



# Annual Report 2021







# Contents

<b>Report of Operations</b>	<b>4</b>	<b>Other Disclosures</b>	<b>33</b>
Preamble	4	Environmental Sustainability	33
Annual Report Declaration	4	Major commercial activities	35
Introduction	5	Controlled entities	35
Establishment and Charter	5	Government advertising	35
Acknowledgement of Country	6	Information and communication technology (ICT) expenditure	35
Our Vision and Purpose	7	Consultants	35
iCARE Values	7	National Competition Policy	35
Board Chair Report	8	Local Jobs First	35
Chief Executive Officer Report	9	Freedom of Information	35
<b>Year in Review</b>	<b>10</b>	Public Interest Disclosure	36
Education and Training	10	Carers Recognition Act	36
Student Experience	11	Building and maintenance provisions	36
Awards and Acknowledgements	12	Victorian Public Service travel policy	36
Partnering with Industry and Community	13	Asset Management Accountability Framework (AMAF) maturity assessment	37
Organisation	14	Non-academic student fees	37
People and Culture	14	<b>Financial Report</b>	<b>40</b>
Diversity	16	About this report	51
Social Procurement	17	How we earned our funds	54
<b>Objectives, KPIs and Achievements</b>	<b>18</b>	How we expended our funds	60
Summary of key financial results	18	The assets we invested in	64
Summary of key non-financial results	18	Balances from operations	69
<b>Statement of Performance</b>	<b>19</b>	How we financed our operations	73
Key Performance Indicators	20	Managing risks and uncertainties	77
Governance and Organisational Structure	21	Governance disclosures	88
GOTAFE Board	21	Other disclosures	91
Board Sub-Committees	22	<b>Disclosure Index</b>	<b>93</b>
Board members' expertise	23		
Organisational Structure	28		
<b>Workforce Information</b>	<b>29</b>		
Application of employment and conduct principles	31		
Occupational Health and Safety (OH&S)	32		
OH&S Performance	32		

# Report of Operations

## Preamble

The 2021 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*

*Public Interest Disclosure Act 2012*

*Carers Recognition 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 2021.



*Diana Taylor*

**Diana Taylor**

Chair of the Board

Date: 25 March 2022





## Introduction

For more than 25 years, GOTAFE has been an intrinsic part of our local communities. GOTAFE delivers quality vocational education and training that aligns to the policy objectives of government and the unique needs of industry and the local community. With 11 campuses, GOTAFE services 13 Local Government Areas, and a population of over 340,000 people.

GOTAFE works to enable people to realise their potential and enhance their communities. We do this through building connections, engaging with our stakeholders across our footprint; and listening to local employers and industry so we can provide a space for community growth, success, and prosperity.

## 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 meets 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.
- Issue vocational training qualifications to eligible individuals.

As a Victorian State 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.





# Acknowledgement of Country

It is with deepest respect that we Acknowledge the Traditional Custodians of the Lands on which we operate throughout, the Yorta Yorta, Bangerang, Taungurung and Wurundjeri peoples, whose social, spiritual, economic, and cultural connections continue to flourish.

We pay respect to all Elders past, present and emerging, and ask for guidance as we work towards creating our vision here at GOTAFE in *"Empowering Aboriginal students and community on their journey, through Education and Training, to a Culturally Safe Pathway to Success"*. We also extend respect to all Indigenous peoples studying and working with us here at GOTAFE.

We ask all to recognise the uniqueness and diversity of Aboriginal culture, society and history and promote reconciliation that gives proper recognition and respect to Aboriginal and Torres Strait Islander peoples.





## Our Vision

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

## Our Purpose

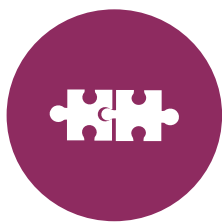
Enabling people to realise their potential and enhance their communities.

Goals	Initiatives
<b>Deliver excellence in education</b>	<ul style="list-style-type: none"><li>• Develop the education strategy (incl. program portfolio and strategic education projects)</li><li>• Build culture and capability to deliver quality education</li></ul>
<b>Optimise the student experience through efficient and productive operations</b>	<ul style="list-style-type: none"><li>• Optimise business processes through a redesigned and enhanced workforce capability</li><li>• Review infrastructure and asset utilisation</li><li>• Review our operating model</li></ul>
<b>Develop and foster meaningful partnerships with government, industry and other stakeholders</b>	<ul style="list-style-type: none"><li>• Implement a quality management framework (incl. processes, people, accountabilities and systems) to meet all compliance requirements</li><li>• Develop a strategic partnership framework</li><li>• Develop our advocacy model</li></ul>
<b>Strategically diversify and maximise revenue</b>	<ul style="list-style-type: none"><li>• Develop and implement a commercial development strategy (incl. growth corridors and digital marketing)</li><li>• Explore and pursue targeted national and international education opportunities</li></ul>

## Our Values



**Integrity**



**Collaboration**



**Accountability**



**Respect**



**Excellence**

# Board Chair Report



Despite the significant complexities of 2021, I am proud GOTAFE has continued to lead the delivery of quality vocational education and training and has remained steadfast and focused on achieving positive

outcomes for our students, our partners and our community.

In a climate of instability and change, GOTAFE has successfully managed to stabilise and continue our organisation's journey from strength to strength. We have emerged from an intense period of transformation and achieved a fundamental positive shift in the quality of our governance and operations across the entire organisation.

We have a high performing Board and Executive Team, who have worked tirelessly on a range of exciting and innovative initiatives to support GOTAFE's successful growth. The highlights have been significant, and have included new training partnerships, improved industry and community engagement strategies, and innovation in online and blended models of education and training delivery. We have also launched our new Mobile Campus to better meet the needs of our vast region. We have secured government funding and capital investment to enhance equipment and training facilities to be of industry standard across our campuses.

This couldn't come at a more important time, as the pandemic continues to impact our regions and communities. Now, more than ever, GOTAFE understands and embraces the critical role we must play in working with local industry to upskill and reskill current and future workforces to reduce unemployment and ensure our regional communities are appropriately skilled for the jobs of the future.

Our industry and community engagement has been underpinned by three highly successful Community Connector Lunches held throughout the year. Attended by representatives from all levels of government, and delegates representing more than 150 businesses and community groups across the region, these forums were critical in ensuring GOTAFE remains closely connected to our industry and community partners.

The future is looking bright for GOTAFE, with a strong strategy in place and many opportunities ahead. With sustained hard work and commitment, we are in a strong position to further our positive trajectory and achieve some tremendous outcomes for Northern Regional Victoria.

The Board of Directors continued to see tremendous progress across our organisation in 2021 thanks to the commitment, enthusiasm and professionalism of our people. We would like to express our deepest thanks and gratitude to all staff, many of whom put aside their own fears and anxieties to keep our campus doors open – both physically and virtually. You have all demonstrated resilience and shown great commitment to ensure that positive student experiences and outcomes remain at the centre of all we do.

In February and May, the Board farewelled Commissioner Ro Allen and Director Cathie Scott, I would like to sincerely thank Commissioner Ro and Cathie for their leadership, oversight and care and acknowledge the vision and commitment of our continuing Directors throughout 2021.

In September we warmly welcomed Ashley Day and Candy Broad to the GOTAFE Board. We look forward to the sharing of their collective experience and expertise to further support GOTAFE's vision to be a thriving organisation known for inspiring, motivating and equipping people for success.

I would also like to acknowledge the significant contribution of Deputy Board Chair Angela Verde and thank her for her outstanding strategic leadership and unwavering commitment to the regional communities GOTAFE serves.

The Board of Directors congratulate and extend our sincere appreciation to CEO Travis Heeney and the Executive Team for their tireless work and commitment to making GOTAFE a leader in quality vocational education and training. Their steadfast commitment to GOTAFE's vision is to be applauded.

The Board also gratefully acknowledges the outstanding support of the Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education, as well as the Department of Education and Training Victoria. We look forward to continuing to work together to support the needs of our region's students, industries and communities.

A handwritten signature in black ink, reading 'Diana Taylor'.

**Diana Taylor**

Chair of the Board

Date: 25 March 2022



# Chief Executive Officer Report



Although not without its challenges, 2021 was a year of achievement and growth for GOTAFE's students, staff and community.

Throughout the COVID-19 pandemic, I have gratefully witnessed an

extraordinary level of commitment from GOTAFE's Board and staff, and all levels of government in responding to the needs of our students, staff and regional communities.

As an organisation, we have proudly negotiated the pandemic in a cohesive and collaborative way, achieving continued growth and gaining positive momentum across a number of key areas.

We have seen a continued increase in our student enrolments – attracting close to 10,000 new student enrolments in 2021, despite the unpredictability of restrictions and lockdowns.

The GOTAFE staff and student body again acted with great agility and flexibility to continually adopt, embrace and support new online learning and blended models of learning. This in itself has been an incredible achievement given our strong historical focus on face-to-face and practical learning.

We have seen GOTAFE's 500+ dedicated and resilient members of staff remain unwavering in their commitment to our students, industry and community. Regularly going above and beyond their usual practices to ensure the education, training and support needs of our GOTAFE community continued to be met throughout the pandemic.

As an organisation we collectively stepped up to support and care for each other and our regional communities as we navigated education through the complexities the year continued to bring. Our support services provided unprecedented levels of service throughout 2021, with approximately 6,500 students and staff accessing support from GOTAFE's equitable learning, wellbeing, student experience, learning support and library services. We also continued to offer a range of high energy student events both on campus between lockdowns and virtually when required.

We prioritised staying engaged with our community and industry stakeholders through a series of Community Connector Lunches. We established new, innovative, sector leading partnerships with the Victorian Fisheries Authority and a significant region-first partnership with SPC to provide customised training and upskilling for SPC's workforce.

We proudly launched the new GOTAFE Mobile Campus, an initiative that will cater for an additional 200,000 northern Victorians. The Campus has commenced its important journey around Central Northern Victoria delivering Skills and Job Centre Services, student engagement and education, and information services to regional and rural communities. The initiative reflects GOTAFE's unwavering commitment to our regional communities.

We also made significant inroads into improving our campus facilities to a standard that our students, staff and community deserve. With construction underway or completed for a new \$2.54 million health and community services training facilities in Seymour, a \$2.4 million expansion of the GOTAFE Trades Training Centre in Seymour, a \$10.7 million expansion of the GOTAFE Goulburn Trade Training Centre in Shepparton, new Common Ground Café at Fryers Street Campus in Shepparton and new Greenhouse at the William Orr Campus in Shepparton.

People are the foundation of GOTAFE's success. I would like to express my deepest thanks and gratitude to our Executive Team, management, and staff for their dedication, resilience and agility throughout often trying circumstances. I would like to sincerely thank the GOTAFE Board Chair, Diana Taylor, and the entire Board for their steadfast support and commitment to our students, staff and regional communities.

I gratefully acknowledge and thank the Victorian Minister for Training and Skills and Minister for Higher Education, the Hon. Gayle Tierney MP, and the Victorian Department of Education and Training for their ongoing support and investment in GOTAFE.

A handwritten signature in black ink, appearing to read 'Travis Heeney', written over a white background.

**Travis Heeney**

CEO

Date: 25 March 2022

# Year in Review

## Education and Training

In a year of continuing challenges and complexities, GOTAFE was proud to deliver high quality education and training to a growing number of students across the northern Victoria region in 2021. A number of key initiatives have focused on increasing access to training across the region.



The GOTAFE Mobile Campus set up on site.

### GOTAFE Mobile Campus

After months of hard work, GOTAFE's new Mobile Campus was launched in Nagambie on 4 November by The Hon. Gayle Tierney MP, Minister for Higher Education and Minister for Skills and Training.

The Mobile Campus will bridge the gap between GOTAFE's communities and deliver critical employment and education services, catering to an additional 200,000 northern Victorians over the next three years. The Mobile Campus is fully accessible – featuring a client reception area, private career counselling space, workshop and seminar space, and a community computer lab.

This critical project was made possible with the support of the Victorian Government, which has invested \$667,000 into the project, and La Trobe University.

The initiative will assist GOTAFE's vast regional communities and industry in responding to unprecedented social and economic challenges, which have been heightened by the COVID-19 pandemic. It will also reduce the need for prospective students, jobseekers, industry, and community groups to travel long distances or relocate for critical jobs and skills services and support. The Mobile Campus reflects GOTAFE's strong commitment to regional Victoria.

### Blended and Flexible Learning

GOTAFE has continued to invest in the review, expansion and further development of its blended and flexible learning options and continues to transition more of its offering to the digital environment.

### Free TAFE

The Government's Free TAFE for Priority Courses has been introduced to upskill more people for jobs that are in demand across Victoria. GOTAFE offers over 35 Free TAFE courses in important areas such as child, youth and family intervention, community services and mental health. In 2021 GOTAFE enrolled over 1,500 students into Free TAFE courses.



GOTAFE Board member Angela Verde, GOTAFE Board Chair Diana Taylor and the Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education turning the sod at the Seymour Campus.

### Seymour Campus Revitalisation

An official ground-breaking ceremony was held in February at GOTAFE's Seymour Campus to celebrate the commencement of GOTAFE's Seymour Campus Revitalisation Project, which includes the expansion of the health and community services training facilities and Trade Training Centre.

Representatives from GOTAFE's Board and Executive Team were honoured to be joined by the Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education, and the Mayor for Mitchell Shire, Rhonda Sanderson, to celebrate this \$2.54 million Victorian Government and GOTAFE investment in new health and community services training facilities for Seymour.

The project is on track for completion in February 2022 and will provide more apprenticeship opportunities for students and businesses across the region. This investment is a critical step in GOTAFE's journey towards regenerating the Seymour Campus with fit-for-purpose, industry standard vocational and education facilities.



# Year in Review

## Goulburn Trade Training Centre Expansion in Shepparton

GOTAFE, in partnership with the Greater Shepparton City Council, warmly welcomed a \$10.7 million funding commitment to expand GOTAFE's Goulburn Trade Training Centre in Shepparton.

