



gotafe

ANNUAL REPORT 2014

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INTRODUCTION

About GOTAFE

Goulburn Ovens Institute of TAFE (GOTAFE) is the largest tertiary educational provider in Northern Victoria (Hume Region).

In 2014 GOTAFE delivered in excess of six million Student Contact Hours (SCHs) across 38 industry sub-sectors for almost 20,000 student enrolments.

GOTAFE employs more than 400 staff located in 15 locations, and achieved an annual turnover in excess of \$55 million in 2014.

The region covered by GOTAFE includes 11 local government authorities and services the vocational education and training needs of more than 220,000 Victorians.

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 is established under the *Education and Training Reform Act 2006*. Its powers and duties are primarily established in its Constitution, the *Education and Training Reform Act 2006* and *Financial Management Act 1994*. The ministers responsible during 2014 were; the Honourable Peter Hall, MLC and the Honourable Nick Wakeling, MP and the current Minister for Training and Skills, the Honourable Steve Herbert, MP.

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's Welcome

On behalf of GOTAFE, I am proud to present the Institute's 2014 Annual Report.

In 2014 the operating environment of GOTAFE as with TAFE's across Victoria changed dramatically. The continuing deregulation of the VET sector and the accompanying entry of aggressive new competitors together with rapid and repeated changes to funding settings made it very difficult to manage the Institute's operational budget. Despite these challenges, GOTAFE was able to maintain strong reserves and cash flow to ensure continuing viability as well as achieving the following outcomes:

- More than 19,000 students were enrolled in over 300 programs
- GOTAFE students won state and national level awards including Koorie Student of the Year and School-based Apprentice of the Year at the Victorian Training Awards
- GOTAFE was formally recognised at the Wurreker Awards as the State's Best Victorian TAFE Institute providing Koorie vocational education and training.

GOTAFE also continued to invest into the future through:

- The development and upgrade of facilities and information technology capacity.
- The redevelopment of the Wangaratta Rural Industries Campus in partnership with Charles Sturt University (CSU).
- Continuing professional development of staff to meet current and future needs of industry and students.

Most recently, two major projects have been launched where GOTAFE has worked in partnership with other government agencies to support the local community in the area of enabling education pathways for young people;

- The first being the Youth Foyer in Shepparton established by the Victorian Government in partnership with GOTAFE that will comprise a 40 bed residential facility for at risk youth, with the provision of vocational training being a key contributor to the success of the project.
- The second was the launch of the Better Together alliance, a collaborative venture that brings together key government secondary schools in the Greater Shepparton area, GOTAFE and La Trobe University. To support this initiative, GOTAFE will co-contribute to the construction and management of the Federal Government funded Goulburn Murray Trades Skills Centre at Maguire Secondary College, giving secondary students another important pathway into a trade career.

In response to the shift of job trends from manual to skilled service roles and the current negative economic challenges experienced in regional economies, GOTAFE will continue to play a major role in supporting the Victorian Government to respond to high youth unemployment and grow training delivery relevant to local industry. It will also work with universities and schools to develop pathways to vocational education and higher education.

On behalf of the Board I congratulate Chief Executive Officer, Paul Culpan and the Executive Management Team and staff for meeting the extraordinary challenges of 2014.

Throughout 2014 the GOTAFE Board has worked diligently with management, government and industry in meeting the ever increasing and rapid changes in funding settings from an aggressive non TAFE competition and the systems and delivery challenges facing the sector.

The GOTAFE Board and Institute acknowledges the counsel and support of the former Ministers for Higher Education and Skills, the Honourable Peter Hall, MLC and the Honourable Nick Wakeling, MP and the current Minister for Training and Skills, the Honourable Steve Herbert, MP, Mr Richard Bolt former Department Secretary and Ms Kym Peake former Deputy Secretary and the staff of the Department of Education and Training and the Higher Education and Skills Group throughout 2014.



Michael H. Tehan
Chair of the Board
12 March 2015

Chief Executive Officer Report

2014 was a very challenging year as GOTAFE Management and Staff confronted the cumulative revenue impacts of funding reductions and eligibility rule changes introduced since 2012. These changes significantly impacted a wide range of commercial initiatives and GOTAFE's year-end financial result.

Despite this serious revenue decline and the accompanying negative financial result, GOTAFE maintained its strong liquidity and cash flow position. The Board and Management proactively developing a robust strategic business plan, focusing on new business models, new markets and driving productivity to ensure the Institute is financially sustainable into the future.

Apart from the financial disruption that GOTAFE experienced in 2014, it continued to implement its Strategic Plan with a focus on developing core capabilities to compete in a deregulated training market. There was an emphasis on positioning the Institute as a quality provider of value-added programs and services. This included:

- The upgrading of education resources, in particular e-learning education models.
- The implementation of a state of the art Student Management System (SMS) in partnership with the Victorian Government and other Victorian TAFE Institutes.
- The development of relationships with industry in skills shortage areas.

GOTAFE also further developed pathways and relationships with universities in particular La Trobe University, Charles Sturt University, Federation University and the University of Melbourne. These partnerships included the development of integrated vocational and university qualifications, as well as new qualifications developed as a result of market research.

GOTAFE also enhanced its reputation for being a leading Victorian TAFE in providing secondary school students with the opportunity to access quality vocational education at GOTAFE one or two days per week, combined with their Year 10, 11 and 12 VCE or VCAL studies. In 2014 there were over 983 students across approximately 175 schools engaged in Technical Education Centre (TEC) and VET in Schools (VETIS) programs across the region. GOTAFE also supported schools in auspicing VETIS programs delivered on school campuses.

I would like to acknowledge the contribution made by GOTAFE's Executive, Management and Staff in 2014. They have worked above and beyond expectations not only in the day-to-day operations but also in reviewing processes to identify potential areas of improvement and increased efficiencies. The goal being to transform the Institute into a more commercially viable and flexible organisation, within an environment of significant uncertainty and upheaval.

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 regards to their excellent governance of the Institute.



Paul Culpan
CEO

March 2015

HIGHLIGHTS

2014 Highlights

The highlights section of GOTAFE's Annual Report provides a snapshot of the Institute's 2014 activities relating to its students and customers and corporate functions and services. The Highlights section is summarised under the following headings:

- › Student and Customer
- › Partnerships
- › Community
- › Awards
- › Staff
- › Infrastructure
- › Environmental Performance
- › Financial Performance

STUDENT AND CUSTOMER

Artists drawn to GOTAFE for advanced visual arts course



The Advanced Diploma of Visual Arts was offered for the first time at the Docker Street Campus at Wangaratta.

The course was introduced to address the shortage of arts courses available at a more advanced level for practising artists.

Nine diverse and unique artists including a contemporary jewellery artist, a professional tattoo artist with a background in fashion design and shoe making and another artist skilled in painting, writing and animation, travelled from all over the state to participate in the course which commenced in May.

Hands-on interaction with animals

More than 300 secondary school students aspiring to work in animal related industries travelled from across the state to gain hands-on experience working with animals at the Rural Industries Campus, Wangaratta during January. The students in years 10, 11 and 12 were enrolled in animal and equine studies through the VETIS program.

Dance students delight audiences

Nine GOTAFE contemporary dance students performed at the Benalla Performing Arts and Convention Centre (BPACC) during June. Family and friends attended the evening dance performance along with students from Mooroopna Secondary College who travelled to Benalla to attend the matinee show as well as participating in an interactive dance workshop prior to the performance.

The performance was an assessable component of the student's respective dance performance courses, ranging from the Certificate III in Dance to the Advanced Diploma of Dance.

New brewing course



A micro-brewery was set up on-site at the Fryers Street Campus, Shepparton enabling beer brewing

courses to be offered during 2014. The brewing program was designed to appeal to the home brewer as well as the more advanced commercial brewer, both keen to build on their brewing skills and further develop their career in the industry.

Taste of Agriculture

A number of Taste of Ag days took place during July, August and September in South Gippsland, Baw Baw, La Trobe and Wellington regions. Secondary school students in years 9 and 10 travelled from local and surrounding regions to attend the Taste of Ag days.

Visual arts students join EXIT Exhibition

The EXIT Exhibition has been an annual opportunity for graphic design and photography students to display their works. In 2014 the exhibition included works by visual arts students and included contemporary jewellery, tattoo art, photography, paintings, drawings, sculptures, marionettes (puppetry), video installations and hand printed table runners. The exhibition took place at both the Wangaratta Art Gallery and Noble Monks Café and Bar in Shepparton during December.

Leading hair stylist shares tips with students



The Hairdressing Department hosted one of Australia's leading hair stylists with more than 20 years industry

experience, including the role as director of hair styling at L'Oreal Melbourne Fashion Festival during October.

Andrea de Deugd shared her experience, techniques, knowledge and current industry trends as part of the Hairdressing Master Class Program for Certificate III Hairdressing students.

Females challenge the 'tradie' stereotype



The Automotive Department at the Docker Street Campus in Wangaratta had an influx of female

automotive students during 2014, with eight women in automotive, six of who enrolled in the Certificate III Paint and Panel.

The increased number of females in automotive is consistent with an overall trend of more women taking up traditional trades with the appeal of flexibility, portability of skills and solid financial prospects, as well as the physicality of the work and a number of financial incentives especially in industries with skills shortages available to females.

New glass and glazing course addresses training gap

A new glass and glazing course offered in 2014 addressed a training gap in North East Victoria and the Goulburn Valley.

Extensive industry consultation led to the course being offered entirely online, enabling students to complete modules at a time that was convenient to both the apprentice and their employer through flexible training arrangements offered by GOTAFE. The practical training was largely conducted in the workplace increasing apprentices on the job skills.

The course was well received with a number of employers and apprentices recognising the value in being able to study locally and not having to travel (to Melbourne) and therefore reducing time away from the workplace.

Master Classes bring chefs to students



The Hospitality Master Class Program hosted a number of well-known and respected chefs during 2014.

Cookery and front-of-house students gained hands-on experience working with high profile chefs including Nicky Riemer from Union Dining at GOTAFE's on-campus restaurants and commercial cookery training facilities. Nicky worked in collaboration with the students to prepare and serve a five course menu to in excess of 65 guests. The program brings chefs from a number of locations to work with students and share their knowledge and unique food techniques.

PARTNERSHIPS

GOTAFE offer undergraduate degrees

GOTAFE, in conjunction with Federation University Australia, delivered tertiary programs for North East Victoria.

The Bachelor of Applied Management degree utilised new training methods including online delivery and enhanced support services for students.

Delivered within a TAFE environment, the New Breed of Degree program was developed to provide regional and rural Victorians with more affordable and convenient choices in obtaining an undergraduate degree within their local community.

Collaboration results in Veterinary offerings

The Bachelor of Veterinary Technology project is a joint initiative between GOTAFE and Charles Sturt University (CSU) and has culminated in the provision of a new qualification pathway utilising state-of-the-art veterinary nursing facilities at GOTAFE's Rural Industry Campus at Wangaratta.

Students will have access to the joint CSU/GOTAFE facilities including lecture theatres, tutorial rooms, interactive video and information technology facilities, a state-of-the-art 40 student science laboratory and a shared common area for students.

The project was funded by the Victorian Government's Regional Partnerships Facilitation Fund and enabled students to concurrently complete a Certificate IV in Veterinary Nursing with GOTAFE and a Bachelor of Veterinary Technology with CSU.

Beef conference for local producers

GOTAFE, in partnership with the Department of Environment and Primary Industries (DEPI) hosted the 2014 North East Beef Conference during August.

The conference was held at the University of Melbourne's Dookie Campus and provided beef producers with the opportunity to hear the most up-to-date developments in the beef industry.

Collaborative program names Dux

The Diploma of General Studies, a collaboration between University of Melbourne, Wodonga TAFE and GOTAFE named Michael Manderson as the Dux of the diploma course. The program is part of the Regional Gateway Program and was conducted at Melbourne University's Dookie Campus.

Automotive pre-apprenticeships offered in Echuca

Secondary school students in Echuca were given the opportunity to study the Certificate II in Automotive Studies (pre-vocational) through a partnership with Echuca College.

The Vocational Education and Training in Schools (VETiS) Program commenced in February at the School's Butcher Street Campus and provided Year 10 students with the ability to choose automotive as an elective subject, studying at the campus every Wednesday. The facility was utilised on the remaining days by public students enrolled in the Certificate II level course to gain job ready skills in preparation for an apprenticeship and employment.

The establishment of the training facility in Echuca and the provision of the pre-apprenticeship provides people with an interest in an automotive career the ability to study locally.

COMMUNITY

NAIDOC celebrations

The Docker Street Campus, Wangaratta hosted NAIDOC Celebration Day in support of the local Aboriginal and Torres Strait Islander community during July.

As part of the celebrations, the Dirrawarra Indigenous Network presented a family day of cultural experiences and activities including gum leaf and boomerang painting activities for kids, traditional dance and music, stone knapping, storytelling and displays of Aboriginal artefacts.

Rural Mental Health forum brings health professionals together



Almost 60 health professionals from a number of different organisations, as well as patients and

their families attended the student organised Rural Mental Health Forum at the Docker Street Campus, Wangaratta.

Five students studying Certificate IV in Community Services organised the forum as part of a major component of their coursework. The students took their community development project to a wider audience to create broader awareness of rural mental health issues within the local community.

Federal Member for Indi, Cathy McGowan AO was a guest speaker at the forum and indicated that this forum has opened the conversation regarding health issues faced by the local community and challenges for health workers.

Community Services expert presents critically reflective seminar

Fiona Gardner, a well-known author and university lecturer challenged practitioners to be critically reflective in their case work at a seminar held at GOTAFE.

At the reflective practice seminar, Fiona explained the importance of and strategies for managing each individual client in different ways and how the critical reflection process is important for health and social care fields.

The seminar was attended by social workers from across the region, employee's from the Department of Human Services, and staff and students from GOTAFE who were given strategies, practices and real skills in effective client management from Fiona.

Students support White Ribbon Day

Students from GOTAFE’s Benalla campus supported the local White Ribbon Day Campaign by choosing the worthy cause as their community development project.

The students created an awareness program as part of their Certificate IV in Community Services studies and attended a seminar that delivered vital statistics, facts and information on the prevalence of violence within the community.

Repurposing Sherrin Footballs



A number of female students from the Multicultural Education Centre (MEC) at the Fryers Street

Campus, Shepparton were involved in creatively repurposing Sherrin Footballs as part of the SheppArchiballs Project.

Women from GOTAFE’s MEC met with local Koorie women, and females from the wider community including women from Afghanistan as well as Congo and Sudan. The women bonded through re-purposing the leather footballs using a number of techniques including crocheting, knitting, braiding and embroidery with different materials sourced from nature, opportunity shops and from their own homes.

Hospital garden a gift from students

Horticulture students studying a dual Certificate III in Conservation and Land Management and Horticulture designed and created a mobility garden at Northeast Health Wangaratta (NHW).

The garden was designed as a multi-purpose space where people can get physical therapy and counselling.

Students support walk to school program



GOTAFE Sport and Recreation students visited eight Primary Schools in the North East region to

promote exercise and healthy eating as part of VicHealth’s Walk to School Month.

During October, VicHealth encouraged Victorian primary school students and their families to walk to and from school to build healthy habits for life. The initiative was supported by GOTAFE in partnership with the YMCA and the Rural City of Wangaratta.

GOTAFE sponsor Business Awards

GOTAFE sponsored the Marketing Award category of the 6th Annual Benalla Business Excellence Awards. In 2014, the award was presented to the Thoona Pub who demonstrated outstanding achievement in marketing strategy and execution.

The award recognised Thoona Pub’s initiative in differentiating themselves from their competition through customer service excellence, innovation, the establishment of a recognisable brand and the effective use of marketing resources. The award also acknowledged the pub’s innovative and strategic application of the use of technology in the day to day running of their business.

