010
Total financial assets	-	18,334	11,427	-	6,907
FINANCIAL LIABILITIES					
Contractual liabilities					
Trade and other payables	-	3,958	-	-	3,958
Total financial liabilities	-	3,958	-	-	3,958

Ageing analysis of financial assets

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the contractual maturity analysis for the Institute's financial assets and financial liabilities.

2012	Carrying amount	Not past due and not impaired	Maturity dates			Impaired financial assets	
			Less than 1 month	1-3 months	3 months - 1 year		1-5 years
FINANCIAL ASSETS							
Contractual receivables							
Trade receivables	2,252	1,066	396	161	35	17	577
Revenue receivables	5,313	5,313	-	-	-	-	-
Total contractual assets	7,565	6,379	396	161	35	17	577
FINANCIAL LIABILITIES							
Contractual liabilities							
Trade and other payables	3,938	3,774	152	3	9	-	-
Total contractual liabilities	3,938	3,774	152	3	9	-	-
2011	Carrying amount	Not past due and not impaired	Maturity dates			Impaired financial assets	
			Less than 1 month	1-3 months	3 months - 1 year		1-5 years
FINANCIAL ASSETS							
Contractual receivables							
Trade receivables	1,941	409	605	320	493	10	104
Revenue receivables	1,054	1,054	-	-	-	-	-
Receivable - Sale of Christensen Lane land	4,010	4,010	-	-	-	-	-
Total contractual assets	7,005	5,473	605	320	493	10	104
FINANCIAL LIABILITIES							
Contractual liabilities							
Trade and other payables	3,958	3,650	249	48	10	1	-
Total contractual liabilities	3,958	3,650	249	48	10	1	-

Note 27-4

Financial Instruments (Part IV)

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Institute for similar financial instruments.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

For other assets and other liabilities the fair value approximates their carrying value. Financial assets where the carrying amount exceeds fair values have not been written down as the Institute intends to hold these assets to maturity.

The carrying amounts and aggregate net fair values of financial assets and liabilities at balance date are:

	2012		2011	
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
FINANCIAL ASSETS				
Cash and cash equivalents				
Cash at bank and on hand	5,997	5,997	7,854	7,854
Deposits at call	18,241	18,241	3,579	3,579
Contractual receivables				
Trade receivables	1,891	1,891	1,837	1,837
Revenue receivables	5,097	5,097	1,054	1,054
Receivable - Sale of Christensen Lane land	-	-	4,010	4,010
Total financial assets	31,226	31,226	18,334	18,334
Financial liabilities				
Payables	3,938	3,938	3,958	3,958
Total financial liabilities	3,938	3,938	3,958	3,958

Note 28

Ex-gratia Payments

	2012 \$'000	2011 \$'000
Ex-gratia payments	19	-
Total ex-gratia payments	19	-

The ex-gratia payment was in relation to employee retirement.

This disclosure is made in accordance with the requirements of Financial Reporting Direction 22 of the State Government of Victoria.

Disclosure Index

(A) REPORT OF OPERATIONS			PAGE #
[1]	SD 4.2(g) FRD 22	The Report of Operations is to include qualitative and quantitative information on operations and be prepared on a basis consistent with the financial statements prepared pursuant to the Financial Management Act 1994. This report is to provide users with information about: <ul style="list-style-type: none"> ▸ an institute and its activities; ▸ operational highlights for the reporting period; ▸ future initiatives; and ▸ other relevant information not included in the financial statements. 	2-33
[2]	SD 4.2(h) FRD 22	The Report of Operations must be prepared in accordance with the requirements of the financial reporting directions.	31
[3]	SD 4.5.5	Signature of responsible person – Attestation of compliance with the Australian/New Zealand Risk Management Standard.	28
[4]	SD 4.2(j) FRD 22	Signature of responsible person – The Report of Operations must be signed and dated by the Accountable Officer in the case of a Government Department, or in the case of any other Public Sector Body, a member of the responsible Body.	3-4