The important Stage 2 investment by the Victorian Government will deliver a new western wing at the Goulburn Trade Training Centre to house state-of-the-art plumbing and electrical trade training facilities. The project will create a purpose-built modern facility to deliver best-in-class technical education, ensuring GOTAFE's students become highly skilled trades professionals, meeting the needs and demands of local industry and region.

The Centre's expansion will enable GOTAFE to centralise and expand trades training, creating more regional jobs and directly benefiting hundreds of students and apprentices over the next five years.

## Common Ground Café @ GOTAFE Launch

In April, the Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education, officially opened GOTAFE's new Common Ground @ GOTAFE Café.

The new \$1.4 million Common Ground Café includes an operational state-of-the-art café, which is open to the public, along with classrooms and multi-functional spaces to support real-life training opportunities for barista, hospitality and cookery students.

## Wangaratta Country University Centre at GOTAFE

GOTAFE will host the federally funded Wangaratta Country University Centre (CUC).

The CUC will connect rural students with university courses and resources, without the need to travel to major cities to access tertiary education options. The CUC will assist with addressing tertiary education engagement issues within the Wangaratta catchment. Currently, only 6.2% of Indi residents have completed a university qualification, compared to a national average of 16.1%. The Cusack House building at the Docker Street GOTAFE campus will undergo significant renovations to house the CUC. The updated facility is due to open in the first quarter of 2022.

## Student Experience



David Kanyengele, Jamal Khadimi, Soraya Akbari, Shakila Ibrahim and Abdullah B Salkini graduating in Shepparton.

## 2021 Graduations

In 2021, graduation ceremonies were held on campus at Tone Road, Wangaratta and Archer Street, Shepparton. These highly anticipated events were opportunities for friends and families to celebrate students' achievements, and a chance for GOTAFE to showcase campus facilities to the community. The ceremonies were held as smaller gatherings to cater to density requirements in place.

## IDAHOBIT celebration

GOTAFE hosted an International Day Against Homophobia, Biphobia, Intersexism and Transphobia and (IDAHOBIT) event at the Fryers Street campus. The celebration was a fantastic example of community partnership, with the event a joint effort between GOTAFE, Greater Shepparton City Council, Uniting – The Diversity Project, The Orange Door Project, Headspace, Primary Care Connect, The Bridge and Berry Street.

## Social Justice Charter Launch

In April, GOTAFE extended its ongoing commitment to equity, fairness and respect for its community, with the launch of the Victorian TAFE sector's first ever Social Justice Charter.

The development of the Charter was led by 18 GOTAFE students and alumni, in close collaboration and consultation with more than 500 students, staff and community members. The Charter pays particular focus to those community groups more likely to experience discrimination, including Aboriginal and Torres Strait Islander peoples, multicultural communities, LGBTIQ+ identifying people, people with disabilities, and younger and older community members.

# Year in Review



Multicultural Performance at the launch of the Social Justice Charter.

The Social Justice Charter builds on GOTAFE's dedication as a leader in inclusive education and highlights the unique and significant role the Institute plays as a community leader and champion of social justice across regional Victoria.

The GOTAFE Social Justice Charter was officially launched in Shepparton by the Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education.

GOTAFE's students are at the core of our decision making and the communities GOTAFE serves are some of the most diverse in regional Victoria. In 2021, we hosted the following events to support our students' experience:

- **GOTAFE Virtual Open Week**  
GOTAFE's campuses were virtually brought to life to showcase GOTAFE's courses, careers and student life through a series of live webinars, interactive Q&A panels, and on-demand presentations to be watched at any time.
- **Refugee Week celebrations**  
Celebrating and showcasing the diversity of backgrounds and experiences of GOTAFE's students, staff and community.
- **International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT) celebration**  
The celebration was a fantastic example of community partnership, with the event a joint effort between GOTAFE, Greater Shepparton City Council, Uniting – The Diversity Project, The Orange Door Project, Headspace, Primary Care Connect, The Bridge and Berry Street.
- **Education First Youth Foyer Graduations**  
In April, GOTAFE proudly hosted graduations for Shepparton Education First Youth Foyer – Certificate 1 in Developing Independence students at our Fryers Street Campus. The transformative course is designed to teach life stability and independence skills to young people who are homeless or living in community housing to support their future study success.

## • Student Life Events

GOTAFE hosted a range of events to engage students and support their learning journey, parallel to their chosen course of study. These events included a Mother's Day cupcake extravaganza; mental health promotion activities for our VCAL, trades and community services students; and a tradies breakfast event. The student life team also facilitated GOTAFE's inaugural Student Representative Council (SRC) meeting in September, opened by CEO, Travis Heeney, and members of the Executive team.

## Awards and Acknowledgements

### 2021 Victorian Student Satisfaction Survey Results

In 2021, GOTAFE was proud to again achieve outstanding results across all metrics of the 2021 Victorian Student and Employer Satisfaction Survey. We remain exceptionally proud that students and employers in our region continue to be highly satisfied with their GOTAFE experience and that studying with GOTAFE leads to some of the strongest job-readiness and positive employment outcomes across the Victorian TAFE sector.



Brylee Roberts, WorldSkills competitor and Certificate IV in Cyber Security student.

### WorldSkills 2021

While many components of the WorldSkills competition were postponed due to the impacts of COVID, the Cyber Security and IT elements of WorldSkills were held virtually in late August. Two students represented GOTAFE and took part in the show, and although they were not named winners, they were still honoured to have been a part of the competition.



# Year in Review

## Local students, teachers and employers recognised in 2021 Victorian Training Awards

GOTAFE celebrated two staff and a local workplace who were recognised amongst 44 finalists at the Victorian Training Awards (VTA) in October. Local workplace CPE Construction was awarded Medium Employer of the Year. GOTAFE Trainer and Assessor Information Technology Michelle McNab was named as a Teacher/Trainer of the Year finalist in the awards. Stephen Cranage, Trainer and Assessor Cyber Security and Information Technology at GOTAFE, was also a Koorie Student of the Year Finalist. These awards acknowledge the outstanding efforts of apprentices, students, teachers, employers and training providers.

## Partnering with Industry and Community

### GOTAFE partnership with the Victorian Fisheries Authority (VFA)

GOTAFE and the Victorian Government formed a partnership with the Victorian Fisheries Authority to train future fish-farmers with a new, free course for students interested in pursuing a career in fisheries.

The course will focus on practical skills including fish feeding, breeding and harvesting, and releasing fish into the wild, and will create pathways for more people looking to pursue careers in aquaculture.

The course has had a strong interest from Aboriginal and Torres Strait Islander students wanting to work on Country and look after waterways and native fish, with approximately 50 per cent of students enrolled from Aboriginal and Torres Strait Islander communities. A range of units will be taught on-site at the new Arcadia Native Fish Hatchery near Shepparton and the Snobs Creek Hatchery near Eildon.

### New training partnership for SPC and GOTAFE

GOTAFE and SPC entered a region-first strategic partnership to secure the future success and sustainability of the Goulburn Valley's vital food manufacturing and agriculture industries. The partnership will facilitate a strategic roadmap to ensure the longevity and prosperity of key regional jobs within the sector. Training will be tailored and purpose-designed to create innovative opportunities to build capabilities, skills, and knowledge across the supply chain.

Through the partnership, both organisations aspire to foster excellence in training, food and agriculture, for the Greater Shepparton and broader Australian community.



Dr Helen Haines touring the facilities at the Wangaratta Docker Street Campus.

## Community Connector Lunches

Throughout 2021, GOTAFE held three highly successful Community Connector Lunches in Wangaratta, Shepparton and Wallan. The events were designed to help strengthen partnerships, guide education development and delivery, and improve outcomes for industries and communities across GOTAFE's footprint.

The events were attended by over 200 people, including representatives from all levels of government, and delegates representing more than 150 businesses and community groups across the region.

## Sponsorships

GOTAFE continued as the naming rights sponsor of the Goulburn Valley League during the 2021 football season. We worked closely with the league to promote our education and training opportunities and supported charity event days.

In 2021, GOTAFE was proud to sponsor the Shepparton Festival which celebrated its 25th year. As part of the festival GOTAFE team member, Marion Langford led a team that hosted eighty participants who came together to thread textiles into a pattern, using the GOTAFE basketball court's wire mesh fence as the grid. Participants came from all corners of the region and from diverse cultural backgrounds.

# Year in Review



The Beacon lit up in red for Dyslexia Awareness Month in Wangaratta in October 2021.

GOTAFE also partnered with local government bodies across Victoria. Amongst the many partnerships included working with the Rural City of Wangaratta to light The Beacon red for Dyslexia Awareness Month (October).

## Organisation

### GOTAFE Groundbreaker Grants

GOTAFE Groundbreakers provided an opportunity for individuals and teams across the organisation to identify and deliver new and exciting projects. The Board and the Executive team committed to contributing \$50,000 – \$100,000 of funding towards innovative projects and great ideas at GOTAFE. Applicants were asked to provide a submission and pitch their idea to a panel of senior leaders.

In 2021, there were two successful pitches:

- 'Digital Dreamers' – a project which will provide a solution to improving digital literacy skills, proposes to equip learners with digital literacy skills.
- The FECAL (Faecal Egg Count Analysis Lab) at Tone Road – a project which will fill a big gap in parasite testing in the region, provide students with hands-on-training, and improve connections between GOTAFE and the wider agricultural community.

## Digital Strategy

In 2021, GOTAFE developed a real, actionable, and functional digital strategy. The strategy will ensure the way GOTAFE delivers education and services for students is of the highest quality through embracing and leveraging digital technology. At the core of this strategy is the Institute's goal to improve the experience of every GOTAFE student and will be underpinned by work that has commenced on a significant review of enterprise architecture across the organisation.

## People and Culture

### People Matter Survey and Results

The People Matter Survey compares employee satisfaction across all Victorian TAFE's to help build a positive workplace culture. Clear strengths for GOTAFE in 2021 were the ability to work effectively with colleagues, actively supporting diversity and inclusion in the workplace and managers treating their employees with dignity and respect. An action plan has been developed based on the results and the key areas we will be focusing on include staff perceptions, increased clarity on accountabilities and direction and continuing to enhance staff wellbeing.

### Staff Development Day

The GOTAFE Staff Development Day was held virtually in September and provided a great opportunity for the entire GOTAFE community to gather. The day provided an opportunity for GOTAFE employees to focus on their personal development, and included presentations from students, prominent alumni, as well as guest speakers Peter Merrett and Magda Szubanski.

### GOTAFE Emerging Leaders Programme

GOTAFE delivered an in-house Emerging Leaders Programme to twenty future leaders within the organisation. The programme encompassed sessions on effective communication, engaging in difficult conversations, managing change, and effectively responding to conflict. The initiative will continue into 2022 with a new employee cohort.

# Year in Review

## Diversity and Inclusion

GOTAFE is deeply committed to diversity, inclusion and belonging of all students and staff – and celebrating the unique differences in all of us. Through the Social Justice Charter, GOTAFE continues to create equal opportunities and remove barriers to study and employment. Amidst another COVID-19 affected year, GOTAFE is immensely proud of the work delivered in 2021.

### Gender Equality Action Plan

As a defined entity under the *Gender Equality Act 2020* (Vic), GOTAFE has been undertaking significant work in preparation for delivery of its obligations. In 2021, this work involved input from GOTAFE Board members and staff, with the goal to ascertain the vision, current state, key challenges, and opportunities for gender equality at GOTAFE.

GOTAFE's Gender Equality Action Plan will be finalised and implemented from early 2022. The Workplace Gender Audit dataset also was submitted to the Gender Equality Commission by 1 December 2021.

GOTAFE marked International Women's Day by profiling several GOTAFE staff working in STEM fields. GOTAFE CEO, Travis Heeney also pledged to the 'I Stand for Respect' campaign, standing against gendered harassment and violence and committing to taking steps to address sexual and sex-based harassment in the workplace. All GOTAFE staff attended Eliminating Sexual Harassment in the Workplace training in 2021.

### Accessibility Action Plan

GOTAFE proudly launched the GOTAFE Accessibility Action Plan on December 3 – International Day of People with Disability. The Plan is focused on delivering initiatives and actions to improve the experience of both students and staff living with disability at GOTAFE.

GOTAFE is committed to delivering all 20 actions outlined in the Plan, which support equal opportunity provisions for students and staff with a disability, equip students with the necessary support to exceed in education and employment settings, and ensure that diversity within our student and staff body is celebrated.

## Our Communities



Different languages spoken with the most common being Arabic, Dari, Hazaraghi, Swahili



Students identifying as Aboriginal and/or Torres Strait Islander



Training delivered to students from 1028 towns



Staff identifying as having disability



An increase of 6.8% of students identifying as having a disability from 2018 to 2021



Students being 25 years old or under

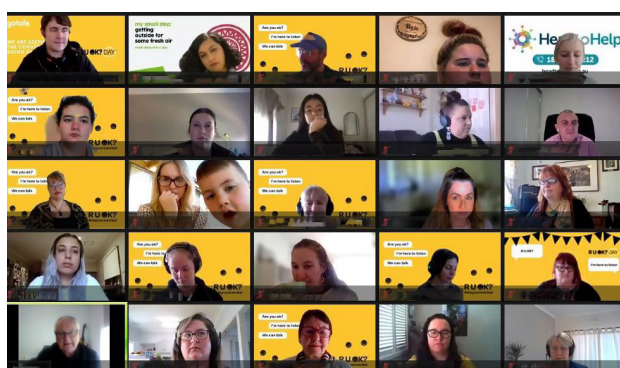


# Year in Review

## Diversity and Inclusion Activities

Other highlights throughout the year included:

- GOTAFE became a member of the Australian Network of Disability and GOTAFE's Leadership Team participated in Disability Confidence training.
- GOTAFE was proud to sponsor the Goulburn Valley Stars AFL club for people with disability using the \$5,000 prize money the institute earned through winning Inclusive Training Provider of the Year in 2020 and matched it for a total of \$10,000.



The student-run virtual RUOK Day event held by the Certificate III Community Service students.