GOTAFE also sponsored the Workforce Development Awards at Shepparton and Wangaratta events to support the local community and their business achievements.

Beauty students host Australia’s Biggest Morning Tea



Diploma of Beauty Therapy students hosted Australia’s Biggest Morning Tea at the Flexible

Learning Centre, Wangaratta during June. More than 40 guests utilised the opportunity to get together with a ‘cuppa’ and slice for a gold coin donation with some indulging in a quick manicure for \$10 with half the proceeds being donated to the Cancer Council.

GOTAFE celebrates National Carpenters Day



GOTAFE celebrated National Carpenters Day during November, offering a free BBQ breakfast to local

carpenters at the Docker Street Campus, Wangaratta.

Staff, students, past apprentices and industry representatives attended the breakfast, utilising National Carpenter’s Day to catch up and celebrate their contribution to the local community.

AWARDS

VETiS Program names student of the Year

The VETiS program announced Steven Harvie as the student of the year. Steven travels to Wangaratta once a week from Cobram to study Information Technology with GOTAFE and the award recognises his hard work and dedication.

GOTAFE Graduations

Graduation ceremonies were held during March at the Seymour, Shepparton, Wangaratta and Benalla Campuses. Students received graduation certificates in recognition of successfully completing nationally accredited qualifications.

Outstanding Students of the Year:

- › Joda Plex, Wangaratta Campus, Nursing
- › Terrilee Finlayson, Shepparton Campus, Hospitality
- › Kellie Grant, Benalla Campus, Performing Arts
- › Susan Aspinall-Loughnane, Seymour Campus, Nursing

Trade Awards



GOTAFE Trade Awards for the Shepparton and Seymour Campuses, as well as the Wangaratta and Benalla Campuses

were held during December. The awards ceremony was attended by more than 240 apprentices, employers, sponsors and GOTAFE trainers.

The evening recognised outstanding pre-apprentices, and apprentices in their first, second, third and fourth years.



The guest speaker for the evening was Luke Burgmann, a local employer of GOTAFE

apprentices who began working at Woollard's Auto Body Works in 1996. In 2014 he celebrated his 18th year employed by the company and his 11th year in partnership managing the business. Luke gave a real life demonstration of what can be achieved through hard work, dedication and a passion for your industry.

Outstanding Apprentice Achievement Award winners:

- › Automotive, Billy Cowcher
- › Engineering, Hayden Rowell
- › Building, Tom Mason
- › Electrical, Joshua Goznic
- › Plumbing, Beau Bailey
- › Hairdressing, Liberty Meehan
- › Hospitality, Juliette Leighton

2014 Apprentice of the Year for Wangaratta and Benalla Campuses:

- › Hayden Rowell, Engineering Apprentice

Outstanding Apprentice Achievement Award winners:

- › Automotive, Adam Ispanovity
- › Engineering, Wesley Shellie
- › Building, Hayden Dodman
- › Electrical, Ashley Holland
- › Plumbing, Adrian Hamer
- › Hairdressing, Danielle Pigatto (nee Rando)
- › Hospitality, James Lee
- › Baking, Emma Jenkinson

2014 Apprentice of the Year for Shepparton and Seymour Campuses

- › Danielle Pigatto (nee Rando), Hairdressing Apprentice

GOTAFE students take out top training awards



GOTAFE students Miranda Borlini and Caitlin Maher took out two of the top six awards at the 2014 Victorian

Training Awards at a presentation evening held at the Crown Casino, Melbourne during September.

Miranda was announced the Victorian Koorie Student of the Year, while Caitlin Maher won the Victorian School-based Apprentice of the Year. Both Miranda and Caitlin were presented with a cheque for

\$10,000 by Higher Education and Skills Minister Nick Wakeling.

Miranda is the Director of Lulla's Children and Family Centre in Shepparton, while Caitlin was completing Year 12 at Assumption College, Kilmore.

GOTAFE wins Wurreker award



GOTAFE was formally recognised as the state's best Victorian TAFE Institute providing Koorie Vocational

Education and Training at an awards ceremony held in Melbourne during October.

GOTAFE Teacher Jo Fasano was also a finalist in the Wurreker Awards in the Teacher/Trainer category after being nominated by GOTAFE student and 2014 Victorian Koorie Student of the Year Miranda Borlini.

The Wurreker Awards are an initiative of Victorian Aboriginal Education Association Inc. (VAEAI) and recognise individuals and organisations that are committed to creating real and positive outcomes for Koorie individuals and communities.

Matt matches colours to compete

Automotive apprentice Matt Watts competed against the state's best in a colour matching competition held in Melbourne during August.

The thirty year old mature age apprentice, completing his second year of a spray painting apprenticeship was selected to represent GOTAFE and his employer Custom Creations Paint and Panel, Wangaratta at the PPG competition.

Equine student recognised with Premiers Award



Jessica Randall received a Premiers Award for Equine Industry studies at an awards ceremony

held during April at the Melbourne Convention Centre.

The Premiers Awards recognised outstanding students who achieved a score of 46 or above in their elected Victorian Certificate of Education (VCE) subject. Jessica achieved a study score of 48 in Certificate II in Equine Industry making her automatically eligible for the award.

Jessica completed her equine studies through distance education through the VET in Schools (VETiS) program, delivered by the National Centre for Equine Education (NCEE) based at GOTAFE's Rural Industries Campus, Wangaratta.

Building Trio Nail Awards



GOTAFE apprentice Matthew Bekker won the major prize, Apprentice of the Year Award at the

Master Builders Association of Victoria Regional Apprentice Awards held during March.

Sessions Builders, who are long-term employers of GOTAFE apprentices, also took out a prestigious award, the Employer-Nominated award, while GOTAFE student Lachlan Cale won the Chairman's award.

Billy awarded silver at National Competition



Fourth year spray painting apprentice Billy Cowcher was awarded a silver medal, narrowly missing out on the gold

medal by only one and a half points at the National World Skills Competition held in Perth during September.

The 21 year-old GOTAFE apprentice and employee at Woollards Auto Body Works in Shepparton won gold at the state level World Skills competition earlier this year making him eligible to compete at the National level competition.

Billy was also awarded Outstanding Final Year Apprentice for the Certificate III Automotive Vehicle Body (Paint) at the GOTAFE Trade Awards.

Cookery apprentice competes at national level

Twenty two year old, third Year Cookery Apprentice James Lee took out the top prize at the AusTAFE Culinary Competition State Final when he competed against other Victorian TAFEs, making him eligible to compete at the National level.

James was chosen by hospitality staff to represent GOTAFE at the state level after convincingly taking out the internal competition. James went on to represent Victoria at the Australian Apprentice competition held in Adelaide.

NCDE Graduations

Graduations' for the National Centre for Dairy Education (NCDE), were held across four regions including Gippsland, Northern Victoria, Western Victorian and Werribee (Dairy Processing). Each graduation celebrated outstanding student achievements.

STAFF

GOTAFE outstanding teachers announced



Senior Management and the Board celebrated the achievements of GOTAFE and its staff at the Annual

Board Christmas Function during December.

Paul Culpan, CEO acknowledged the following winners of the Educational Excellence Awards;

- Innovative Training Award, Karen Davies and Sherryn Smith (Animal Science)
- Teacher/Trainer of the Year, Dani Gow (Learning Skills Unit)

The Innovative Training Award recognised Karen's and Sherryn's creative and innovative approaches to education and training methodologies which resulted in enhanced outcomes for learners, employers and staff.

Dani was recognised for her exemplary teaching and training skills together with her commitment and professionalism.

Jazz photography on display at local restaurant

GOTAFE photography teacher Warren Tait demonstrated his own photography skills with his works on display at local restaurant and Jazz Festival hub, Hollywood's Restaurant in Wangaratta.

Hollywoods has had a strong association with the Jazz Festival over the years and invited to Warren to showcase his photos featuring Jazz and Blues musicians and artists. Warren's photos are now a permanent display at the restaurant.

A doll of an exhibition

The Wangaratta Art Gallery hosted GOTAFE Visual Arts Teacher, Dr Jan Donaldson's exhibition titled 'Artifact and Identity' during August. The exhibition featured more than 40 intricately created dolls varying in symbolism, size and materials. The diversity and range of the exhibition was demonstrated by the Infant of Prague, created using gold, brass, plastic and cotton and stands only 90mm tall, in stark contrast to Vilem and Jarmila, made from Linden and Bass Wood, ink and paints and stands 300mm high.

The dolls were displayed in a cave-like purpose built room within the gallery. The exhibition launch was attended by more than 75 people and was formally opened by internationally renowned artist, gold and silversmith, Robert Baines.

INFRASTRUCTURE

BUILDING WORKS AND EQUIPMENT

Senator opens contemporary automotive facility

The Federal Parliamentary Secretary to the Minister for Education Senator the Hon Scott Ryan opened the Automotive Trade Training facility incorporating the Youth North East Trade Training Centre (YouthNETT) at the Docker Street Campus, Wangaratta.

The facility was established as part of the YouthNETT project, a partnership between GOTAFE and the YouthNETT consortium that included nine cluster schools including Wangaratta High School and the lead organisation, Rutherglen High School.

The YouthNETT facility was funded through the Australian Government's Trade Training Centres in Schools Program and will be managed by GOTAFE to provide vocational education and training across North-East Victoria.

World-class training in Seymour

GOTAFE conducted automotive pre-apprenticeship and apprenticeship courses at the new Central Ranges Trade Training Centre's Northern Hub during February.

The state of the art facility located at Seymour College was developed to maximise outcomes for young people in the region. The facility has been purpose built to provide world class industry level training in automotive, engineering and metal fabrication.

GOTAFE worked closely with employers and job networks to develop a training model that suits the region's needs.

The federally funded initiative addresses industry skill shortages in regional Victoria and will provide education and future employment opportunities to local people.

SYSTEMS AND INFORMATION TECHNOLOGY

Server infrastructure capacity increased to support SMS

GOTAFE expanded its server infrastructure capacity to satisfy the additional hardware requirements for the Student Management System (SMS) system along with other integrations. The new capacity enables further required upgrades to SMS ensuring continuous improvement to its performance and ability to meet stakeholder requirements.

TAS Upgrade

A new SharePoint2013 infrastructure was built to provide system foundation for the Training and Assessment Strategy (TAS) designed by ASQA. This includes the implementation of a workflow system known as Nintex, that provided a seamless approval process within the TAS. As part of the upgrade, all previous records were migrated into the new system.

Lync software replaces Adobe Connect

Lync was installed across the Institute providing real-time presence information with instant messaging, video conferencing, voice communications and the program also integrates with Microsoft Exchange and Microsoft Office applications such as SharePoint2013.

It provides staff and students with a robust desktop conferencing facility and is also available to internal and external customers on various platforms to support e-learning.

ENVIRONMENTAL PERFORMANCE

Energy

Indicator	2013			2014		
	Electricity	Natural gas	Green power	Electricity	Natural gas	Green power
Total energy usage (MJ)	13,152,957	10,474,112	0	13,210,120	11,166,022	0
Greenhouse gas emissions associated with energy use (t CO ₂ e)	4,896	578	-	4,917	616	-

Actions undertaken

LED lights
New energy efficient LED lights installed as a replacement for older fluorescent lighting at the Benalla Campus in office administration areas.

Explanatory notes

Energy data above is for both training operations and office and is not able to be differentiated for office only. Energy data is not available for shared/co-located site in Western Victoria and in prison campuses at Beechworth and Dhurringile.

Transport

Indicator	2013			2014		
	Diesel vehicles	LPG vehicles	Petrol vehicles	Diesel vehicles	LPG vehicles	Petrol vehicles
Total fuel consumption by vehicles (litres)	184,292	71,951	1,969	182,203	55,211	4,415
Total vehicle travel (km)	2,443,940	558,658	12,665	2,420,600	445,289	37,619
Total greenhouse gas emissions from vehicle fleet (t CO ₂ e)	530	122	5	524	94	11
Total distance travelled by aeroplane (km)	324,849			72,180		

Actions undertaken

Desktop meetings
Microsoft Lync training to over 360 staff on desktop videoconferencing.

Videoconferencing equipment
New videoconferencing equipment installed at the major campuses conference rooms to facilitate group training and meetings.

Explanatory notes

Vehicles include cars (pool cars and manager-allocated vehicles) and buses for transport of students. Training vehicles (tractors, quad bikes) are excluded.

Paper

Indicator	2013	2014
Total units of copy paper used (reams)	Not available	Not available

Actions undertaken

Copy paper purchase
All copy paper purchased is certified as carbon neutral.

Explanatory notes

Paper consumption use on GOTAFE printer/photocopier machines by staff and students or outsourced to the contracted printer decreased in 2014 on 2013 year level by 4% as more use of online training delivery and electronic storage occurred.

Procurement

In 2014 GOTAFE has no significant procurement activities to report on.

Waste

Indicator	2013			2014		
	Landfill	Co-mingle recycling	Compost	Landfill	Co-mingle recycling	Compost
Total units of waste disposed of (kg/yr)	139,511	35,872	Not available	103,177	34,341	Not available
Recycling rate (percentage of total waste)	21%			25%		
Actions undertaken						
Waste management systems	A walk-through waste audit was undertaken by Halve Waste at the Docker Street Wangaratta Campus and suggestions for improvement provided. Further improvement to the waste management bins system at William Orr Campus were undertaken.					

Explanatory notes

Waste is for both training operations and office. Waste data is not available for shared/co-located site in Western Victoria and in prison campuses at Beechworth and Dhurringile.

Paperboard & paper included with co-mingle recycling data above.

Water

Indicator	2013	2014
Total units of metered water consumed (kilolitres)	42,354	39,403
Actions undertaken		
Grounds watering	Sprinkler timing set to minimise usage	

Explanatory notes

Kilolitres consumed data is potable/town water for training operations, grounds maintenance and office use for campuses other than shared/co-located site in Western Victoria and prison campuses at Beechworth and Dhurringile.

Rainwater tanks in use at Benalla and Seymour campuses and Rural Industries Campus Wangaratta for toilet flushing, grounds/landscape and horticulture operations is not metered.