STANDARD DISCLOSURES IN THE REPORT OF OPERATIONS GENERAL INFORMATION

[5]	FRD 22	Manner of Establishment, including the relevant Minister.	2
[6]	FRD 22	The objectives, functions, powers and duties, linked to a summary of its activities, programs and achievements for the reporting period.	2-18
[7]	FRD 22	Nature and range of service provision, including the communities served.	2
[8]	FRD 22	Organisational chart(s) detailing members of the governing board and the CEO, and organisational chart(s) detailing occupants of senior officers and their responsibilities.	19-24

GOVERNANCE

[9]	TAFE Gov. Review	Outline of the structure of the board including: <ul style="list-style-type: none"> ▸ committees of the board; ▸ descriptions of their functions; and ▸ the names of the members of each committee. 	19-21
[10]	TAFE Gov. Review	Outline of the structure of an institute board, including: <ul style="list-style-type: none"> ▸ names and qualifications of members of the board, including knowledge, experience and skills; and ▸ a summary of the number of meetings attended by each board member. 	19-21
[11]	TAFE Gov. Review	Summary of training undertaken by board members throughout the year, including the number and type of programs.	21

[12]	TAFE Gov. Review	A summary of performance and activities of a board including a brief description of a values of a board and whether there is a code of conduct used to guide board decisions.	21
[13]	FRD 22B	Statement on an institute's workforce data for the current and previous reporting period.	27
[14]	FRD 22B	Statement on the application of employment and conduct principles.	27
[15]	FRD 22B	Statement on occupational health and safety including appropriate performance indicators outlining an institute's performance against such indicators and details of assessments and measures taken to improve the occupational health and safety of employees.	27
[16]	FRD 22B	A general statement on industrial relations within an institute and details of time lost through industrial accidents and disputes	27

DISCLOSURE INDEX

[17]	FRD 10	The Disclosure Index is to contain a list identifying the relevant clauses of Victorian legislation with statutory disclosure requirements.	79-84
[18]	FRD 10	A short description of the relevant requirement.	79-84
[19]	FRD 10	The page in an annual report where the disclosure in satisfaction of the relevant requirement is made.	79-84

DISCLOSURES

DISCLOSURE OF EX-GRATIA PAYMENTS

[20]	FRD 11	Disclosure in aggregate of the nature and amount of any ex gratia payments incurred and written off during the reporting period. This is to be included in the notes to the financial statement.	78
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DISCLOSURES OF RESPONSIBLE PERSONS

[21]	FRD 21A (1)(a)	The name of each person holding a position that meets the definition of responsible person of the reporting entity at any time during the reporting period.	68
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DISCLOSURES OF REMUNERATION OF EXECUTIVE OFFICERS

[22]	FRD 21A (1)(b)	Where there is more than one responsible person during any reporting period, the total remuneration of all responsible persons received or receivable in connection to their employment.	69-70
[23]	FRD 21A (1)(c)	An analysis of remuneration of responsible persons: <ul style="list-style-type: none"> ▸ in bands of \$10,000; and ▸ listing the number of responsible persons and Total Annualised Employee Equivalents (AEE) whose actual remuneration for the period falls within each band, and total amount paid for executives and AEEs. 	69-70
[24]	FRD 21A (1)(d)	A table disclosing the aggregate amount of related party transactions at the reporting date, including but not limited to the aggregate amount of repayments, shares and share options and other sources of remuneration that do not come under the definition of any of the above mentioned categories received by the responsible person in addition to base remuneration.	71

