

gotafe



Annual Report 2019



Contents

Report of Operations	4	Workforce Information	22
Preamble	4	Application of employment and conduct principles	23
Annual Report Declaration	4	Occupational Health and Safety (OH&S)	24
Introduction	5	OH&S Performance	25
Establishment and Charter	5	Other Disclosures	25
Strategic Plan	5	Major commercial activities	25
Values	5	Controlled entities	25
Board Chair Report	6	Government advertising	25
Chief Executive Officer Report	7	Information and communication technology (ICT) expenditure	25
2019 Year in Review	8	Consultants	25
Education	8	National Competition Policy	25
Student Experience	9	Local Jobs First	25
GOTAFE Facilities	9	Freedom of Information	26
Stakeholder and Community Engagement	10	Protected Disclosure	26
People and Culture	11	Victorian Ombudsman	26
2019 Objectives, Key Performance Indicators and Achievements	12	Carers Recognition Act	26
Summary of key financial results	12	Building and maintenance provisions	27
Summary of key non-financial results	12	Victorian Public Service travel policy	27
Statement of Performance	13	Non-academic student fees	27
Key Performance Indicators	14	Design and print requirements	27
Governance and Organisational Structure	15	Environmental Sustainability	28
GOTAFE Board	15	Additional information available on request	30
Board Sub-Committees	16	Audit Committee	30
Board members' expertise	17	Financial Report	32
Organisational Structure	21	Disclosure Index	80

Report of Operations

Preamble

The 2019 Annual Report has been prepared in accordance with all relevant legislation and subordinate instruments, including, but not limited to, the following:

Education and Training Reform Act 2006 (ETRA)

The Constitution of the Goulburn Ovens Institute of Technical and Further Education Order 2016

Directions of the Minister for Training and Skills and the Minister for Higher Education (or predecessors)

Commercial Guidelines - TAFE Institutes

Strategic Planning Guidelines - TAFE Institutes

Public Administration Act 2004

Financial Management Act 1994

Freedom of Information Act 1982

Building Act 1993

Protected Disclosure Act 2012

Local Jobs First Act 2003

The required reporting appears throughout the Annual Report. A disclosure index appears at the end of the Annual Report to facilitate identification of compliance with statutory disclosure requirements.

Annual Report declaration

GOTAFE has implemented and maintained a process to ensure its Annual Report is prepared in accordance with the *Financial Management Act 1994*, Standing Directions, Instructions, Financial Reporting Directions, applicable Australian Accounting Standards and relevant legislation and instruments. I am pleased to present the GOTAFE Annual Report for the year ending 31 December 2019.



A handwritten signature in black ink that reads "Diana Taylor".

Diana Taylor
Chair of the Board

Date: 15th April 2020

Introduction

For more than 20 years, GOTAFE has been an intrinsic part of our local communities, delivering quality vocational education and training that aligns to the policy objectives of government and the growing needs of industry and the local community. The region GOTAFE principally services covers 11 local government areas with an estimated resident population of over 242,000 people.

The heart of GOTAFE’s mission has – and always will be – supporting our communities to prosper and adapt as economies change and affect local industries and opportunities.

In 2019, GOTAFE’s training delivery exceeded 2.8 million student contact hours to over 9,400 individual students.

Establishment and charter

GOTAFE was established on 1 October 1996 with the merger of Goulburn Valley Institute of TAFE and Wangaratta Institute of TAFE.

GOTAFE 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 the *Financial Management Act 1994*.

The principal objectives and functions of GOTAFE are to:

- Provide vocational education and training and quality outcomes through excellent teaching, innovation and educational leadership;
- Provide tertiary education and consultancy services that meet the unique skill needs of the region and lead to workforce development, industry productivity and enterprise business success;

- Build community capacity and enrich the lives of young people and adults through lifelong learning and personal development; and
- Issue vocational training qualifications to eligible individuals.

As a Victorian Government agency, GOTAFE supports government education priorities and the economic development of the region and its industry workforce.

The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education, is responsible for TAFE institutes and the broader tertiary education sector in Victoria.

Strategic Plan

The GOTAFE Strategic Plan 2018-23 establishes four strategic goals, namely:

- Deliver excellence in education
- Optimise the student experience through efficient and productive operations
- Develop and foster meaningful partnerships with government, industry and other stakeholders
- Strategically diversify and maximise revenue.

Values

GOTAFE’s people, practices and processes commit to the following values:

- Integrity
- Collaboration
- Accountability
- Respect
- Excellence

Purpose: Enabling people to realise their potential and enhance their communities.

Vision: A thriving organisation known for inspiring, motivating and equipping people for success

Drivers	Goals	Initiatives
Government	Strategic Goal 1 Deliver excellence in education	1. Develop the education strategy (incl. program portfolio and strategic education projects) 2. Build culture and capability to deliver quality education
Students	Strategic Goal 2 Optimise the student experience through efficient and productive operations	3. Optimise business processes through a redesigned and enhanced workforce capability 4. Review infrastructure and asset utilisation 5. Review our operating model
Industry	Strategic Goal 3 Develop and foster meaningful partnerships with government, industry and other stakeholders	6. Implement a quality management framework (incl. processes, people, accountabilities and systems) to meet all compliance requirements 7. Develop a strategic partnership framework 8. Develop our advocacy model
Community	Strategic Goal 4 Strategically diversify and maximise revenue	9. Develop and implement a commercial development strategy (incl. growth corridors and digital marketing) 10. Explore and pursue targeted national and international education opportunities
Staff		

Board Chair Report

Since August 2019 I have been honoured and privileged to lead a highly committed Board and organisation; one driven by a genuine commitment to the region in which it operates.

As the largest vocational education provider in northern Victoria, GOTAFE plays a critical role in strengthening the local communities in which we operate. High standards of education and training are fundamental to the achievement of GOTAFE's vision to be a thriving organisation known for inspiring, motivating and equipping people for success. The passion and dedication shown by the GOTAFE staff throughout 2019 has enabled so many of our students, local businesses, industries and communities to thrive.

We can proudly say that throughout 2019, GOTAFE has continued to strengthen and extend valuable collaborations and partnerships with a range of stakeholders. As a regional TAFE, our connections in the community are critically important and ensure that we are best placed to support our students and their pathways into work. This supports prosperous towns and a prosperous regional economy.

In 2019, GOTAFE championed inclusiveness and diversity, and was the proud recipient of the annual Victorian Public Sector Regional Pride Initiative of the Year Award. This Award recognised and celebrated GOTAFE's LGBTIQ+ inclusiveness initiatives and achievements throughout the year. We further celebrated diversity at GOTAFE through the unveiling of a spectacular indigenous themed street art mural at our Shepparton Fryers Street Campus which promotes GOTAFE's important connection with the Aboriginal and Torres Strait Islander Community and showcases our talented students.

We were immensely proud to receive numerous nominations in the Victorian Training Awards (VTA) which showcased our achievements and highlighted the inspiring stories behind many of our students and teachers.

In particular, we were delighted that both Jodi Rechsteiner-Sanders (Teacher/Trainer of the Year) and Jordon Gradon (Vocational Student of the Year) progressed as VTA finalists. Jodi's success as winner of the Teacher/Trainer of the Year Award was a wonderful personal achievement as well as a collective achievement for all of GOTAFE's highly committed staff.

In June 2019 the Board farewelled Chair Joanne Dwyer, along with Board Directors Christine Riches and Mark O'Sullivan, and Staff Elected Director Suellen Loki. I would like to acknowledge and sincerely thank Joanne, Christine, Mark and Suellen for their leadership and commitment to strengthening the governance and oversight of GOTAFE during their respective tenures.

In July 2019, Angela Verde was re-appointed for a further three-year term and was appointed as Deputy Chair in August 2019. Angela continues to be a highly committed Director and I would like to acknowledge her significant contribution to GOTAFE. The appointment of Kate Fraser, Deborah Spring and Catherine Scott as Board Directors and Jon Lee as the Staff Elected Director throughout the year has delivered new skills and experience, which will ensure GOTAFE continues to achieve great things.

The Board gratefully acknowledges the support of the Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education within the Department of Education and Training Victoria. In particular the Board acknowledges the assistance of the FreeTAFE initiative and the Regional and Specialist Training Fund that have ensured regional TAFEs can provide a training system that is innovative and accessible.

I sincerely thank the Board of Directors and the Executive Team for their ongoing commitment and support in achieving GOTAFE's objectives throughout 2019. I believe GOTAFE is well positioned for the future and will continue to successfully strengthen our regional communities through high quality vocational training.



Diana Taylor

Diana Taylor
Chair of the Board

Chief Executive Officer Report

2019 has been a year of transformation and success for GOTAFE. I am incredibly proud of our achievements and the profound impact we have had on the lives of many students and the local communities in which they live and work.

In 2019 we provided quality vocational training to over 1,400 students through the Government's new Free TAFE Initiative Program. This initiative has opened up education and training opportunities for many students who will improve their career prospects and contribute to regional prosperity.

The implementation of a new organisational structure throughout the year has been a milestone, with our newly formed senior leadership team working with staff to drive a culture where everyone feels valued and aspires to great things. Our most recent People Matter Survey results indicate that GOTAFE now has the most engaged TAFE workforce in the state; and our student satisfaction rates outperform the majority of Victorian TAFEs. We are a renewed and re-energised organisation with exciting opportunities ahead of us.

Throughout our transformation efforts, GOTAFE has remained resolutely committed to ensuring that the needs of our students remain at the heart of all we do. In March and April we launched student graduation ceremonies at each of our campuses to formally recognise and celebrate the achievements of our students. The graduation ceremonies were inspirational; with hundreds of staff, students, families and friends in attendance. We are proud that our students graduate with the practical skills, confidence and capability to succeed in their chosen career pathways.

On a personal note, I was truly humbled to represent GOTAFE at the 2019 Vinnies CEO Sleepout in June to raise funds and awareness for members of our community experiencing poverty and homelessness. The experience was profound and has only strengthened my resolve to change people's lives for the better through the delivery of quality regional education at GOTAFE.

Looking forward, we are actively planning for the future needs of GOTAFE and our students, and I thank the Victorian Minister for Training and Skills and Minister for Higher Education, the Hon. Gayle Tierney MP, for her ongoing support.

I acknowledge the significant contribution made by GOTAFE's executive team, management and staff in 2019. I thank them for their individual efforts and dedication, and for their wider commitment and support in transforming GOTAFE into the positive and effective organisation that we have become.

I also sincerely thank Board Chairs, Joanne Dwyer and Acting Chair Angela Verde, and the Board for their support, guidance and unwavering commitment to the organisation.

Our region's future prosperity remains front and centre for GOTAFE.




Travis Heeneey
CEO

2019 Year in Review

Education

Social Justice Charter

Development of the GOTAFE Social Justice Charter was a key highlight for GOTAFE in 2019. The project involved extensive consultation with staff and students, including our student social justice champions, to develop a highly principled statement about our commitment to diversity and inclusion.

The Social Justice Framework will be officially launched in early 2020.

Ministerial Visit

GOTAFE welcomed a visit from the Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education in March.

The Minister toured LS Precast in Benalla, a supplier of concrete to Victoria's largest infrastructure projects, including the West Gate Tunnel Project. The Project has created 400 local jobs, with one of the pathways into work at LS Precast being the Certificate III in Concreting. GOTAFE and LS Precast continued to work in partnership throughout 2019 in the successful delivery of this course.

The Minister also attended the Shepparton Fryers Street campus and announced \$5.6 million funding for courses in baking, dental assistance, nursing, cabinet making, engineering fabrication and health services through the Regional Specialist Training Fund (RSTF).

2019 WorldSkills Regional Competitions

From July to October, GOTAFE's Shepparton and Wangaratta campuses proudly hosted Regional WorldSkills Competitions. Participation levels were high across a variety of fields including Building, Automotive, Plumbing, Retail Baking Bread, Retail Baking Pastry, Hairdressing and Beauty Therapy.

Dookie Wine Show

GOTAFE Hospitality students and staff proudly hosted the 16th annual Dookie Wine Show Masterclass in Shepparton during September.

Students studying Hospitality, Tourism, Events, and Cookery, along with their trainers, worked to create a themed venue and food and wine experience. Apprentices from GOTAFE's Electrical Department looked after the event lighting, while GOTAFE Design students provided their services in the lead up to the event.

The Event was attended by over 200 guests and provided a great opportunity for the community to see our students and trainers in action, showcasing their talents.



VTA Awards

GOTAFE celebrated two finalists at the Annual Victorian Training Awards (VTA) in September:

- Jodi Rechsteiner-Sanders – Teacher/Trainer of the Year (pictured).
- Jordan (Jordi) Gradon – Vocational Student of the Year

GOTAFE was delighted when Jodi Rechsteiner-Sanders was awarded the Victorian Trainer/Teacher of the Year. Jodi is a trainer in kitchen operations, commercial cookery, catering operations, Certificate III Hospitality and the Victorian Certificate of Applied Learning (VCAL).

In November, Jodi attended the national awards in Brisbane accompanied by eight of GOTAFE's VCAL students.