- GOTAFE's VETDSS Certificate III students studying Community Services lead the institute's GOTAFE RUOK? Day Event attended by over 130 participants – providing an opportunity to encourage staff and students to prioritise their own mental health during a challenging year.
- GOTAFE celebrated Youth Week in 2021 by putting together a kindness wall, filled with art to share messages around kindness with the GOTAFE community.
- The GOTAFE Pride Network 'GOPROUD' was formed by around 25 LGBTIQ+ identifying staff and allies. GOPROUD now meets monthly to discuss all things LGBTIQ+ inclusion in the workplace.
- Significant work has been undertaken in support of LGBTIQ+ identifying students and staff through the commitment to and delivery of Gender Affirmation Procedures and Plans. These documents articulate how GOTAFE supports transgender and gender diverse students and staff through Student Success and People and Culture respectively.



Shepparton's Mayor Kim O'Keefe and GOTAFE Executive Director Cameron Cahill at the GOTAFE IDAHOBIT celebration.

- GOTAFE was proud to sponsor the OutintheOpen Festival in Greater Shepparton in support of Goulburn Valley Pride.
- GOTAFE also recognised Dyslexia Awareness Month through staff sharing their lived experience at an all staff event and delivering training on dyslexia support to 60 trainers and support staff.
- The GOTAFE Messenger Committee was established, a commitment in GOTAFE's Wurreker Plan – providing an opportunity for non-Indigenous staff to be led by the Koorie Unit and the Aboriginal Staff Network in contributing to Aboriginal and Torres Strait Islander inclusion.

# Year in Review

## Social Procurement

GOTAFE recognises it has an implicit role in furthering its social, sustainable, and environmental objectives through its procurement activity and is committed to the strategic use of its purchasing power to generate positive outcomes for our communities.

In 2021, GOTAFE developed its Social Procurement Strategy 2022-2024 and became a member of Social Traders to assist us in achieving our social procurement objectives.

GOTAFE will implement the Social Procurement Strategy and will begin tracking progress against our objectives in 2022.

Procurement Objective	Outcomes Sought
<b>Opportunities for Victorian Aboriginal people</b>	<ul style="list-style-type: none"><li>• Purchasing from Victorian Aboriginal businesses</li><li>• Employment of Victorian Aboriginal people by suppliers to the Victorian Government</li></ul>
<b>Opportunities for Victorians with disability</b>	<ul style="list-style-type: none"><li>• Purchasing from Victorian social enterprises and Australian Disability Enterprises</li><li>• Employment of people with disability by suppliers to the Victorian Government</li></ul>
<b>Women's equality and safety</b>	<ul style="list-style-type: none"><li>• Adoption of family violence leave by Victorian Government suppliers</li><li>• Gender equality within Victorian Government suppliers</li></ul>
<b>Opportunities for disadvantaged Victorians</b>	<ul style="list-style-type: none"><li>• Purchasing from Victorian social enterprises</li><li>• Job readiness and employment for:<ul style="list-style-type: none"><li>◦ long-term unemployed people</li><li>◦ disengaged youth</li><li>◦ single parents</li><li>◦ migrants and refugees</li><li>◦ workers in transition</li></ul></li></ul>
<b>Supporting safe and fair workplaces</b>	<ul style="list-style-type: none"><li>• Purchasing from suppliers that comply with industrial relations laws and promote secure employment</li></ul>
<b>Environmentally sustainable outputs and business practices</b>	<ul style="list-style-type: none"><li>• Project-specific requirements to use sustainable resources and to manage waste and pollution</li><li>• Use of recycled content in construction</li><li>• Adoption of sustainable business practices by suppliers to the Victorian Government</li></ul>

# 2021 Objectives, Key Performance Indicators and Achievements

## Summary of key financial results

GOTAFE recorded a net surplus from transactions of \$4.1M, compared to the 2020 deficit of \$12.3M. Training income continued to be impacted by the pandemic, however, additional viability support funding was provided by the Department of Education and Training. Expenses from transactions were lower in 2021 due to lower transformation costs and an historical debt write off of \$2M that was included in the 2020 result.

GOTAFE has continued with its strategic direction to improve financial sustainability and reduce its reliance on Victorian government grants in the future. GOTAFE launched the new mobile campus and opened the upgraded café at the Shepparton campus. Major campus at Seymour were near completion at the end of 2021 with opening planned for early 2022. With the campus upgrade works, the value of GOTAFE's fixed assets increased by \$8.4M.

A summary of key financial results of GOTAFE for 2021 with comparative results for the previous four years appears in the following table:

Financial indicator	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
<b>Operating Revenue</b> Income from transactions, including capital contributions	72,041	58,447	55,132	56,271	63,135
<b>Operating Surplus/Deficit</b> Net result from transactions, including capital contributions	4,145	(12,260)	(11,197)	100	2,319
<b>EBITDA</b> Earnings before interest expense, tax, depreciation and amortisation (excludes capital contributions)	2,144	(6,495)	(6,276)	4,921	6,837
<b>Total Assets</b>	127,538	122,047	132,474	143,859	142,917
<b>Total Liabilities</b>	17,692	15,994	16,158	15,327	14,213
<b>Liquidity Ratio</b> Current Assets/ Current Liabilities adjusted to exclude long-term benefits	1.03:1	1.2:1	3.3:1	5.10:1	5.20:1

## Summary of key non-financial results

A summary of key training activity results for 2021 appears in the following table:

Classification	2021 result	2020 result
Students (head count)	8,402	7,912
Student Admissions (course enrolments)	9,479	8,887
Student Contact Hours (delivered)	3,192,197	2,768,424



# Statement of Performance

In our opinion, the accompanying Statement of Performance of the Goulburn Ovens Institute of Technical and Further Education for the year ended 31 December 2021, 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.



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**Chair of the Board**  
Diana Taylor

Date: 25 March 2022



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**Chief Executive Officer**  
Travis Heeney

Date: 25 March 2022



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**Chief Finance & Accounting Officer**  
Nicholas Gray

Date: 25 March 2022

# Key Performance Indicators

Indicator title	Description and methodology	2021 Target	2021 Actual	Explanation of variances	Prior year result
<b>Training revenue diversity</b>	Breakdown of training revenue by			Training income was below target due to the impact of COVID-19 on student enrolments. While the proportion of income per category was broadly in line with targets, FFS was slightly higher than target as the income was predominantly from VET delivered to secondary school students (VETDSS) which was less impacted by the pandemic.	
	<i>Government Funded (GF)</i>	74.47%	73.56%		73.31%
	<i>Fee for Service (FFS)</i>	12.91%	14.59%		14.86%
	<i>Student Fees and Charges</i>	12.62%	11.85%		11.83%
<b>Employment costs as a proportion of training revenue</b>	<p><i>Employment and third party training delivery costs as a proportion of training revenue</i></p> <p><i>(Employment costs – Workforce reduction expenses + 3rd party training delivery costs) / Training revenue</i></p>	108.82%	146.16%	The ratio was higher than planned as a result of lower training revenue and delays associated with delivery of training. Employment costs were in line with budget expectations.	125.51%
<b>Training revenue per teaching FTE*</b>	<p><i>Training revenue (excl. revenue delivered by third parties) per Teaching FTE*</i></p> <p><i>Training revenue (excl. revenue delivered by 3rd parties) / Teaching FTEs*</i></p>	\$200,803	\$137,703	As noted above, training revenue was lower than target due to the pandemic. Teaching FTEs were in line with target.	\$162,382
<b>Operating margin percentage</b>	<p>Operating margin %</p> <p><i>EBIT (excl. capital contributions) / Total revenue (excl. capital contributions)</i></p>	-11.85%	-4.78%	EBIT was higher than target due to funding provided by the Department of Education and Training to support operational costs.	-22.75%

# Governance and Organisational Structure

## GOTAFE Board

The Board's membership comprises six Ministerial directors, three co-opted directors, the Chief Executive Officer and a staff elected director. Board directors bring expertise and experience providing GOTAFE with the skills necessary for quality leadership and governance.

The Board representation in the 2021 calendar year appears in the following table:

Member	Director category	Current Term	
		From	To
Diana Taylor	Ministerial	01/07/2019	30/06/2022
Angela Verde	Ministerial	01/07/2019	30/06/2022
Philip Eggleston	Ministerial	01/07/2020	30/06/2023
Jenny Wilson	Ministerial	01/07/2020	30/06/2023
Candy Broad	Ministerial	01/09/2021	31/08/2024
Ashley Day	Ministerial	01/09/2021	31/08/2024
Kate Fraser	Co-Opted Director	11/02/2019	10/02/2022
Deborah Spring	Co-Opted Director	11/02/2019	10/02/2022
Daniel Briggs	Co-Opted Director	05/06/2020	04/06/2023
Celia Turnbull	Staff Elected Director	01/07/2020	30/06/2022
Travis Heeney	CEO	02/07/2018	01/07/2023
<b>Former Board members during 2021</b>			
Commissioner Ro Allen	Ministerial	01/07/2018	26/02/2021
Catherine Scott	Ministerial	01/07/2019	26/05/2021



# Governance and Organisational Structure

## Board Sub-Committees

As at the end of 2021, the following Board Sub-Committees were in place at GOTAFE:

- Audit and Risk Committee, Chair: Mick Ulbrick (Independent Member)
- Governance Committee, Chair: Deborah Spring
- Remuneration and Succession Committee, Chair: Angela Verde

### Board Sub-Committee Membership – 26 August 2021 to 31 December 2021

Audit and Risk	Governance	Remuneration and Succession
Mick Ulbrick (Independent Member) (Chair) Candy Broad Ashley Day Kate Fraser Travis Heeney Diana Taylor Celia Turnbull Angela Verde Jenny Wilson	Deborah Spring (Chair) Daniel Briggs Philip Eggleston Travis Heeney Diana Taylor Celia Turnbull Mick Ulbrick (Independent Member)	Angela Verde (Chair) Kate Fraser Travis Heeney Diana Taylor Jenny Wilson

### Board Sub-Committee Membership – 1 January 2021 to 25 August 2021

Audit and Risk	Governance	Remuneration and Succession
Kate Fraser (Chair) Travis Heeney Catherine Scott* Diana Taylor Mick Ulbrick (Independent Member) Angela Verde Jenny Wilson	Deborah Spring (Chair) Daniel Briggs Philip Eggleston Travis Heeney Diana Taylor Celia Turnbull Mick Ulbrick (Independent Member)	Angela Verde (Chair) Kate Fraser Travis Heeney Diana Taylor

\*Catherine Scott resigned on 26 May 2021.

# Governance and Organisational Structure

## Board members' expertise



### **Diana Taylor | Board Chair**

Diana Taylor has been a member of the GOTAFE Board since July 2019 and Chair of the Board since August 2019.

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 was also the inaugural General Counsel for Netball Australia. For over a decade, Diana has also run her own consultancy business. In 2016, Diana was awarded the Telstra Businesswoman of the Year Award for Victoria – Corporate & Private category.

Diana is the Chair of Geelong Authority and Geelong's community hospice, Anam Cara House Geelong. Diana is also a Trustee on the Melbourne Convention and Exhibition Trust and Doutta Galla Aged Services Limited and a Board Member of Deakin University Law Advisory Board.

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. Diana is also a member of the AFLW Competition Committee.



### **Angela Verde | Deputy Board Chair**

Angela Verde has been a member of the GOTAFE Board since July 2016. 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.

Angela has worked in clinical, research, management, policy and governance roles and is currently the Deputy Chair of the GOTAFE Board and a Non-Executive Director on the

Albury Wodonga Health and Northeast Water Boards. Angela is also a member of the Royal Australian and New Zealand College of Obstetricians and Gynaecologists (RANCOG) Appeals Committee.

A background in strategic regional development 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.



### **Candy Broad**

Candy Broad was appointed to the GOTAFE Board in September 2021. Candy holds a Bachelor of Commerce and is a Graduate of the Australian Institute of Company Directors and the Institute of Superannuation Trustees and is an experienced company director.

Candy is currently an independent Trustee Director of First Super and was previously Chair of Women's Health Victoria, Board Director of the Australian Council of Superannuation Investors, Board Director of Haven; Home, Safe, Chair of PrimeSafe, Board Director of Hepburn Wind and Chair of Safe Steps Family Violence Response Centre.

Candy was also a Victorian Government Minister for seven years, with a total of 15 years' parliamentary experience. Candy's ministerial portfolios included Housing, Local Government, Energy and Resources and Ports. Candy was Victoria's first female Minister for Energy and Resources and first female Minister for Ports and she is a founding member of EMILY's List Australia.

Her experience representing the Northern Victoria Region in the Legislative Council and in the role of Minister for Local Government have contributed to Candy's strong commitment to regional and rural communities and the vital role of Victoria's public TAFE's in delivering the high-quality training communities need.



# Governance and Organisational Structure

## Board members' expertise



### Daniel Briggs

Daniel Briggs was appointed to the GOTAFE Board in June 2020.

He grew up in the Goulburn Valley and is a proud Yorta Yorta and Wemba Wemba man.

Daniel holds a Bachelor of Laws (LLB) and has extensive experience both in the legal industry and in working with members of marginalised communities.

Through his work as Managing Director of Yurringa, a company he established which provides recruitment services, diversity & inclusion services and commercial drone services, Daniel has a strong commitment to community re-investment. Yurringa was established to provide an opportunity to increase Indigenous participation procurement within the community.

Daniel is also a non-executive board member at Goulburn Valley Water.



### Ashley Day

Ashley Day was appointed to the GOTAFE Board in September 2021. Ashley grew up on a Dairy farm in Lima South and is a local entrepreneur and significant employer within North-East Victoria. Ashley purchased a quarry business in 2007 and has grown it into a successful business that currently employs over 100 staff.

As Managing Director, Ashley brings over 20 years' experience in asset management, OHS and strategic planning. He is passionate about the growth and development of businesses in the region, which depend on the availability of skilled employees like those graduating from

GOTAFE. Ashley has been instrumental in the establishment of the West Gate Tunnel Project's precast facility in Benalla, which employs over 300 people in and around Benalla.