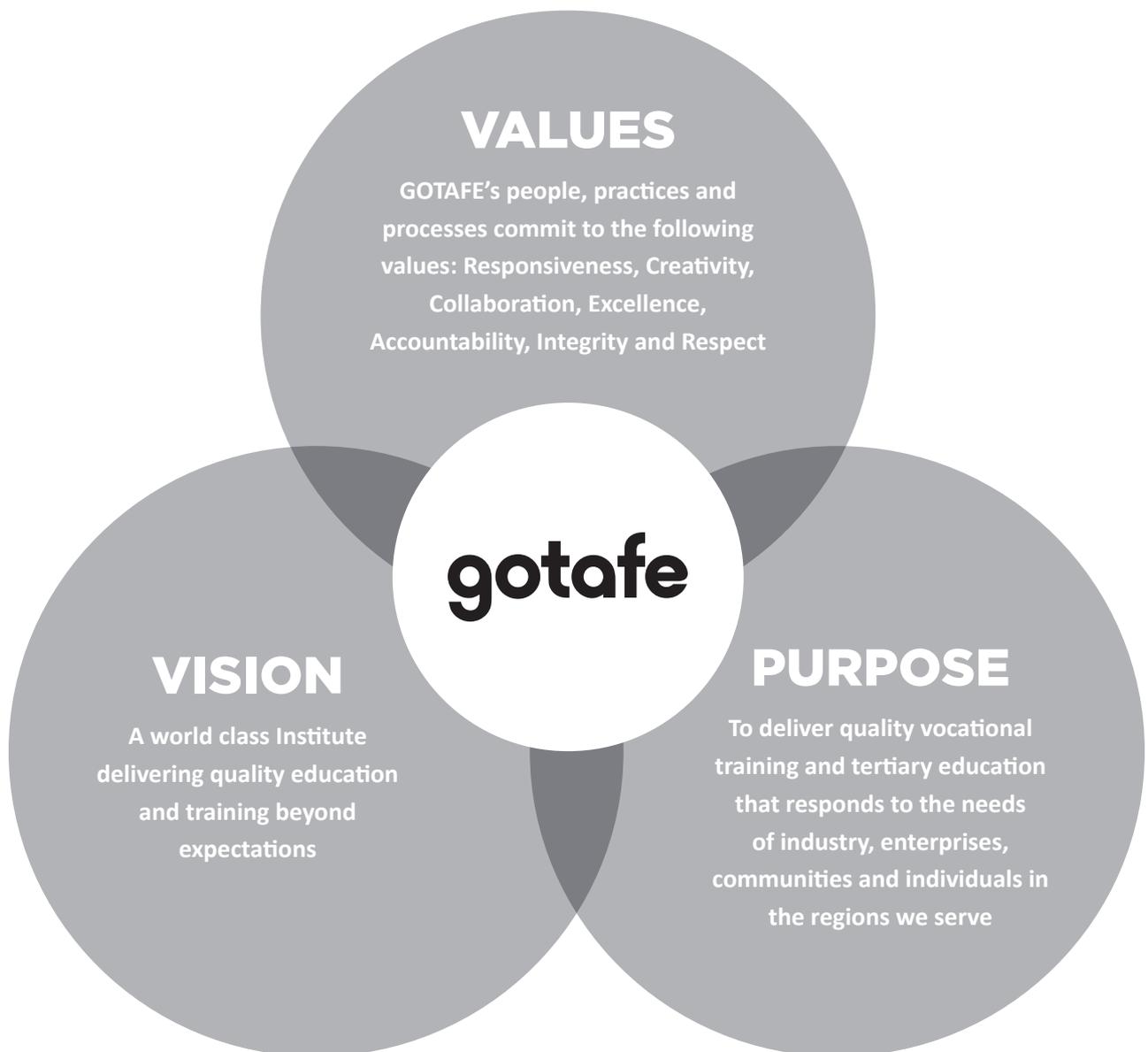
FINANCIAL PERFORMANCE

Summary of Business Results for 2014

Operating Revenue	\$55,019,010
Property, Plant and Equipment Assets	\$87,106,848
Student Enrolments	19,969
Student Contact Hours	6,381,709

OUR ORGANISATION

Our Values, Vision and Purpose



2014 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



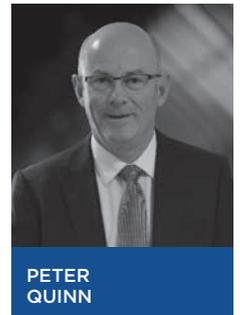
ADAM
FURPHY



GEOFFREY
OLIVER



CHRISTOPHER
MCPHERSON



PETER
QUINN



REBECCA
WOOLSTENCROFT



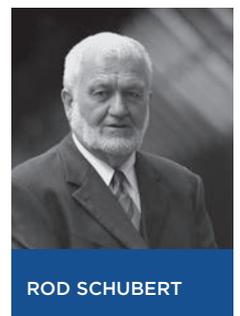
JOANNE
DWYER



JONATHON
KOOOP



DAVID MCKINNON



ROD SCHUBERT

MICHAEL TEHAN Chairman

Lawyer, Tehan, George & Co
Ministerial Board Chair,
appointed 16 April 2013

Michael is the senior partner of Tehan, George & Co, a legal firm operating in Euroa and Seymour and has a Bachelor of Laws and is a Notary Public and qualified mediator. He has extensive experience in audit, regional development, strategic planning, community networking and development, tourism and hospitality and tertiary education and training.

He is a former Local Government Commissioner, a former Chairman of

Nagambie Lakes Authority, a member of the GVFL Tribunal and Chair of the GVFL Audit Committee.

Michael is a past Board Member of Benalla Performing Arts and Convention Centre and past Chair of the Strathbogie Shire Council Audit Committee.

LISBETH LONG

Deputy Chair

General Manager, Silent Range Estate
Minister Nominee Director,
appointed 14 July 2008

Lisbeth is a dynamic business and community leader who has held senior strategic Board, ASX100 business, not-

for-profit, advisory and community positions with diverse responsibilities and community impact.

She has a Bachelor of Economics, is a recipient of the 2014 Victorian Women's Governance Scholarship, is a member of the Australian Institute of Company Directors, is also a Director of the Alpine Valleys Community Leadership Program and has extensive Board experience in education and training, governance, strategic planning, finance, law, organisation development, change management and risk management.

Lisbeth has held a number of directorships in regional Victoria.

ADAM FURPHY**Deputy Chair****Managing Director, J. Furphy & Sons***Ministerial Director,**appointed 16 March 2009*

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***Board Nominee Director, appointed 17**March 1997 and retired 28 February 2014*

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 Nominee Director,**appointed 30 November 2009*

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.

PETER QUINN**Managing Director, GV Water***Ministerial Director, appointed 26 October**2011, resigned 28 February 2014*

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****Chief Executive Officer, MB+M Group***Board Nominee Director,**appointed 5 March 2012*

Rebecca is a Chartered Accountant and has a Bachelor of Commerce, she has served on the GOTAFE board since 2012. Rebecca is a Director and Co-Owner of MB+M, a financial services business in Shepparton. Her expertise includes strategic business development plans for small and medium sized businesses, working with business owners to develop business and personal goals, and setting actions for goals to ensure their achievement.

JOANNE DWYER**Chartered Accountant***Board Nominee Director,**appointed 1 September 2013*

Joanne is a Certified Practising Accountant and has a Bachelor of Commerce Degree. Joanne is an independent consultant with Brulant Consulting and Dwyer Securities Limited, and is a current member of the Australian Institute of Company Directors and Certified Practising Accountant of the CPA Australia.

Joanne has held a number of directorships in regional Victoria, and her expertise lies in Business Project Management and strategic planning.

JONATHAN KOOP**Primary Producer***Board Nominee Director,**appointed 1 September 2013*

Jonathan is a Chartered Accountant and a graduate of the Australian Institute of Company Directors, and has a Bachelor of Economics Degree.

Jonathan is a Primary Producer and is a current Board Member of North East Water. He possesses strong leadership and analytical skills, and his expertise lies in strategic business planning and management.

DAVID MCKINNON**General Manager Human Resources and Safety, Bega Cheese Limited***Ministerial Nominee Director,**appointed 25 July 2014*

David is an experienced Human Resources executive with a demonstrated capacity to lead and delivery real value to the organisations top and bottom lines in both a domestic and international environment.

David brings to the GOTAFE Board a passion for effective and efficient vocational training and a commitment to developing opportunities for people in regional communities.

ROD SCHUBERT**Management Consultant-Human Resources***Ministerial Nominee Director,**appointed 23 October 2014*

Rod has been employed in Executive Human Resources for nearly 30 years in a variety of large businesses throughout Australia. More recently he has focused his HR efforts within large food manufacturers, including SPC Ardmona and Campbell's Soup. Rod has a Graduate Diploma in Labour/Management Relations and is a Bail Justice of Victoria.

He has resided in Shepparton for the last 20 years and has held a range of Director and/or Chairman positions with training organisations and sporting clubs in the region.

New Constitution

Amendments to the *Education and Training Reform Act 2006* passed in 2010 resulted in the introduction of new constitutions at each TAFE institute. The amendments are in line with recommendations from the independent TAFE Reform Panel, which backed the State Government's plans to establish professional skills-based boards, remake TAFE institutes' constitutions and establish stronger commercial and strategic planning guidelines.

Minster Hall initiated the new constitution which was adopted by the GOTAFE Board and came into effect on the 15th April 2013.

Michael Tehan was re-appointed as the chair by the Governor in Council, on the Government's recommendation.

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.

General duties of the Board

The duties of the Board are set out in the GOTAFE Constitution.

The board must take all reasonable steps for the advancement of the objectives of the Institute and the board under the Act and this Constitution; operate in accordance with the economic and social objectives and public sector management policy established from time to time by the Government of Victoria; meet at intervals prescribed in this Constitution; provide all assistance and information as the Minister, the Secretary or the Deputy Secretary may reasonably require from the board; and ensure the safe custody and proper use of the common seal of the Institute.

Meeting Attendance

Board Member	Attendance
Michael Tehan	10/11
Lisbeth Long	11/11
Adam Furphy	7/11
Geoffrey Oliver*	1/11
Christopher McPherson	10/11
Peter Quinn*	10/11
Rebecca Woolstencroft	10/11
Joanne Dwyer	11/11
Jonathan Koop	11/11
David McKinnon	6/6
Rod Schubert	2/2

*Resigned or retired in 2014

Board Committees

The Board has the following committees:

- Executive
- Audit
- Remuneration
- OH&S Oversight

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 2014 were Michael Tehan (Chair) and 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 2014 were, Rebecca Woolstencroft-Chair (Chair Mar - Sept), Lisbeth Long, Joanne Dwyer (Chair Oct - Dec), Jonathan Koop, Michael Tehan and Peter Quinn (Chair Jan - Feb, resigned 28/02/2014).

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 2014 were Michael Tehan (Chair), Lisbeth Long, Chris McPherson and Geoff Oliver (retired 28/2/14).

The OHS Oversight Committee oversees the organisation's performance, the implementation of; and monitors and reviews management's progress towards the achievement of the Occupational Health and Safety Management System in accordance with Australian Standard AS 4801 within GOTAFE.

Members of the Board who held positions on this committee in 2014 were Adam Furphy-Chair, Chris McPherson, Jonathan Koop, Joanne Dwyer and David McKinnon.

Only Board members hold positions on these committees.

Board Training

- Michael Tehan, Lisbeth Long and Joanne Dwyer attended the VTA State Conference during July.
- Board Members also undertook training relevant to their current employment, enhancing the currency of the board's skills matrix including;
- Michael Tehan undertook training with the Law Institute of Victoria – Risk Management, and Risk Management and Fraud during May October.
- Lisbeth Long, attended Australian Institute of Company Directors, specifically Company Directors' course and Interpreting Financial Statements during November and December as well as Governance Matters via Online Learning Modules.
- Chris McPherson, undertook the following with AICD; Annual Conference in May, Not For Profit Seminar in June and Directors Update in October.
- David McKinnon completed Advanced Human Resources Management Program at the University of Michigan in March.
- Joanne Dwyer attended a number of sessions relating to CPA's and two programs specifically for Company Directors.

Executive Management Team

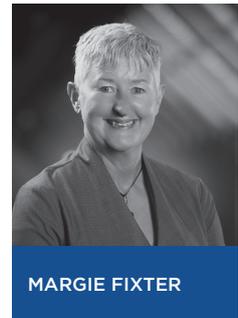
The GOTAFE Executive Management Team’s focus is strategic leadership and business development, with day-to-day operations supported by middle management under a policy and procedural framework established by the Executive Management Team under the Board’s delegation framework.



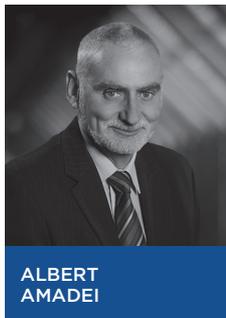
PAUL
CULPAN



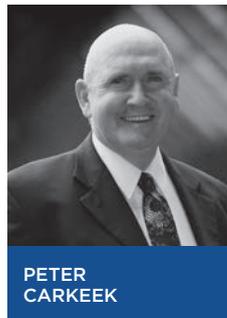
THOMAS
PAMMINGER



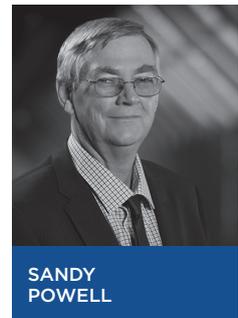
MARGIE FIXTER



ALBERT
AMADEI



PETER
CARKEEK



SANDY
POWELL



LOUISE
PEARCE



KEN MCLENNAN



LEISA CLARKE

Paul Culpan

CHIEF EXECUTIVE OFFICER

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

- ▶ Assist the Institute Board in the updating 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.

Thomas Pamminger

GENERAL MANAGER

CORPORATE SERVICES & BOARD SECRETARY

Responsibilities are:

- Governance of the Institute's financial systems and processes
- Efficient and effective operation of the Board and Audit Committee through role as Board Secretary
- Audit and risk management leadership to ensure Institute financial compliance and stability
- Leadership of the following functions:
 - Financial Services
 - Procurement
 - Facilities Management
 - Information and Communications Technology
 - Legal
 - Administration and enrolments
 - Library Services
 - Oversight of environmental sustainability initiatives
- To act as contact officer for:
 - Freedom of Information
 - Privacy
 - Whistleblowing

Margie Fixter

GENERAL MANAGER

EDUCATION

The General Manager Education has responsibility across the education portfolio, overseeing each of the education delivery divisions.

Responsibilities are:

- Leadership in the development, delivery and compliance of all education and training programs
- Implementation of GOTAFE's strategic plan within the education portfolio
- Management of the financial performance of the education portfolio to ensure sustainability into the future
- Quality provision of education and continuous improvement, resulting in ASQA and OH&S compliance
- Development of a culture of excellence, professionalism and teamwork across all education areas.

Executive Managers

EDUCATION

The Institute has four education delivery divisions led by Executive Managers. Their overarching responsibilities are:

- Leadership of educational development and delivery
- Management of teaching delivery teams and support staff
- Industry engagement and relationship development
- Partnership development including Higher Education collaborations
- Management of the financial performance of the division

Albert Amadei

EXECUTIVE MANAGER

EDUCATION

TECHNOLOGY INDUSTRIES & SCHOOL PARTNERSHIPS

Specific educational areas of responsibility are:

- Vocational Education and Training in Schools (VETiS)
- Automotive (Mechanical and Body)
- Building and Plumbing
- Electrical
- Engineering - Mechanical
- Engineering - Fabrication
- Hair and Beauty
- Hospitality
- Baking
- Shepparton Technical Education Centre (TEC)
- Wangaratta Technical Education Centre (TEC)
- Corrections Education Centre – Dhurringile
- Corrections Education Centre – Beechworth

Peter Carkeek

EXECUTIVE MANAGER

EDUCATION

VOCATIONAL PATHWAYS, AGRICULTURE & NATIONAL CENTRE FOR DAIRY EDUCATION (NCDE)

Specific educational areas of responsibility are:

- National Centre for Dairy Education (Dairy Farming)

- Agriculture
- Vocational Pathways which includes:
 - Multicultural Education Centre
 - Koorie Education Unit
 - Learning Skills Unit
 - VCAL delivery

Sandy Powell

EXECUTIVE MANAGER

EDUCATION

RURAL AND MANUFACTURING

INDUSTRIES

Specific educational areas of responsibility are:

- Animal Sciences
- Conservation & Land Management
- Food Processing
- Horticulture
- Manufacturing
- National Centre for Dairy Education (Dairy Processing)
- National Centre for Equine Education (NCEE)
- Occupational Health & Safety
- Production Horticulture
- Transport & Logistics
- Veterinary Nursing
- Veterinary Technology
- Viticulture

Louise Pearce

EXECUTIVE MANAGER

EDUCATION

SERVICE INDUSTRIES

Specific educational areas of responsibility are:

- Aged Care
- Art & Design
- Business
- Information Technology
- Management
- Community Services
- Children's Services
- Health (Nursing & First Aid)
- GOTAFE Regional Academy of Dramatic Arts (GRADA)
- Sports & Recreation
- Training & Assessment
- eLearning

Ken McLennan
 EXECUTIVE MANAGER
 STRATEGY & COMMERCIAL
 DEVELOPMENT

The General Manager Strategy & Commercial Development has responsibility for long term planning and development of the commercial capability of the Institute.