Motorclassica

GOTAFE was delighted to partner with local Shepparton company, Maskell's Customs & Classics, at the 10th annual Motorclassica event held at the Royal Exhibition Building in October.

GOTAFE staff and apprentices delivered public demonstrations in the live restoration theatre and learnt from Crystal McLaren, former GOTAFE apprentice and WorldSkills bronze medalist, who shared her knowledge and skills at the event.

New Barber Shop Facilities

GOTAFE officially opened new barber facilities at the Shepparton Fryers Street Campus and Wangaratta Docker Street Campus in October. Funded by the Regional Specialist Training Fund (RSTF), the facilities will support the delivery of specialised training for the Certificate III in Barbering.

2019 Year in Review

New Baking Facilities in Shepparton

Baking facilities at the Shepparton Fryers Street campus received an upgrade in 2019 through the State Government's Regional and Specialist Training Fund.

The new facilities were launched in September; with baking industry representatives, trainers and students attending an opening event to celebrate the new state-of-the-art gas and steam ovens, blast chillers, artisanal bread ovens and pastry preparation equipment.

The facility upgrade supports GOTAFE's Certificate II and III Baking courses and responds to an ongoing shortage of qualified baking staff in the Hume region.

Indian Delegation Dairy Study Tour

GOTAFE welcomed over 25 dairy professionals from India in June as part of their National Dairy Development Board's International Study Tour program.

Delegates representing 18 dairy-producing states of India toured local dairy farms, processing plants, fertility management facilities and research centres for a week to observe practices within Australia's mature dairy industry.

Student Experience

Student Graduation Ceremonies

Student Graduation Ceremonies were celebrated at each campus during March and April 2019. Hundreds of staff, students, families and friends gathered to celebrate each graduating class of 2018.

Orientation Week

GOTAFE ran a highly successful Orientation Week program at all campuses to improve student first-impressions. 'O Week' events held in late February and early March featured exhibitions from external stakeholders, live music, food, coffee and other engaging activities for students.

Student-Centered Design Project

GOTAFE commenced its innovative Student-Centered Design Project to support transformational improvements that enhance student experience. Students were engaged in mapping the current student experience as well as the 'ideal' future state, to which we will strive and aspire.

2019 Open Days

GOTAFE rolled out its new Open Day program during August, hosting a range of activities across all campuses to engage students and community in everything GOTAFE has to offer. The events were well-attended and resulted in early enrolments.

GOTAFE Summer Student Development Program

GOTAFE offered a Summer Student Development Program to assist students currently studying with GOTAFE or other Tertiary Institution with valuable paid work experience over the 2019/20 summer break. The program provided hands-on career experience in a fun and engaging environment.

GOTAFE Facilities

Archer Street Campus, Shepparton - First Birthday Celebration

The purpose-built Goulburn Murray Regional Skills Centre (Archer Street campus) celebrated its first birthday in October.

The state-of-the-art trade facility supported the hands-on skill training requirements of some 380 apprentices, pre-apprentices and VET in school students within its first 12 months of operation.



2019 Year in Review

Street Art Mural

In September, a new street art mural was proudly unveiled at the Shepparton Fryers Street campus to celebrate cultural diversity at GOTAFE. The indigenous-themed mural was proudly designed and painted by our students of Certificate III in Visual Arts and Certificate II in Aboriginal and Torres Strait Islander Cultural Arts in collaboration with renowned Melbourne street artist George Manioudakis.

Titled 'Reflections of Kaiela, Woka Yedabilla, Danam' ('Reflections of Rivers, Land, Flora and Fauna'); the artwork celebrates GOTAFE's important connection with the Aboriginal and Torres Strait Islander Community.



Seymour Campus Masterplan

GOTAFE progressed its redevelopment plans for the Seymour Campus in 2019, with the development of a Seymour Campus Masterplan.

The redevelopment project is supported by a \$2.5 million State Government capital works grant to build a health and community services training facility at the Seymour Campus.

Stakeholder and Community Engagement

VPS Pride Awards – Regional Pride Initiative of the Year Award

GOTAFE was a proud recipient of the Victorian Public Sector (VPS) Pride Awards in the category of Regional Pride Initiative of the Year. The annual VPS Pride Awards recognise and celebrate LGBTIQ+ workplace inclusion and achievements in Victorian workplaces.

The award recognised GOTAFE's initiatives with the LGBTIQ+ community including GOTAFE's two LGBTIQ+ scholarships for the FLEDGE Leadership program; GOTAFE's provision of a meeting space for GV Pride, GOTAFE's Gold Sponsorship of the Out In The Open Festival; GOTAFE's hosting of a "Wear it Purple" event; and GOTAFE's permanent raising of Rainbow Flags across all campuses to symbolically demonstrate that its campuses are safe and welcoming to all.

Shepparton Tertiary Education Precinct Structure Plan

GOTAFE participated in discussions with the City of Greater Shepparton, LaTrobe University, and Goulburn Valley Health regarding the development of a Tertiary Education Precinct Structure Plan for Shepparton.

Seymour Showcase

GOTAFE hosted over 90 students from Seymour and surrounds at a Seymour Showcase Day in June. The event provided secondary school students with a taste of the many training options available to them at GOTAFE; with individual workshop sessions delivered on nursing, beauty, hospitality, furnishings, first aid, ICT, sport and recreation, aged care, hairdressing, building and construction, automotive, and early childhood.

Partnership with SPC Ardmona

GOTAFE partnered with the new owners of SPC Ardmona on a range of initiatives in 2019 and strengthened the alliance for future opportunities.

During September, GOTAFE hosted two information sessions for seasonal employment at the Shepparton campus, with SPC Ardmona staff showcasing the opportunities for students to gain seasonal and permanent employment.

SPC Ardmona will provide student scholarships and awards as part of the 2020 graduation program.

2019 Year in Review

New Website

GOTAFE launched a new public website in August 2019 along with a new branding strategy. The website aims to enhance the experience of students and members of the community by making information more easily accessible.

People and Culture

GOTAFE Staff Development Days

GOTAFE held two highly successful staff development days in 2019.

In January, retired senior officer of the Australian Army, Lieutenant General David Morrison AO, inspired staff with stories about organisational transformation and the importance of culture.

In September, award winning documentary-maker and television presenter, Todd Sampson, motivated staff to extend their creativity and challenge their comfort zone.

Victorian Public Sector People Matter Survey

72% of GOTAFE staff participated in the Victorian Public Sector 'People Matter Survey' in 2019.

The survey asked employees how well their organisation, leaders and colleagues practice shared public sector values and employment principals; with GOTAFE achieving extremely positive survey results, well above the state average for many categories.

Operating Result

GOTAFE recorded a net deficit from transactions of \$11.2m, compared to the 2018 surplus of \$0.1m, largely as a result of the Institute's decreased reliance on Victorian Government contributions (other). This decrease was part of the Institute's strategic direction to improve financial sustainability and reduce its reliance on Victorian government grants in the future. The Institute's closing cash balance for 2019 was \$27.4m

GOTAFE continues to focus on the delivery of excellent quality training and education and reducing its reliance on Victorian Government grants on the path towards ongoing financial sustainability.



CEO Sleepout

In June, GOTAFE's CEO Travis Heeney joined the fight against homelessness by participating in the 2019 Vinnies CEO Sleepout in Melbourne. The event saw more than 80 business, community and government leaders sleep without shelter to raise awareness and funds toward changing the lives of Australians experiencing homelessness.

Travis Heeney raised just over \$7,000 through the initiative and he reported that the experience had been truly humbling, strengthening his resolve to change people's lives for the better through the delivery of quality regional education at GOTAFE.

2019 Objectives, Key Performance Indicators and Achievements

Summary of key financial results

A summary of key financial results of GOTAFE for 2019 with comparative results for the previous four years appears in the following table:

Financial indicator	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
Operating Revenue (Income from transactions, including capital contributions)	55,132	56,271	63,135	58,744	57,433
Operating Surplus/(Deficit) (Net result from transactions, including capital contributions)	(11,197)	100	2,319	2,132	(1,047)
Liquidity Ratio (Current Assets/ Current Liabilities adjusted to exclude long-term benefits)	3.3:1	5.10:1	5.20:1	7.50:1	6.17:1
EBITDA (Earnings before interest expense, tax, depreciation and amortisation) (excludes capital contributions)	(6,276)	4,921	6,837	6,734	2,629
Total Assets	132,474	143,859	142,917	134,957	124,993
Total Liabilities	16,158	15,327	14,213	11,230	10,827

Summary of key non-financial results

A summary of key training activity results for 2019 appears in the following table:

Classification	2019 result
Students (head count)	9,477
Student Admissions (course enrolments)	10,968
Student Contact Hours (delivered)	3,112,743

Statement of Performance

Statement of Performance for the year ended 31 December 2019

In our opinion, the accompanying Statement of Performance of the Goulburn Ovens Institute of Technical and Further Education for the year ended 31 December 2019, 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
Diana Taylor

Location: Shepparton
Date: 15th April 2020



Chief Executive Officer
Travis Heeney

Location: Shepparton
Date: 15th April 2020



Chief Finance & Accounting Officer
Nicholas Gray

Location: Shepparton
Date: 15th April 2020

Key Performance Indicators

Statement of Performance for the year ended 31 December 2019

Indicator title	Description and methodology	Measure	2019 Target	2019 Actual	Explanation of variances	2018 Actual
Training revenue diversity	Breakdown of training revenue by <ul style="list-style-type: none"> Victorian Training Guarantee (VTG) Fee for Service (FFS) Student Fees and Charges 	%	61.7%	70.4%	An uplift in VTG is due to the introduction of Free TAFE in 2019. A portion of revenue previously classified as Student Fees and Charges is now classified as VTG. In addition, an increase in FFS is due to an uplift in private sector activities.	58.9%
Employment costs as a proportion of training revenue	<i>Employment and third party training delivery costs as a proportion of training revenue</i> <i>(Employment costs – Workforce reduction expenses + 3rd party training delivery costs) / Training revenue</i>	%	117.0%	125.1%	An increase in Employment Costs as a Proportion of Training Revenue for 2019 targeted and actual is due to a reduction in Training Revenue that was anticipated for the current financial year. Due to a substantial increase in Training Revenue in comparison to prior year Employment Costs as a Proportion of Training Revenue has significantly decreased year on year.	134.6%
Training revenue per teaching FTE	<i>Training revenue (excl. revenue delivered by third parties) per Teaching FTE</i> <i>Training revenue (excl. revenue delivered by 3rd parties) / Teaching FTEs</i>	\$	140,394	139,894	An increase in the number of teaching staff that was anticipated for 2019, has decreased the number of revenue earned against the total number of teaching FTE when comparing the 2019 target to actuals. Due to a substantial increase in Training Revenue in comparison to prior year Training Revenue Per Teaching FTE has significantly increased year on year.	103,394
Operating margin percentage	<i>Operating margin % EBIT (excl. capital contributions) / Total revenue (excl. capital contributions)</i>	%	(20.0%)	(20.7%)	A deterioration in the operating margin is due to a lower EBIT level from increased expenditures.	0.17%

Governance and Organisational Structure

Statement of Performance for the year ended 31 December 2019

GOTAFE Board

The Board's membership comprises six Ministerial directors, three co-opted directors (with one position vacant from 1 July 2019), the Chief Executive Officer and a staff elected director. Board directors have carrying expertise and experience, and provide GOTAFE with the skills necessary for quality leadership and governance.

The Board representation in the 2019 calendar year appears in the following table:

Member	Director category	Term	
		From	To
Diana Taylor Board Chair 26/08/2019 -	Ministerial	01/07/2019	30/06/2022
Angela Verde Acting Board Chair 01/07/2019 - 25/08/2019 Deputy Board Chair 26/08/2019 -	Ministerial	01/07/2019	30/06/2022
Fiona Lloyd	Ministerial	15/12/2017	30/06/2020
Dean Walton	Ministerial	15/12/2017	30/06/2020
Ro Allen	Ministerial	01/07/2018	30/06/2021
Catherine Scott	Ministerial	01/07/2019	30/06/2022
Kate Fraser	Co-Opted Director	11/02/2019	10/02/2022
Deborah Spring	Co-Opted Director	11/02/2019	10/02/2022
Travis Heeney	CEO	02/07/2018	01/07/2023
Jon Lee	Staff Elected Director	01/07/2019	30/06/2020
Former Board members during 2019			
Joanne Dwyer	Ministerial	01/07/2016	30/06/2019
Christine Riches	Ministerial	01/07/2016	30/06/2019
Mark O'Sullivan	Co-opted Director	22/08/2016	30/06/2019
Suellen Loki	Staff Elected Director	01/07/2018	30/06/2019

Governance and Organisational Structure

Statement of Performance for the year ended 31 December 2019

Board Sub-Committees

As at the end of 2019, the following Board Sub-Committees were in place at GOTAFE:

- Audit and Risk
Chair: Kate Fraser
- Remuneration & Succession
Chair: Angela Verde
- Governance
Chair: Deborah Spring

Board Sub-Committee Membership – August to December 2019

Audit and Risk	Governance	Remuneration
Kate Fraser (Chair) Diana Taylor Dean Walton Catherine Scott Angela Verde Jon Lee Travis Heeney Rowan O'Hagan Michael Ulbrick	Deborah Spring (Chair) Diana Taylor Fiona Lloyd Jon Lee Dean Walton Travis Heeney Rowan O'Hagan Michael Ulbrick	Angela Verde (Chair) Diana Taylor Kate Fraser Travis Heeney

Board Sub-Committee Membership – January to June 2019

Audit and Risk	Governance	Remuneration
Mark O'Sullivan (Chair) Joanne Dwyer Christine Riches Dean Walton Travis Heeney	Ro Allen (Chair) Joanne Dwyer Fiona Lloyd Angela Verde Suellen Loki Travis Heeney	Angela Verde (Chair) Mark O'Sullivan Joanne Dwyer

Governance and Organisational Structure

Statement of Performance for the year ended 31 December 2019

Board members' expertise



Diana Taylor | Board Chair

Diana is a qualified lawyer, company director and consultant. Diana has worked as a lawyer within top tier law firms and as a senior in-house counsel for some of Australia's largest businesses, and is currently the General Counsel for Netball Australia. For over a decade, Diana has also run her own consultancy business. In 2016, Diana was awarded the Telstra Business Woman of the Year Award for Victoria – Corporate & Private category.