Ashley has completed the Company Director's Course at the Australian Institute for Company Directors.



### Philip Eggleston

Philip was appointed to the Board on 1 July 2020. Philip is a non-executive director with a background in Government, Education, Legislation, Policy, Landscape Architecture and the Funeral Industry. Philip has wide and diverse experience across State and Local Government and the private sector. Philip brings experience in Staff Development, Human Resources, Corporate Governance. Philip demonstrates effective leadership with an ability to set strategy and direction; to refine and tailor leadership to the business environment, is highly risk aware and is a decisive operator capable of influencing strategy by successfully negotiating with decision-makers.

Philip is a Trust Member of the Southern Metropolitan Cemeteries Trust.

# Governance and Organisational Structure

## Board members' expertise



### Kate Fraser

Kate Fraser was appointed to the GOTAFE Board in February 2019. Kate holds a Bachelor of Economics from the ANU and is a Graduate and Fellow of the Australian Institute of Company Directors.

Kate has served on State and Federal Government Boards for over 14 years across sectors including health, utilities and education. In addition to her current GOTAFE board director and committee roles, Kate is also a Director of Melbourne Royal, Royal Agricultural Society of Melbourne, Chair of the Investment Committee for BRC Capital Incubator and Accelerator

Fund, an alternate Director and a member of the Infrastructure and Risk Committee for Showgrounds Nominees Pty Ltd, a state Government joint venture.

In her extensive corporate career spanning over two decades Kate has also held General Management and senior commercial roles specialising in the generation of multi-million dollar corporate revenue streams, cross-sector corporate partnership programs and the delivery of strategic marketing, branding and communications outcomes for some of the country's most recognised brands including Westpac, the Olympic Games, the Commonwealth Games and the Australian Formula One Grand Prix.

In addition to her portfolio Board career, Kate undertakes a variety of senior executive contract roles including her most recent appointment as interim CEO of the Veterinary Practitioners Regulation Board of Victoria.

Based in regional Victoria, Kate has multigenerational farming and community ties in the South West and the North East of Victoria and has considerable experience and a passion for social procurement and for-purpose investment and the impact this can have on improving accessibility to essential services, and better social and health outcomes for regional and rural Victorians.



### Travis Heeney

Travis Heeney was appointed to the role of CEO at GOTAFE in July 2018.

Travis 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. Travis has significant experience in community-focused organisations, having held leadership positions in the Public Health, Not-for-Profit and Local Government sectors.

Travis has led a significant transformation agenda at GOTAFE which now sees the organisation leading the state in student, industry and staff measures.

Travis has completed the Company Director's Course at the Australian Institute for Company Directors.

# Governance and Organisational Structure

## Board members' expertise



### **Deborah Springs | Chair Governance Committee**

Deborah (Debbie) Spring has been a member of the GOTAFE Board since 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. Ms Spring was appointed Chair of the Rail Industry Standards and Safety Board in November 2016 and its Chief Executive Officer on 1 July 2021 and recently appointed Independent Chair for the Infrastructure Sustainability Council, effective 1 January 2022.

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 Fellow of the Australian Institute of Company Directors.



### **Celia Turnbull**

Celia Turnbull was appointed to the GOTAFE Board as the GOTAFE Staff Representative in July 2020. With 20 years at GOTAFE, Celia is an experienced and highly qualified education leader with a broad depth of knowledge and expertise across many educational and corporate managerial roles in VET.

Her tertiary qualifications include Bachelor Veterinary Science, Certificate IV in Training and Assessment, Graduate Diploma in VET Education and Master of Education. She is a graduate of the Women and Leadership Executive Ready Program and the Alpine Valleys Community Leadership Program and holds an International Specialised Skills Institute (ISSI) Fellowship.

Celia possesses keen business acumen and an intuitive understanding of both customer service and market demand. She is passionate about ethical and equitable educational practice.

Celia is currently the Director of Education Governance and Registrar at GOTAFE and chairs the GOTAFE Animal Ethics Committee.



### **Jenny Wilson**

Jenny Wilson was appointed to the GOTAFE Board in July 2020 and is currently the Regional Manager and Chief Executive Officer of Murray Dairy, a member of the National Dairy People Development Council and a Director and Chair of the People and Culture committee of Goulburn Valley Water.

Jenny has previously worked in senior management roles for multiple Victorian State government departments across the portfolios of agriculture and natural resource management. Passionate about regional Victoria, Jenny has led a number of industry programs supporting agricultural communities in the adoption of new science, innovation and skills, particularly in response to water policy reform and climate change.

Jenny has extensive government and industry experience in leadership, strategic planning, community engagement, training and development and emergency response.

Jenny is a graduate from Charles Sturt University having completed a Bachelor of Environmental Science, holds an Advanced Certificate in Sustainability and a Diploma of Project Management and is a graduate member of the Australian Institute of Company Directors.



# Governance and Organisational Structure

## Independent members' expertise



### **Mick Ulbrick** | Independent Member and Audit and Risk Committee Chair

Michael (Mick) Ulbrick has been an Independent Member of the GOTAFE Audit and Risk Committee and Governance Committee for several years. In 2021 he was appointed as Chair of the Audit and Risk Committee.

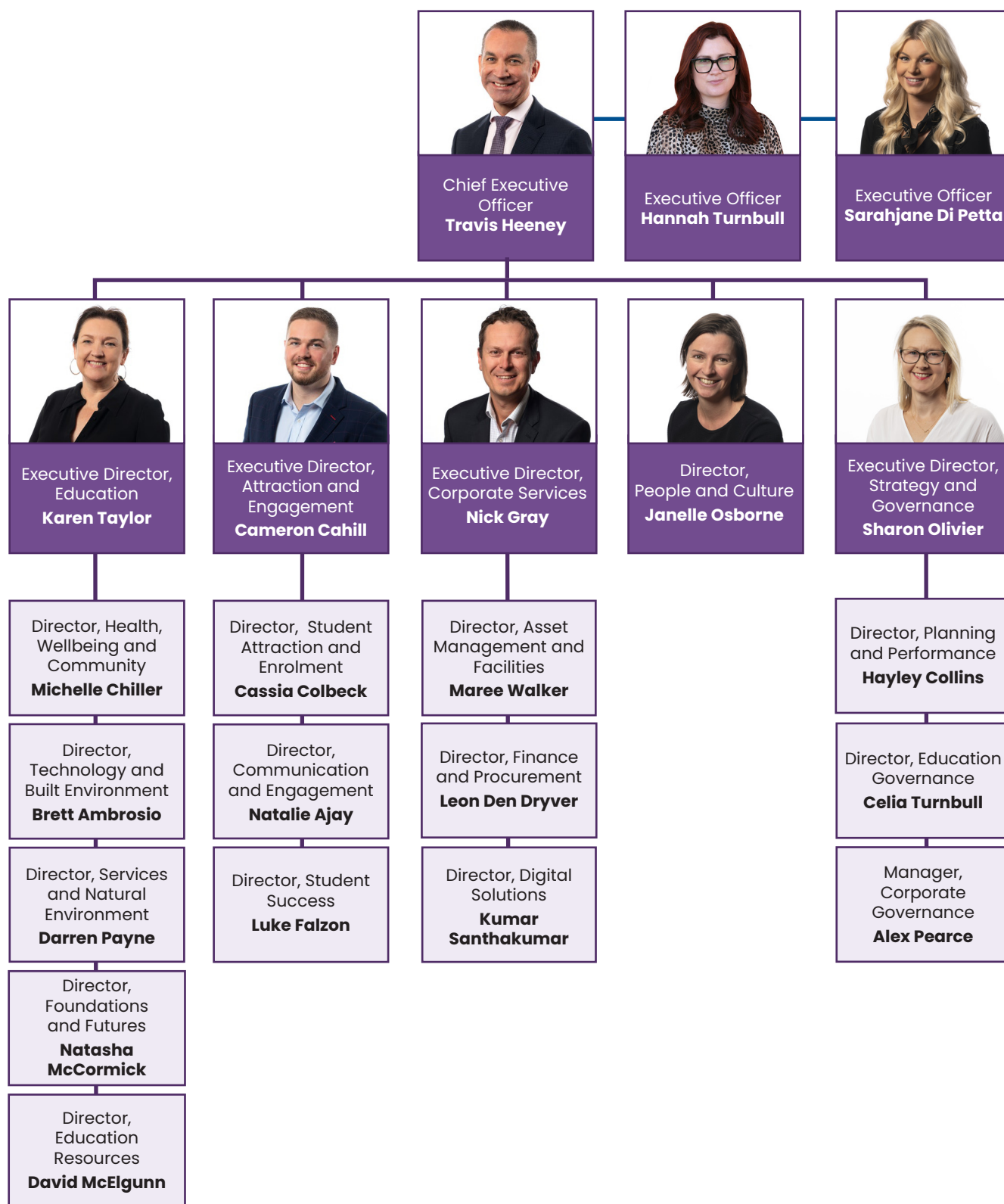
He has more than 40 years' experience in government and local government and has held a range of senior executive positions to the level of Chief Executive of a large metropolitan local government authority. In 2010 Michael established his own consultancy business specialising in providing strategic advice in corporate governance, financial stewardship and risk management. Michael has tertiary qualifications in economics, statistics, education and information systems and is a graduate of the Australian Institute of Company Directors (AICD) course. In addition, he has completed the AICD Mastering the Boardroom course.

Michael is a Commissioner with the Victorian Local Government Grants Commission and sits on a number of committees within the local government and TAFE sectors. He was an Independent Director for more than 10 years of a large food manufacturing company until its successful sale in 2021.

Michael commenced his career as a secondary school teacher at a country high school teaching mathematics, economics and physical education.

# Governance and Organisational Structure

## Organisational Structure as at 31 December 2021



# Workforce Information

## Workforce data full time equivalent (FTE)

**Table 1. Performance and Accountability framework FTE Table for the year ending 31 December 2021.**

	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
<b>PACCT Staff</b>	152.0	13.0	30.1	4.1	NA	6.3	<b>205.5</b>
<b>Executive</b>	-	6.0	-	-	NA	-	<b>6.0</b>
<b>Other</b>	1.0	13.0	-	0.9	NA	-	<b>14.9</b>
<b>Teacher</b>	154.0	4.0	35.5	3.3	21.2	NA	<b>218.0</b>
<b>Total</b>	<b>307.0</b>	<b>36.0</b>	<b>65.6</b>	<b>8.3</b>	<b>21.2</b>	<b>6.3</b>	<b>444.4</b>

**Table 2. Performance and Accountability framework FTE Table for the year ending 31 December 2020.**

	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
<b>PACCT Staff</b>	145.0	13.0	24.5	2.2	NA	4.0	<b>188.7</b>
<b>Executive</b>	0.0	5.0	-	-	NA	-	<b>5.0</b>
<b>Other</b>	1.0*	13.0	-	0.8	NA	NA	<b>14.8</b>
<b>Teacher</b>	137.0	9.0	42.3	4.2	25.1	-	<b>217.6</b>
<b>Total</b>	<b>283.0</b>	<b>40.0</b>	<b>66.8</b>	<b>7.2</b>	<b>25.1</b>	<b>4.0</b>	<b>426.1</b>

\* Workcover (1.0)



# Workforce Information

## Workforce data by gender, age and classification

Table 3. Workforce data by gender, age and classification for the year ended 31 December 2021 .

Gender	All Employees		Ongoing			Fixed Term and Casual	
	Number (headcount)	FTE	Full time (headcount)	Part time (headcount)	FTE	Number (headcount)	FTE
Women Exec	3	3	-	-	-	3	3
Women (total staff)	314	274	185	75	236	54	38
Men Exec	3	3	-	-	-	3	3
Men (total staff)	165	155	120	21	135	24	20
Self-described Executive	-	-	-	-	-	-	-
Self-described (total staff)	2	2	2	-	2	-	-
Age							
15-24	16	16	10	1	11	5	5
25-34	73	64	42	18	54	13	10
35-44	106	92	58	21	72	27	20
45-54	131	122	96	16	107	19	15
55-64	128	115	84	33	108	11	7
Over 64	27	22	17	7	21	3	1
Total Employees	481	431	307	96	373	78	58

Table 4. Workforce data by gender, age and classification for the year ended 31 December 2020.

Gender	All Employees		Ongoing			Fixed Term and Casual	
	Number (headcount)	FTE	Full time (headcount)	Part time (headcount)	FTE	Number (headcount)	FTE
Women Exec	2	2	-	-	-	2	2
Women (total staff)	303	257	171	79	224	53	33
Men Exec	3	3	-	-	-	3	3
Men (total staff)	168	145	112	19	125	37	20
Self-described Executive	-	-	-	-	-	-	-
Self-described (total staff)	-	-	-	-	-	-	-
Age							
15-24	16	14	7	-	7	9	7
25-34	65	54	35	16	45	14	8
35-44	91	78	56	16	67	19	11
45-54	141	123	89	21	104	31	19
55-64	134	117	86	34	110	14	8
Over 64	24	16	10*	11	16	3	0
Total Employees	471	403	283	98	349	90	54

\* Workcover (1.0)



# Workforce Information

## 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, 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.

Employees have been correctly classified in workforce data collections prepared during the 2021 calendar year.





# Workforce Information

## Occupational Health and Safety (OH&S)

GOTAFE is committed to providing a safe and healthy work environment for all employees, students, contractors, and visitors and takes proactive steps to implementing industry best practice occupational health and safety systems. It also recognises that robust OH&S practices not only provides a safer working environment but improves employee morale and productivity and overall performance outcomes.

GOTAFE has proactively focused on staff and student health and wellbeing during 2021. Acknowledging the impacts of COVID-19 and ongoing requirements for remote operations, ensuring our workforce has been supported during this period has been paramount. GOTAFE has proactively encouraged and facilitated open conversations on mental and physical health and wellbeing, providing resources and opportunities to support the identification and management of these types of hazards.