Responsibilities are:

- › Leadership of processes for development of GOTAFE’s strategic, operational and marketing plans
- › Development and leadership of strategic initiatives to support the achievement of organisational objectives.
- › Identification of cross-Institute business development opportunities and establishment of strategic partnerships to leverage Institute growth
- › Leadership of GOTAFE’s marketing function to ensure effective positioning of the Institute and effective student attraction

Leisa Clarke
 EXECUTIVE MANAGER
 PEOPLE & PERFORMANCE

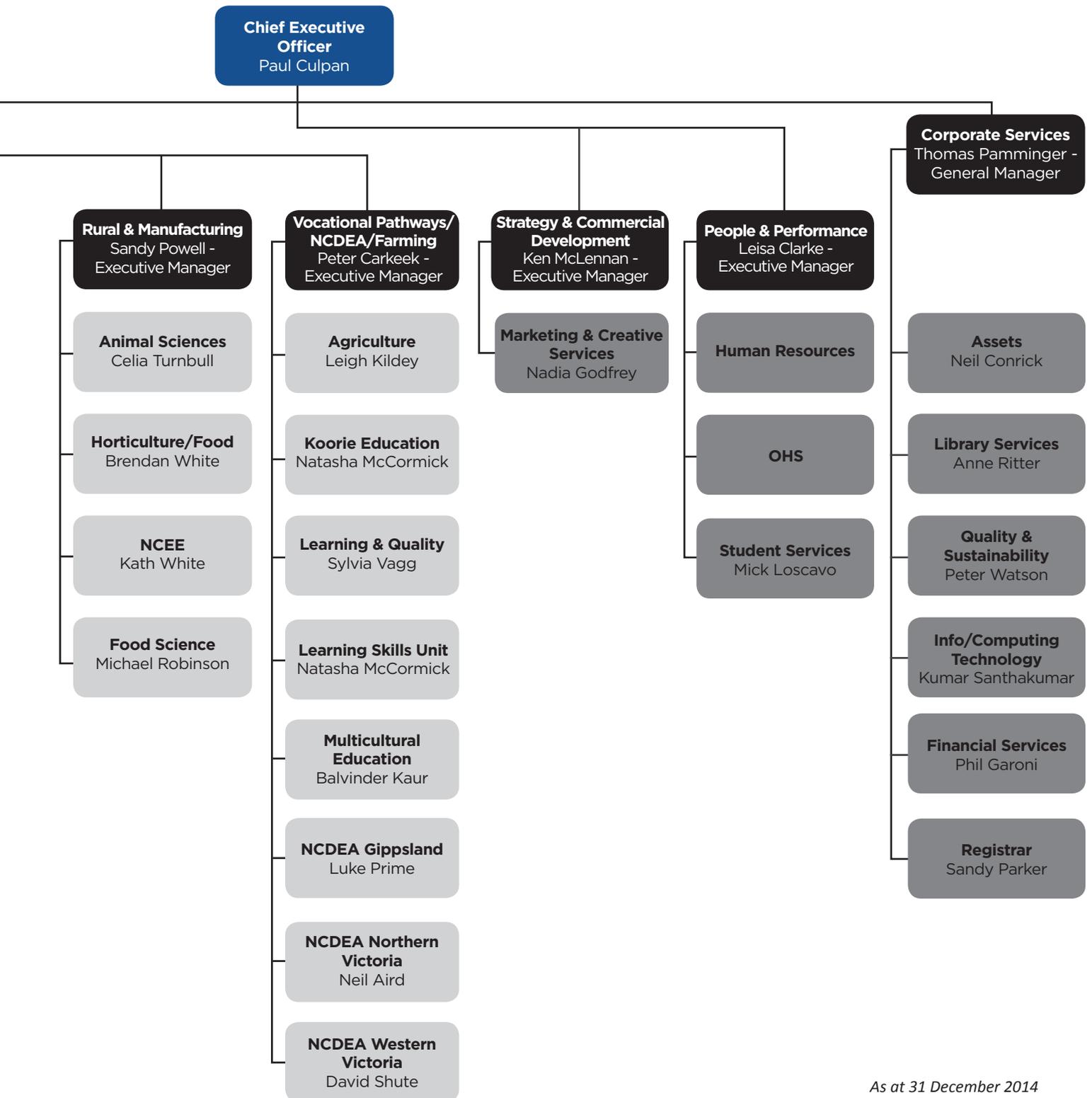
The General Manager People & Performance has responsibility to assist achievement of organisational goals through development and implementation of a range of frameworks, systems and processes which influence the work and study environment of staff and students across the Institute.

Responsibilities are:

- › Strategic leadership and advice on organisational capability,
- › Development and delivery of remuneration policy
- › Provision of an Organisational Learning and Development framework
- › Industrial Relations and compliance
- › Occupational Health and safety
- › Student support and services



Organisational Chart



COMPLIANCE INFORMATION

Statutory Requirements & Statements

The Institute's 2014 Annual Report has been prepared in accordance with the requirements of the following acts, but not limited to;

- Education and Training Reform Act 2006 (ETRA)
- TAFE institute constitution
- Directions of the Minister for Training and Skills (and predecessors)
- TAFE institute Commercial Guidelines
- TAFE institute Strategic Planning Guidelines
- Public Administration Act 2004
- Financial Management Act 1994 and applicable financial reporting directions issued under that legislation
- Freedom of Information Act 1982 (FOI Act)
- Building Act 1993
- Protected Disclosure Act 2012
- Victorian Industry Participation Policy Act 2003

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.

Making a request

The authorised Freedom of Information Officer for the Institute is the General Manager Corporate Services, 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 Corporate Services on 1300 GOTAFE (1300 468 233) in the first instance. As detailed in s17 of the Freedom of Information Act 1982 formal requests for access to documents or records are required to be directed in writing to:

The General Manager Corporate Services
Attention: Freedom of Information Officer
Goulburn Ovens Institute of TAFE
152 – 200 Fryers Street,
Shepparton, Victoria 3630

In summary, the requirements for making a request are:

- it should be in writing;
- it should identify as clearly as possible which document is being requested; and
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

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

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au.

External Reviews

There were no major external reviews of the Institute in 2014.

Freedom of Information

The Freedom of Information Act 1982 allows the public a right of access to documents held by the Department. During 2014, no requests were made to GOTAFE by a member of the public or parliament to access information.

National Competition Policy

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

- the benefits of the restriction to the community as a whole outweigh the costs; and
- the objectives of the legislation can only be achieved by restricting competition.

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if they are not in the public interest.

Government businesses are required to cost and price these services as if they were privately owned and thus be fully cost reflective. Competitive neutrality policy provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

GOTAFE continues to comply with the requirements of the NCP and 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.

Therefore GOTAFE is working to ensure that Victoria fulfils its requirements on competitive neutrality reporting for technological based businesses against the enhanced principles as required under the National Reform Agenda.

Non-Academic Student Fees

2014 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 2014 the Institute did not charge a Student Services and Amenities Fee. The expenditure 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 was as follows:

- Salary of Student Services Officers and Counselling Officers - \$892,323
- Non-Salary - \$58,405

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.

Maintenance and capital works

GOTAFE continued its aim for the provision of quality infrastructure, that is compliant with the following;

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

Actions for 2014 included;

- Scheduled, reactive and general maintenance and repairs of buildings, plant and grounds
- Management of compliance to the Building Commission's Essential Safety Measures
- Compliance to the Building Commission's requirements regarding cooling tower systems
- Construction of a Higher Education space at Shepparton in partnership with Federation University
- Concept design and approval for the construction of the Goulburn Murray Trade Skills Centre at Shepparton in partnership with a consortium of secondary schools
- Construction of a shared facility in Wangaratta in partnership with Charles Sturt University
- Transfer of titles from the Minister to GOTAFE

Industrial Relations

GOTAFE is working closely with employees and both the National Tertiary Education Union (NTEU) and the Australian Education Union (AEU) to negotiate replacement agreements for employees.

Regular meetings were conducted as per the negotiation meeting schedule. There has been no industrial action during this period.

Victorian Public Sector Travel Principles

GOTAFE has a procedure in place to ensure it is compliant with the Victorian Public Sector Travel Principles.

Protected Disclosure Act

GOTAFE has a procedure in place to meet the requirements of the Protected Disclosure Act 2012. There were no disclosures made to the Institute during 2014, 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. The Protected Disclosure Act 2012 supersedes the now repealed Whistleblowers' Protection Act.

Recruitment

By the end of December 2014 GOTAFE had advertised 49 positions, of these positions, 44 were advertised both internally and externally and 5 advertised internally only. Of these 49 positions only one was not filled. The number of advertised positions was fewer in 2014 than the 64 in 2013 due to a recruitment freeze during the year.

Design and print requirements

GOTAFE's Annual Report complies with FRD 30A Standard requirements for the design and print of annual reports.

Carers Recognition Act 2013 (Carers Act)

GOTAFE recognise that some of its staff and students have carer responsibilities. Staff and/or students in a carer's role are encouraged to access a range of support from Student Services including counselling, disability support and welfare supports. Through its Reasonable Adjustment Plan 2014-2017 (RAP) GOTAFE will continually improve feedback and reporting mechanisms around the specific support needs of carers, utilising that information to improve current and future planning and service delivery.

Occupational Health and Safety (OHS)

GOTAFE demonstrates an integrated risk management approach to occupational health and safety underpinned by relevant industry codes, legislation and standards. GOTAFE is committed to providing a safe work environment for all employees, students, contractors and visitors and takes a proactive approach to best practice occupational health and safety by establishing clear policies, goals and strategies, monitoring systems, developing preventative programs and articulating employee responsibilities.

Regular reviews of health and safety risk reduction plans, safety audits and key performance indicators, provides assurance that the Institutes safety management systems are being successfully implemented and evaluated. The performance against such indicators is as follows; percentage of completed injury claims (100%), incidents investigated (100%), staff training attendance - 76% of employees (358) completed annual OHS training, an increase on the previous year of 179% (199) and the number of health and safety representatives increased by 240% (from 10 to 24.) Tracking of these indicators is an important step in improving OHS performance and culture, and enables the setting of targets and thresholds, as well as emphasising the importance of proactive strategies to prevent workplace injury and disease.

During 2014 a key strategy in improving OHS monitoring and performance was the development of the Board OHS Oversight Committee; responsible for overseeing Institute OHS practices to promote compliance with the Strategic Directions of GOTAFE and the implementation of an Occupational Health and Safety Management System in accordance with Australian Standard AS/NZS 4801: Occupational Health and Safety Management Systems within GOTAFE.

The following number of notable initiatives during the 2014 year were also implemented:

- Review of and development of new Institute policies and procedures

- Establishment of the OHS policy/procedure review panel (a combination of voluntary employees and managers)
- Review of the 2014 OHS Plan and development of future strategies for 2015
- Review of OHS Committee structure and processes
- Employee influenza vaccinations program

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

- Development of an electronic Incident Reporting database awaiting trial
- Monitoring of identified corrective action progress
- 226 incidents were reported within the Institute during 2014 (as at 31st December) compared to 156 incidents reported in 2013. This increase can be attributed to an increase in staff awareness, consultation and promotion of OHS
- Continued significant focus on ensuring plant and equipment safety.

Workcover & Injury Management Performance

- Three Standard WorkCover claims and one Minor WorkCover claim were accepted during the year.

The Institute Lost Time Injury Frequency Rate (LTIFR) for 2014 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 or each one million work hours worked by staff and is used to measure OHS trends over time. Results for 2014 were:

- Standard Workcover Lost Time Injury claims – 1.8 occurrences/million work hours (compared to 4.37 in 2013)

This variance is directly attributable to the raised awareness of OHS and the effectiveness of the OHS system.

GOTAFE recognises that good OHS practices not only provide a safer working environment but improve worker morale

and productivity and endeavours to ensure the effective monitoring of safety management systems and performance, at all levels by means of audits, self-assessments, reviews and inspections; and the application of corrective and preventative action to all identified deficiencies and non-compliances. The Institute also acknowledges that improvement of workplace safety standards is best achieved through consultation, participation and training, and will continue to improve its performance in compliance with all relevant industry codes, legislation and standards.

Additional Information Available on Request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by the GOTAFE and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;

- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
 - consultants/contractors engaged;
 - services provided; and
 - expenditure committed to for each engagement.

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

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.

Major Commercial Activity

GOTAFE has undertaken no major commercial activities during 2014 that equate to more than five per cent of the annual revenue.

Workforce information

Average Equivalent Full Time (EFT) Staffing Statistics:

Classification	2013	2014
Executive	2.0	2.75
Teaching	233.5	230.95
PACCT	116.1	121.56
Casuals/Sessional	138.3	75.18
Others (Agreed Contracts)	43.9	41.09
Totals	534.0	471.53

Note: Incorrect calculation used for 2013 figures for Casual/Sessionals.

Note: The information above represents an average equivalent full-time (EFT) staffing figure for the 2013 and 2014 calendar years, i.e. the sum of the monthly figures divided by 12.

Workforce data separated by gender:

Classification	Female	Male
Teaching	154	126
PACCT	132	28
Casuals/Sessional	153	122
Others (Agreed Contracts)	24	27

Workforce data separated by age:

Classification	Under 21	21-30	31-40	41-50	51-60	Over 61
Teaching	0	7	48	87	97	41
PACCT	0	20	35	47	39	19
Casuals/Sessional	12	30	41	82	65	45
Others (Agreed Contracts)	0	0	6	22	21	2

Consultants

In 2014, there were five consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2014 in relation to these consultancies is \$348,749.98 (excl. GST).

In 2014, there were five consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2014 in relation to these consultancies is \$16,947.50 (excl. GST).

Consultancies over \$10,000:

Consultant/Project	Amount
Deloitte Touche Tohmatsu <i>Provided modelling for submission of TSAF</i>	\$34,010.00
Kreab And Gavin Anderson <i>Public Relations</i>	\$34,617.00
Moore Stephens <i>ASQA Project</i>	\$243,622.98
Nous Group <i>Regional TAFE exploration project -development of discussion paper</i>	\$20,000.00
Victorian TAFE Association <i>Contribution to VTA member cooperative branding project 2014 stage 1 & 2</i>	\$16,500.00

Future expenditure of \$70,000 is committed to ShineWing (formerly Moore Stephens) for continuance of the ASQA Project in 2015.

The GOTAFE Annual Report is published on GOTAFE's public website and the above table is included. GOTAFE's 2014 disclosure on consultants cannot be compared to previous disclosures given the revised definition of consultants.

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 AS/NZS ISO31000:2009 (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 2015

Summary of Financial Results

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

Financial indicator	2014	2013	2012	2011	2010
Operating Revenue <i>[Excludes capital contributions, includes revaluation of investment properties]</i>	\$55,019,010	\$115,603,000	\$72,766,000	\$53,493,000	\$53,141,000
Operating Surplus/(Deficit) <i>[Excludes capital contributions, depreciation, asset impairment write-downs and profit/loss on asset disposals]</i>	(\$12,975,106)	\$16,553,000	\$14,507,000	(\$1,452,191)	\$2,103,000
Liquidity Ratio <i>[Current Assets / Current Liabilities adjusted to exclude long-term benefits]</i>	5.81:1	4.02:1	4.81:1	2.88:1	3.08:1

The decrease in the operating revenue and operating surplus/(deficit) in 2014 reflects decreased student contact hours from third-party specialist program delivery and resulting decrease in Victorian Government contestability funding.



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INDEPENDENT AUDITOR'S REPORT

To the Board members, Goulburn Ovens Institute of Technical and Further Education

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2014 of the Goulburn Ovens Institute of Technical and Further Education comprises the statement, the related notes and the declaration by chair of the board, chief executive officer and general manager corporate services 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 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 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 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.

VAGO

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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 2014 financial year presents fairly, in all material respects.

MELBOURNE
17 March 2015



John Doyle
Auditor-General

Statement Of Performance

For the year ended 31 December 2014

In our opinion, the accompanying Statement of Performance of the Goulburn Ovens Institute of Technical and Further Education for the year ended 31 December 2014, is presented fairly.