Diana is also a Trustee on the Melbourne Convention and Exhibition Trust, a Board Member of the Geelong Authority and is Chair of Geelong's community hospice, Anam Cara House Geelong.

One of Diana's life-long passions has been the game of Australian Rules Football (AFL) and the Geelong Football Club. With over 20 years' experience as an AFL administrator, Diana joined the Board of the Geelong Football Club in 2010 as a Director. In December 2019, Diana became the first woman in the Club's 161 year history to be appointed as the Vice President of the Geelong Football Club.



Angela Verde | Deputy Board Chair

Angela holds a Bachelor of Applied Science and a Diploma of Business Management, is a Graduate of the Australian Institute of Company Directors and has extensive executive level leadership experience across multiple Victorian state government departments and the not for profit sector.

She has worked in clinical, research, management, policy and governance roles and is currently the Deputy Chair of the Goulburn Ovens Institute of TAFE Board and a Non-Executive Director on the Albury Wodonga Health and North East Water Boards. Angela is also a member of the Royal Australian and New Zealand College of Obstetricians and Gynaecologists (RANCOG) Appeals Committee and works as an independent consultant.

A background in strategic regional development and knowledge of the challenges and opportunities facing regional communities brings an important perspective to Angela's work.

With a strong record of achievement in facilitating change, leading teams, delivering regional programs and building sustainable partnerships, Angela also brings an enduring passion and commitment to improving outcomes for regional communities.



Catherine Scott

Catherine is a highly experienced Chairperson and Non-Executive Director who has held directorships across a portfolio of organisations in transport, water, education and natural resources.

In her prior professional career Catherine held senior positions in the investment banking and finance industries. She is a Non-Executive Director and Chair of the Audit and Risk Committee for the Office of National Rail Safety Regulator, Non-Executive Director of the National Heavy Vehicle Regulator, Board member of GOTAFE and a member of the Finance Committee at Edmund Rice Ministries Oceania. Catherine is a past Chair of Goulburn Valley Water and past Director of VicWater.

Governance and Organisational Structure

Statement of Performance for the year ended 31 December 2019

Board members' expertise



Dean Walton

Dean is currently a Manager, Court Practice with the Department of Justice and Community Safety.

Previous to this role Dean has spent over 25 years in the Health, Aged Care and Disability sector which remains one of his major interests and passions. This also included over five years in the role of Executive Manager of Positive Ageing & Disability Services at Rumbalara Aboriginal Co-Operative. This role included managing a 30-bed Elders Facility, as well as aged care and mental health disability programs across four regions in Victoria and New South Wales.



Deborah Spring

Debbie Spring was appointed to the GOTAFE Board in February 2019. Debbie has extensive experience as a senior executive and Board member in Australia and overseas, across a broad range of industry sectors including energy, manufacturing, rail and general logistics. In various roles, she has implemented major business transformation programs in large, complex, capital intensive, highly regulated and unionised industries. Debbie has over 15 years' experience as a professional Director, including as Chair, on the Boards of unlisted companies, government businesses and start-ups.

Her Board roles have included membership of sub-committees responsible for finance, audit and risk, remuneration and culture, and infrastructure. The Boards she has served on include Ambulance Victoria, Federation University of Australia, Mount Hotham Resort Management Board (Chair), the Donric Group (Chair) and V/Line Corporation. Debbie was appointed Chair of the Rail Industry Standards and Safety Board in November 2016 and Executive Chair and Chief Executive Officer on 1 June 2019.

Debbie has a Bachelor of Science in Mechanical Engineering from Union College, a Master of Science in Mechanical Engineering from Rensselaer Polytechnic Institute and a Master in Business Administration from Harvard Business School. She is a licensed professional engineer and a GAICD.



Fiona Lloyd

Fiona lives in Bunbartha and has extensive experience in communications and as a journalist.

She has previously held senior roles with a range of organisations and regional and metropolitan newspapers.

Her current role as Communications Manager with the Goulburn Broken Catchment Management Authority sees her develop, implement and monitor communication and engagement strategies and work collaboratively with all levels of government, the community, industry and landholder groups.

Fiona holds a Bachelor of Arts (Teaching) and a Graduate Diploma in Journalism.

Governance and Organisational Structure

Statement of Performance for the year ended 31 December 2019

Board members' expertise



Jon Lee

Jon has been with GOTAFE for nine years working across a range of roles, most recently overseeing GOTAFE's partnerships with schools including the highly successful VET in Schools program. Jon has extensive experience across the VET sector, having worked broadly across private and multinational organisations. Prior to coming to GOTAFE Jon spent 15 years in the Hospitality industry, relocating to Shepparton in 2010.

Tertiary qualified, Jon holds a Graduate Certificate in Business Management, Bachelor of Applied Management, a number of VET Qualifications and in 2015 completed a scholarship under The National Excellence in Educational Leadership Initiative (NEELI) with the Australian School of Applied Management. Jon was recently elected as a staff Director to the GOTAFE Board and is a Graduate of the Australian Institute of Company Directors (AICD).

A resilient, energetic and dynamic leader, Jon is strongly committed to GOTAFE and the communities we operate in. Motivated to deliver service excellence and passionate about outcomes and enabling people to achieve, Jon is dedicated to collaboration, engagement and delivering an outstanding student experience.



Kate Fraser

Kate commenced on the Institute Board in February 2019 and has over 25 years' commercial experience in strategic planning, corporate governance, communications and business development in Sydney, Melbourne and regional Victoria.

Kate holds a Bachelor of Economics and is a Fellow of the Australian Institute of company directors. Kate has served on several state and federal government boards in the utilities, education and health sectors.

Kate's industry experience includes strategy development, change management, marketing and communications roles within the retail banking, sports management, consumer goods and health insurance sectors. In addition to her board roles, Kate is a business consultant working predominantly in regional Victoria.

Governance and Organisational Structure

Statement of Performance for the year ended 31 December 2019

Board members' expertise



Ro Allen

Ro is the current Victorian Commissioner for Gender and Sexuality. Ro is a former CEO of UnitingCare in the Goulburn Valley and former Hume Regional Skills Coordinator for the Department of Education.

Ro has also been Chair of the Victorian Adult, Community and Further Education Board, the Victorian Skills Commission, the Youth Affairs Council of Victoria (YACVIC), and former member of the Hume Regional Development Australia Committee. Ro has been recognised for extensive community service, and in 2003 was awarded a Centenary Medal. Ro was inducted into the Victorian Government Honour Roll for Women in 2009, was recognised in the Top 50 Public Sector Women (Victoria) in 2017, and won Hero of the Year in the 2017 Australian LGBTI Awards.



Travis Heeney

Travis Heeney is a tertiary-qualified, results-driven executive with strong business, political, and financial acumen. He is a transformational leader with natural enthusiasm for innovation, in-depth knowledge and awareness of regulatory obligations, and the ability to facilitate significantly improved, community-focused outcomes. He has specific skills in strategic positioning and in resolving organisational challenges and driving operational improvement. Travis is a highly analytical and strategic thinker, with a unique and insightful view of organisational performance. Whether it is culture, processes, business models or individual behaviours, his ability to understand and influence these forces leads to the successful achievement of desired outcomes at both strategic and tactical levels.

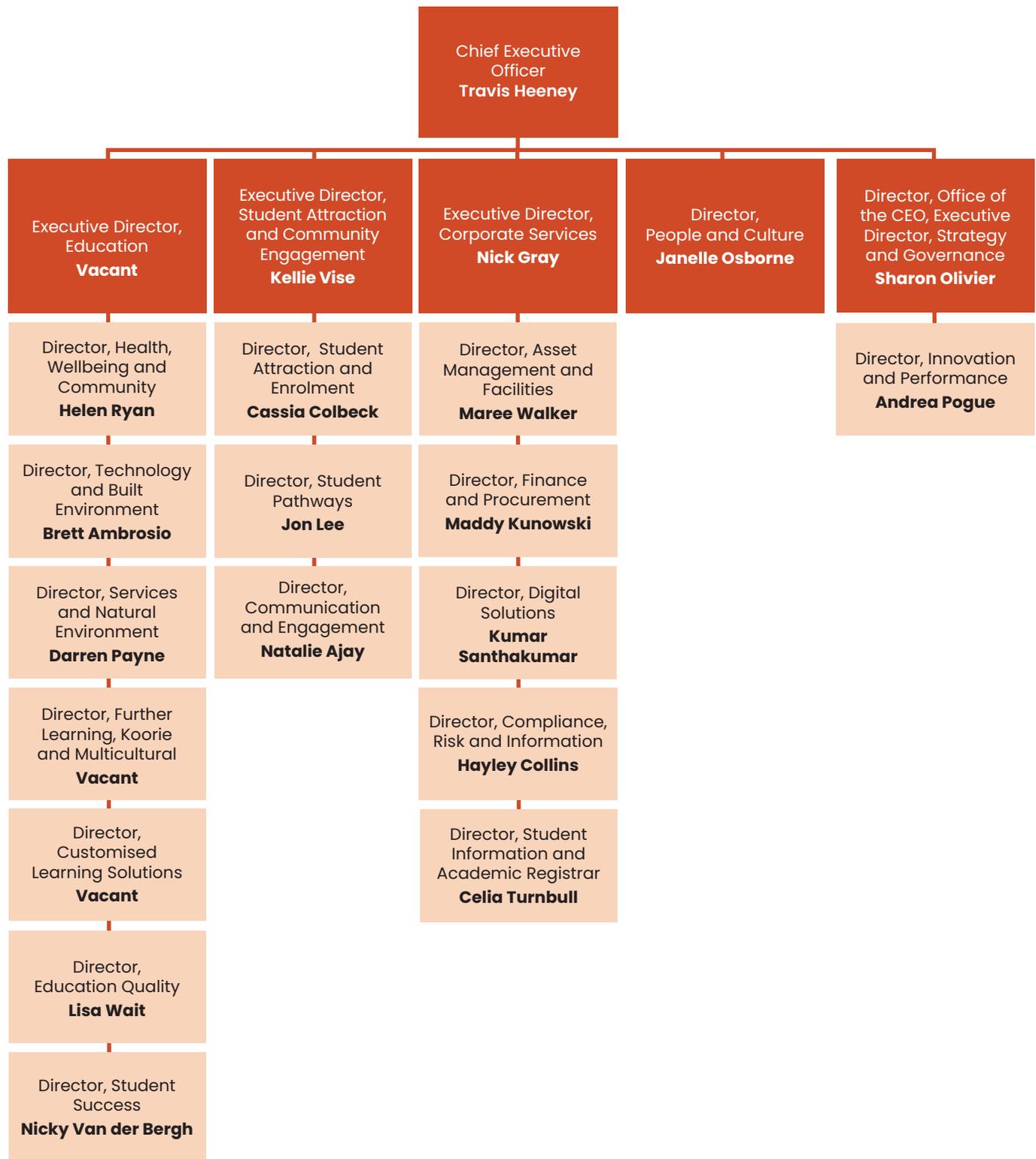
Travis has significant experience in community-focused organisations, having held leadership positions in the Public Health, Not-for-Profit and Local Government sectors. Most recently, Travis has held executive positions in Local Government at both Director and CEO level. Travis has also worked with various organisations in a transformational capacity at Director and CEO level, to assist in the achievement of improvement activities.

To ensure his own professional growth, Travis has also completed the Company Director's Course at the Australian Institute for Company Directors, and has been an active member of Australian Institute of Company Directors and various peak bodies.