### Notable OH&S Achievements in 2021

- Comprehensive redevelopment and launch of 'GOSAFE' Corporate OH&S Procedures Manual and accessible library of risk, safety, and emergency resources.
- Refresh and launch of GOTAFE's Crisis and Emergency Management Framework including training to Senior Leadership Team, forward-facing student engagement staff and first responders.
- Launch of online Incident and Risk Reporting System including commencement of training to support system use.
- Launch of the 'GOSAFE' newsletter initiative to support ongoing education and awareness of safety issues and provide advice on key topic areas
- Delivery of a comprehensive program of Health and Wellbeing initiatives, information sessions and resources.

## OH&S performance

Performance Indicators	2021	2020	2019	2018	2017
Number of reported hazards and incidents per 100 FTE staff*	9.90	8.03	17.67	44.31	36.43
Lost time standard claims per 100 FTE staff	0.19	0.14	0.50	0.23	0.45
Lost-time injury frequency ratio (Standard claims per million hours worked)	2.57	1.29	0.34	1.25	2.53
Average cost per claim	\$8,775	\$30,919	\$4,466	\$3,661	\$28,241
Outstanding claim costs (estimate)	\$5,868	0	\$4,840	\$9,687	\$127,902
Fatalities	0	0	0	0	0



# Other Disclosures

## Environmental Sustainability

### Energy

Indicator	2021		2020	
	Electricity	Natural gas	Electricity	Natural gas
Total energy usage (MJ)	3,340,739	9,375,413	3,619,342	10,364,468
Greenhouse gas emissions associated with energy use (t CO <sub>2</sub> e)	2,462	520	2,626 *	571

**Comment:** Energy data above is inclusive of all activity. It can be assumed that the reduction in both electricity and natural gas can be attributed to the introduction of solar systems at the Fryers St Campus, Shepparton, the introduction of blended delivery and reduced activity on campuses during COVID19.

**Note:** The 2020 electricity emissions figure has been updated from last year's report.

### Transport

Indicator	2021			2020		
	Diesel vehicles	LPG vehicles	Petrol vehicles	Diesel vehicles	LPG vehicles	Petrol vehicles
Total fuel consumption by vehicles (litres)	4,138	3,456	51,387	6,508	3,992	52,180
Total vehicle travel (km)	42,668	22,483	684,369	74,354	25,068	700,465
Total greenhouse gas emissions from vehicle fleet (t CO <sub>2</sub> e)	11	5	110	17	6	119
Total distance travelled by aircraft (km)	NA			NA		
Total greenhouse gas emissions from aircraft travel (t CO <sub>2</sub> e)	NA			NA		

**Comment:** Vehicles include cars (pool cars and allocated vehicles). Vehicles allocated to support training activities such as trucks, tractors and other farm equipment are excluded. Aircraft travel includes staff flights. Any student excursion travel is excluded. It can be assumed that the reduction in fuel consumption is attributed to more efficient vehicles, a reduction in travel during COVID19 and the introduction of blended delivery.

# Other Disclosures

## Waste

Indicator	2021			2020		
	Landfill	Co-mingle recycling	Compost	Landfill	Co-mingle recycling	Compost
Total units of waste disposed of (kg/yr)	73,452	16,840	Not available	86,121	20,825	Not available
Recycling rate (percentage of total waste)	22.9%			19.5%		
Total greenhouse gas emissions from waste (t CO2 e)	Not available			Not available		
Actions undertaken						
Waste management system	Continuing to sort for separation of waste					

**Comment:** Waste is for both training operations and office. Paperboard and paper are included with co-mingle recycling data above. Scrap metal and garden organics are additionally recycled or composted. It can be assumed that the reduction in waste can be attributed to less activity on campus during COVID19.

## Paper

Indicator	2021	2020
Total units of copy paper used (reams)	2,809	3,242
<b>Actions undertaken</b>		
Copy paper purchase	Copy paper is Australian Forestry Standard certified and primarily certified as carbon neutral and 20% recycled	

**Comment:** The aggregate paper us on GOTAFE printer / photocopier machines accessed by staff and staff. Other large print bundles are outsourced. It can be assumed that the reduction in usage is due to efficiencies in use, reduction in the presence on campus during COVID19 and the introduction of blended delivery.

## Water

Indicator	2021	2020
Total units of metered water consumed (kilolitres)	23,665	31,165
<b>Actions undertaken</b>		
Water harvesting	Water harvesting occurs at several campuses	

**Comment:** Water consumed is potable town water utilised for training, grounds and building occupancy usage. It can be assumed that the reduction in usage is due to a reduction in the presence on campus during COVID-19 and the introduction of blended delivery.

# Other Disclosures

## Major commercial activities

GOTAFE has undertaken no major commercial activities during 2021 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 2021 year.

## Information and communication technology (ICT) expenditure

<i>Business As Usual (BAU) ICT expenditure (Total)</i>	\$3,786,232
<i>Non Business As Usual (non BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure)</i>	\$1,708,816
<i>Operational expenditure (non-BAU) ICT</i>	\$53,594
<i>Capital expenditure (non-BAU) ICT</i>	\$1,655,222

## Consultants

In 2021, there were 13 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred to December 2021 in relation to these consultancies is \$1,297,839 (excl. GST). Details of individual consultancies can be viewed on the GOTAFE Public website at: [gotafe.vic.edu.au/contact/about-us/corporate-publications](http://gotafe.vic.edu.au/contact/about-us/corporate-publications).

In 2021, there was 1 consultant where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred to December 2021 in relation to these consultancies is \$6,000 (excl. GST).

## National Competition Policy

GOTAFE operates in an environment that 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 Act 2003

The *Local Jobs First Act 2003* brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately. The *Local Jobs First* initiative is focused on promoting employment and business growth by expanding market opportunities and providing industry development for local industry.

The Act requires departments and public sector bodies to apply the *Local Jobs First Policy* to all projects over \$3 million in metropolitan Melbourne or state-wide, and \$1 million in regional Victoria. GOTAFE commenced major infrastructure works on the Shepparton Fryers St Campus Café and Restaurant, Seymour Health and Community Facility and the Goulburn Murray Trade Skills Centre – Stage 2 (GM TSC) during 2021. The Café and Restaurant were completed in 2021, the Seymour Health and Community Facility is scheduled for completion in February 2022 and the GMTSC is in the Design Phase with construction due for completion in 2023.

The *Local Jobs First* premise was applied in the procurement process of awarding these contracts.

## Freedom of Information Act 1982

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.



# Other Disclosures

Enquiries regarding access to a document or record can be made by phone to the authorised Freedom of Information Officer, on 1300 GOTAFE (468 233) or to [privacy@gotafe.vic.edu.au](mailto:privacy@gotafe.vic.edu.au). 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 Privacy 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 2021.

Further information regarding Freedom of Information can be found at [www.foi.vic.gov.au](http://www.foi.vic.gov.au)

## Public Interest Disclosures Act 2012

The *Public Interest Disclosures 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 revised and updated its 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 2021.

## Carers Recognition Act 2012

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 recognises 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.

## Building Act 1993

Buildings constructed pre 1993 are maintained as per building regulations for the period constructed. Whilst all new buildings since the promulgation of the 1993 Act comply with the relevant legislation and standards. Building practitioners and consultants engaged maintain current registration and certificates of currency.

A review was undertaken of the Essential Safety Measures (ESM) with funding then allocated to address shortfalls and improvements during 2021/22. New contracts were awarded for the compliance maintenance and auditing of the ESM.

3 x Cooling Towers are located at Shepparton and Wangaratta Campuses. The maintenance of these conforms to the Department of Health and Human Services legislation.

A Skills First Stronger TAFE Funding allocation of \$2,647,935 was received to support Backlog Maintenance contributing to the following:

- Repairs and maintenance of electrical, plumbing and building elements.
- HVAC Compliance
- Lift Compliance
- Cleaning Maintenance
- Waste Services
- Grounds
- Essential Safety Measures
- Security
- Equipment Maintenance

## Victorian Public Sector Travel Policy

GOTAFE has a policy and procedures in place to ensure it is compliant with the Victorian Public Sector Travel Principles. Travel for staff during 2021 was quite restricted due to the COVID-19 pandemic. GOTAFE initiated strategies and procedures to ensure staff only travelled when absolutely necessary during the restrictions and were compliant with Government requirements at all times.

# Other Disclosures

## Asset Management Accountability Framework (AMAF) maturity assessment

The following sections summarise the assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the Department of Treasury and Finance website.

The target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

### Leadership and Accountability (requirements 1-19)

GOTAFE has met or exceeded its target maturity level under most requirements within this category. However, improvement is required within the monitoring of asset performance and asset system performance.

### Planning (requirements 20-23)

GOTAFE has an Asset Management Strategy, however it requires review. The review, and subsequent update, has commenced.

### Acquisition (requirements 24 and 25)

GOTAFE has met its target maturity level in this category. Acquisition decisions are managed within an integrated project planning framework that considers service delivery needs, corporate objectives, and financial and budgetary constraints. The project management framework allows for a robust decision-making process to be undertaken prior to the acquisition of an asset.

### Operation (requirements 26-40)

GOTAFE has partially met its target maturity level in monitoring and preventative actions with further action required in regarding the development of policy and procedure to protect its assets against fraudulent activity or improper use.

GOTAFE has met or exceeded its maturity level in response to the maintenance of assets with the development of 10-year maintenance plans.

Further development is required regarding Information Management. GOTAFE has asset registers for buildings, plant, and equipment. However, these registers are in excel format and not integrated into the GOTAFE corporate system.

### Disposal (requirement 41)

GOTAFE is yet to meet its target maturity level in this category. An Asset Disposal Policy is yet to be developed.

## Non-academic student fees

Students enrolling in government-subsidised programs in 2021 were provided a brochure on Fees and Charges. This detailed information on:

- Fees and charges.
- Exemptions and concessions.
- Student loans.
- Payment options and fee refunds.

Fees and charges and Student Services information were also available on GOTAFE's website and the 2021 Student Handbook.

In 2021 GOTAFE charged a Student Services Fee which contributed to the provision of student engagement, administration, learning and support services. It did not apply to short course participants. The amount of Student Services Fee income in 2021 was \$295,424.

The expenditure on student support services and activities included: orientation activities, youth pathway plans, counselling, disability support, learning support, library services, first aid assistance and student activities. The moneys are spent on internal GOTAFE services and are not paid to other organisations.

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 - \$1,525,443
- Non-Salary - \$10,452

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.

# GOTAFE Financial Management Compliance Attestation Statement

I, Diana Taylor, on behalf of the Responsible Body, certify that for the period 1 January 2021 to 31 December 2021, the GOTAFE has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.

## Additional information available on request

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

- 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)



**Chair of the Board**  
Diana Taylor  
Date: 25 March 2022

## Audit and Risk Committee

The Board complies with the 'Standing Directions of the Minister for Finance 2016' 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.



## 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 2021, 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  
28 March 2022



Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

# Financial Report

## How this report is structured

Goulburn Ovens Institute of TAFE (GOTAFE) has presented its audited general purpose financial statements for the financial year ended 31 December 2021 in the following structure to provide users with the information about GOTAFE's stewardship of resources entrusted to it.

<b>Financial statements</b>	Comprehensive operating statement	47
	Balance sheet	48
	Statements of changes in equity	49
	Cash flow statement	50
<b>Notes to the financial statements</b>	<b>1. About this report</b>	
	1.1 Basis of preparation	51
	1.2 Compliance information	51
	1.3 Impact of COVID-19	52
	<b>2. How we earned our funds</b>	
	2.1 Government contributions	54
	2.1.1 Revenue from government contributions	54
	2.1.2 Income from government contributions	55
	2.2 Revenue from fees, charges and sales	56
	2.3 Other Income	58
	2.3.1 Leases receivable	69
	<b>3. How we expended our funds</b>	
	3.1 Employee benefits	60
	3.1.1 Employee benefits in the comprehensive operating statement	60
	3.1.2 Superannuation	61
	3.2 Supplies and services	62
	3.2.1 Non-cancellable operating lease commitments – short-term and low value leases	62
	3.2.2 Other expenditure commitments	63
	3.3 Other operating expenses	64
	3.4 Depreciation and amortisation	64
	<b>4. The assets we invested in</b>	
	4.1 Property, plant and equipment	64
	4.1.1 Reconciliation of movements in carrying amount of property, plant and equipment	65
	4.1.2 Capital commitments	66
	4.1.3 Gain / loss on property, plant and equipment	66
	4.2 Investment properties	67
	4.3 Intangible assets	67
	4.4 Depreciation and amortisation	68
	<b>5. Balances from operations</b>	
	5.1 Receivables	69
	5.2 Payables	70
	5.3 Contract liabilities	71
	5.4 Employee benefits in the balance sheet	72

<b>6.</b>	<b>How we financed our operations</b>	
6.1	Cash and deposits	73
	<i>6.1.1 Reconciliation of operating result to net cash flows from operating activities</i>	73
6.2	Contributed capital	73
6.3	Leases	74
<b>7.</b>	<b>Managing risks and uncertainties</b>	
7.1	Financial instruments	77
	<i>7.1.1 Financial risk management objectives and policies</i>	78
	<i>7.1.2 Credit risk</i>	78
	<i>7.1.3 Liquidity risk</i>	80
7.2	Contingent assets and contingent liabilities	81
7.3	Fair value determination	82
<b>8.</b>	<b>Governance disclosures</b>	
8.1	Responsible persons	88
8.2	Remuneration of executives	89
8.3	Related parties	90
8.4	Remuneration of auditors	90
<b>9.</b>	<b>Other disclosures</b>	
9.1	Other economic flows included in net result	91
9.2	Other equity reserves	91
9.3	Events after reporting date	92
9.4	Application of standards issued but not yet effective	92
9.5	New or amended Accounting Standards and Interpretations adopted	92



# Independent Auditor's Report

## To the Board of the Goulburn Ovens Institute of TAFE

<b>Opinion</b>	<p>I have audited the accompanying statement of performance of the Goulburn Ovens Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none"> <li>• statement of performance for the year ended 31 December 2021</li> <li>• statement of performance management certification.</li> </ul> <p>In my opinion, the statement of performance of the Goulburn Ovens Institute of TAFE in respect of the year ended 31 December 2021 presents fairly, in all material respects.</p>
<b>Basis for Opinion</b>	<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>
<b>Board's responsibilities for the statement of performance</b>	<p>The Board is responsible for the preparation and fair presentation of the statement of performance 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>
<b>Auditor's responsibilities for the audit of the statement of performance</b>	<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>

<b>Auditor's responsibilities for the audit of the statement of performance (continued)</b>	<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:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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</li> <li>• 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.</li> </ul> <p>I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE  
28 March 2022

  
Charlotte Jeffries  
*as delegate for the Auditor-General of Victoria*

# Declaration in the Financial Statements

FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER 2021

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 (GOTAFE) have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents a true and fair view of the financial transactions during the year ended 31 December 2021 and the financial position of GOTAFE as at 31 December 2021.