[25]	FRD 21 (2)(a)	Total remuneration of all executive officers received or receivable in connection to their employment: <ul style="list-style-type: none"> ▸ including the remuneration of executive officers acting in the position of an accountable officer at any time during the reporting period; and ▸ to ensure disclosures are meaningful, additional information may need to be disclosed about the nature of such remuneration. 	69-70
[26]	FRD 21 (2)(b)	Base remuneration disclosed separately from actual remuneration. Significant variations between total and base remuneration should be supported by explanatory commentary.	69
[27]	FRD 21 (2)(c)	Accrual principles that apply in determining remuneration levels. All amounts received or receivable by the individual are to be disclosed.	69

FINANCIAL INFORMATION

[28]	FRD 22	Summary of financial results with comparative information for preceding four years.	28
[29]	FRD 22	Summary of significant changes in financial position.	28
[30]	FRD 22	Summary of operational and budgetary objectives, including performance against objectives and significant achievements.	3-18, 25-28
[31]	FRD 22	Events subsequent to balance date which may have a significant effect on operations in subsequent years, including a summary of major changes affecting the achievement of operational objectives.	66
[32]	FRD 22	For each consultancy valued in excess of \$10,000, set out: <ul style="list-style-type: none"> ▸ a schedule listing the consultants engaged; ▸ a summary of project involved; ▸ total project fees approved (excluding GST); ▸ expenditure for the reporting period (excluding GST); and ▸ future commitments relating to consultant. 	28
[33]	FRD 22	Total number of consultancies individually valued at less than \$10,000 (excl. of GST).	28
[34]	FRD 22	Total expenditure (exclusive of GST) of these consultancy engagements.	26
[35]	FRD 22	Financial information must be consistent with that included in the financial statements.	Refer to financials
[36]	FRD 22	The Report of Operations should be presented in a format that complements the financial report as a whole: <ul style="list-style-type: none"> ▸ containing any additional information the accountable officer or the governing board considers appropriate; or ▸ any information which has been mandated by other authoritative pronouncements. <p>The Report of Operations must contain general and financial information, including other relevant financial information, outlining and explaining an entity's operations and activities for the reporting period.</p>	2-33
[37]	FRD 22	The Report of Operations must include in its report of operations an audited statement of performance including: <ul style="list-style-type: none"> ▸ the relevant performance targets and indicators as determined by the responsible Minister; ▸ the actual results achieved for that financial year against pre-determined performance targets and indicators; and ▸ an explanation of any significant variance between the actual results and performance targets indicators. 	29-35

OTHER RELEVANT INFORMATION

[38]	FRD 22	Summary of Application of the <i>Freedom of Information Act 1982</i> (including amendments of 3 August 2007).	25
[39]	FRD 22	Statement on compliance with building and maintenance provisions of the <i>Building Act 1993</i> (including amendments of 1 July 2007).	26
[40]	FRD 22	Summary of the application and operation of the Whistleblowers Protection Act 2001 (including amendments of 1 July 2007) and disclosures required by this Act.	26
[41]	FRD 22	Statement on implementation and compliance with National Competition Policy, including statement on compliance with policy statements, especially: <ul style="list-style-type: none"> ▸ “Competitive Neutrality: A Statement of Victorian Government Policy”; ▸ “Victorian Government Timetable for the Review of Legislative Restrictions on Competition”; ▸ any subsequent reforms. 	26
[42]	FRD 22	Summary of environmental performance.	32
[43]	FRD 22	Statement (to the extent applicable that the information listed in Appendix 1) is available on request to the relevant Minister, members of Parliament or the public. This includes additional information available on request subject to provision of the <i>Freedom of Information Act 1982</i> (including amendments of 3 August 2007).	25
[44]	FRD 22	Statement that declarations of pecuniary interests have been duly completed by all relevant officers.	25
[45]	FRD 22	Details of shares held by senior officers (as nominees or held beneficially in a statutory authority or subsidiary).	25
[46]	FRD 22	Details of publications produced by the entity about itself and how they can be obtained).	25
[47]	FRD 22	Details of major promotional, public relations and marketing activities undertaken to develop community awareness of the institute and its services.	5-18
[48]	FRD 22	Details of changes in prices, fees, charges, rates and levies charged by the institute.	25
[49]	FRD 22	Details of any major external reviews carried out on the institute.	26
[50]	FRD 22	Details of major research and development activities undertaken by the Institute.	25
[51]	FRD 22	Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.	16, 25
[52]	FRD 22	List of major committees sponsored by the institute, the purposes of each committee and the extent to which the purposes have been achieved.	25

OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES

[53]	PAEC	Financial and other information on initiatives taken or strategies relating to the institute's international operations.	16, 25
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AUDITOR GENERAL

Recommendation in relation to Overseas Operations of Victorian TAFE Institutes – 3.110 Auditor General, Special Reviews, 30 June 2002.

[54]	3.110	Information in annual reports of a TAFE institute should include: <ul style="list-style-type: none"> ▸ nature of strategic and operational risks; ▸ strategies established to manage such risks; ▸ performance measures and targets formulated for off shore operations; and ▸ the extent to which expected outcomes have been achieved. 	10
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FINANCIAL REPORTING DIRECTION 27 – PRESENTATION OF REPORTING AND PERFORMANCE INFORMATION

Audited Statements of Key Performance Measures (KPIs) must include an audited statement of performance for certain KPIs.

[55]	FRD 27A	Reporting and performance should be presented using KPIs and a signed Performance Management Certificate should also be completed. (The following 11 are the mandatory KPIs) <ol style="list-style-type: none"> 1. Participation of 15-24 year olds. 2. Participation of 25-64 year olds. 3. Module Load Completion Rate. 4. Student satisfaction. 5. Total Cost per Student Contact Hour (SCH). 6. Working Capital Ratio. 7. Net Operating Margin. 8. Fee for Service Revenue. 9. Revenue per EFT Staff. 10. Student Contact Hours (SCH). 11. Energy Consumption. 	29-33
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(B) FINANCIAL STATEMENTS
Part 7 of the Financial Management Act 1994 (FMA)

[56]	FMA 49 (a)	Must contain such information as required by the Minister.	41-50
[57]	FMA 49 (b)	Must be prepared in a manner and form approved by the Minister.	41-50
[58]	FMA 49 (c)	Must present fairly the financial transactions of an institute during the financial year to which they relate.	41-50
[59]	FMA 49 (d)	Must present fairly the financial position of an institute as at the end of the year.	41-50
[60]	FMA 49 (e)	Must be certified by the Accountable Officer for an institute in the manner approved by the Minister.	41-50

The Financial Statements must be prepared in accordance with:

[61]	SD 4.2 (a)	Australian Accounting Standards (AAS and AASB) and other mandatory professional reporting requirements (including Urgent Issues Group Consensus Views and Statements of Accounting Concepts).	41-50
[62]	SD 4.2 (a)	Financial Report Directions.	41-50
[63]	SDA 4.2 (a)	Business rules.	41-50

The Financial Statements are to comprise the following:

[64]	SD 4.2 (b)	An operating statement.	37
[65]	SD 4.2 (b)	A balance sheet.	38
[66]	SD 4.2 (b)	A statement of recognised income and expenses.	51-54
[67]	SD 4.2 (b)	A cash flow statement.	40
[68]	SD 4.2 (b)	Notes to the financial statements.	41-78

The Financial Statements must, where applicable, be signed and dated by the Accountable Officer, CFAO and a member of the Responsible Body stating whether, in their opinion:

[69]	SD 4.2 (c)	The Financial Statements present fairly the financial transactions during the reporting period and the financial position at the end of the period.	34-35
[70]	SD 4.2 (c)	The Financial Statements are prepared in accordance with this direction and applicable Financial Reporting Directions.	34-35
[71]	SD 4.2 (c)	The Financial Statements comply with applicable Australian Accounting Standards (AAS and AAB) and other mandatory professional reporting requirements (including Urgent Issues Group Consensus Views and Statements of Accounting Concepts).	34-35, 41

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