Governance and Organisational Structure

Statement of Performance for the year ended 31 December 2019

Organisational Structure as at 31 December 2019



Workforce Information

Statement of Performance for the year ended 31 December 2019

Workforce data by gender, age and classification

2019 December	All Employees		Ongoing			Fixed Term and Casual	
	Number (headcount)	FTE	Full time (headcount)	Part time (headcount)	FTE	Number (headcount)	FTE
Gender							
Women Exec	2	2	-	-	-	2	2
Women	389	283.6	159	78	211.3	152	72.1
Men Exec	2	2	-	-	-	2	2
Men	201	153.6	104	14	113.6	83	40.2
Self-described	-	-	-	-	-	-	-
Age							
Under 25	29	14	7	-	7.0	22	7
25-34	80	54.2	30	12	37.3	38	16.8
35-44	104	80.2	40	17	52.1	47	28.1
45-54	180	144.2	96	20	109.6	64	34.6
55-64	160	124.4	79	32	101.4	49	23
Over 64	41	24.2	11	11	17.5	19	6.7
Total Emps	594	441.2	263	92	324.9	239	116.3

2018 December	All Employees		Ongoing			Fixed Term and Casual	
	Number (headcount)	FTE	Full time (headcount)	Part time (headcount)	FTE	Number (headcount)	FTE
Gender							
Women Exec	3	3	-	-	-	3	3
Women	378	279.1	122	65	165.3	191	113.8
Men Exec	3	3	-	-	-	3	3
Men	208	155	97	11	103.7	100	51.3
Self described	-	-	-	-	-	-	-
Age							
Under 25	21	11.1	5	-	5	16	6.1
25-34	76	54.7	17	7	21.5	52	33.3
35-44	115	84.2	36	18	48.4	61	35.8
45-54	180	142.3	79	20	93.1	81	49.2
55-64	164	124.7	73	20	85.6	71	39.1
Over 64	36	23.1	9	11	15.5	16	7.6
Total Emps	592	440.1	219	76	269	297	171.1

Workforce Information

Statement of Performance for the year ended 31 December 2019

Workforce data full time equivalent (FTE)

2019 December	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	123	23	22.9	8.1	NA	10.5	187.5
Executive	-	4	-	-	NA	-	4
Other	1*	13	-	0.8	NA	NA	14.8
Teacher	139	21	39	3.4	32.5	-	234.9
Total	263	61	61.9	12.3	32.5	10.5	441.2

* Workcover (1.0)

2018 December	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	90	43	20.5	10.1	NA	9.4	173
Executive	-	6	-	-	NA	-	6
Other	1*	-	-	-	NA	NA	1
Teacher	128	30	29.5	12.6	60	-	260.1
Total	219	79	50	22.7	60	9.4	440.1

* Workcover (1.0)

The 2018 figures reported in the 2018 Annual Report has been amended to reflect 1.0 EFT Workcover.

The 2019 'Other' category includes Director level positions which were aligned to PACCT or Teacher awards in 2018 reporting.

Employees have been correctly classified in workforce data collections prepared during the 2019 calendar year

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 GOTAFE meets the requirements of the *Public Sector Management and Employment Act 1998*. Recruitment processes are detailed in the Recruitment Policy and associated procedures.

GOTAFE observes an Employee Code of Conduct Policy that was amended in 2018, detailing the minimum obligations and standards of personal behaviour and conduct expected of staff employed. 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 are provided with a copy of the Code of Conduct for Victorian Public Sector Employees.

Workforce Information

Statement of Performance for the year ended 31 December 2019

Occupational Health and Safety (OH&S)

GOTAFE is committed to providing a healthy and safe working environment for all employees, students, contractors and visitors and takes a proactive approach aiming to promote and achieve best practice across our business. It also recognises that good OH&S practices not only provide a safer working environment but improve employee morale and productivity.

The organisation also acknowledges that improving 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.

Notable Achievements in 2019

- Reduction in the number of notifiable incidents
- Increased focus on management of non-work related injuries, working with both the employee and manager to provide successful outcomes
- Redevelopment and relaunch of our Health, Safety and Wellbeing Policy Statement refreshing our organisational commitment to improve OH&S outcomes
- Completion of strategic safety review to identify opportunities for improvement to our OH&S management system and processes
- Review of contractor management and induction arrangements and initiation of online induction and visitor management system for implementation
- Development of the GOSAFE business plan including key initiatives and program of work to enhance safety performance and build culture and capability
- Review, consolidation and development of Safe Operating Procedures across business divisions
- Refresh of our OH&S Committee, consultation and communication structures

OH&S performance

Performance Indicators	2019	2018	2017	2016	2015	2014
Number of reported hazards and incidents per 100 FTE staff	17.67	44.31	36.43	45	NA	NA
Lost time standard claims per 100 FTE staff	.50	0.23	0.45	0.86	Not measured – LTIFR used – see below.	
Lost-time injury frequency ratio (Standard claims per million hours worked)	.34	1.25	2.53	4.54	6.63	1.8
Average cost per claim	\$4,466	\$3,661	\$28,241	\$1,703	\$65,527	\$44,586
Outstanding claim costs (estimate)	\$4,840	\$9,687	\$127,902	\$2,290	\$61,811	\$46,162
Fatalities	0	0	0	0	0	0

Note: Average cost per claim has increased in 2019 due to the reduction in claims but increase in severity of the claims.

Other Disclosures

Statement of Performance for the year ended 31 December 2019

Major commercial activities

GOTAFE has undertaken no major commercial activities during 2019 that equate to more than five per cent of the annual revenue.

Controlled entities

GOTAFE does not have any controlled entities.

Government advertising

GOTAFE has had no government advertising campaigns with media spend of \$100,000 or greater during the 2019 year.

Information and communication technology (ICT) expenditure

For the 2019 reporting period, GOTAFE had a total ICT expenditure of \$2,640,000 with the details shown below.

	(\$ million)
<i>Business As Usual (BAU) ICT expenditure (Total)</i>	\$ 2.266
<i>Non Business As Usual (non BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure)</i>	\$ 0.374
<i>Operational expenditure (non-BAU) ICT</i>	\$ 0.071
<i>Capital expenditure (non-BAU) ICT</i>	\$ 0.303

Consultants

In 2019, there were 15 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred to December 2019 in relation to these consultancies is \$1,685,392 (excl. GST). Details of individual consultancies can be viewed at: gotafe.vic.edu.au/contact/about-us/corporate-publications.

In 2019, there were 21 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred to December 2019 in relation to these consultancies is \$108,744 (excl. GST)

National Competition Policy

GOTAFE operates in an environment which is competitively neutral with the private sector, and compliant with the National Competition Policy and the Victorian Competitive Neutrality Policy. The Victorian Competitive Neutrality Policy is to ensure that significant Government business activities compete fairly in the market. Prices for courses and services are set taking into account factors such as demand and competition, while ensuring that as a whole the organisation can recover the competitively neutral cost of providing services over the medium to long term.

Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately. GOTAFE did not commence or complete any contracts to which the Local Jobs First applied in the 2019 reporting period.

Other Disclosures

Statement of Performance for the year ended 31 December 2019

Freedom of Information

The Freedom of Information Act 1982 provides the right of the community to access information in the possession of the Government of Victoria and its departments and agencies. GOTAFE is a body established for a public purpose and as a State Government 'agency' is subject to the provisions of the Act and requests for information. Any requested document that is regarded as sensitive shall require the enquirer to make a Freedom of Information request.

Enquiries regarding access to a document or record can be made by phone to the authorised Freedom of Information Officer, on 1300 GOTAFE (1300 468 233). 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:

CEO
Attention: Freedom of Information Officer
GOTAFE
152 – 200 Fryers Street,
Shepparton, Victoria 3630

The requirements for making a Freedom of Information request are:

- it should be in writing;
- it should identify as clearly as possible which document or record 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.

No requests were made to GOTAFE to access information under Freedom of Information in 2019.

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

Protected Disclosure

The Protected Disclosure Act 2012 enables people to make disclosures about improper or corrupt conduct within the public sector without fear of reprisal. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

GOTAFE has a procedure to meet its obligations under the Act and any regulations made pursuant to the Act or guidelines issued by the Independent Broad-Based Anti-Corruption Commission (IBAC). Any disclosures relating to GOTAFE personnel must be made directly to IBAC.

IBAC has not advised GOTAFE of any disclosures or sought any response to disclosures during 2019.

Victorian Ombudsman

There was one Request for Information from the Victorian Ombudsman in 2019.

Carers Recognition Act

The Carers Recognition Act 2012 officially recognises care relationships and the role of carers in the community. The Act specifies obligations for state government agencies and other organisations that interact with people in care relationships.

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 services, which may include leave provisions, counselling, disability and welfare support and flexible work arrangements.

Other Disclosures

Statement of Performance for the year ended 31 December 2019

Building and maintenance provisions

Compliance to Building Act 1993

GOTAFE maintains all building related plans and documentation where there is a requirement under the *Building Act 1993*.

All building contractors engaged by GOTAFE are registered as Building Practitioners where appropriate and maintain current certificates of currency.

GOTAFE considers that buildings across all campuses conform to the building regulations that applied at the time of construction for the respective structures.

Essential Safety Measures were maintained and recorded as per the regulations.

Compliance to the Department of Health and Human Services – Maintaining of Cooling Towers.

Ongoing liaison with the Victorian Cladding Task Force.

Maintained scheduled and reactive maintenance of assets.

Attainments for 2019 included:

- Funding of \$5,192,550 by GOTAFE contributed to the success of the following projects;
 - Upgrades to Security
 - Visual Branding
 - Upgrades to Health & Community Services
 - Upgrades to Trades Areas
 - Enhancement of Student Intake Spaces
 - Installation and Upgrades of Passenger Lifts
 - Campus Enhancements

Victorian Public Sector Travel Policy

GOTAFE has a policy and procedures in place to ensure it is compliant with the Victorian Public Service Travel Policy.

Non-academic student fees

Students enrolling in government-subsidised programs in 2019 were provided a brochure on Fees and Charges. This detailed information on:

- fees and charges
- exemptions and concessions
- payment options and fee refunds

Fees and charges and Student Services information were also available on GOTAFE's website.

In 2019 the Institute did not charge a Student Services and Amenities Fee.

The expenditure on student support services, amenities and activities included: orientation activities, youth pathway plans, counselling, disability support, first aid assistance and student activities, while information was provided in the student handbook and personally by support staff on various topics, including accommodation, public transport, health information, course advice and fee payment assistance. This expenditure amounted to:

Salary of Student Services, Disability and Counselling Officers – \$ 2,444,144

Non-Salary – \$ 440,622

The services provided for students were further detailed within the Student Services brochures displayed and made freely available throughout the organisation and on the GOTAFE website and through orientation.

Design and print requirements

GOTAFE's Annual Report complies with the Financial Reporting Direction FRD 30C Standard requirements for the publication of annual reports.

Environmental Sustainability

Statement of Performance for the year ended 31 December 2019

The following tables note GOTAFE's environmental indicators for 2019.

Energy

Indicator	2018		2019	
	Electricity	Natural gas	Electricity	Natural gas
Total energy usage (MJ)	12,249,221	10,824,140	15,461,837	11,710,039
Greenhouse gas emissions associated with energy use (t CO ₂ e)	4,559	597	-	-

Actions undertaken

Comment:

Energy data above is for both training operations and office and is not able to be differentiated for office only.

Transport

Indicator	2018			2019		
	Diesel vehicles	LPG vehicles	Petrol vehicles	Diesel vehicles	LPG vehicles	Petrol vehicles
Total fuel consumption by vehicles (litres)	47,781	17,710	44,960	40,579	14,667	70,925
Total vehicle travel (km)	838,492	142,784	593,298	609,082	114,417	901,651
Total greenhouse gas emissions from vehicle fleet (t CO ₂ e)	137	30	112	103	23	163
Total distance travelled by aircraft (km)		62,075			48,689	
Total greenhouse gas emissions from aircraft travel (t CO ₂ e)		12			10	
		Corporate Traveller co ₂ -e emissions methodology used)			(Corporate Traveller co ₂ -e emissions methodology used)	

Actions undertaken

Comment:

Vehicles include cars (pool cars and allocated vehicles) and buses for transport of students. Training vehicles (tractors, quad bikes) are excluded. Aeroplane travel includes staff flights; any student excursion travel is excluded.

Environmental Sustainability

Statement of Performance for the year ended 31 December 2019

Waste

Indicator	2018			2019		
	Landfill	Co-mingle recycling	Compost	Landfill	Co-mingle recycling	Compost
Total units of waste disposed of (kg/yr)	103,484	30,762	Not available	116,540	34,414	Not available
Recycling rate (percentage of total waste)	22.9%			22.8%		
Total greenhouse gas emissions from waste (t CO ₂ e)	Not available			Not available		

Actions undertaken

Waste management system Continuing to sort waste

Comment:

Waste is for both training operations and office. Paperboard and paper is included with co-mingle recycling data above. Scrap metal and garden organics are additionally recycled or composted.