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

The Board Chair, Chief Executive, and Chief Finance and Accounting Office sign this declaration as delegates of, and in accordance with a resolution of, the Board of GOTAFE.



**Chair of the Board**  
Diana Taylor  
Date: 25 March 2022



**Chief Executive Officer**  
Travis Heeney  
Date: 25 March 2022



**Chief Finance & Accounting Officer**  
Nicholas Gray  
Date: 25 March 2022

# Independent Auditor's Report

## To the Board of the Goulburn Ovens Institute of TAFE

<b>Opinion</b>	<p>I have audited the financial report of the Goulburn Ovens Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 31 December 2021</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• declaration by the Chair of the Board, Chief Executive Officer and Chief Finance and Accounting Officer.</li> </ul> <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"> <li>• presenting fairly, in all material respects, the financial position of the institute as at 31 December 2021 and of its financial performance and its cash flows for the year then ended</li> <li>• complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.</li> </ul>
<b>Basis for Opinion</b>	<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 auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and 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 Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation 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>



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

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

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

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

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.

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MELBOURNE  
28 March 2022

  
Charlotte Jeffries  
as delegate for the Auditor-General of Victoria

# Comprehensive operating statement

For the year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
<b>Continuing Operations</b>			
<b>Revenue and income from transactions</b>			
Revenue from government contributions	2.1.1	55,546	47,173
Income from government contributions	2.1.2	7,275	884
Revenue from fees, charges and sales	2.2	8,594	9,436
Other income	2.3	626	954
<b>Total revenue and income from transactions</b>		<b>72,041</b>	<b>58,447</b>
<b>Expenses from transactions</b>			
Employee benefits	3.1.1	45,466	45,554
Depreciation and amortisation	3.4	5,229	5,271
Supplies and services	3.2	13,039	12,612
Other operating expenses	3.3	4,162	7,270
<b>Total expenses from transactions</b>		<b>67,896</b>	<b>70,707</b>
<b>Net result from transactions</b>		<b>4,145</b>	<b>(12,260)</b>
<b>Other economic flows included in net result</b>			
Net (loss)/gain on disposal of non-financial assets	4.1.3	(347)	451
Net (loss) on disposal of financial assets	9.1a	(89)	(338)
Other gains from other economic flows	9.1b	85	381
<b>Total other economic flows included in net result</b>		<b>(351)</b>	<b>494</b>
<b>Net result</b>		<b>3,794</b>	<b>(11,766)</b>
<b>Other economic flows - other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Gain on revaluation of physical assets	9.2	-	1,503
<b>Comprehensive result</b>		<b>3,794</b>	<b>(10,263)</b>

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

# Balance sheet

As at 31 December 2021

	Note	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.1	9,580	11,276
Receivables	5.1	3,783	3,944
<b>Total financial assets</b>		<b>13,363</b>	<b>15,220</b>
<b>Non-financial assets</b>			
Inventories		51	54
Prepayments		1,532	1,081
Contract assets	5.1	1,275	2,108
Property, plant and equipment	4.1	105,994	97,575
Investment properties	4.2	2,990	2,710
Right of use asset	6.3	1,536	1,738
Intangible assets	4.3	797	1,561
<b>Total non-financial assets</b>		<b>114,175</b>	<b>106,827</b>
<b>Total assets</b>		<b>127,538</b>	<b>122,047</b>
<b>Liabilities</b>			
Payables	5.2	3,705	2,433
Contract liabilities	5.3	3,095	3,452
Lease liabilities	6.3	1,548	1,778
Employee provisions	5.4	9,344	8,331
<b>Total liabilities</b>		<b>17,692</b>	<b>15,994</b>
<b>Net assets</b>		<b>109,846</b>	<b>106,053</b>
<b>Equity</b>			
Contributed capital	6.2	46,080	46,080
Accumulated surplus		5,274	1,481
Reserves	9.2	58,492	58,492
<b>Net worth</b>		<b>109,846</b>	<b>106,053</b>

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 2021

	Physical assets evaluation surplus	Accumulated surplus	Contributed capital	Total
	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2020</b>	<b>56,989</b>	<b>13,247</b>	<b>46,080</b>	<b>116,316</b>
Net result for the year	-	(11,766)	-	(11,766)
Other economic flows - other comprehensive income	1,503	-	-	1,503
<b>Year ended 31 December 2020</b>	<b>58,492</b>	<b>1,481</b>	<b>46,080</b>	<b>106,053</b>
Net result for the year	-	3,794	-	3,794
Other economic flows - other comprehensive income	-	-	-	-
<b>Year ended 31 December 2021</b>	<b>58,492</b>	<b>5,275</b>	<b>46,080</b>	<b>109,846</b>

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 2021

	Note	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Government contributions		63,386	46,639
Receipts from customers – fees, charges and sales		12,291	12,009
Goods and services tax recovered from the ATO		2,821	2,549
Interest received		24	121
<b>Total receipts</b>		<b>78,522</b>	<b>61,318</b>
<b>Payments</b>			
Payments to employees		(44,118)	(44,588)
Payments to suppliers		(19,327)	(22,557)
Goods and services tax paid		(2,969)	(2,671)
Interest paid – lease liability		(262)	(50)
<b>Total payments</b>		<b>(66,676)</b>	<b>(69,866)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>6.1.1</b>	<b>11,846</b>	<b>(8,548)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(13,072)	(7,436)
Proceeds from sales of non-financial assets		38	288
<b>Net cash (used in) investing activities</b>		<b>(13,034)</b>	<b>(7,148)</b>
<b>Cash flows from financing activities</b>			
Payment of lease liabilities		(508)	(472)
<b>Net cash flows (used in) financing activities</b>		<b>(508)</b>	<b>(472)</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(1,696)</b>	<b>(16,168)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>11,276</b>	<b>27,444</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6.1</b>	<b>9,580</b>	<b>11,276</b>

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 2021

GOTAFE 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:*

GOTAFE  
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 GOTAFE, 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 5.4);
- determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring GOTAFE's satisfaction of a performance obligation (refer to note 2.2);
- AASB 16 Leases and the requirements to determine the lease term to the extent that extension options are certain (refer note 6.3); and
- the recognition of revenue in relation to contracts with customers (refer note 2.2).

These financial statements cover GOTAFE as an individual reporting entity. GOTAFE had no controlled entities for the year ended 31 December 2021.

### Rounding

The amounts shown in the financial statements are expressed to the nearest thousand dollars unless stated otherwise. Minor discrepancies in the tables between totals and sum of components are due to rounding.

### 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 taxation authority is included with other receivables or payables in the balance sheet.

### Funding risk

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

GOTAFE has substantial economic dependency on Government operating and capital contributions.

GOTAFE manages funding risk by continuing to diversify and endeavouring to increase funding from commercial activities.

There has been no significant change in GOTAFE's exposure other than disclosed in note 1.3, 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, GOTAFE is classed as a not-for-profit entity. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

# 1. About this Report

For the year ended 31 December 2021

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. Accounting policies applied are disclosed in sections where the related accounting balance or financial statement matter is disclosed.

## 1.3 Impact of COVID-19

The coronavirus (COVID-19), which was declared a global pandemic in March 2020, continues to evolve in 2021.

Various restrictions such as lockdowns and closure of the state's borders continue to be enforced and implemented by the government as required to contain the spread of the virus and to prioritise the health and safety of our communities. These actions have in turn, continued to impact the manner in which businesses operate, including GOTAFE.

Consistent with the prior year, COVID-19 continued to have a material impact on the operations of the GOTAFE and as a consequence has resulted in a number of material impacts on the performance of the GOTAFE as well as the judgements and estimates used in assessing balances.

GOTAFE continued to conduct classes through remote learning where possible, hold examinations online, place restrictions on non-essential work, perform COVID-19 testing and implement work from home arrangements where appropriate.

The key impacts on the appropriateness of the going concern basis of accounting, performance of the business as well as various accounting treatments and estimates are summarised below and disclosed in subsequent notes where relevant and material.

**The key impacts on the performance is summarised as follows:**

### Basis of preparation

As at 31 December 2021, the GOTAFE was in a net asset position of \$110M (2020: \$106M), a net result of \$4M surplus (2020: \$11M loss) and positive operating cash flows of \$12M has been recorded for 2021. Considering the GOTAFE's financial position, together with the impacts of COVID-19 on the business as discussed below and the forward projections, GOTAFE has concluded it is appropriate to prepare the financial statements on a going concern basis.

## **Revenue and other income**

GOTAFE's response to the pandemic included a move to more online delivery approach for theory and the deferral of onsite delivery, this continued in 2021. The Department of Education and Training provided Business Continuity grants to assist GOTAFE with its response to the pandemic, provide support to retain staff, assist with the GOTAFE's transition to online and remote learning and to maintain government funding at pre-pandemic levels. This is further discussed in Note 2.1.

COVID-19 has also had a direct impact on the way classes have been conducted by GOTAFE and as a consequence has impacted student enrolments in various courses.

The following course enrolments have been significantly impacted:

- Course in Preliminary Spoken and Written English
- Diploma of Community Services
- Certificate III in Plumbing
- Certificate IV in Horticulture
- Certificate IV in Community
- Certificate I in Spoken and Written English

It is estimated that the reduction in training income due the pandemic was \$11M but as noted above, the reduction in training revenue was partly offset by Business Continuity grants from the Department of Education and Training (\$1.6M). GOTAFE also received viability funding from the Department of Education and Training during 2021.

### Expenses

GOTAFE's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as additional cleaning and security costs for remaining onsite training and costs for staff to transition to working from home arrangements. These costs were estimated to be \$0.6M. However, some cost reductions have occurred such as reductions in consumables and utility costs.

### Employee provisions

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victoria state lockdown. While the exact impact is difficult to measure, the level of leave provisions has increased to \$9.3M (2020: \$8.3M). This is further discussed in Note 5.4.

# 1. About this Report

For the year ended 31 December 2021

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

### Allowance for expected credit losses

Although both local and international students have been impacted by the pandemic, GOTAFE has not experienced a material decline in the collectability of its trade receivables. Where students are experiencing financial difficulty, GOTAFE has allowed for payments to be made in accordance with a payment plan.

The number of students on payment plans remain consistent on prior year. GOTAFE monitors payments made under the plan and noted that for the majority of students on a plan, payments continue to be made in line with schedule. These factors, including the continued impact of the pandemic on students' payment history has been considered in determining the expected credit loss for the 2021 financial year.

### Fair value of non-financial physical assets

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



## 2. How we earned our Funds

For the year ended 31 December 2021

### 2.1 Government contributions

#### 2.1.1 Income from government contributions

Grants and other transfers	2021 \$'000	2020 \$'000
<b>Government contributions – operating</b>		
State government – contestable	22,889	25,800
State Government – other contributions	32,657	21,373
<b>Total government contributions – operating</b>	<b>55,546</b>	<b>47,173</b>

In 2021, GOTAFE received \$1.5M million in business continuity grants to support the retention of staff, transition to on-line and remote learning, and to maintain government funding at pre-pandemic levels. The impact of COVID-19 is further discussed in Note 1.3.

Although not specifically related to COVID-19, a further \$22M of viability support funding was received in 2021.

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

Where grants or contracts are recognised over time, the input method of costs incurred-to-date will be used to measure progress towards satisfaction of the performance obligation. The nature of the service or product and its satisfaction is directly related to the expert knowledge used to provide the service or produce the product. Costs incurred-to-date mainly comprise salaries accordingly, costs incurred-to-date is the best measure of the transfer of control over the service or product. Where government contributions has been received for services to be delivered in the following year, these amounts are deferred as a contract liability (refer to note 5.3).

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

Revenue Type	Nature	Performance obligation	Timing of satisfaction
<b>State government – contestable</b>	Refers to contributions received from a limited pool of government funding for which GOTAFE must compete with other registered training providers. Funding is allocated primarily through a competitive tendering process and a 'User Choice' system.	Provision of education services.	Over time, as the student receives and consumes the educational services.
<b>State government – other contributions</b>	Refers to funding such as specific-purpose grants and additional contributions relating to students who are eligible for concession discounts.	These categories meet the criteria to be recognised as a contract with a customer if the below facts and circumstances exist. Otherwise, they are recognised as income on receipt or when the right to receive payment is established.	
		Provision of a final product. For example, a conceptual framework with measures or an evaluation report containing data and recommendations.	At the point-in-time when the final product is delivered.
		Provision of a specific number of internships with an industry partner.	Where the customer controls the benefit throughout the agreement term, the revenue will be recognised over time as the service is provided. Over time as each internship is being completed. Transaction price is the amount agreed with the customer for each internship.