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.



Chair of the Board
Michael Tehan

Wangaratta,
12 March 2015



Chief Executive Officer
Paul Culpan

Wangaratta,
12 March 2015



General Manager Corporate Services
Thomas Pamminger

Wangaratta,
12 March 2015

Statement of Performance

For the year ended 31 December 2014

KPI	Definition	Target	2014 Actual
Overall Student Satisfaction	Of the student surveys returned, the proportion of all students satisfied with the overall quality of training.	90%	87%
Overall Employer Satisfaction	Of the employer surveys returned, the proportion of all employers who are, overall, satisfied with the training.	90%	96.4%
Working Capital Ratio	Current Assets / Current Liabilities (adjusted to exclude long-term benefits in current liability measured at present value)	> 1.5 : 1	5.81:1
Fee for Service Revenue	Fee for Service Revenue / Total Revenue (excl Capital) (Target is > 10%)	10%	19.68%
Integration of GOTAFE courses with Universities	Number of courses that have approved Higher Education Articulation Agreements (Target is >10 courses)	10	27
Return on Investment	HESG calculation: Net Result from Transactions prior to other economic flows / Total Non-Current Assets	-5.40%	-11.78%

2013 Actual	2014 % variance to target	2014 % variance 2013 actual	Comments
90%	-3.33%	-3.33%	A result just short of target. The Institute continues to implement strategies to improve the quality of training to students.
91.6%	7.11%	5.24%	This survey result from employers of apprentices and trainees shows a most satisfactory result against the target, and an improvement over the previous year.
4.02:1	-	44.53%	This is a sound result for GOTAFE in an environment with changes to funding arrangements for the TAFE sector that became effective in 2013. The Board recognises the extreme importance of GOTAFE having adequate cash reserves to meet operational requirements.
7.35%	96.80%	167.76%	In 2013, the significant growth in Government Funded training from third-party program delivery resulted in a low percentage. With the decline in such delivery in 2014, the fee-for-service revenue constituted a larger percentage of the total income. However, fee for service revenue itself did increase by 27.5% from 2013 to 2014, and indicates the Institute's continuing efforts to maximise this category of income.
17	170.00%	58.82%	The Institute has made considerable efforts to increase the opportunities for TAFE students in providing pathways for them to higher education.
13.13%	118.15%	-189.72%	A good result in 2013, but a considerable deficit Result from Transactions in 2014 brought a negative % for 2014. However, the net value of non-current assets decreased from (in \$000's) \$98,725 for 2013 to \$92,792 for 2014, and the Institute strives to continually increase the efficient use of its resources.

Disclosure Index

REPORT OF OPERATIONS

CHARTER AND PURPOSE

			PAGE #
1	FRD 22E	Manner of establishment and the relevant Minister	2
2	FRD 22E	Objectives, functions, powers and duties	2-13, 17
3	FRD 22E	Nature and range of services provided including communities served	2-13

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4	FRD 22E	Organisational structure and chart, including accountabilities	18-21
5	FRD 22E	Names of Board members	15-17

FINANCIAL AND OTHER INFORMATION

6	FRD 03A	Accounting for Dividends	N/A
7	FRD 07A	Early adoption of authoritative accounting pronouncements	Financial Report 20
8	FRD 10	Disclosure Index	32-36
9	FRD 17B	Long Service leave wage inflation and discount rates	Financial Report 17-18
10	FRD19	Private provision of public infrastructure	N/A
11	FRD 20A	Accounting for State motor vehicle lease arrangements prior to 1 Feb 2004	N/A
12	FRD 22E	Operational and budgetary objectives, performance against objectives and achievements	13, 22-26, 30-31
13	FRD 22E	Occupational health and safety statement including performance indicators and performance against those indicators and how they affected outputs	24
14	FRD 22E	Workforce data for current and previous reporting period including a statement on employment and conduct principles	25
15	FRD 22E	Summary of the financial results for the year including previous 4 year comparisons	26
16	FRD 22E	Significant changes in financial position during the year	26
17	FRD 22E	Major changes or factors affecting performance	26
18	FRD 22E	Post-balance sheet date events likely to significantly affect subsequent reporting periods	Financial Report 52
19	FRD 22E	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	22
20	FRD 22E	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i>	23
21	FRD 22E	Statement on National Competition Policy	22-23
22	FRD 22E	Summary of application and operation of the <i>Protected Disclosure Act 2012</i>	23
23	FRD 22E	Summary of Environmental Performance	12-13

			PAGE #
24	FRD 22E	<p>Consultants: Report of Operations must include a statement disclosing each of the following</p> <ol style="list-style-type: none"> 1. Total number of consultancies over \$10,000 2. Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period <p>AND publication on TAFE institute website required, for each consultancy more than \$10,000, of a schedule listing:</p> <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved • Expenditure for reporting period • Any future expenditure committed to the consultant for the project 	26
25	FRD 22E	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	23
26	FRD 22E	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at (a) – (l) in the FRD)	24-25
27	FRD 24C	Reporting of office based environmental impacts	12-13
28	FRD 25B	Victorian Industry Participation Policy Disclosures	N/A
29	FRD 26A	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004	N/A
30	FRD 29	Workforce Data Disclosures on the public service employee workforce	25
31	SD 4.5.5	Provide an attestation that risk identification and management is consistent with AS/NZS ISO31000:2009 or equivalent	26
32	SD 4.2 (g)	Qualitative and Quantitative information to be included in Report of Operations, and provide general information about the entity and its activities, together with highlights and future initiatives	2-14
33	SD 4.2 (h)	The Report must be prepared in accordance with the relevant Financial Reporting Directions	22, Financial Report 4
34	SD 4.2 (j)	The Report of Operations must be signed and dated by a member of the Responsible Body	3, Financial Report 4
35	CG 10 (clause 27)	Major Commercial Activities	25
36	CG 12 (clause 33)	Controlled Entities	Financial Report 10

			PAGE #
37	SD 4.2 (a)	The financial statements must be prepared in accordance with: <ul style="list-style-type: none"> • Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views); • Financial Reporting • business rules. 	Financial Report 4
38	SD 4.2 (b)	The financial statements are to comprise the following: <ul style="list-style-type: none"> • income statement; • balance sheet; • statement of recognised income and expense; • cash flows statement; and • notes to the financial statements. 	Financial Report 5 Financial Report 6 Financial Report 21-25 Financial Report 8 Financial Report 9-53

OTHER REQUIREMENTS UNDER STANDING DIRECTION 4.2

39	SD 4.2 (c)	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: <ul style="list-style-type: none"> • the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of the period; • the financial statements are prepared in accordance with this direction and applicable Financial Reporting Directions; and • the financial statements comply with applicable Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views). 	Financial Report 4
40	SD 4.2 (d)	Rounding of amounts.	Financial Report 19
41	SD 4.2 (e)	Review and recommendation by Audit Committee or responsible body	Financial Report 4

OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS - REFER TO THE FINANCIAL REPORT

42	FRD 11A	Disclosure of ex-gratia payments	Financial Report 52
43	FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	Financial Report 48-51
44	FRD 101	First time adoption	Financial Report 20
45	FRD 102	Inventories	Financial Report 6, 15, 26

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46	FRD 103E	Non-current physical assets	Financial Report 6, 11-12, 15-16, 24, 27-31
47	FRD 104	Foreign currency	Financial Report 9, 18-19, 39, 42
48	FRD 105A	Borrowing costs	Financial Report 12
49	FRD 106	Impairment of assets	Financial Report 12-13, 31, 35
50	FRD 109	Intangible assets	Financial Report 6, 12, 16-17, 24, 31, 35
51	FRD 107A	Investment properties	Financial Report 6, 16, 22, 24, 30, 35
52	FRD 110	Cash flow statements	Financial Report 8, 35
53	FRD 112D	Defined benefit superannuation obligations	Financial Report 11, 38
54	FRD 113	Investment in subsidiaries, jointly controlled entities and associates	N/A
55	FRD 114A	Financial instruments – general government entities and public non-financial corporations	Financial Report 13-14, 39-47
56	FRD 119A	Transfers through contributed capital	Financial Report 7, 18
57	FRD 120H	Accounting and reporting pronouncements applicable to the reporting period	Financial Report 20

PART 7 OF THE FINANCIAL MANAGEMENT ACT 1994 (FMA)

58	FMA s49 (a)	Must contain such information as required by the Minister.	Financial Report 4
59	FMA s49 (b)	Must be prepared in a manner and form approved by the Minister.	Financial Report 4
60	FMA s49 (c)	Must present fairly the financial transactions of an institute during the financial year to which they relate.	Financial Report 2-4
61	FMA s49 (d)	Must present fairly the financial position of an institute as at the end of the year.	Financial Report 2-4
62	FMA s49 (e)	Must be certified by the Accountable Officer for an institute in the manner approved by the Minister.	Financial Report 4

COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS

63	Legislation	<p>The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation and subordinate instruments, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • Education and Training Reform Act 2006 (ETRA) • TAFE institute constitution • Directions of the Minister for Training and Skills (and predecessors) • TAFE institute Commercial Guidelines • TAFE institute Strategic Planning Guidelines • Public Administration Act 2004 • Financial Management Act 1994 • Freedom of Information Act 1982 • Building Act 1983 • Protected Disclosure Act 2012 • Victorian Industry Participation Policy Act 2003 	22
64	ETRA s 3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2014.	23
65	Policy	Statement that the TAFE institute complies with the Victorian Public Sector Travel Principles	23

PRESENTATION OF REPORTING AND PERFORMANCE INFORMATION

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

66	FRD 27B	Reporting and performance should be presented using KPIs as set out in the Statement of Corporate Intent agreed with the Minister, comparing 2014 actual performance against the 2014 target and 2013 actual performance, and providing an explanation of any variance between the 2014 actual performance and 2014 target for each KPI. The KPIs must also include the Return on Investment.	30-31
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OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES

67	PAEC and VAGO (June 2003 Special Review item 3.110)	<ul style="list-style-type: none"> • Financial and other information on initiatives taken or strategies relating to the institute's overseas operations • Nature of strategic and operational risks for overseas operations • Strategies established to manage such risks of overseas operations • Performance measures and targets formulated for overseas operations • The extent to which expected outcomes for overseas operations have been achieved. 	N/A
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2014

**FINANCIAL
REPORT**



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The financial report was authorised for issue by the Board members on 12 March 2015.

The Goulburn Ovens Institute of TAFE has the power to amend and reissue the financial report.



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INDEPENDENT AUDITOR'S REPORT

To the Board members, Goulburn Ovens Institute of Technical and Further Education

The Financial Report

The accompanying financial report for the year ended 31 December 2014 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 general manager corporate services 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 *Australian Charities and Not-for-profits Commission Act 2012*, 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.

VAGO

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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 2014 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* and *Australian Charities and Not-for-profits Commission Act 2012*.

MELBOURNE
17 March 2015


John Doyle
Auditor-General

Declaration by Chair of the Board, Chief Executive Officer and General Manager Corporate Services

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 2014 and financial position of the Institute as at 31 December 2014.

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, Chief Executive Officer and the General Manager Corporate Services sign this declaration as delegates of, and in accordance with a resolution of, the Board of the Goulburn Ovens Institute of TAFE.



Chair of the Board
Michael Tehan

*Wangaratta,
12 March 2015*



Chief Executive Officer
Paul Culpan

*Wangaratta,
12 March 2015*



General Manager Corporate Services
Thomas Pamminer

*Wangaratta,
12 March 2015*

Comprehensive Operating Statement

For the year ended 31 December 2014

	Note	2014 \$'000	2013 \$'000
CONTINUING OPERATIONS			
Income from transactions			
Government contributions - operating	2(a)(i)	33,279	97,546
Government contributions - capital	2(a)(ii)	500	1,142
Sales of goods and services	2(b)	19,301	16,131
Interest	2(c)	918	1,073
Fair value of assets and services received free of charge or for nominal consideration	2(d)	5,965	-
Other income	2(e)	1,232	783
Total income from transactions		61,195	116,675
Expenses from transactions			
Employee benefits	3(a)	38,487	38,579
Depreciation and amortisation	3(b)	4,627	4,548
Grants and other transfers	3(c)	54	68
Supplies and services	3(d)	24,517	55,133
Other operating expenses ¹	3(e)	4,440	5,386
Total expenses from transactions		72,125	103,714
Net result from transactions (net operating balance)		(10,930)	12,961
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ²	4(a)	(7,683)	49
Net gain/(loss) on financial instruments ³	4(b)	(388)	-
Other gains/(losses) from other economic flows	4(c)	(108)	73
Total other economic flows included in net result		(8,179)	122
Net result from continuing operations		(19,109)	13,083
Net result		(19,109)	13,083
Comprehensive result		(19,109)	13,083

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Notes:

- 'Other operating expenses' includes bad debts expense from transactions that are mutually agreed.
- 'Net gain/(loss) on non financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.
- 'Net gain/(loss) on financial instruments' includes bad and doubtful debts from other economic flows, unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments, except when these are taken through the financial assets available-for-sale revaluation surplus.

Balance Sheet

As at 31 December 2014

	<i>Note</i>	2014 \$'000	2013 \$'000
ASSETS			
Financial assets			
Cash and deposits	16 (a)	6,164	12,226
Receivables	5	8,028	15,183
Investments and other financial assets	6	18,811	26,515
Total financial assets		33,003	53,924
Non-financial assets			
Inventories	7	89	98
Property, plant and equipment	8	87,107	84,922
Biological assets	9	-	-
Investment properties	10	1,990	1,700
Intangible assets	11	3,695	12,103
Other non financial assets	12	426	536
Total non financial assets		93,307	99,359
Total assets		126,310	153,283
LIABILITIES			
Payables	13	3,740	11,412
Provisions	14	6,700	6,892
Total liabilities		10,440	18,304
Net assets		115,870	134,979
EQUITY			
Accumulated surplus/(deficit)		23,492	42,601
Physical asset revaluation surplus	15 (a)	46,298	46,298
Contributed capital		46,080	46,080
Net worth		115,870	134,979
Commitments for expenditure	17	5,433	1,461
Contingent assets and contingent liabilities	18	383	383

The balance sheet should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the year ended 31 December 2014

	<i>Note</i>	Physical asset revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
At 1 January 2013		46,298	29,518	33,977	109,793
Net result for the year		-	13,083	-	13,083
Capital appropriations		-	-	12,103	12,103
Year ended 31 December 2013		46,298	42,601	46,080	134,979
Net result for the year		-	(19,109)	-	(19,109)
Year ended 31 December 2014		46,298	23,492	46,080	115,870

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Cash Flow Statement

For the year ended 31 December 2014

	<i>Note</i>	2014 \$'000	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government contributions - operating		44,556	99,438
Government contributions - capital		500	990
User fees and charges received		18,489	13,281
Goods and services tax recovered from the ATO		429	5
Interest received		1,031	1,019
Other receipts		3,316	2,808
Total receipts		68,321	117,541
Payments			
Payments to suppliers and employees		(78,787)	(97,160)
Goods and services tax paid to the ATO		(2,078)	(3,548)
Other payments		(53)	(68)
Total payments		(80,918)	(100,776)
Net cash flows from/(used in) operating activities	16 (b)	(12,597)	16,765
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(858)	(9,274)
Proceeds from sale of investments		8,562	1,000
Purchases of non-financial assets		(1,258)	(2,275)
Proceeds from sale of non-financial assets		89	13
Net cash provided by/(used in) investing activities		6,535	(10,536)
Net increase/(decrease) in cash and cash equivalents		(6,062)	6,229
Cash and cash equivalents at the beginning of the financial year		12,226	5,997
Cash and cash equivalents at the end of the financial year	16(a)	6,164	12,226

The above cash flow statement should be read in conjunction with the notes to the financial statements.