Paper

Indicator	2018	2019
Total units of copy paper used (reams)	7,346	7,594

Actions undertaken

Copy paper purchase Copy paper is Australian Forestry Standard certified and primarily certified as carbon neutral and 20% recycled

Comment:

Aggregate paper use on GOTAFE printer/photocopier machines by staff and students or outsourced to the contracted printer.

Water

Indicator	2018	2019
Total units of metered water consumed (kilolitres)	39,205	38,877

Actions undertaken

Water harvesting A number of campuses feature rainwater harvesting for toilet flushing, landscaping and wash-down areas

Comment:

Kilolitres consumed data is potable/town water for training operations, grounds maintenance and office use for campuses.

Attestation on compliance with Financial Management Compliance

Statement of Performance for the year ended 31 December 2019

I Diana Taylor, on behalf of the Responsible Body, certify that GOTAFE has complied with the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Additional information available on request

In compliance with the requirements of the Standing Directions of the Assistant Treasurer, details in respect of the items listed below have been retained by 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;
- 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:

Chief Executive Officer
GOTAFE
152 – 200 Fryers Street,
Shepparton, Victoria 3630
Phone: 1300 GOTAFE (1300 468 233)

Audit Committee

The Board complies with the 'Standing Directions of the Assistant Treasurer' item 3.2.1.1 (c); the Audit and Risk Committee have reviewed the annual financial statements and recommended these be authorised by the Board before they are released to Parliament by the Responsible Minister.



Chair of the Board
Diana Taylor

Date: 15th April 2020

Auditor-General's Independence Declaration

To the Board, Goulburn Ovens Institute of TAFE

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Goulburn Ovens Institute of TAFE for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
16 April 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Financial Report

How this report is structured

Goulburn Ovens Institute of TAFE has presented its audited general purpose financial statements for the financial year ended 31 December 2019 in the following structure to provide users with the information about Goulburn Ovens Institute of TAFE's stewardship of resources entrusted to it.

Financial statements	Comprehensive operating statements	43
	Balance sheet	44
	Statements of changes in equity	46
	Cash flow statement	
Notes to the financial statements	1. About this report	
	1.1 Basis of preparation	47
	1.2 Compliance information	47
	2. How we earned our funds	
	2.1 Government contributions	48
	2.2 Sales from contracts with customers	49
	3. How we expended our funds	
	3.1 Employee benefits	51
	3.2 Supplies and services	54
	3.3 Other operating expenses	56
	3.4 Leases	57
	4. The assets we invested in	
	4.1 Property, plant and equipment	58
	4.2 Investment properties	60
	4.3 Intangible assets	61
	4.4 Depreciation and impairment	62
	5. Balances from operations	
	5.1 Receivables	63
	5.2 Payables	65
	5.3 Contract liabilities	66
	6. How we financed our operations	
	6.1 Cash and deposits	67
	7. Managing risks and uncertainties	
	7.1 Financial instruments	69
	7.2 Contingent assets and contingent liabilities	76
	7.3 Fair value determination	77
	8. Governance disclosures	
8.1 Responsible persons	81	
8.2 Remuneration of executives	82	
8.3 Related parties	83	
9. Other disclosures		
9.1 Other economic flows included in net result	86	
9.2 Other equity reserves	86	
9.3 Events after reporting date	86	

Independent Auditor's Report

To the Board of Goulburn Ovens Institute of TAFE

<p>Opinion</p>	<p>I have audited the accompanying statement of performance of Goulburn Ovens Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none"> • statement of performance for the year ended 31 December 2019 • statement of performance management certification. <p>In my opinion, the statement of performance of Goulburn Ovens Institute of TAFE in respect of the year ended 31 December 2019 presents fairly, in all material respects.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the statement of performance</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Board's responsibilities for the statement of performance</p>	<p>The Board is responsible for the preparation and fair presentation of the statement of performance in accordance with the performance reporting requirements and for such internal control as the Board determines 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.</p>
<p>Auditor's responsibilities for the audit of the statement of performance</p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the statement of performance based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the statement of performance as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this statement of performance.</p>

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

- identify and assess the risks of material misstatement of the statement of performance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control
- evaluate the overall presentation, structure and content of the statement of performance, including the disclosures, and whether the statement of performance represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
16 April 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Declaration in the Financial Statements

FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER, 2019

DECLARATION BY THE CHAIR OF THE BOARD
CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCE AND ACCOUNTING OFFICER

The attached financial statements for Goulburn Ovens Institute of TAFE have been prepared in accordance with Standing Direction 5.2 of the Financial Management Act 1994, the Australian Charities and Not-for-Profits Commission Act 2012, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, cash flow statement, statement of changes in equity and accompanying notes, presents a true and fair view of the financial transactions during the year ended 31 December 2019 and financial position of the Institute as at 31 December 2019.

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

We authorise the attached financial statements for issue on 23 March 2020.



Chair of the Board
Diana Taylor

Location: Shepparton
Date: 15th April 2020



Chief Executive Officer
Travis Heene

Location: Shepparton
Date: 15th April 2020



Chief Finance & Accounting Officer
Nicholas Gray

Location: Shepparton
Date: 15th April 2020

Independent Auditor's Report

To the Board of Goulburn Ovens Institute of TAFE

<p>Opinion</p>	<p>I have audited the financial report of Goulburn Ovens Institute of TAFE (the institute), which comprises the:</p> <ul style="list-style-type: none"> balance sheet as at 31 December 2019 comprehensive operating statement for the year then ended statement of changes in equity for the year then ended cash flow statement for the year then ended notes to the financial statements, including significant accounting policies declaration by the chair of the board, chief executive officer and chief finance and accounting officer. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> presenting fairly, in all material respects, the financial position of the institute as at 31 December 2019 and of its financial performance and its cash flows for the year then ended complying with Australian Accounting Standards.
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I confirm that the independence declaration required by the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, which has been given to the Board of the institute, would be in the same terms if given to the Board as at the time of this auditor's report.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Emphasis of Matter - subsequent events COVID-19 pandemic</p>	<p>I draw attention to Note 9.3 of the financial report, which describes the effects of the COVID-19 pandemic as a material subsequent event. My opinion is not modified with respect to this matter.</p>

Other information	<p>The Board are responsible for the Other Information, which comprises the information in the annual report for the year ended 31 December 2019, but does not include the financial report and my auditor’s report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Board’s responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
Auditor’s responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute’s internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board • conclude on the appropriateness of the Board’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the institute to cease to continue as a going concern

Auditor's responsibilities for the audit of the financial report continued

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
-

MELBOURNE
16 April 2020



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
Continuing Operations			
Income from transactions			
Government contributions	2.1	43,668	43,050
Sales of goods and services	2.2	10,035	11,574
Interest income		500	649
Other income		929	998
Total income from transactions		55,132	56,271
Expenses from transactions			
Employee benefits	3.1.1	41,104	37,164
Depreciation and amortisation	4.4	5,107	4,821
Supplies and services	3.2	13,663	9,359
Other operating expenses	3.3	6,455	4,827
Total expenses from transactions		66,329	56,171
Net result from transactions		(11,197)	100
Other economic flows included in net result			
Net gain on disposal of non-financial assets	9.1	358	274
Net gain on disposal of financial assets	9.1	(29)	(53)
Other losses from other economic flows	9.1	41	(494)
Total other economic flows included in net result		370	(273)
Net result		(10,827)	(173)
Comprehensive result		(10,827)	(173)

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

Balance sheet

As at 31 December 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	27,444	29,333
Contract assets	2.2	150	-
Investments and other financial assets		-	12,800
Receivables	5.1	5,105	5,407
Total financial assets		32,699	47,540
Non-financial assets			
Inventories		37	70
Prepayments		813	1,078
Property, plant and equipment	4.1	93,138	90,402
Investment properties	4.2	2,349	2,270
Right of use asset	3.4	1,416	-
Intangible assets	4.3	2,022	2,499
Total non-financial assets		99,775	96,319
Total assets		132,474	143,859
Liabilities			
Payables	5.2	4,658	6,452
Contract liabilities	5.3	2,250	-
Lease liabilities	3.4	1,423	-
Employee provisions	3.1.1	7,827	8,306
Revenue in advance		-	570
Total liabilities		16,158	15,328
Net assets		116,316	128,531
Equity			
Contributed capital		46,080	46,080
Accumulated surplus		13,247	25,462
Reserves	9.2	56,989	56,989
Net worth		116,316	128,531

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 2019

	Reserves \$'000	Accumulated surplus \$'000	Contributed capital \$'000	Total \$'000
At 1 January 2018	56,989	25,635	46,080	128,704
Net result for the year	-	(173)	-	(173)
Year ended 31 December 2018	56,989	25,462	46,080	128,531
Net result for the year	-	(10,827)	-	(10,827)
Impact of change in accounting policy - revenue from contracts with customers	-	(1,381)	-	(1,381)
Impact of change in accounting policy - operating leases	-	(7)	-	(7)
Year ended 31 December 2019	56,989	13,247	46,080	116,316

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 2019

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Receipts			
Government contributions		45,292	45,369
User fees and charges received		9,684	14,916
Goods and services tax recovered		2,696	1,218
Interest received		611	602
Total receipts		58,283	62,105
Payments			
Payments to suppliers and employees		(62,967)	(49,589)
Goods and services tax paid		(2,898)	(1,613)
Interest paid - lease liability		(13)	-
Total payments		(65,878)	(51,202)
Net cash flows (used in)/provided by operating activities	6.1.1	(7,595)	10,903
Cash flows from investing activities			
Purchase of Investments		-	(22,450)
Proceeds from sales of investments		12,800	22,560
Purchase of non-financial assets		(7,175)	(1,721)
Proceeds from sales of non-financial assets		304	149
Net cash provided by/(used in) investing activities		5,929	(1,462)
Cash flows from financing activities			
Payment of lease liabilities		(223)	-
Net cash flows (used in) financing activities		(223)	-
Net (decrease)/increase in cash and cash equivalents		(1,889)	9,441
Cash and cash equivalents at the beginning of the financial year		29,333	19,892
Cash and cash equivalents at the end of the financial year	6.1	27,444	29,333

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

1. About this Report

For the year ended 31 December 2019

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

Its registered office and principal address is:

*Fryers Street
Shepparton, Victoria, Australia 3630*

1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of Goulburn Ovens Institute of TAFE, and have been prepared in accordance with the historical cost convention unless a different measurement basis is specifically disclosed in notes associated with the item measured on that different basis. Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

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

Judgements, estimates and assumptions are required to be made about financial information being presented. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

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

- › the fair value of land, buildings, infrastructure, plant and equipment (refer to note 7.3);
- › actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to note 3.1);
- › AASB 16 Leases and the requirements to determine the lease term to the extent that extension options are certain (refer note 3.4); and
- › the recognition of revenue in relation to contracts with customers (refer note 2.2).

These financial statements cover Goulburn Ovens Institute of TAFE as an individual reporting entity. Goulburn Ovens Institute of TAFE had no controlled entities for the year ended 31 December 2019.

Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included with other receivables or payables in the balance sheet.

Funding risk

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

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

Goulburn Ovens Institute of TAFE manages funding risk by continuing to diversify and endeavouring to increase funding from commercial activities.

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

1.2 Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)*, the *Australian Charities and Not-for-Profits Commission Act 2012*, and applicable AAS which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 Whole of Government and General Government Sector Financial Reporting.

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

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

2. How we earn our Funds

For the year ended 31 December 2019

2.1 Government contributions

Grants and other transfers	2019	2018
	\$'000	\$'000
Government grant - contestable	23,149	16,424
Government grant - other contributions	20,320	26,626
Total Government contributions - operating	43,469	43,050
Government contributions - capital	199	-
Total Government contributions	43,668	43,050

Government contributions are recognised as revenue in the period when the following conditions are met: Goulburn Ovens Institute of TAFE obtains control of the contributions or the right to receive the contribution, the economic benefits comprising the contribution will flow to Goulburn Ovens Institute of TAFE and the amount of the contribution can be measured reliably.

Grants received to support the broad objectives of the entity will be recognised as income under AASB 1058 when control is achieved. However, if the performance obligations are sufficiently specific, AASB 15 applies with all the relevant disclosure criteria (as per note 2.2).

Operating grants

Goulburn Ovens Institute of TAFE recognises income immediately in the comprehensive operating statement when control is achieved over the funds and the contract is not enforceable or the performance obligations are not sufficiently specific. Where performance obligations are sufficiently specific, the asset and related liability are recognised with the residual being directly recognised in the comprehensive operating statement.

Capital grants

Where Goulburn Ovens Institute of TAFE receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by Goulburn Ovens Institute of TAFE, the financial asset and the related amount is recognised on the balance sheet and any residual is recognised immediately as income. When the contractual obligations are satisfied, additional income is recognised.

2. How we earn our Funds

For the year ended 31 December 2019

2.2 Sales from contracts with customers

	2019 \$'000	2018 \$'000
Student fees and charges	4,442	5,564
Fee for service - government	3,811	3,935
Fee for service - international operations - onshore	77	51
Fee for service - other	1,315	1,751
Other non-course fees and charges		
Sale of goods	390	273
Total sales from contracts with customers	10,035	11,574

Revenue by timing of revenue recognition	2019 \$'000
Revenue recognised over time	9,645
Revenue recognised at a point in time	390
Total revenue	10,035

As outlined below, Goulburn Ovens Institute of TAFE has applied AASB 15 using the cumulative effect method. Under this method, the comparative information is not restated.