## 2. How we earned our Funds

For the year ended 31 December 2021

### 2.1.2 Revenue from government contributions

	2021 \$'000	2020 \$'000
<b>Government contributions – capital</b>		
State government – capital	7,275	884
<b>Total government contributions – capital</b>	<b>7,275</b>	<b>884</b>
<b>Total government contributions</b>	<b>62,821</b>	<b>48,057</b>

Income Type	Nature	Performance obligation	Timing of satisfaction
<b>State government – capital</b>	Where GOTAFE receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by GOTAFE.	Whilst GOTAFE has an obligation acquire or construct a non-financial asset, such transactions are accounted for following specific guidance under AASB 1058.	When the asset is acquired.  Or  Over time, as the building or facility is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction are the best measure of the stage of completion of the building. Where government contributions has been received for services to be delivered in the following year, these amounts are deferred as a liability (Note 5.3).
<b>State government – other contributions</b>	Where GOTAFE receives funding which is for the purpose of furthering its objectives and does not contain sufficiently specific performance obligations.	None	These contracts contain termination for convenience clauses or clauses to return unspent funds. On receipt or right to receive payment, the unspent funding is recognised as a financial liability in the form of a refund obligation, with income recognised once the related expenditure has been incurred.
<b>Government assistance – COVID</b>	Business continuity grants to support the retention of staff, transition to online and remote learning and maintain government funding at pre-pandemic levels.	None	On receipt or right to receive payment.

## 2. How we earned our Funds

For the year ended 31 December 2021

### 2.2 Revenue from fees, charges and sales

	2021 \$'000	2020 \$'000
Student fees and charges	3,761	4,207
Fee for service – government	3,440	4,231
Fee for service – other	1,193	861
<b>Other non-course fees and charges</b>		
Sale of goods	200	137
<b>Total revenue from fees, charges and sales</b>	<b>8,594</b>	<b>9,436</b>

The following table provides a breakdown of contractual sales with customers based on the timing of when revenue is recognised.

	2021 \$'000	2020 \$'000
Revenue recognised over time	8,394	9,299
Revenue recognised at a point in time	200	137
<b>Total revenue from fees, charges and sales</b>	<b>8,594</b>	<b>9,436</b>

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

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

Other non-course fees and charges are recognised as the service is delivered to the student or the public. For example, rent and student accommodation revenue is recognised as GOTAFE provides the accommodation or use of the space to the student or the public.

GOTAFE 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 GOTAFE satisfies a performance obligation before it receives the consideration, GOTAFE 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 to recognise revenue over time in line with AASB 15.

## 2. How we earned our Funds

For the year ended 31 December 2021

Revenue Type	Nature	Performance obligation	Timing of satisfaction
<b>Student fees and charges</b>	GOTAFE provides educational services to the general public.	Provision of education services.	Course fees and charges revenue is recognised as the course is delivered to the student and is measured as the amount GOTAFE expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.
<b>Fee for service – government, international operations</b>	Fee for service relates to course fees funded by government or students.	Provision of services.	Revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability.
<b>Fee for service – other</b>	Mainly relates to short courses paid directly by students or other organisations on behalf of students.	Provision of services.	Other fee for service fees and charges are recognised as the service is delivered to the student.
<b>Revenue from sale of goods</b>	–	Delivery of goods.	Revenue is recognised when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable). Payment of transaction price is due immediately.

### Revenue recognised in relation to contract liabilities

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

	2021 \$'000	2020 \$'000
Student fees and charges	988	261
Fee of service	25	62
Other	2,121	37
	<b>3,134</b>	<b>361</b>



## 2. How we earned our Funds

For the year ended 31 December 2021

### Transaction price allocated to remaining performance obligations

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

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

	2021 \$'000	2020 \$'000
Revenue expected to be recognised	1,258	-

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

### Payment terms

The payment terms for student fees are as follows:

- up-front payment via cash, EFTPOS or credit card prior to course commencement;
- payment plan;
- federal government assistance (VET Student Loan); and/or
- invoice to a third party (e.g. a student's employer or workers' compensation provider), where a credit check has been performed on the party being invoiced (payment terms are 14 days).

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

### 2.3 Other income

	2021 \$'000	2020 \$'000
Interest income	24	121
Rental income	314	445
Donations, bequests and contributions	3	-
Other	285	388
<b>Total other income</b>	<b>626</b>	<b>954</b>

## 2. How we earned our Funds

For the year ended 31 December 2021

Other Income Type	Nature	Performance obligation	Timing of satisfaction
<b>Interest</b>	Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets.	None	Recognised taking into account the effective interest rates applicable to the financial assets.
<b>Rental Income</b>	GOTAFE receives rental income for facilities it leases to third parties. The income mainly relates to two childcare centres.	Provision of services	Rental income is recognised on a time proportional basis and is brought to account when GOTAFE's right to receive the rental is established.
<b>Donations and bequests</b>	From time to time, generous benefactors may provide donations or gifts to further the objectives of GOTAFE. Typically, donations and bequests do not contain performance obligations that are sufficiently specific.	None	Recognised on receipt, when there are no sufficiently specific performance obligations or it cannot be identified when the obligation is satisfied. Typically, the stated purpose of the gift is not specific enough for the requirements of the standard. In the rare circumstances where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied.
<b>Other income</b>	-	Other income is recognised when GOTAFE's right to receive payment is established.	

### 2.3.1 Leases receivable

	2021 \$'000	2020 \$'000
Within one year	200	197
Later than one year but not later than five years	415	615
Later than five years	-	-
<b>Total leases receivable</b>	<b>615</b>	<b>812</b>
GST payable on the above	62	81
<b>Net operating leases receivable</b>	<b>677</b>	<b>893</b>

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

### 3. How we expended our Funds

For the year ended 31 December 2021

#### 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. Wage inflation rates and discount rates used are those advised by the Assistant Treasurer.

All assumptions are reviewed at each reporting date.

##### 3.1.1 Employee benefits in the comprehensive operating statement

Expense	2021	2020
	\$'000	\$'000
Salaries, wages, overtime and allowances	34,078	33,270
Superannuation	3,736	3,428
Payroll tax	698	910
Long service leave	930	1,591
Annual leave	4,016	2,941
Ex gratia payments	180	1,742
Other	1,828	1,672
<b>Total employee benefits</b>	<b>45,466</b>	<b>45,554</b>

Employee expenses include all costs related to employment, including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums. Superannuation expenses/benefits disclosed above are employer contributions that are paid or payable during the reporting period.

The impact of COVID-19 is further discussed in Note 1.3.

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

### 3. How we expended our Funds

For the year ended 31 December 2021

#### 3.1.2 Superannuation

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

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

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

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

<b>Paid contribution for the year</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Defined benefit plans:</b>		
State Superannuation Fund	63	72
<b>Total defined benefit plans</b>	<b>63</b>	<b>72</b>
<b>Accumulated contribution plans:</b>		
VicSuper	1,579	1,473
Other	2,094	1,872
<b>Total accumulation contribution plans</b>	<b>3,673</b>	<b>3,345</b>
<b>Total paid contribution for year</b>	<b>3,736</b>	<b>3,417</b>
<b>Contribution outstanding at year end</b>		
<b>Defined benefit plans:</b>		
State Superannuation Fund	-	-
<b>Total defined benefit plans</b>	<b>-</b>	<b>-</b>
<b>Accumulated contribution plans:</b>		
VicSuper	-	-
Other	-	-
<b>Total accumulation contribution plans</b>	<b>-</b>	<b>-</b>
<b>Total contribution outstanding at year end</b>	<b>-</b>	<b>-</b>

#### Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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



### 3. How we expended our Funds

For the year ended 31 December 2021

#### 3.2 Supplies and services

	2021	2020
	\$'000	\$'000
Purchase of supplies and consumables	1,732	1,464
Communication expenses	483	801
Contract and other services	6,575	4,977
Cost of goods sold/distributed (ancillary trading)	135	223
Building repairs and maintenance	1,106	1,118
Fees and charges	3,008	4,029
<b>Total supplies and services</b>	<b>13,039</b>	<b>12,612</b>

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 6.3 for lease-related expenses.

##### 3.2.1 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:

Payable:	2021	2020
	\$'000	\$'000
Within one year	65	188
<b>Total short-term and low value lease commitments</b>	<b>65</b>	<b>188</b>
GST payable on the above	(6)	(17)
<b>Net short-term and low-value lease commitments</b>	<b>59</b>	<b>171</b>

##### 3.2.2 Other expenditure commitments

Commitments for future maintenance, repairs or enhancements to investment property in existence at reporting date but not recognised as liabilities are as follows:

Payable:	2021	2020
	\$'000	\$'000
Within one year	1,451	1,954
Later than one year but not later than five years	827	1,558
<b>Total other expenditure commitments</b>	<b>2,278</b>	<b>3,512</b>
GST payable on the above	(207)	(319)
<b>Net other expenditure commitments</b>	<b>2,071</b>	<b>3,193</b>

### 3. How we expended our Funds

For the year ended 31 December 2021

#### 3.3 Other operating expenses

	2021	2020
	\$'000	\$'000
General expenses	1,076	1,261
Marketing and promotional expenses	534	1,036
Utilities	843	1,059
Audit fees and services	89	193
Bad debt expense	(19)	2,322
Staff development	486	557
Travel and motor vehicle expenses	458	344
Insurances	223	180
Ex gratia expense	181	58
Direct operating expenses of investment properties generating rental income	7	-
Equipment below capitalisation threshold	239	210
Interest on lease liabilities	45	50
<b>Total other operating expenses</b>	<b>4,162</b>	<b>7,270</b>

The impact of COVID-19 is further discussed in Note 1.3.

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

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

Please refer to note 6.3 for further information on lease-related expenses.

#### 3.4 Depreciation and amortisation

	2021	2020
	\$'000	\$'000
Depreciation of property, plant and equipment	4,249	4,301
Depreciation of right of use assets	477	509
Amortisation of intangible assets	503	461
<b>Total other operating expenses</b>	<b>5,229</b>	<b>5,271</b>

## 4. The assets we invested in

For the year ended 31 December 2021

### 4.1 Property, plant and equipment

#### Fair value measurement

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

In accordance with government purpose classifications (used by the Australian Bureau of Statistics to classify expenses and acquisitions of non-financial assets of the public sector and general government sector), GOTAFE'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	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	16,148	16,148	-	-	16,148	16,148
Buildings	72,746	71,860	(12,699)	(9,494)	60,047	62,366
Leasehold improvements	4,857	4,727	(313)	(194)	4,544	4,533
Construction in progress	22,090	11,059	-	-	22,090	11,059
Plant and equipment	15,269	14,726	(12,128)	(11,335)	3,141	3,391
Motor vehicles	353	604	(329)	(524)	24	80
<b>Net carrying amount</b>	<b>131,463</b>	<b>119,124</b>	<b>(25,469)</b>	<b>(21,547)</b>	<b>105,994</b>	<b>97,577</b>

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

#### Initial recognition

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

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

The cost of 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 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 GOTAFE's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation.

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2017. For the year ended 31 December 2021, an assessment was conducted using indices provided by the Office of the Victoria Valuer-General. The assessment of the 2021 land indices movements did not identify a material movement in land values and hence no revaluation was required.

## 4. The assets we invested in

For the year ended 31 December 2021

### 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.

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

	Land	Buildings	Leasehold Improvements	Construction in progress	Plant and equipment	Motor Vehicles	Total
2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening net book amount	16,148	62,366	4,534	11,059	3,391	80	97,577
Additions	-	-	-	13,174	-	-	13,174
Revaluations	-	-	-	-	-	-	-
Disposals	-	(10)	-	(104)	-	(30)	(144)
Transfers	-	924	130	(2,039)	620	-	(365)
Depreciation	-	(3,233)	(120)	-	(870)	(26)	(4,249)
<b>Net carrying amount</b>							
	<b>16,148</b>	<b>60,047</b>	<b>4,544</b>	<b>22,090</b>	<b>3,141</b>	<b>24</b>	<b>105,994</b>

\* Note that residual balance of Transfers relates to capitalisation of Intangible Assets. Refer note 4.3

	Land	Buildings	Leasehold Improvements	Construction in progress	Plant and equipment	Motor Vehicles	Total
2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening net book amount	14,645	69,570	-	5,964	2,654	305	93,138
Additions	-	-	-	7,570	-	-	7,570
Revaluations	1,503	-	-	-	-	-	1,503
Disposals	-	(198)	-	(2)	-	(133)	(333)
Transfers	-	(3,803)	4,652	(2,473)	1,624	-	-
Depreciation	-	(3,203)	(119)	-	(887)	(92)	(4,301)
<b>Net carrying amount</b>	<b>16,148</b>	<b>62,366</b>	<b>4,533</b>	<b>11,059</b>	<b>3,391</b>	<b>80</b>	<b>97,577</b>

## 4. The assets we invested in

For the year ended 31 December 2021

### 4.1.2 Capital commitments

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

	2021	2020
	\$'000	\$'000
<b>Payable:</b>		
Within one year	1,535	11,339
<b>Total capital expenditure commitments</b>	<b>1,535</b>	<b>11,339</b>
GST payable on the above	(140)	(1,031)
<b>Net capital expenditure commitments</b>	<b>1,395</b>	<b>10,308</b>

### 4.1.3 Gain / loss on property, plant and equipment

	2021	2020
	\$'000	\$'000
Gain on revaluation of investment properties	280	361
Net gain on sale of non-financial assets	(1,170)	90
Initial Recognition of Intangible Asset	543	-
<b>Net gain on non-financial assets</b>	<b>(347)</b>	<b>451</b>

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

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

During the 2021 there was an International Financial Reporting Interpretations Committee (IFRIC) discussion on whether software configuration under a cloud computing arrangement should be treated as an asset under IAS38. The view of the Committee was, in summary, that cloud computing software would not be an asset as the software supplier controls the application. As a result GOTAFE has written off software assets totally \$1.2M that is under SaaS agreements. See note 9.5 for further details.

GOTAFE holds water entitlements in relation to the William Orr Campus, 260 Wanganui Road, Shepparton. In prior years the water entitlements were disclosed as a contingent asset (see note 7.2). A review of the accounting treatment was conducted during 2021 and the asset has been reclassified as an intangible asset.



## 4. The assets we invested in

For the year ended 31 December 2021

### 4.2 Investment properties

	2021 \$'000	2020 \$'000
Opening net book amount	2,710	2,349
Revaluations	280	361
<b>Net carrying amount</b>	<b>2,990</b>	<b>2,710</b>

Investment properties represent properties held to earn rentals or for capital appreciation, or both. Investment property excludes properties held to meet service delivery objectives. Investment properties are initially recognised at cost. Cost 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 GOTAFE.