Note 1

Statement of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for Goulburn Owens Institute of TAFE.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2014 and the comparative information presented for the year ended 31 December 2013.

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.

1.01 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*.

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

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

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, and 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;

Critical accounting judgement and key sources of estimation uncertainty

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 relate to:

- ▶ the fair value of land, buildings, infrastructure, plant and equipment; and
- ▶ assumptions for employee benefit provisions based on future salary movements and future discount rates.

Fair value measurement

Consistent with AASB 13 *Fair Value Measurement*, the Institute determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, biological assets, investment properties and financial instruments and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For the purpose of fair value disclosures, the Institute has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

The Valuer General Victoria (VGV) is the Institute's independent valuation agency. There may be occasions when the entity utilises the services of other external third party valuers to determine fair value.

The Institute, in conjunction with VGV and other external valuers, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

1.03 Reporting entity

The financial statements cover the Goulburn Ovens Institute of TAFE as an individual reporting entity. The Institute is a statutory body corporate, established pursuant to an Act made by the Victorian Government under the *Education and Training Reform Act 2006*.

Its principal address is:

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

The financial statements include all the controlled activities of the Institute.

1.04 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 are considered to be of material interest.

1.05 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 are presented as operating cash flow.

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

1.06 Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value. 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 income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

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

Other income**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 received as a donation.

1.07**Expenses from transactions**

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

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

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

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

Class of asset	Method	Rate
Buildings	Straight	2.5% - 4.0%
Plant & equipment	Straight	15.0%
Computer and electronic equipment	Straight	15.0% - 34.0%
Furniture and fittings	Straight	10.0%
Motor vehicles	Straight	25.0%
Internal use software	Straight	10.00%

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis.

Amortisation

Intangible assets with finite lives are amortised on a straight line basis over the assets useful lives. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets with indefinite lives are not amortised. The useful life of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, the Institute tests all intangible assets with indefinite lives for impairment by comparing its recoverable amount with its carrying amount:

- (a) annually;
- (b) whenever there is an indication that the intangible asset may be impaired.

Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Interest Expense

Interest expense is recognised in the period in which it is 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.

The institute had no borrowing costs in 2014 and 2013.

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.

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 when the Institute obtains control over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

1.08 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 non-financial 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, except for:

- Inventories;
- Financial assets;
- Investment property that is measured at fair value;
- Certain biological assets related to agricultural activity;
- Non-current assets held-for-sale.

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 statement of comprehensive income, 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.

1.09 Financial instruments

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

Categories of non-derivative financial instruments

Loans and receivables

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

Loans and receivables category includes cash and deposits (refer to Note 1.10), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

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

Financial instrument liabilities measured at amortised cost include all of the Institute's contractual payables, advances received and interest-bearing arrangements other than those designated at fair value through profit or loss.

Reclassification of financial instruments

Subsequent to initial recognition and under rare circumstances, non-derivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for-sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

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 debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables

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;
- held to maturity investments; 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.

Derecognition 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 derecognised 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.

Impairment of financial assets

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.

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 a zero or nominal cost, or for consumption 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. where Inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Cost, includes an appropriate portion of fixed and variable overhead expenses. Cost is assigned to a land held for sale (undeveloped, under development, 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.

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.

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

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.

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.

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.

For the accounting policy on impairment of non-financial physical assets, refer to Note 1.08 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.

Revaluations of non-financial physical assets

Non-current physical assets measured at fair value are revalued in accordance with Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation 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. Independent valuers are generally used to conduct these scheduled revaluations. 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.

Biological Assets

Productive trees in commercial native forest and breeding livestock are recognised as biological assets. These biological assets are measured at fair value less costs to sell and are revalued at 30 June each year.

For breeding livestock, fair value is based on the amount that could be expected to be received from the disposal of livestock with similar attributes.

For productive trees, revaluation to fair value is determined using discounted cash flow method based on expected net future cash flows, discounted by a current market determined rate. After harvest, productive trees are treated as inventories.

An increase or decrease in the fair value of these biological assets is recognised in the consolidates comprehensive operating statement as other economic flow.

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.

Subsequent to initial recognition at cost, investment properties are re-valued to fair value with changes in the fair value recognised as other economic flows in the comprehensive operating statement in the period in which they arise. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. These properties are neither depreciated nor tested for impairment.

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

Intangible assets

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Institute.

When recognition criteria AASB 138 *Intangible Assets* are met, internally generated intangible assets are recognised and measured at cost less accumulated depreciation/amortisation and impairment.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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

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

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as follows:

	2014	2013
Capitalised software development cost (years)	10	10

Prepayments

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

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

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

Where applicable, discount rates advised by the Minister for Finance have been applied.

(i) Wages and salaries, and annual leave

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

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

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

(ii) Long service leave

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

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

The components of the current LSL liability are measured at:

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

Conditional LSL is disclosed a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest for which it is then recognised as an other economic flow.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for termination of employment. 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

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

Performance Payments

Performance payments for the Institute's 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.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Financial guarantees

Payments that are contingent under financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is a material increase in the likelihood that the guarantee may have to be exercised, then it is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantee contracts has been assessed using the probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year's period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

1.14 Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of note at their nominal value and inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

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 to Note 18) 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 Victorian State government are treated as contributed capital when designated in accordance with UIG Interpretation 1038 *Contribution by Owners Made to Wholly-Owned Public Sector Entities*. Commonwealth capital funds are not affected and are treated as income.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distribution to owners.

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 parent entity'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.

Foreign currency translation differences are recognised in other economic flows and accumulated in a separate component of equity, in the period in which they arise.

Group entities

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognised as a separate component of equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale where applicable.

1.18 Materiality

In accordance with Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Error*, when an Australian Accounting Standard specifically applies to a transaction, other event or condition, the accounting policies applied to that item shall be determined by applying the Standard, unless the effect of applying them is immaterial.

Accounting policies will be considered material if their omission or misstatement could, either individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

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

Subsequent to the 2013 reporting period, the following new and revised accounting standard has been adopted in the current period with their financial impact detailed as below.

AASB 1031 Materiality

This Standard is applicable to annual reporting periods beginning on or after 1 January 2014. This Standard differs from AASB 1031 (July 2004, as amended) in that it removes the Australian guidance on materiality that is not available in IFRSs. It also directs constituents to other Australian pronouncements that contain guidance on materiality.

1.22

New and revised AASBs in issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2014 reporting period.

As at 31 December 2014 the following standard (applicable to the Institute) had been issued but was not mandatory for financial year ending 31 December 2014. The Institute has not, and does not intend to, adopt this standard early.

Standard/ Interpretation	Summary	Application date of standard	Impact on entity financial statements
AASB 9 Financial Instruments	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 (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2017	The preliminary assessment has identified that the financial impact of available-for-sale assets will now be reported through other comprehensive income and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

In addition to the new standard above, the AASB has issued a list of amending standards that are not effective for the 2014 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The AASB Interpretation in the list below is also not effective for the 2014 reporting period and is considered to have insignificant impacts on public sector reporting.

- ▶ AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).
- ▶ AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- ▶ 2013-1 Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements.
- ▶ 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets.
- ▶ 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.
- ▶ 2013-5 Amendments to Australian Accounting Standards – Investment Entities
- ▶ 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements
- ▶ 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policy holders
- ▶ 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments
- ▶ AASB Interpretation 21 Levies.

Note 2

Income from transactions

	2014 \$'000	2013 \$'000
(A) GRANTS AND OTHER TRANSFERS (OTHER THAN CONTRIBUTIONS BY OWNERS)		
(i) Government contributions - operating		
State government - contestable	31,144	95,368
Other contributions by State Government	2,135	2,178
Total government contributions - operating	33,279	97,546
(ii) Government contributions - capital		
Commonwealth capital	-	214
State capital	500	928
Total government contributions - capital	500	1,142
Total government contributions	33,779	98,688
(B) SALES OF GOODS AND SERVICES		
Student fees and charges	7,129	6,199
Rendering of services:		
Fee for service - Government	5,051	4,388
Fee for service - International operations - onshore	15	-
Fee for service - Other	5,761	4,105
Total rendering of services	10,827	8,493
Other non-course fees and charges:		
Sale of goods	1,345	1,439
Total other fees and charges	1,345	1,439
Total revenue from sale of goods and services	19,301	16,131
(C) INTEREST		
Interest from financial assets not at fair value through P/L:		
Interest on bank deposits	918	1,073
Total interest revenue from financial assets not at fair value through P/L	918	1,073
Net interest income	918	1,073

	2014 \$'000	2013 \$'000
(D) FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION		
Assets		
Buildings at fair value	5,965	-
Total assets	5,965	-
Total fair value of assets and services received free of charge or for nominal consideration	5,965	-
(E) OTHER INCOME		
Rental income		
Investment properties	162	158
Other	190	190
Total rental revenue	352	348
Donations, bequests and contributions	32	30
Other revenue	848	405
Total other income	1,232	783

Note 3

Expenses from transactions

	2014 \$'000	2013 \$'000
(A) EMPLOYEE EXPENSES		
Salaries, wages, overtime and allowances	33,320	32,974
Superannuation	3,017	2,903
Payroll tax	1,762	1,712
Worker's compensation	172	227
Long service leave	14	325
Annual leave	(171)	145
Termination benefits	135	59
Other	338	234
Total employee expenses	38,487	38,579

	2014 \$'000	2013 \$'000
(B) DEPRECIATION AND AMORTISATION		
Depreciation of non-current assets		
Buildings	2,904	2,816
Plant and equipment	652	1,064
Motor vehicles	661	668
Total depreciation	4,217	4,548
Amortisation of non-current physical and intangible assets		
Software	410	-
Total amortisation	410	-
Total depreciation and amortisation	4,627	4,548
(C) GRANTS AND OTHER TRANSFERS (OTHER THAN CONTRIBUTIONS BY OWNERS)		
Grants and subsidies apprentices and trainees	54	68
Total grants and other transfers	54	68
(D) SUPPLIES AND SERVICES		
Purchase of supplies and consumables	2,086	2,396
Communication expenses	847	977
Contract and other services	18,648	48,681
Cost of goods sold/distributed (ancillary trading)	255	265
Repairs and maintenance	883	1,310
Fees and charges	1,798	1,504
Total supplies and services	24,517	55,133

	2014 \$'000	2013 \$'000
(E) OTHER OPERATING EXPENSES		
General Expenses		
Marketing and promotional expenses	810	531
Occupancy expenses	961	1,001
Audit fees and services	203	155
Staff development	140	212
Travel and motor vehicle expenses	887	1,012
Motor vehicle taxes	50	24
Other expenses	616	582
Insurances	156	153
Total other expenses	3,823	3,670
Direct operating expenses of investment properties		
Properties generating rental income - repairs and maintenance	-	4
Total direct operating expenses of investment properties	-	4
Operating lease rental expenses		
Lease payments	373	328
Total operating lease rental expenses	373	328
Subtotal	4,196	4,002
Equipment below capitalisation threshold	244	1,384
Total other operating expenses	4,440	5,386

Note 4

Other economic flows included in net result

	2014 \$'000	2013 \$'000
(A) NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS (INCLUDING PPE AND INTANGIBLE ASSETS)		
Impairment of property plant and equipment (including intangible assets)	(7,998)	-
Revaluation of non-current physical assets	290	70
Net gain/(loss) arising from changes in fair value less estimated point-of-sale costs of biological assets	-	(113)
Net gain/(loss) on disposal of property, plant and equipment	25	92
Total net gain/(loss) on non-financial assets	(7,683)	49

	2014 \$'000	2013 \$'000
(B) NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS		
Impairment of receivables	(388)	-
Total net gain/(loss) on financial instruments	(388)	-
(C) OTHER GAINS/(LOSSES) FROM OTHER ECONOMIC FLOWS		
Net gain/(loss) arising from revaluation of long service leave liability	(108)	73
Net gain/(loss) arising from revaluation of annual leave liability	-	-
Total other gains/(losses) from other economic flows	(108)	73

Note 5

Receivables

	2014 \$000	2013 \$000
CURRENT RECEIVABLES		
Contractual		
Sale of goods and services ¹	4,609	3,489
Provision for doubtful contractual receivables (See also Note 5(a) below)	(395)	(577)
Revenue receivable	3,549	11,338
Total contractual	7,763	14,250
Statutory		
GST Input tax credit recoverable	265	933
Total statutory	265	933
Total current receivables	8,028	15,183
Total receivables	8,028	15,183

¹ The average credit period for sales of goods and services and for other receivables 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 for estimated irrecoverable amounts from the sale of goods and services when there is objective evidence that an individual receivable is impaired.

	2014 \$'000	2013 \$'000
(A) MOVEMENT IN THE PROVISION FOR DOUBTFUL CONTRACTUAL RECEIVABLES		
Balance at beginning of the year	(577)	(577)
Increase in provision recognised in the net result	182	-
Balance at end of the year	(395)	(577)

(B) AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES

Please refer to Note 21(ii) for the ageing analysis of contractual receivables.

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

Please refer to Note 21(ii) for the nature and extent of credit risk arising from contractual receivables.

Note 6

Investments and other financial assets

	2014 \$'000	2013 \$'000
CURRENT INVESTMENTS AND OTHER FINANCIAL ASSETS		
Term Deposits¹		
Australian dollar term deposits > three months	18,811	26,515
Total current investments and other financial assets	18,811	26,515
Total investments and other financial assets	18,811	26,515

¹ Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

(a) Ageing analysis of investments, loans and other financial assets

Please refer to Note 21(ii) for the ageing analysis of investments and other financial assets.

(b) Nature and extent of risk arising from investments, loans and other financial assets

Please refer to Note 21(ii) for the nature and extent of risks arising from investments and other financial assets.

Note 7

Inventories

	2014 \$'000	2013 \$'000
CURRENT		
List type of inventories held		
Supplies and consumables - at cost	7	8
Work in progress - at cost	66	67
Inventories held-for-sale		
at cost	16	23
Total current inventories	89	98

Note 8

Property, plant and equipment

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

(A) PROPERTY, PLANT AND EQUIPMENT

	Land at fair value	Buildings	Assets under Construction	Plant & Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2013						
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 amount	12,803	69,270	884	1,800	1,897	86,654
Year ended 31 December 2013						
Opening net book amount	12,803	69,270	884	1,800	1,897	86,654
Additions	-	-	930	1,177	1,268	3,375
Disposals	-	(14)	-	-	(545)	(559)
Transfers into/(out of) assets under construction	-	425	(534)	109	-	-
Depreciation expense ¹	-	(2,816)	-	(1,064)	(668)	(4,548)
Closing net book amount	12,803	66,865	1,280	2,022	1,952	84,922
At 31 December 2013						
Cost	-	-	1,280	-	-	1,280
Valuation	12,803	113,021	-	15,376	2,923	144,123
Accumulated depreciation	-	(46,156)	-	(13,354)	(971)	(60,481)
Net book value at the end of the financial year	12,803	66,865	1,280	2,022	1,952	84,922
Year ended 31 December 2014						
Opening net book amount	12,803	66,865	1,280	2,022	1,952	84,922
Additions	-	6,030	263	59	114	6,466
Disposals	-	-	-	(36)	(28)	(64)
Transfers into/(out of) assets under construction	-	1,030	(1,542)	512	-	-
Depreciation ¹	-	(2,904)	-	(652)	(661)	(4,217)
Closing net book amount	12,803	71,021	1	1,905	1,377	87,107
At 31 December 2014						
Cost	-	-	1	-	-	1
Valuation	12,803	120,081	-	15,898	2,895	151,677
Accumulated depreciation	-	(49,060)	-	(13,993)	(1,518)	(64,571)
Net book value at the end of the financial year	12,803	71,021	1	1,905	1,377	87,107

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).

Restricted assets

The Institute does not hold any properties listed as heritage assets.