Revenue arises mainly from the provision of education services and the sale of goods and services. To determine whether to recognise revenue, Goulburn Ovens Institute of TAFE follows a 5 -step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

Goulburn Ovens Institute of TAFE often enters into transactions involving a range of its services, for example for the delivery of education. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) Goulburn Ovens Institute of TAFE satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue is measured based on the consideration specified in a contract with a customer. Goulburn Ovens Institute of TAFE recognises revenue when it transfers control over a good or service to a customer.

Goulburn Ovens Institute of TAFE recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the balance sheet. Similarly, if Goulburn Ovens Institute of TAFE satisfies a performance obligation before it receives the consideration, Goulburn Ovens Institute of TAFE recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

2. How we earn our Funds

For the year ended 31 December 2019

2.2 Sales from contracts with customers (continued)

Goulburn Ovens Institute of TAFE has recognised the following assets and liabilities related to contracts with customers:

	2019 \$'000	2018 \$'000
Account receivables	4,967	4,436
Allowance for expected credit losses	(227)	(310)
Revenue receivable	-	956
Contract assets	150	-
	4,890	5,082
Contract liabilities - student fees	261	-
Contract liabilities - fee for service	62	-
Contract liabilities - capital projects	1,889	-
Contract liabilities - other	38	-
	2,250	-

Revenue recognised in relation to contract liabilities

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

Revenue recognised that was included in the contract liability balance at the beginning of the period.

	2019 \$'000
Revenue recognised from performance obligations satisfied in previous periods	546

Transaction price allocated to remaining performance obligations

Goulburn Ovens Institute of TAFE expects to recognise revenue in 2020 related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

	2020 \$'000
Revenue expected to be recognised	1,889

Goulburn Ovens Institute of TAFE applies the practical expedient in paragraph 121 of AASB 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

2. How we earn our Funds

For the year ended 31 December 2019

2.2 Sales from contracts with customers (continued)

Student fees and charges

Revenue is recognised over time as the services are provided with the stage of completion determined with reference to the training hours provided as a percentage of total expected training hours. Where student fees and charges revenue has been clearly received in respect of courses or programs to be delivered in the following year such amounts are disclosed as contract liability.

The payment terms for the student fees are 14 days from the date of invoice, or alternatively as agreed by the debtor through payment plan arrangements.

In the event a student terminates their course, a refund may be provided if they withdraw within 4 weeks of the course commencement date.

Significant judgement

Goulburn Ovens Institute of TAFE uses the percentage completion to recognise revenue over time in line with the activity dates specific to each course. This method supports the revenue recognition process required to determine the allocation of the transaction price to the performance obligations when/as performance obligation(s) are satisfied.

Fee for service

Fee for service relates to VET in School and government training including Skills for Education and Employment (SEE) and Adult Migrant English Program (AMEP) revenue. 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 contract liability.

The payment terms for fee for service are 14 days from the date of invoice, or alternatively as agreed by the Debtor through payment plan arrangements.

In the event a student terminates their course before it is completed, a refund may be provided if they withdraw within 4 weeks of the course commencement date.

Significant judgement

Goulburn Ovens Institute of TAFE uses the percentage completion to recognise revenue over time in line with the activity dates specific to each course. This method supports the revenue recognition process required to determine the allocation of the transaction price to the performance obligations when/as performance obligation(s) are satisfied.

Revenue from sale of goods

Goulburn Ovens Institute of TAFE generates revenue from the sales of live works, plant and equipment, restaurant and cafeteria consumer goods, along with hire charges. Revenue is recognised when the goods are delivered and have been accepted by customers at their premises, which is when the control is transferred. Sales are recognised based on the contractual price, net of any discounts. Payment of transaction price is due immediately when the customer purchases goods and services in line with the tax invoice.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

2. How we earn our Funds

For the year ended 31 December 2019

2.2 Sales from contracts with customers (continued)

Policy applicable prior to 1 January 2019

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably. Revenue from rendering of services was recognised in proportion to the stage of completion of the work performed at the reporting date.

Goulburn Ovens Institute of TAFE has applied AASB 15 using the cumulative effect method – i.e. by recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be reported under AASB 118. The details of the significant changes and quantitative impact of the changes are set out below.

Impacts on the financial statements

The following tables summarise the impacts of adopting AASB 15 on Goulburn Ovens Institute of TAFE's financial statements for the year ending 31 December 2019.

	As reported	Adjustments (AASB 15)	Balance without adoption of AASB 15, 1058
Assets			
Receivables	5,105	(150)	5,255
Contract assets	150	150	-
Liabilities			
Contract liabilities	2,250	2,212	-
Revenue in advance	-	(2,212)	2,250
Revenue			
Revenue	55,132	1,889	57,021

3. How we expended our Funds

For the year ended 31 December 2019

3.1 Employee benefits

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

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

Expense	2019 \$'000	2018 \$'000
Salaries, wages, overtime and allowances	32,577	28,303
Superannuation	3,471	2,960
Payroll tax	999	1,061
Long service leave	(37)	404
Annual leave	2,090	2,694
Termination benefits	776	834
Other	1,228	908
Total employee benefits	41,104	37,164

Employee expenses include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. Wage inflation rates and discount rates used are those advised by the Assistant Treasurer Superannuation expenses/benefits disclosed above are employer contributions that are paid or payable during the reporting period.

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Goulburn Ovens Institute of TAFE recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3. How we expended our Funds

For the year ended 31 December 2019

3.1.1 Employee benefits in the comprehensive operating statement (continued)

	2019	2018
	\$'000	\$'000
Leave obligations		
Current	6,870	7,681
Non-current	957	625
	7,827	8,306

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

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$6,870 (2018 - \$7,681) is presented as current, since Goulburn Ovens Institute of TAFE does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, Goulburn Ovens Institute of TAFE does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	2019	2018
	\$'000	\$'000
Current leave obligations expected to be settled after 12 months	4,048	5,108

3. How we expended our Funds

For the year ended 31 December 2019

3.2 Supplies and services

	2019	2018
	\$'000	\$'000
Purchase of supplies and consumables	1,958	1,469
Communication expenses	532	551
Contract and other services	4,642	3,911
Cost of goods sold/distributed (ancillary trading)	335	355
Building repairs and maintenance	1,055	628
Operating lease payments	-	83
Fees and charges	5,141	2,362
Total supplies and services	13,663	9,359

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when the inventories are distributed.

Please refer to note 3.4 for lease-related expenses.

Non-cancellable operating lease commitments – short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

	2019	2018
Payable:	\$'000	\$'000
Within one year	226	583
Later than one year but not later than five years	107	675
Total operating lease commitments	333	1,258

Other expenditure commitments

Commitments for future services in existence at reporting date but not recognised as liabilities are as follows:

	2019	2018
Payable:	\$'000	\$'000
Within one year	3,436	1,987
Later than one year but not later than five years	71	-
GST reclaimable on the above	(319)	(181)
Total other expenditure commitments	3,117	1,806

3. How we expended our Funds

For the year ended 31 December 2019

3.3 Other operating expenses

	2019	2018
	\$'000	\$'000
General expenses	1,681	852
Marketing and promotional expenses	1,117	991
Utilities	1,351	1,113
Audit fees and services	151	170
Staff development	509	416
Travel and motor vehicle expenses	793	678
Insurances	183	174
Ex gratia expense	47	105
Direct operating expenses of investment properties generating rental income	4	1
Equipment below capitalisation threshold	606	327
Interest on lease liabilities	13	-
Total other operating expenses	6,455	4,827

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

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

Please refer to note 3.4 for further information on lease-related expenses.

3. How we expended our Funds

For the year ended 31 December 2019

3.4 Leases

Goulburn Ovens Institute of TAFE has applied AASB 16 using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 January 2019, with no restatement of comparative information.

Policy applicable before 1 January 2019

As a lessee, Goulburn Ovens Institute of TAFE classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Goulburn Ovens Institute of TAFE.

Operating lease payments, including any contingent rentals, were 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 was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 January 2019

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

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

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

On transition to AASB 16, Goulburn Ovens Institute of TAFE elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases.

3.4.1 As a lessee

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

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

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

3. How we expended our Funds

For the year ended 31 December 2019

3.4 Leases (continued)

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Goulburn Ovens Institute of TAFE's estimate of the amount expected to be payable under a residual value guarantee, or if Goulburn Ovens Institute of TAFE changes its assessment of whether it will exercise a purchase, extension or termination option.

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

Peppercorn leases

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

Goulburn Ovens Institute of TAFE has a number of peppercorn leases which provide the right to use premises from other entities to facilitate training services.

Right of use assets	\$'000	\$'000	\$'000	\$'000
	Property	Vehicles	Other, etc.	Total
Balance at 1 January 2019				
Adoption of AASB 16 Leases	-	-	296	296
Additions	-	1,193	158	1,351
Amortisation charge	-	(37)	(194)	(231)
Balance at 31 December 2019	-	1,156	260	1,416
Lease liabilities - right of use assets				2019
Maturity analysis - contractual undiscounted cash flows				\$'000
Less than one year				419
One to five years				1,085
Total undiscounted lease liabilities as at 31 December:				1,504

3. How we expended our Funds

For the year ended 31 December 2019

3.4 Leases (continued)

Lease liabilities included in the Balance Sheet at 31 December:	2019 \$'000
Current	547
Non-current	876
Total lease liabilities	1,423

Short-term and low value leases

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

i. Leases classified as operating leases under AASB 117

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Goulburn Ovens Institute of TAFE's incremental borrowing rate as at 1 January 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payment.

Goulburn Ovens Institute of TAFE applied this approach to all other leases.

Goulburn Ovens Institute of TAFE used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under AASB 117, the carrying amount of the right of use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Impact on financial statements

On transition to AASB 16, Goulburn Ovens Institute of TAFE recognised \$296,317 (gross carrying amount) of right-of-use assets and \$303,241 of right-of-use lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Goulburn Ovens Institute of TAFE discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted-average rate applied is 2%.

	1-Jan-19 \$'000
Operating lease commitment at 31 December 2018 as disclosed in Goulburn Ovens Institute of TAFE's financial statements:	1,144
Discounted using the incremental borrowing rate at 1 January 2019	18
Finance lease liability recognised as at 31 December 2018	-
Recognition exemption for:	
Short-term leases	-
Leases of low-value assets	500
Variable lease payments based on an index or a rate	323
Lease liabilities recognised as at 1 January 2019	303

4. The assets we invested in

For the year ended 31 December 2019

4.1 Property, plant and equipment

Goulburn Ovens Institute of TAFE has made the judgement that certain depreciation expense of plant and equipment used during construction of a new building is recognised in the comprehensive operating statement.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	14,645	14,645	-	-	14,645	14,645
Buildings	76,020	71,164	(6,450)	(3,182)	69,570	67,982
Construction in progress	5,964	4,992	-	-	5,964	4,992
Plant and equipment	13,107	15,230	(10,453)	(12,836)	2,654	2,394
Motor vehicles	1,138	1,975	(833)	(1,586)	305	389
Net carrying amount	110,874	108,006	(17,736)	(17,604)	93,138	90,402

Initial recognition

Items of property, plant and equipment, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

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

The cost of leasehold improvements is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

Subsequent measurement

Property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

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

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

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

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

Revaluations of non-financial physical assets

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

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

4. The assets we invested in

For the year ended 31 December 2019

4.1 Property, plant and equipment (continued)

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

	Land		Buildings		Construction in progress		Plant and equipment		Motor vehicles		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	14,645	14,645	67,982	71,164	4,992	5,067	2,394	1,930	389	359	90,402	93,165
Additions	-	-	-	-	6,785	779	455	673	-	182	7,240	1,634
Disposals	-	-	-	-	-	-	(74)	-	(15)	(37)	(89)	(37)
Transfer (to)/ from asset categories	-	-	4,857	-	(5,813)	(854)	871	854	85	-	-	-
Depreciation	-	-	(3,269)	(3,182)	-	-	(992)	(1,063)	(154)	(115)	(4,415)	(4,360)
Closing balance	14,645	14,645	69,570	67,982	5,964	4,992	2,654	2,394	305	389	93,138	90,402

4.1.2 Capital commitments

	2019	2018
	\$'000	\$'000
Payable:		
Within one year	5,478	524
Later than one year but not later than five years	-	4,483
Total capital expenditure commitments	5,478	5,007

These capital commitments are recorded excluding GST.

4. The assets we invested in

For the year ended 31 December 2019

4.2 Investment properties

	2019	2018
	\$'000	\$'000
Balance at beginning of financial year	2,270	2,075
Net gain from fair value adjustments	79	195
Balance at end of financial year	2,349	2,270

Investment properties represent properties held to earn rentals or for capital appreciation, or both. Investment property excludes properties held to meet service delivery objectives of Goulburn Ovens Institute of TAFE. 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 Goulburn Ovens Institute of TAFE.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair values recognised as other economic flows in the comprehensive operating statement in the period that 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.

4. The assets we invested in

For the year ended 31 December 2019

4.3 Intangible assets

	ICT software		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Gross carrying amount			-	
Opening balance	12,624	12,571	12,624	12,571
Additions	-	53	-	53
Closing balance	12,624	12,624	12,624	12,624
Accumulated amortisation				
Opening balance	(10,125)	(9,664)	(10,125)	(9,664)
Amortisation of intangible assets	(462)	(461)	(462)	(461)
Adjustment to accumulated amortisation	(15)	-	(15)	-
Closing balance	(10,602)	(10,125)	(10,602)	(10,125)
Net book value at end of financial year	2,022	2,499	2,022	2,499

Initial recognition

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

Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight line basis over their useful lives.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Significant intangible assets

The Institute has capitalised software development expenditure for the development of its Technology One Student Management System (SMS) software. The carrying amount of the capitalised software development expenditure is \$2.0 million (2018: \$2.5 million). Its useful life is 10 years and will be fully amortised in 2023.

4. The assets we invested in

For the year ended 31 December 2019

4.4 Depreciation and amortisation

Depreciation and amortisation is provided on software, property, plant and equipment, right to use assets and freehold buildings.

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

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

Class of assets	Useful Life
Buildings	25 - 40 years (2018: 25 - 40 years)
Plant and equipment	7 years (2018: 7 years)
Motor vehicles	4 years (2018: 4 years)
ICT software	3 - 7 years (2018: 3 - 7 years)
Intangible assets	10 years (2018: 10 years)
Right of use asset	Contractual lease term

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

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

5. Balances from operations

For the year ended 31 December 2019

5.1 Receivables

	2019	2018
	\$'000	\$'000
Contractual		
Trade receivables	4,967	4,436
Allowance for expected credit losses	(227)	(310)
Revenue receivable	-	956
Total contractual	4,740	5,082
Statutory		
GST input tax credit recoverable	365	325
Total receivables	5,105	5,407
Represented by		
Current receivables	5,105	5,407

Receivables consist of:

- statutory receivables, which include predominantly amounts owing from the Government and GST input tax credits recoverable; and
- contractual receivables, which include mainly debtors in relation to education delivery.

Receivables other than sale of goods and services are stated exclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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

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

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Impairment

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

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

	2019	2018
	\$'000	\$'000
Movement in loss allowance for contractual receivables		
Balance at the beginning of the year under AASB 139	-	(557)
Adjustment on initial application of AASB 9	-	-
Balance at the beginning of the year under AASB 9	(310)	(557)
Amounts written off	(29)	51
Reversal of loss allowance for uncollectable receivables written off during the year	112	196
Balance at the end of the year	(227)	(310)

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

5. Balances from operations

For the year ended 31 December 2019

5.1 Receivables (continued)

Ageing analysis of contractual receivables

	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	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019							
Trade receivables	4,740	1,164	135	241	1,133	2,294	(227)
Contract assets	150	-	102	21	27	-	-
Total	4,890	1,164	237	262	1,160	2,294	(227)
2018							
Trade receivables	4,126	612	1,119	1,096	1,290	9	-
Revenue receivable	956	-	266	230	460	-	-
Total	5,082	612	1,385	1,326	1,750	9	-

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

The average credit period on sales of goods is 31 days. No interest is charged on receivables.

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

5. Balances from operations

For the year ended 31 December 2019

5.2 Payables

	2019	2018
	\$'000	\$'000
Contractual		
Supplies and services	3,293	4,773
Other employee entitlements payable within 12 months	1,042	1,159
Statutory		
FBT payable	26	25
GST payable	277	422
Payroll tax payable	20	73
Total payables	4,658	6,452
Represented by		
Current payables	4,658	6,452

Payables consist of:

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

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

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

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

5. Balances from operations

For the year ended 31 December 2019

5.2 Payables (continued)

Maturity Analysis of contractual payables

	Carrying amount	Nominal amount	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	5+ years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019							
Supplies and services	3,293	3,293	1,296	1,722	274	1	-
Other employee entitlements payable within 12 months	1,042	1,042	1,042	-	-	-	-
Total	4,335	4,335	2,338	1,722	274	1	-
2018							
Supplies and services	4,773	4,773	1,352	3,421	-	-	-
Other employee entitlements payable within 12 months	1,159	1,159	1,159	-	-	-	-
Total	5,932	5,932	2,511	3,421	-	-	-

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

Notes: The average credit period is 30 days. No interest is charged on the other payables. Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.

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

5. Balances from operations

For the year ended 31 December 2019

5.3 Contract liabilities

	2019 \$'000	2018 \$'000
Current		
Contract liabilities	2,250	-
	2,250	-

Contract liabilities

Any fees received by Goulburn Ovens Institute of TAFE during the current financial year in respect of services to be provided in the following financial year are classified as a contract liability.

6. How we financed our operations

For the year ended 31 December 2019

6.1 Cash and deposits

	2019 \$'000	2018 \$'000
Cash at bank and on hand	27,444	29,333
Total cash and deposits	27,444	29,333

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

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

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

	2019 \$'000	2018 \$'000
Net result for the year	(10,827)	(173)
Non cash movements		
Depreciation and amortisation of non-financial assets	5,107	4,822
Net gain on sale of non-financial assets	(279)	(79)
Net gain on revaluation of investment property	(79)	(195)
Impact of change of accounting policy	(1,388)	-
Net loss on other economic flows	15	-
Net loss on sale on financial instruments	-	246
Movements in assets and liabilities		
Decrease in receivables	302	5,225
Decrease in inventories	33	26
Decrease/(increase) in prepayments	265	(84)
(Decrease)/Increase in payables	(1,795)	1,138
(Decrease)/increase in employee provisions	(479)	161
Decrease in revenue in advance	(570)	(184)
Increase in contracts assets	(150)	
Increase in contract liabilities	2,250	-
Net cash flows (used in)/generated by operating activities	(7,595)	10,903

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 ATO are presented as operating cash flows.

7. Managing risks and uncertainties

For the year ended 31 December 2019

7.1 Financial instruments

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

Categories of financial instruments

	2019	2018
	\$'000	\$'000
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and deposits	27,444	29,333
Term deposits	-	12,800
Trade receivables	4,740	5,082
Contract assets	150	-
Total contractual financial assets	32,334	47,215
Contractual financial liabilities		
Loans and payables		
Supplies and services	3,293	4,773
Other employee entitlements payable within 12 months	1,042	1,159
Revenue in advance	-	570
Contract liabilities	2,250	-
Lease liability	1,423	-
Total contractual financial liabilities	8,008	6,502

Categories of financial instruments

Classification of financial assets at amortised cost

Classification of financial assets at amortised cost

Goulburn Ovens Institute of TAFE classifies its financial assets as at amortised cost only if both of the following criteria are met:

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

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

Goulburn Ovens Institute of TAFE recognises the following financial assets in this category:

- › cash and deposits;
- › receivables (excluding statutory receivables); and
- › contract assets.

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

- › payables (excluding statutory payables);
- › contract liabilities; and
- › borrowings (including finance lease liabilities).

7. Managing risks and uncertainties

For the year ended 31 December 2019

7.1 Financial instruments (continued)

Financial risk management objectives and policies

Goulburn Ovens Institute of TAFE is exposed to a variety of financial risks, market risk (including interest rate risk and equity price risk), credit risk and liquidity risk.

Goulburn Ovens Institute of TAFE's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

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

Primary responsibility for the identification and management of financial risks rests with management, with review and oversight by the the Audit and Risk Committee of Goulburn Ovens Institute of TAFE with additional oversight by the Board.

Credit risk

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

The trade receivables balance at 31 December 2019 and 31 December 2018 do not include any counterparties with external credit ratings.

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

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

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

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

7. Managing risks and uncertainties

For the year ended 31 December 2019

7.1 Financial instruments (continued)

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

	Financial institutions (AA- rating)	Government agencies (AAA rating)	Other counterparty	Total
	\$'000	\$'000	\$'000	\$'000
2019				
Cash and deposits	27,439	-	5	27,444
Trade receivables	-	-	4,967	4,967
Contract assets	-	-	150	150
Total contractual financial assets	27,439	-	5,122	32,561
2018				
Cash and deposits	10,333	19,000	-	29,333
Trade receivables	-	-	5,082	5,082
Term deposits	-	12,800	-	12,800
Total contractual financial assets	10,333	31,800	5,082	47,215

Notes:

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

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

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

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 12 months before 31 December 2019 and 1 January respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

Trade receivables are written off (ie derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 45 days from the invoice date and failure to engage with Goulburn Ovens Institute of TAFE on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

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

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. Of the above impairment losses, \$227,000 (2018 – \$310,247) relate to receivables arising from contracts with customers.

Liquidity risk

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

7. Managing risks and uncertainties

For the year ended 31 December 2019

7.1 Financial instruments (continued)

Goulburn Ovens Institute of TAFE 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.

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

Goulburn Ovens Institute of TAFE manages liquidity risk by:

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

Goulburn Ovens Institute of TAFE's exposure to liquidity risk is deemed low based on prior periods' data and current assessment of risk.

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

7. Managing risks and uncertainties

For the year ended 31 December 2019

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Quantifiable contingent asset	2019	2018
	\$'000	\$'000
Compensation - purchase of water shares	245	312
	245	312

Notes

Goulburn Murray Water (GMW) first approached Goulburn Ovens Institute of TAFE in June 2013 regarding the property at William Orr Campus, 260 Wanganui Road, Shepparton and relinquishing the water rights attached to that property as part of the GMW Connections Project. Goulburn Ovens Institute of TAFE decided to go to market in October 2015 and received an offer of \$368,330. However, the offer is subject to the Minister's approval as it is in the Minister's name. In 2019, \$67,221 was received from Integra Water Services.

Contingent liabilities

Contingent liabilities are:

- › possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- › present obligations that arise from past events but are not recognised because:
- › it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
- › the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

There are no quantifiable or non quantifiable contingent liabilities.

7. Managing risks and uncertainties

For the year ended 31 December 2019

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of Goulburn Ovens Institute of TAFE.

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

The following assets and liabilities are carried at fair value:

- › land, buildings, investment properties, plant and equipment and vehicles.

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

Goulburn Ovens Institute of TAFE determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value estimation

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

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

Goulburn Ovens Institute of TAFE determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. A summary of changes between levels can be found in table 7.3 (a).

Fair value determination of financial assets and liabilities

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

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2019.

(a) Fair value determination of non-financial assets

Goulburn Ovens Institute of TAFE holds property, plant and equipment for which fair values are determined.

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

7. Managing risks and uncertainties

For the year ended 31 December 2019

7.3 Fair value determination (continued)

Below are the relevant fair value information relating to those assets.

Fair value measurement hierarchy	Carrying amount at 31 December	Fair value hierarchy		
		Level 1	Level 2	Level 3
		Quoted prices	Observable price inputs	Unobservable inputs
2019	\$'000	\$'000	\$'000	\$'000
Specialised land	14,645	-	-	14,645
Total land at fair value	14,645	-	-	14,645
Specialised buildings	69,570	-	-	69,570
Total buildings at fair value	69,570	-	-	69,570
Investment properties	2,349	-	-	2,349
Total investment properties at fair value	2,349	-	-	2,349
Plant and equipment	2,654	-	-	2,654
Motor vehicles	305	-	-	305
Total other assets at fair value	2,959	-	-	2,959
2018				
Specialised land	14,645	-	-	14,645
Total land at fair value	14,645	-	-	14,645
Specialised buildings	67,982	-	-	67,982
Total buildings at fair value	67,982	-	-	67,982
Investment properties	2,270	-	-	2,270
Total investment properties at fair value	2,270	-	-	2,270
Plant and equipment	2,394	-	-	2,394
Motor vehicles	389	-	-	389
Total other assets at fair value	2,783	-	-	2,783

Impairment

Non-financial assets, including items of software, property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

7. Managing risks and uncertainties

For the year ended 31 December 2019

7.3 Fair value determination (continued)

(b) Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103H Non-financial Physical Assets issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value. Consistent with all government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2017.

Specialised land is valued using the market approach and then adjusting for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

Under the market valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. 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 either Level 2 or Level 3 assets.

Specialised and heritage buildings are valued using the depreciated replacement cost method for all but some minor exceptions. This represents the highest and best use when the market approach is not suitable. The replacement costs assessment is based on replacement of the existing building with a modern equivalent standard, and where heritage buildings are involved, a cost loading to reflect the likely need to replace any destroyed buildings with closely similar (ie heritage) architecture, then adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings and heritage buildings are classified as either Level 2 or Level 3 in the fair value hierarchy.

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

Construction in progress assets are held at cost. The Institute transfers the assets into and out of assets under construction when they are ready for use.

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.