(B) FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT 31 DECEMBER 2014

Classified in accordance with the fair value hierarchy, see Note 1	Carrying amount as at 31 December 2014 \$'000	Fair value hierarchy		
		Level 1 Quoted prices \$'000	Level 2 Observable price inputs \$'000	Level 3 Un-observable inputs \$'000
Land at fair value:				
Specialised land	12,803	-	-	12,803
Total of land at fair value	12,803	-	-	12,803
Buildings at fair value:				
Specialised buildings	71,021	-	-	71,021
Total of buildings at fair value	71,021	-	-	71,021
Plant, equipment and vehicles at fair value:				
Vehicles	1,377	-	-	1,377
Plant and equipment	1,905	-	-	1,905
Total of plant, equipment and vehicles at fair value	3,282	-	-	3,282

Notes

There were no transfers between Levels during the year.

(C) VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

Fair value assessments have been performed at 31 December 2014 for all classes of assets. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for this purpose will be conducted by the Institute in 2017.

Specialised land and specialised buildings

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

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

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

An independent valuation of the Institute's specialised land and specialised buildings was performed by the Valuer General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2014.

Vehicles

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

Plant and equipment

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

There were no changes in valuation techniques throughout the period to 31 December 2014.

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

(D) RECONCILIATION OF LEVEL 3 FAIR VALUE AS AT 31 DECEMBER 2014

	Specialised land \$'000	Specialised buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000
Opening balance	12,803	66,865	2,022	1,952
Purchases (sales)	-	7,060	535	86
Depreciation	-	(2,904)	(652)	(661)
Closing balance	12,803	71,021	1,905	1,377

(E) DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATIONS

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land	Market approach	Community Service Obligation (CSO) adjustment	10 - 20% (17%) ¹	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
Specialised buildings	Depreciated replacement cost	Direct cost per square metre	\$150 - \$4,500/m ² (\$1,930)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of specialised buildings	40 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Plant and equipment	Depreciated replacement cost	Cost per unit	\$5,000 - \$217,000 per unit (\$23,700 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of plant and equipment	3-7 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Motor vehicles	Depreciated replacement cost	Cost per unit	\$20,500 - \$85,000 per unit (\$30,200 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of vehicles	4 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Notes:

1. CSO adjustments ranging from 10 per cent to 20 per cent were applied to reduce the market approach value for the Institute's specialised land, with the weighted average 17 per cent reduction applied.

Note 9

Biological assets

BIOLOGICAL ASSETS	2014	2013
(a) Reconciliation of carrying amount	\$'000	\$'000
Movement in carrying amounts of livestock:		
Carrying amount at 1 January	-	113
Increase/decrease due to fair value adjustment	-	(113)
Carrying amount at end of period	-	-
Total biological assets	-	-

Note 10

Investment properties

(a) Investment properties	2014	2013
	\$'000	\$'000
AT FAIR VALUE		
Opening balance at 1 January	1,700	1,630
Net gain/ (loss) from fair value adjustments	290	70
Closing balance at 31 December	1,990	1,700

(b) Fair value measurement hierarchy as at 31 December 2014

Classified in accordance with the fair value hierarchy, see Note 1	Carrying amount as at 31 December 2014	Fair value hierarchy		
		Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Un-observable inputs
	\$'000	\$'000	\$'000	\$'000
Shepparton	890	-	890	-
Seymour	1,100	-	1,100	-
Total	1,990	-	1,990	-

There were no transfers between Levels during the year.

There were no changes in valuation techniques throughout the period to 31 December 2014.

The fair value of the Institute's investment properties at 31 December 2014 have been arrived at on the basis of an independent valuation carried out by independent valuers, Opteon Pty Ltd. The valuation was determined by reference to market evidence of transaction prices for similar properties with no significant unobservable adjustments, in the same location and condition and subject to similar lease and other contracts.

Note 11

Intangible assets

	Software \$'000	Total \$'000
Year ended 31 December 2013		
Gross carrying amount		
Opening balance	-	-
Additions	12,103	12,103
Closing balance	12,103	12,103
Net book value at the end of the financial year	12,103	12,103

	Software \$'000	Total \$'000
Year ended 31 December 2014		
Gross carrying amount		
Opening balance	12,103	12,103
Closing balance	12,103	12,103
Accumulated depreciation, amortisation and impairment		
Opening balance	-	-
Depreciation of intangible produced assets ¹	(410)	(410)
Impairment losses charged to net result ²	(7,998)	(7,998)
Closing balance	(8,408)	(8,408)
Net book value at the end of the financial year	3,695	3,695

Notes

1. The consumption of intangible produced assets is included in 'depreciation' line item, where the consumption of the intangible non produced assets is included in 'net gain/(loss) on non financial assets' line item on the comprehensive operating statement.
2. Impairment losses are included in the line item 'net gain/(loss) on non financial assets' in the comprehensive operating statement.

Significant intangible assets

The Institute has capitalised its share of the development cost of its Student Management System (SMS) software. The development cost was charged to the Institute by the Department of Education and Early Childhood Development (DEECD) of the Victorian Government late in December 2013 as a Capital Contribution. The charge was made by DEECD to the Institute in proportion to the 2012 Equivalent Full Time Student numbers of the nine participating Institutes. The SMS software was installed as at 31 December 2013, with no amortisation charged for 2013.

The Institute has undertaken a managerial valuation to determine a fair value of the software to the Institute. The valuation was based on information supplied by the software developer and resulted in a significant impairment loss disclosed above. The valuation was applied as at 1 January 2014 with depreciation charged at a rate of 10% from that date.

The useful life of the SMS software was determined as ten years and it will be fully amortised in 2023.

Note 12

Other non-financial assets

	2014 \$'000	2013 \$'000
CURRENT OTHER NON-FINANCIAL ASSETS		
Prepayments	426	536
Total current other non-financial assets	426	536
Total other non-financial assets	426	536

Note 13

Payables

	2014 \$'000	2013 \$'000
CURRENT		
Contractual		
Supplies and services ¹	2,594	9,080
Other employee entitlements payable within 12 months	540	586
Revenue in advance	74	177
Total	3,208	9,843
Statutory		
GST payable	467	1,521
FBT payable	65	48
Total current payables	3,740	11,412
Total payables	3,740	11,412

Notes

1. The average credit period is 30 days. No interest is charged on payables.

(a) Maturity analysis of contractual payables

Please refer to Note 21(iii) for the maturity analysis of contractual payables.

(b) Nature and extent of risk arising from contractual payables

Please refer to Note 21(iii) for the nature and extent of risks arising from contractual payables.

Note 14

Provisions

	2014 \$'000	2013 \$'000
CURRENT PROVISIONS EXPECTED TO BE SETTLED WITHIN 12 MONTHS		
Employee benefits (Note 14(a) and Note 14(b)):¹		
Annual leave (Note 14(a) and Note 14(b)):		
Unconditional and expected to wholly settle within 12 months ²	1,609	1,770
Unconditional and expected to wholly settle after 12 months ²	186	172
Long service leave (Note 14(a) and Note 14(b)):		
Unconditional and expected to wholly settle within 12 months ²	155	78
Unconditional and expected to wholly settle after 12 months ²	2,896	2,907
Performance payments (Note 14(a) and Note 14(b)):		
Unconditional and expected to wholly settle within 12 months ²	-	30
Unconditional and expected to wholly settle after 12 months ²	-	-
	4,846	4,957
Provisions for on costs (Note 14(a) and Note 14(b)):		
Unconditional and expected to wholly settle within 12 months ²	262	280
Unconditional and expected to wholly settle after 12 months ²	457	460
	719	740
Total current provisions	5,565	5,697
NON-CURRENT		
Employee benefits (Note 14(a) and Note 14(b)) ¹	988	1,040
On costs (Note 14(a) and Note 14(b))	147	155
Total non-current provisions	1,135	1,195
Total provisions	6,700	6,892

Notes:

- Employee benefits consist of annual leave and long service leave accrued by employees. On costs such as payroll tax and workers' compensation insurance are not employee benefits and are reflected as a separate provision.
- Amounts are measured at present values.

	2014 \$'000	2013 \$'000
(A) EMPLOYEE BENEFITS AND ON COSTS ¹		
Current employee benefits		
Annual leave	1,795	1,942
Long service leave	3,051	2,985
Performance payments	-	30
	4,846	4,957

Non current employee benefits		
Long service leave	988	1,040
Total employee benefits and on costs	5,834	5,997
Current on costs	719	740
Non current on costs	147	155
Total on costs	866	895
Total employee benefits and on costs	6,700	6,892

Notes

- Employee benefits consist of annual leave and long service leave accrued by employees. On costs such as payroll tax and workers' compensation insurance are not employee benefits and are recognised as a separate provision.

	2014 \$'000				
	Annual Leave	Long Service Leave	Performance Payments	On-costs	Total
(B) MOVEMENT IN PROVISIONS					
Opening balance	1,942	4,025	30	895	6,892
Additional provisions recognised	292	511	-	115	918
Reductions arising from payments/other sacrifices of future economic benefits	(289)	(591)	(22)	(134)	(1,036)
Reductions resulting from re-measurement or settlement without cost	(150)	-	(8)	(24)	(182)
Effect of changes in the discount rate	-	94	-	14	108
Closing balance	1,795	4,039	-	866	6,700
Current	1,795	3,051	-	719	5,565
Non-current	-	988	-	147	1,135
	1,795	4,039	-	866	6,700

Note 15

Reserves

	2014 \$'000	2013 \$'000
(a) Physical asset revaluation surplus¹:		
Balance at 1 January	46,298	46,298
Balance at 31 December	46,298	46,298
Net changes in reserves	-	-

Notes

- The physical assets revaluation surplus arises on the revaluation of land and buildings.

Note 16

Cash flow information

	2014 \$'000	2013 \$'000
(A) RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Total cash and deposits disclosed in the balance sheet ¹	6,164	12,226
Balance as per cash flow statement	6,164	12,226

Notes:

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

	2014 \$'000	2013 \$'000
(B) RECONCILIATION OF NET RESULT FOR THE PERIOD		
Net result for the year	(19,109)	13,083
Non cash movements:		
(Gain)/loss on sale or disposal of non current assets	(25)	(92)
(Gain)/loss on revaluation of investment property	(290)	(70)
(Gain)/loss on revaluation of biological assets	-	113
Depreciation and amortisation of non current assets	4,627	4,548
Impairment of non current assets	7,998	-
Resources provided free of charge or for nominal consideration	(5,965)	-
Forgiveness of liabilities	(182)	-
Movements in assets and liabilities:		
Decrease / (increase) in trade receivables	7,336	(7,725)
Decrease / (increase) in inventories	9	3
Decrease / (increase) in other assets	110	(26)
Increase / (decrease) in payables	(6,914)	6,456
Increase / (decrease) in employee benefits	(192)	475
Net cash flows from/(used in) operating activities	(12,597)	16,765

Note 17

Commitments for expenditure

	2014 \$'000	2013 \$'000
(A) CAPITAL EXPENDITURE COMMITMENTS PAYABLE		
<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	2,300	116
Later than one year but no later than five years	2,846	-
Total Property, Plant and Equipment	5,146	116
GST reclaimable on the above	(468)	(11)
Net Commitments Property, Plant and Equipment	4,678	105
Total capital expenditure commitments	4,678	105
(B) NON-CANCELLABLE OPERATING LEASE COMMITMENTS PAYABLE¹		
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	217	269
Later than one year but not later than five years	16	126
Total minimum lease payments in relation to non-cancellable operating leases	233	395
GST reclaimable on the above	(21)	(36)
Net Commitments Non-cancellable Operating Leases	212	359
(C) OTHER EXPENDITURE COMMITMENTS		
<i>Commitments for operating expenses in existence at the reporting date but not recognised as liabilities, payable:</i>		
Within one year	597	1,097
Total other expenditure commitments	597	1,097
GST reclaimable on the above	(54)	(100)
Net commitments other expenditure commitments	543	997

1 Operating leases**Properties**

The Institute, as lessee, leases land at Wangaratta, and building floor space at Terang, Warragul, Leongatha and Cranbourne.

Equipment

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

Note 18

Contingent Assets and Contingent Liabilities

Contingent Assets

Goulburn Ovens Institute of TAFE has agreed to a proposal by Goulburn-Murray Water to discontinue the supply of channel water to the Institute's William Orr Campus, Shepparton property. In compensation, Goulburn-Murray Water has offered to pay the Institute the sum of \$382,850 (plus GST) in total, individually costed for the estimated loss of value to the property, the purchase of water shares, and an allowance for the cost of provision of an alternative domestic and stock water supply. It is expected that the project will be completed in 2015.

Contingent Liabilities

There were no contingent liabilities in 2014.

A contingent liability reported in 2013 in relation to a claim for unfair dismissal by a former employee was dismissed by the Fair Work Commission.

Note 19

Leases

(I) OPERATING LEASES - INSTITUTE AS LESSEE

Refer to Note 17 (Commitments for expenditure).

(II) OPERATING LEASES - INSTITUTE AS LESSOR

Properties

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

Equipment

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

	2014 \$'000	2013 \$'000
NON-CANCELLABLE OPERATING LEASE RECEIVABLES		
Payments due:		
Within one year	381	310
Later than one year and not later than five years	84	204
Later than five years		
Total non-cancellable operating lease receivables	465	514
GST payable on the above	(42)	(47)
Net operating leases receivables	423	467

Note 20

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 Statement of Comprehensive Income of the Institute.

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

	2014 \$'000	2013 \$'000
PAID CONTRIBUTION FOR THE YEAR		
Defined benefit plans:		
State Superannuation Fund - revised and new	151	168
State Employee Retirement Benefits Fund	-	1
Total defined benefit plans	151	169
Defined contribution plans:		
VicSuper	1,706	1,676
Other	1,137	1,006
Total defined contribution plans	2,843	2,682
Total paid contribution for the year	2,994	2,851
CONTRIBUTION OUTSTANDING AT YEAR END		
Defined contribution plans:		
Other than VicSuper	23	57
Total defined contribution plans	23	57
Total contributions outstanding at year end	23	57

1. The Institute does not have any contributions outstanding to the above funds and there have been no loans made from the funds. The bases for contributions are determined by the various schemes.
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 21

Financial Instruments

(I) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES.

The Institute's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and operating leases.

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 and financial liability is disclosed in Note 1 of the financial statements.

The Institute's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Institute's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Institute by adhering to appropriate business principles. The Institute does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Risk management is carried out by the Institute under policies approved by the Board, coordinating access to financial markets, monitoring and managing the financial risks relating to the operation of the Institute. The Board provides written principles for overall risk management, as well as policies covering specific areas, including investment of excess liquidity.

The carrying amounts of the Institute's contractual financial assets and financial liabilities by category are disclosed below:

	Note	2014 \$'000	2013 \$'000
CARRYING AMOUNT OF FINANCIAL INSTRUMENTS BY CATEGORY			
(a) Financial assets			
Cash and deposits	16(a)	6,164	12,226
Receivables¹:			
Trade receivables	5	4,214	2,912
Revenue receivables	5	3,549	11,338
Investment and other financial assets:			
Term Deposits	6	18,811	26,515
Total receivables		32,738	52,991
Total financial assets		32,738	52,991
(b) Financial liabilities at amortised cost:			
Payables¹:			
Supplies and services	13	2,594	9,080
Other employee entitlements payable within 12 months	13	540	586
Revenue in advance	13	74	177
Total financial liabilities at amortised cost		3,208	9,843
Total financial liabilities		3,208	9,843

Note:

1 Receivables and payables disclosed here exclude statutory receivables and statutory payables (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

The Institute had no net holding gains or losses of contractual financial assets and financial liabilities during 2013 and 2014.

(II) 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 2014.

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; and
- customers that do not meet the group'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 by the Institute.

The trade receivables balance at 31 December 2014 and 31 December 2013 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.

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

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Institute will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

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.

Credit quality of contractual financial assets that are neither past due nor impaired¹

	Financial institutions (AAA rating)	GOTAFE	Other counter-party	Total
	\$'000	\$'000	\$'000	\$'000
2014				
Cash and deposits	-	5	6,159	6,164
Receivables	-	-	7,763	7,763
Investments and other financial assets	18,811	-	-	18,811
Total contractual financial assets 2014	18,811	5	13,922	32,738
2013				
Cash and deposits	-	5	12,221	12,226
Receivables	-	-	14,827	14,827
Investments and other financial assets	26,515	-	-	26,515
Total contractual financial assets 2013	26,515	5	27,048	53,568

Note

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

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 ageing analysis for the Institute's financial assets.

	Carrying amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2014 Financial assets								
Receivables¹:								
Trade receivables	4,609	1,072	181	978	1,657	325	1	395
Revenue Receivables	3,549	3,549	-	-	-	-	-	-
Investment and other financial assets:								
Term deposits	18,811	-	-	-	18,811	-	-	-
Total 2014 financial assets	26,969	4,621	181	978	20,468	325	1	395
2013 Financial assets								
Receivables¹:								
Trade receivables	3,489	109	721	1,479	559	44	-	577
Revenue Receivables	11,338	11,338	-	-	-	-	-	-
Investment and other financial assets:								
Term deposits	26,515	-	-	-	26,515	-	-	-
Total 2013 financial assets	41,342	11,447	721	1,479	27,074	44	-	577

Note

1 Receivables and payables disclosed here exclude statutory receivables and statutory payables (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

(III) LIQUIDITY RISK

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

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

The responsibility for liquidity risk management rests with the Institute's governing body, which has built an appropriate liquidity risk management framework for the management of the short, medium and long-term funding and liquidity requirements. The Institute manages liquidity risk by:

- ▶ maintaining an adequate level of reserves and uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- ▶ holding investments and other contractual financial assets that are readily tradeable in the financial markets; and
- ▶ careful maturity planning of its financial obligations by matching the maturity profiles of financial assets and liabilities, and monitoring forecast and actual cash flows.

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.

Maturity analysis of financial liabilities

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements represents the Institute's maximum exposure to liquidity risk.

The following table discloses the contractual maturity analysis for the Institute's financial liabilities.

	Carrying amount \$'000	Not past due and not impaired \$'000	Maturity dates		
			Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000
2014 Financial liabilities					
Payables¹:					
Supplies and services	2,594	2,540	33	11	10
Other employee entitlements payable within 12 months	540	540	-	-	-
Revenue in advance	74	74	-	-	-
Total 2014 financial liabilities	3,208	3,154	33	11	10
2013 Financial liabilities					
Payables¹:					
Supplies and services	9,080	8,905	170	5	-
Other employee entitlements payable within 12 months	586	586	-	-	-
Revenue in advance	177	177	-	-	-
Total 2013 financial liabilities	9,843	9,668	170	5	-

Note

1 Receivables and payables disclosed here exclude statutory receivables and statutory payables (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

(IV) 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 Institute's exposures to market risk are primarily through foreign currency risk and interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

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

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 is exposed to foreign currency risk mainly through the delivery of services in currencies other than the Australian Dollar and payables relating to purchases of supplies and consumables from overseas. There is a limited amount of transactions denominated in foreign currencies and a relatively short timeframe between commitment and settlement.

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.

Interest rate risk

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

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

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

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

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

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

Financial instrument composition and interest rate exposure	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Interest rate exposure		
			Floating interest rate	Fixed interest rate	Non-Interest Bearing
2014	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	2.46%	6,164	6,159	-	5
Receivables¹:					
Trade receivables	-	4,214	-	-	4,214
Revenue receivables	-	3,549	-	-	3,549
Investment and other financial assets:					
Term deposits	3.27%	18,811	-	18,811	-
Total financial assets		32,738	6,159	18,811	7,768
Financial liabilities					
Payables¹:					
Supplies and services	-	2,594	-	-	2,594
Other employee entitlements payable within 12 months	-	540	-	-	540
Revenue in advance	-	74	-	-	74
Total financial liabilities		3,208	-	-	3,208

Financial instrument composition and interest rate exposure	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Interest rate exposure		
			Floating interest rate	Fixed interest rate	Non-Interest Bearing
2013	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits	2.80%	12,226	12,221	-	5
Receivables¹:					
Trade receivables	-	2,912	-	-	2,912
Revenue receivables	-	11,338	-	-	11,338
Investment and other financial assets:					
Term deposits	3.88%	26,515	-	26,515	-
Total financial assets		52,991	12,221	26,515	14,255
Financial liabilities					
Payables¹:					
Supplies and services	-	9,080	-	-	9,080
Other employee entitlements payable within 12 months	-	586	-	-	586
Revenue in advance	-	177	-	-	177
Total financial liabilities		9,843	-	-	9,843

Note

1 Receivables and payables disclosed here exclude statutory receivables and statutory payables (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

SENSITIVITY ANALYSIS AND ASSUMPTIONS

The Institute's sensitivity to market risk is determined based on the observed range of historical data. The Institute's fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 50 basis points up and down (2013: 50 basis points up and down) in market interest rates (AUD);

The following tables show the impact on the Institute's net result and equity for each category of financial instrument held by the Institute at the end of the reporting period, if the above movement was to occur.

	Carrying amount	Interest rate risk			
		-50 basis points		+50 basis points	
		Result	Equity	Result	Equity
31 December 2014	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	6,164	(31)	(31)	31	31
Receivables ¹	7,763	-	-	-	-
Investments	18,811	(94)	(94)	94	94
Total increase/(decrease) in financial assets	32,738	(125)	(125)	125	125
Contractual financial liabilities					
Payables ¹	3,208	-	-	-	-
Total increase/(decrease) in financial liabilities	3,208	-	-	-	-
Total increase/ (decrease)	35,946	(125)	(125)	125	125

	Carrying amount \$'000	Interest rate risk			
		-50 basis points		+50 basis points	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2013					
Contractual financial assets					
Cash and deposits	12,226	(61)	(61)	61	61
Receivables ¹	14,250	-	-	-	-
Investments	26,515	(133)	(133)	133	133
Total increase/(decrease) in financial assets	52,991	(194)	(194)	194	194
Contractual financial liabilities					
Payables ¹	9,843	-	-	-	-
Total increase/(decrease) in financial liabilities	9,843	-	-	-	-
Total increase/ (decrease)	62,834	(194)	(194)	194	194

Note

1 Receivables and payables disclosed here exclude statutory receivables and statutory payables (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

(V) FAIR VALUE ESTIMATION

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

Fair values of financial instrument asset and liabilities are determined using the fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three levels based on the degree to which the fair value is observable.

- › Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the Institute can access at the measurement date.
- › Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- › Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Institute considers that the carrying amount of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables.

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:

	2014		2013	
	Carrying amount \$'000	Net fair value \$'000	Carrying amount \$'000	Net fair value \$'000
Financial assets				
Cash and deposits	6,164	6,164	12,226	12,226
Receivables¹:				
Trade receivables	4,214	4,214	2,912	2,912
Revenue receivables	3,549	3,549	11,338	11,338
Investment and other financial assets:				
Term Deposits	18,811	18,811	26,515	26,515
Total financial assets	32,738	32,738	52,991	52,991
Financial liabilities				
Payables¹:				
Supplies and services	2,594	2,594	9,080	9,080
Other employee entitlements payable within 12 months	540	540	586	586
Revenue in advance	74	74	177	177
Total financial liabilities	3,208	3,208	9,843	9,843

Note

1 Receivables and payables disclosed here exclude statutory receivables and statutory payables (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

The fair value of financial assets and liabilities recognised in the balance sheet are categorised into the following fair value hierarchy levels:

	Carrying amount as at 30 June 2014 \$'000	Fair value hierarchy		
		Level 1 Quoted Prices \$'000	Level 2 Observable price inputs \$'000	Level 3 Un- observable inputs \$'000
Financial assets				
Cash and deposits	6,164	6,164	-	-
Receivables¹:				
Trade receivables	4,214	-	4,214	-
Revenue receivables	3,549	-	3,549	-
Investment and other financial assets:				
Term Deposits	18,811	18,811	-	-
Total financial assets	32,738	24,975	7,763	-
Financial liabilities				
Supplies and services	2,594	-	2,594	-
Other employee entitlements payable within 12 months	540	-	540	-
Revenue in advance	74	-	74	-
Total financial liabilities	3,208	-	3,208	-

	Carrying amount as at 30 June 2013	Fair value hierarchy		
		Level 1 Quoted Prices	Level 2 Observable price inputs	Level 3 Un- observable inputs
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and deposits	12,226	12,226	-	-
Receivables¹:				
Trade receivables	2,912	-	2,912	-
Revenue receivables	11,338	-	11,338	-
Investment and other financial assets:				
Term Deposits	26,515	26,515	-	-
Total financial assets	52,991	38,741	14,250	-
Financial liabilities				
Supplies and services	9,080	-	9,080	-
Other employee entitlements payable within 12 months	586	-	586	-
Revenue in advance	177	-	177	-
Total financial liabilities	9,843	-	9,843	-

There have been no transfers between levels during the period.

Note 22

Responsible persons and executive officers

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

(I) MINISTER

The relevant Minister was The Hon Peter Hall, MLC until his retirement from parliament on 17 March 2014.

The Hon Nick Wakeling, MP, is the Minister for Higher Education and Skills from 18 March 2014 to 3 December 2014.

The Hon. Steve Herbert, MP, was sworn in as the current Minister for Training and Skills from 3 December 2014 following the State election in November 2014.

Remuneration of the Minister for Higher Education and Skills 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) CHIEF EXECUTIVE OFFICER (ACCOUNTABLE OFFICER)

Mr Paul Culpán, Chief Executive Officer.

Remuneration of chief executive officer

Remuneration received or receivable by the chief executive officer in connection with the management of the Institute during the reporting period was in the range \$240,001 - \$250,000 (2013: \$240,001 - \$250,000).

(III) MEMBERS OF THE BOARD

Director and Chairperson - Mr Michael Tehan, Ministerial nominee

Director - Mr Adam Furphy, Ministerial nominee

Director - Ms Lisbeth Long, Ministerial nominee

Director - Mr Christopher McPherson, Ministerial nominee

Director - Ms Rebecca Woolstencroft, Board nominee

Director - Ms Joanne Dwyer, Board nominee

Director - Mr Jonathan Koop, Board nominee

Director - Mr David McKinnon, Board nominee (Appointed 25 July 2014)

Director - Mr Rodney Schubert, Ministerial nominee (Appointed 23 October 2014)

Director - Mr Geoffrey Oliver, Board nominee (Term expired 28 February 2014)

Remuneration of the board members in connection with the management of the Institute are disclosed below.

INCOME RANGE	2014 No.	2013 No.
The number of Board members whose remuneration from the Institute was within the specified bands are as follows:		
Nil	-	1
\$1 - \$10,000	2	4
\$10,001 - \$20,000	1	3
\$20,001 - \$30,000	6	2
\$40,001 - \$50,000	1	1
Total number of Board members	10	11
Total remuneration of board members (\$'000)	241	148

RELATED PARTY TRANSACTIONS	2014 \$'000	2013 \$'000
Mr Michael Tehan		
Purchase or sale of goods and services	17	45
Contribution to operation activity	-	97
Sponsorship	-	24
Mr Adam Furphy		
Purchase or sale of goods and services	-	11
Mr Christopher McPherson		
Purchase or sale of goods and services	45	29
Mr Jonathan Koop		
Purchase or sale of goods and services	36	52
Mr Robert Schubert		
Purchase or sale of goods and services	93	-
Mr Geoffrey Cobbledick		
Purchase or sale of goods and services	-	85
Mr Peter Quinn		
Purchase or sale of goods and services	-	57
Total amount	191	400

(IV) EXECUTIVE OFFICERS

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

Mr Paul Culpan, Chief Executive Officer

Mr Thomas Pamminger, General Manager Corporate Services/Board Secretary - Appointed 3 March 2014

Ms Margaret Fixter, General Manager (Appointed 13 October 2014)

Mr Geoffrey Cobbledick, General Manager (Resigned 18 October 2014)

Mr Albert Amadej, Executive Manager

Mr Peter Carkeek, Executive Manager

Ms Leisa Clarke, Executive Manager

Ms Louise Pearce, Executive Manager

Mr Andrew Powell, Executive Manager

Mr Kenneth McLennan, Executive Manager (Appointed 22 September 2014)

Remuneration of executive officers

The number of executive officers, including the chief executive officer, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands.

The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

The total annualised employee equivalent provides a measure of full time equivalent executive offices over the reporting period.

INCOME RANGE	Total Remuneration		Base Remuneration	
	2014 No.	2013 No.	2014 No.	2013 No.
<i>The number of executive officers whose total remuneration from the Institute exceeded \$100,000, separately identifying base remuneration and total remuneration, disclosed within the income band of \$10,000 in a table format:</i>				
\$40,001 - \$50,000	2	-	2	-
\$80,001 - \$90,000	-	1	-	1
\$120,001 - \$130,000	1	-	1	-
\$130,001 - \$140,000	2	2	2	2
\$140,001 - \$150,000	2	2	3	2
\$150,001 - \$160,000	1	-	1	-
\$170,001 - \$180,000	1	-	-	-
\$180,001 - \$190,000	-	1	-	1
\$240,001 - \$250,000	1	1	1	1
Total number of executive officers	10	7	10	7
Total annualised employee equivalent (AEE)	8.14	6.75	8.14	6.75
Total amount of remuneration (\$'000)	1,339	1,073	1,305	1,038
RELATED PARTY TRANSACTIONS		2014 \$'000		2013 \$'000
Mr P Culpan				
Purchase or sale of goods and services		5		-
Contribution to operation activity		172		-
Ms L Clarke				
Purchase or sale of goods and services		126		-
Total amount		303		-

Note 23

Related parties

KEY MANAGEMENT PERSONNEL

Related parties disclosures are set out in Note 22 (Responsible persons and executive officers).

TRANSACTIONS WITH RELATED PARTIES

The following transactions occurred with related parties:

(A) RELATED PARTIES	2014 \$'000	2013 \$'000
Sale of goods and services		
Training, venue hire and sponsorship	48	118
Total sale of goods and services	48	118
Purchase of goods and services		
Operational services	178	133
Training	52	-
Sponsorship and media advertising	18	24
Internet services	26	28
Contribution to operation activity	172	97
Total purchase of goods and services	446	282

No provisions for doubtful debts have 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.

Outstanding balances

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

(B) RELATED PARTIES	2014 \$'000	2013 \$'000
Current receivables (sale of goods and services)		
Related parties	5	2
Total current receivables	5	2
Current payables (purchases of goods and services)		
Related parties	25	94
Total current payables	25	94

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 24

Ex-gratia expenses

There were no ex gratia payments in 2014 and 2013.

This disclosure is made in accordance with the requirements of Financial Reporting Direction 11A of the State Government of Victoria.

Note 25

Remuneration of auditors

REMUNERATION OF AUDITORS	2014 \$'000	2013 \$'000
Remuneration of Victorian Auditor General's Office for:		
Audit of the financial statements	23	22
Total remuneration of Victoria Auditor General's Office	23	22
Remuneration of other auditors		
Continuous audits, qualifications audits and grant acquittals	180	133
Total remuneration of other auditors	180	133
Total Remuneration of auditors	203	155

Note 26

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 27

Economic dependency

	2014 \$'000	2013 \$'000
<i>Where the entity is dependent on another entity for a significant volume of revenue or financial support, and that dependency is not clearly discernible from a separate line item in the statement of comprehensive income or balance sheet, the following information must be disclosed:</i>		
Victorian State Government Department of Education and Early Childhood Development	33,774	98,240
	33,774	98,240

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 28

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



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