Library collections are held at cost. The process of acquisition, use and disposal is managed by Goulburn Ovens Institute of TAFE who set relevant depreciation rates during use to reflect the utilisation of the its collections.

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

7. Managing risks and uncertainties

For the year ended 31 December 2019

7.3 Fair value determination (continued)

There were no changes in valuation techniques throughout the period to 31 December 2019.

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

Description of significant unobservable inputs to Level 3 valuations

2019 and 2018	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment
Buildings	Depreciated replacement cost	Direct cost per square metre
Plant and equipment	Depreciated replacement cost	Useful life of plant and equipment
Motor vehicles	Depreciated replacement cost	Useful life of vehicles

8. Governance Disclosures

For the year ended 31 December 2019

8.1 Responsible persons

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

The persons who held the positions of Ministers and Accountable Officers in Goulburn Ovens Institute of TAFE are as follows:

Position	Name	Dates of appointment
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney, MP	1 January 2019 to 31 December 2019
Board Director and Chief Executive Officer (Accountable Officer)	Mr Travis Heeneey	1 January 2019 to 31 December 2019
Board Chairperson	Ms Joanne Dwyer	1 January 2019 to 30 June 2019
Board Chairperson	Ms Diana Taylor	26 August 2019 to 31 December 2019
Board Director	Ms Diana Taylor	1 July 2019 to 25 August 2019
Acting Board Chairperson	Ms Angela Verde	1 July 2019 to 25 August 2019
Deputy Board Chair	Ms Angela Verde	26 August 2019 to 31 December 2019
Board Director	Ms Angela Verde	1 January 2019 to 30 June 2019
Board Director	Mr Mark O'Sullivan	1 January 2019 to 30 June 2019
Board Director	Ms Christine Riches	1 January 2019 to 30 June 2019
Board Director	Mr Anthony (Dean) Walton	1 January 2019 to 31 December 2019
Board Director	Ms Fiona Lloyd	1 January 2019 to 31 December 2019
Board Director	Ms Ro Allen	1 January 2019 to 31 December 2019
Board Director	Ms Kate Fraser	11 February 2019 to 31 December 2019
Board Director	Ms Deborah Spring	11 February 2019 to 31 December 2019
Board Director	Ms Catherine Scott	1 July 2019 to 31 December 2019
Board Director (Staff representative)	Mr Jon Lee	1 July 2019 to 31 December 2019
Board Director (Staff representative)	Ms Suellen Loki	1 January 2019 to 30 June 2019
Board Director (Secretary)	Ms Kelly Vise	1 January 2019 to 25 August 2019
Board Director (Secretary)	Ms Sharon Olivier	26 August 2019 to 31 December 2019

8. Governance Disclosures

For the year ended 31 December 2019

8.1 Responsible persons (continued)

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of Goulburn Ovens Institute of TAFE during the reporting period was in the range: \$270,000 – \$280,000 (\$450,000 – \$460,000 in 2018).

Remunerations of responsible persons	2019	2018
	\$'000	\$'000
Short-term benefits	560	548
Post-employment benefits	48	42
Termination benefits	-	168
Total remuneration	608	758
Total numbers	16	13

Remuneration range - responsible persons	2019	2018
Less than \$10,000	5	5
\$10,001 – \$20,000	-	2
\$20,001 – \$30,000	3	4
\$30,001 – \$40,000	6	1
\$40,001 – \$50,000	1	-
\$50,001 – \$60,000	-	1
\$270,001 – \$280,000	1	-
Total numbers	16	13
Total remuneration (\$'000)	608	758

8. Governance Disclosures

For the year ended 31 December 2019

8.2 Remuneration of executives

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

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

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

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

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

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

Remuneration	2019	2018
	\$'000	\$'000
Short-term employee benefits	638	884
Post-employment benefits	107	85
Termination benefits	53	198
Total remuneration	798	1,167
Total number of executives	8	11
Total annualised employee equivalents ⁽ⁱ⁾	3.3	5.9

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

8. Governance Disclosures

For the year ended 31 December 2019

8.3 Related parties

Related parties of Goulburn Ovens Institute of TAFE include:

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

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

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

Compensation of Key management personnel Remuneration	Total remuneration	
	2019	2018
Short-term employee benefits	1,198	1,431
Post-employment benefits	155	127
Termination benefits	53	366
Total remuneration	1,406	1,924

Transactions and balances with key management personnel and other related parties

Goulburn Ovens Institute of TAFE had no material related party transactions for the period ending 31 December 2019.

Board Director Diana Taylor provided governance services to Goulburn Ovens Institute of TAFE to the value of \$22,520 during 2019. These services were provided prior to appointment to the Board on 1 July 2019.

9. Other disclosures

For the year ended 31 December 2019

9.1 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

	2019 \$'000	2018 \$'000
Net gain on non-financial assets		
Gain on revaluation of investment properties	79	195
Net gain on sale of non-financial assets	279	79
Total net gain on non-financial assets	358	274
Net loss on financial assets		
Remeasurement of provision for doubtful debts under AASB 9	(29)	(53)
Net loss on financial assets	(29)	(53)
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	41	(494)
Total other gains/(losses) from other economic flows	41	(494)
Total other gains/(losses) from other economic flows	370	(273)

'Other economic flows' are changes arising from market remeasurements. They include:

- revaluations and impairments of non-financial physical and intangible assets; and
- remeasurements arising from employee benefits and the provision for doubtful debts disclosed above.

Net gain/(loss) from revaluation of long service leave liability and annual liability are changes arising due to changes in bond rates.

This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

9. Other disclosures

For the year ended 31 December 2019

9.2 Other equity reserves

	2019	2018
	\$'000	\$'000
Physical asset revaluation surplus¹		
Balance at 1 January	56,989	56,989
Balance at 31 December	56,989	56,989

Note:

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

9.3 Events after reporting date

In March 2020, a State of Emergency was declared in the State of Victoria to combat and contain the spread of COVID-19. Following this declaration, a number of public health measures have since been imposed, including mandatory quarantine measures, including limiting the number of people that are able to attend non-essential mass gatherings and restrictions on overseas travellers entering Australia.

At the time of signing the 2019 financial statements, there were students that were impacted by the public health measures associated with COVID-19. Goulburn Ovens Institute of TAFE has introduced measures to assist those affected, including ongoing advice and support, as the situation continues to evolve. Goulburn Ovens Institute of TAFE continues to monitor the non-financial and financial impacts of COVID-19 on its operations and cashflow however, due to the significant amount of material uncertainty, it is not possible to quantify the full economic outflow at present. To mitigate against this risk, the Department of Education and Training has provided a letter of comfort to Goulburn Ovens Institute of TAFE to provide a level of assurance that financial assistance will be made available for Goulburn Ovens Institute of TAFE to continue as a going concern.

Goulburn Ovens Institute of TAFE is working closely with the Department of Education and Training to ensure that an appropriate funding model is developed to minimise the loss in training revenue in the event that this should occur.

Unrelated to the above, in March 2020 Goulburn Ovens Institute of TAFE opened a campus in Wallan. The facility will be utilised to deliver education training services though is not expected to significantly affect the financial results of Goulburn Ovens Institute of TAFE.

Apart from the items noted above, there are no matters or circumstances that have arisen since the end of the financial year that have affected the financial position of Goulburn Ovens Institute of TAFE.

Disclosure Index

Item no.	Source	Summary Of Reporting Requirement	Page no.
Report of Operations			
Charter and purpose			
1	FRD 22H 5.4	Manner of establishment and the relevant Minister	5
2	FRD 22H 5.4	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	5-11
3	FRD 22H	Nature and range of services provided including the communities served	5-11
Management and structure			
4	FRD 22H 5.6	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities.	15-21
Financial and other information			
5	FRD 03A	Accounting for Dividends	N/A
6	FRD 07B	Early adoption of authoritative accounting pronouncements	N/A
7	FRD 10A	Disclosure Index	82-85
8	FRD 17B	Long Service leave and annual leave for employees wage inflation rates and discount rates used are those advised by the Assistant Treasurer	49-50, 80
9	FRD 22H 5.11 c	Operational and budgetary objectives, including performance against objectives and achievements	12-14
10	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	24
11	FRD 22H 5.8	Workforce data for current and previous reporting period including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections. Employees have been correctly classified in workforce data collections prepared during the 2019 calendar year.	22-23
12	FRD 22H 5.11 a	Summary of the financial results, with comparative information for the preceding four reporting periods.	12
13	FRD 22H 5.11 b	Summary of significant changes in financial position.	11
14	FRD 22H 5.7	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future.	5-11
15	FRD 22H 5.11 d	Post-balance sheet date events likely to significantly affect subsequent reporting periods.	81
16	FRD 22H 5.18 a	Summary of application and operation of the Freedom of Information Act 1982	26
17	FRD 22H 5.12	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance.	11

Disclosure Index

Item no.	Source	Summary of reporting requirement	Page no.
18	FRD 22H 5.9	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target.	N/A
19	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	25
20	FRD 22H 5.18 e	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform.	25
21	FRD 22H 5.18 g	Statement 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.	26
22	FRD 22H 5.18 c	Summary of application and operation of the Protected Disclosure Act 2012 including disclosures required by the Act	26
23	FRD 22H 5.18 h & FRD 24D	Summary of Environmental Performance.	28-29
24	FRD 22H 5.13 5.14 5.15	Consultants: Report of Operations must include a statement disclosing each of the following: <ol style="list-style-type: none"> 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period 	25
25	FRD 22H 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer.	30
26	FRD 22H 5.19	An entity shall disclose the following in the report of operations: <ol style="list-style-type: none"> a. Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and b. Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: <ol style="list-style-type: none"> i Operational expenditure (OPEX); and ii Capital expenditure (CAPEX). 	25
27	FRD 25D	Local Jobs First	25
28	AASB 16	Leases	53-55
29	SD 5.1.4	Financial Management Compliance Attestation Statement The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions and the Instructions, and disclose all Material Compliance Deficiencies.	30
30	FRD 119A	Transfers through contributed capital	41

Disclosure Index

Item no.	Source	Summary of reporting requirement	Page no.
31	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	4
32	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	4
33	CG 10 Clause 27	Summary of Major Commercial Activities	25
34	CG 12 Clause 33	TAFE Institute Controlled Entities.	25
FINANCIAL REPORT			
<i>Financial statements required under part 7 of the Financial Management Act 1994</i>			
35	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: <ul style="list-style-type: none"> the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. 	35
<i>Other requirements under standing directions/ Financial Management Act 1994</i>			
36	SD 5.2.2(a) and FMA s49	An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"> the Accountable Officer; subject to Direction 5.2.2(c), the CFO; and for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. 	35
37	FRD 30D	Rounding of Amounts	43
38	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament by the Responsible Minister 	30
<i>Other requirements as per financial reporting directions in notes to the financial statements</i>			
39	FRD 103H	Disclosure of ex-gratia payments	52
40	FRD 105B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	76-79
41	FRD 106B	Inventories	40, 51
42	FRD 107B	Non-financial physical assets	56, 72
43	FRD 109A	Borrowing costs	N/A
44	FRD 110A	Impairment of assets	61, 69, 73

Disclosure Index

Item no.	Source	Summary of reporting requirement	Page no.
45	FRD 112D	Investment properties	58
46	FRD 113A	Intangible assets	59
47	FRD 114C	Cash flow statements	42
48	FRD 112D	Defined benefit superannuation obligations	N/A
49	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	N/A
50	FRD 114B	Financial instruments	67-70
51	FRD 120M	Accounting and reporting pronouncements applicable to the reporting period	43
Compliance with other legislation, subordinate instruments and policies			
52	Legislation	<p>The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • <i>Education and Training Reform Act 2006 (ETRA)</i> • TAFE institute constitution • Directions of the Minister for Training and Skills (or predecessors) • TAFE institute Commercial Guidelines • TAFE institute Strategic Planning Guidelines • <i>Public Administration Act 2004</i> • <i>Financial Management Act 1994</i> • <i>Freedom of Information Act 1982</i> • <i>Building Act 1993</i> • <i>Protected Disclosure Act 2012</i> • <i>Local Jobs First Act 2003</i> 	4
53	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2019	27
54	Policy	Statement that the TAFE institute complies with the Victorian Public Service Travel Policy	27
55	Key Performance Indicators	<p>See table on page 6 of the TAFE Institute 2019 Annual Report Guidelines for required formatting. Institutes to report against:</p> <ul style="list-style-type: none"> • Employment costs as a proportion of training revenue; • Training revenue per teaching FTE; • Operating margin percentage; • Training revenue diversity. 	14
Overseas operations of Victorian TAFE Institutes			
56	PAEC and VAGO (June 2003 Special Review – Recommendation 11)	<ul style="list-style-type: none"> • Financial and other information on initiatives taken or strategies relating to the institute's overseas operations • Nature of strategic and operational risks for overseas operations • Strategies established to manage such risks of overseas operations • Performance measures and targets formulated for overseas operations • The extent to which expected outcomes for overseas operations have been achieved. 	N/A



gotafe.vic.edu.au | 1300 GOTAFE (468 233)

RTO 3094