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.

### 4.3 Intangible assets

	ICT assets		Water Rights		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Gross carrying amount</b>						
Opening balance	4,611	4,611	-	-	4,611	4,611
Additions	365		543	-	908	-
Disposals	(4,582)		-	-	(4,582)	-
<b>Closing balance</b>	<b>394</b>	<b>4,611</b>	<b>543</b>	<b>4,611</b>	<b>937</b>	<b>4,611</b>
<b>Accumulated amortisation</b>						
Opening balance	(3,050)	(2,589)			(3,050)	(2,589)
Amortisation of intangible assets	(503)	(461)			(503)	(461)
Adjustment to accumulated amortisation	3,413		-	-	3,413	-
<b>Closing balance</b>	<b>(140)</b>	<b>(3,050)</b>	<b>-</b>	<b>-</b>	<b>(140)</b>	<b>(3,050)</b>
<b>Net carrying amount at end of the year</b>	<b>254</b>	<b>1,561</b>	<b>543</b>	<b>4,611</b>	<b>797</b>	<b>1,561</b>

## 4. The assets we invested in

For the year ended 31 December 2021

### Initial recognition

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

### Subsequent measurement

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

Refer to Note 4.4 for additional information on useful lives of intangible assets.

### Impairment of intangible assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the Comprehensive Operating Statement. Impairment of goodwill is not reversed.

In 2021 software assets under cloud computing arrangements were written off see note 9.5.

## 4.4 Depreciation and amortisation

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

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 shorter, using the straight-line method.

Class of assets	Useful Life	Method
Buildings	25 – 40 years (2020: 25 – 40 years)	Straight Line
Plant and equipment	3 – 7 years (2020: 3 – 7 years)	Straight Line
Motor vehicles	4 years (2020: 4 years)	Straight Line
ICT software	3 – 7 years (2020: 3 – 7 years)	Straight Line
Intangible assets	10 years (2020: 10 years)	Straight Line
Right of use asset	Contractual lease term	Straight Line

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

## 5. Balances from operations

For the year ended 31 December 2021

### 5.1 Receivables

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Trade receivables	3,550	4,061
Loss allowance on trade receivables	(316)	(424)
Contract assets	1,275	2,108
<b>Total receivables from contracts with customers</b>	<b>4,509</b>	<b>5,745</b>
<b>Statutory</b>		
GST input tax credit recoverable	549	307
<b>Total current receivables</b>	<b>5,058</b>	<b>6,052</b>

#### Receivables consist of:

- statutory receivables, which include predominantly GST input tax credits recoverable; and
- contractual receivables, which include mainly debtors in relation to goods and services.

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

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. GOTAFE 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

GOTAFE 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.

	2021	2020
	\$'000	\$'000
<b>Balance at the beginning of the year</b>	<b>(424)</b>	<b>(227)</b>
Amounts written off	199	167
Net remeasurement of loss allowance	-	(70)
Increase in loss allowance recognised in net result	(88)	(268)
Reversal of loss allowance for uncollectable receivables written off during the year	(3)	(26)
<b>Balance at the end of the year</b>	<b>(316)</b>	<b>(424)</b>

In respect of trade and other receivables, GOTAFE 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 2021

### Ageing analysis of contractual receivables

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired				Impaired financial assets \$'000
			Less than 1 month \$'000	1 - 3 months \$'000	3 months - 1 year \$'000	1 - 5 years \$'000	
<b>2021</b>							
Trade receivables	3,234	825	261	134	1,068	1,262	(316)
Contract assets	1,275	-	1,275	-	-	-	-
<b>Total</b>	<b>4,509</b>	<b>825</b>	<b>1,536</b>	<b>134</b>	<b>1,068</b>	<b>1,262</b>	<b>(316)</b>
<b>2020</b>							
Trade receivables	3,637	1,013	654	180	2,093	121	(424)
Revenue receivable	2,108	-	2,087	21	-	-	-
<b>Total</b>	<b>5,745</b>	<b>1,013</b>	<b>2,741</b>	<b>201</b>	<b>2,093</b>	<b>121</b>	<b>(424)</b>

Note: The disclosures above exclude statutory receivables (e.g. amounts arising to Victorian Government and GST credits).

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.

### 5.2 Payables

	2021 \$'000	2020 \$'000
<b>Contractual</b>		
Supplies and services	2,774	1,397
Other employee entitlements payable within 12 months	755	771
<b>Statutory</b>		
FBT payable	60	26
GST payable	95	239
Payroll tax payable	21	-
<b>Total current payables</b>	<b>3,705</b>	<b>2,433</b>

#### Payables consist of:

- contractual payables, such as accounts payable, and refund liabilities. Accounts payable represent liabilities for goods and services provided to GOTAFE prior to the end of the financial year that are unpaid, and arise when GOTAFE 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 2021

### Ageing 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
<b>2021</b>							
Supplies and services	2,774	2,774	1,506	1,020	14	-	234
Other employee entitlements payable within 12 months	755	755	755	-	-	-	-
<b>Total</b>	<b>3,529</b>	<b>3,529</b>	<b>2,261</b>	<b>1,020</b>	<b>14</b>	<b>-</b>	<b>234</b>
<b>2020</b>							
Supplies and services	1,397	1,397	1,056	44	53	10	234
Other employee entitlements payable within 12 months	771	771	771	-	-	-	-
<b>Total</b>	<b>2,168</b>	<b>2,168</b>	<b>1,827</b>	<b>44</b>	<b>53</b>	<b>10</b>	<b>234</b>

Note: The disclosures above exclude statutory payables (e.g. GST payable).

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

Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.

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

### 5.3 Contract liabilities

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Contract liabilities - student fees	668	988
Contract liabilities - fees for service	24	25
Contract liabilities - capital projects	1,837	1,835
Contract liabilities - other	566	604
	<b>3,095</b>	<b>3,452</b>

#### Contract liabilities

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



## 5. Balances from operations

For the year ended 31 December 2021

### 5.4 Employee benefits in balance sheets

	2021 \$'000	2020 \$'000
Annual leave	3,567	2,778
Long service leave	4,272	4,335
Accrued days in lieu	86	103
<b>Total short-term benefits</b>	<b>7,925</b>	<b>7,216</b>
Long service leave	1,419	1,115
<b>Total long-term benefits</b>	<b>1,419</b>	<b>1,115</b>
<b>Total employee provisions</b>	<b>9,344</b>	<b>8,331</b>

The leave obligations cover GOTAFE'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 \$7,925,000 (2020: \$7,216,000) is presented as current, since GOTAFE does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, GOTAFE does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victoria state lockdown. While the exact impact is difficult to measure, the level of leave provisions has increased to \$9.3M (2020 \$8.3M), noting that the higher balances is in part due to increases in salaries.

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

	2021 \$'000	2020 \$'000
Unconditional and expected to wholly settle within 12 months	3,986	3,142
Unconditional and expected to wholly settle after 12 months	3,939	4,074
<b>Total current employee provisions</b>	<b>7,925</b>	<b>7,216</b>

## 6. How we financed our operations

For the year ended 31 December 2021

### 6.1 Cash and deposits

	2021	2020
	\$'000	\$'000
Cash at bank and on hand	9,580	11,276
<b>Total cash and deposits</b>	<b>9,580</b>	<b>11,276</b>

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

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

	2021	2020
	\$'000	\$'000
<b>Net result for the year</b>	<b>3,794</b>	<b>(11,766)</b>
<b>Non cash movements</b>		
Depreciation and amortisation of non-financial assets	5,229	5,271
Net (loss)/gain on sale of non-financial assets	1,170	(90)
Net gain on revaluation of investment property	(280)	(361)
Net loss on other economic flows	(543)	-
<b>Movements in assets and liabilities</b>		
Decrease in trade receivables	161	1,161
Decrease/(Increase) in inventories	3	(17)
Decrease/(Increase) in contracts assets	833	(1,958)
(Increase) / decrease in prepayments	(452)	(268)
Increase / (decrease) in payables	1,272	(2,225)
(Decrease)/Increase in employee provisions	1,013	504
Increase in contract liabilities	(357)	1,202
<b>Net cash flows from/ (used in) operating activities</b>	<b>11,843</b>	<b>(8,548)</b>

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.

### 6.2 Contributed capital

	2021	2020
	\$'000	\$'000
Balance at 1 January	46,080	46,080
<b>Balance at 31 December</b>	<b>46,080</b>	<b>46,080</b>

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

## 6. How we financed our operations

For the year ended 31 December 2021

### 6.3 Leases

#### Policy

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

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

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

#### As a lessee

GOTAFE 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 incentives 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.

Right-of-use assets that arise from below market (including peppercorn) leases, which are measured at cost in accordance with FRD 123.

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, GOTAFE 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 rate 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 GOTAFE is reasonably certain to exercise, lease payments in an optional renewal period if GOTAFE is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless GOTAFE 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 GOTAFE's estimate of the amount expected to be payable under a residual value guarantee; or
- if GOTAFE 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.

## 6. How we financed our operations

For the year ended 31 December 2021

### Peppercorn leases

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

Peppercorn lease	Underlying asset	Restrictions	Lease payments	Lease terms
Barr Reserve - Crown Land	Land	Teaching and associated uses	\$25 per annum	6 yrs with 2 x further terms of 7 yrs each
Licence Agreement 15 Mile Creek Wangaratta	Land	Grazing	\$1 per annum	20 years
Three Mile Creek - Gravel Pit Road Wangaratta	Land	Grazing	\$1 per annum	20 years
Goulburn Murray Trade Skills Centre- Wilmont Road Shepparton	Land	Delivery of approved training courses	\$1 per annum	25 yrs with 1 x further terms of 25 yrs

Right of use assets	Property \$'000	Vehicles \$'000	Other \$'000	Total \$'000
<b>2021</b>				
Balance as at 1 January 2021	485	1,183	70	1,738
Additions	(7)	47	235	275
Amortisation	(118)	(194)	(165)	(477)
<b>Balance at 31 December 2021</b>	<b>360</b>	<b>1,036</b>	<b>140</b>	<b>1,536</b>
<b>2020</b>				
Balance as at 1 January 2020	-	1,156	260	1,416
Additions	582	247	-	829
Amortisation	(97)	(220)	(190)	(507)
<b>Balance as at 31 December 2020</b>	<b>485</b>	<b>1,183</b>	<b>70</b>	<b>1,738</b>

## 6. How we financed our operations

For the year ended 31 December 2021

Lease liabilities	2021 \$'000	2020 \$'000
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Within one year	961	491
Later than one year but not later than five years	1,162	1,329
<b>Total undiscounted lease liabilities as at 31 December:</b>	<b>2,123</b>	<b>1,820</b>
Future finance charges	(575)	(42)
<b>Total discounted lease liabilities as at 31 December:</b>	<b>1,548</b>	<b>1,778</b>
<b>Lease liabilities included in the Balance Sheet at 31 December:</b>		
Current	1,067	461
Non-current	481	1,317
<b>Total lease liabilities</b>	<b>1,548</b>	<b>1,778</b>

### Short-term and low value leases

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



## 7. Managing risks and uncertainties

For the year ended 31 December 2021

### 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

Contractual financial assets	2021 \$'000	2020 \$'000
<b>Financial assets measured at amortised cost</b>		
Cash and deposits	9,580	11,276
Trade receivables	3,234	3,637
<b>Total contractual financial assets</b>	<b>12,814</b>	<b>14,913</b>
<b>Contractual financial liabilities</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Loans and payables</b>		
Supplies and services	2,774	1,397
Other employee entitlements payable within 12 months	755	771
<b>At amortised cost</b>		
Lease liability	1,548	1,778
<b>Total contractual financial liabilities</b>	<b>5,077</b>	<b>3,946</b>

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

#### Categories of financial instruments

GOTAFE classifies its financial assets at amortised cost only if both of the following criteria 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 necessary impairment).

GOTAFE recognises the following financial assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

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

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

## 7. Managing risks and uncertainties

For the year ended 31 December 2021

### 7.1.1 Financial risk management objectives and policies

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

GOTAFE's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

GOTAFE'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. GOTAFE 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. The review and monitoring of these risks rests with the Audit and Risk Committee of GOTAFE with oversight by the Board.

### 7.1.2 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 GOTAFE, which comprise cash and deposits and non-statutory receivables. GOTAFE's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to GOTAFE.

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

- potential customers are rated for credit worthiness taking into account their size, market position and financial standing where the potential value of credit extended is material; and
- customers that do not meet GOTAFE's strict credit policies may only purchase in cash or using recognised credit cards.

The trade receivables balance at 31 December 2021 and 31 December 2020 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

In addition, GOTAFE 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. GOTAFE'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 GOTAFE'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 2021

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

	Financial institutions (AA- rating)	Other counterparty	Total
	\$'000	\$'000	\$'000
<b>2021</b>			
Cash and deposits	9,576	4	9,580
Trade receivables	-	3,550	3,550
<b>Total contractual financial assets</b>	<b>9,576</b>	<b>3,554</b>	<b>13,130</b>
<b>2020</b>			
Cash and deposits	11,271	5	11,276
Trade receivables	-	4,061	4,061
<b>Total contractual financial assets</b>	<b>11,271</b>	<b>4,066</b>	<b>15,337</b>

Note: The total amounts disclosed here exclude statutory amounts (e.g. 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.

The expected loss rates are based on the payment profile for sales over the past 60 months before 31 December 2021 and the past 48 months before 31 December 2020, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. GOTAFE has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

## 7. Managing risks and uncertainties

For the year ended 31 December 2021

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2021:

	Estimated gross carrying amount \$'000	Weighted average loss rate %	Estimated loss allowance \$'000	Credit impaired (yes/no)
<b>31 December 2021</b>				
Current (not past due)	825	1%	8	Yes
31–60 days past due	261	1%	2	Yes
61–90 days past due	134	2%	3	Yes
More than 90 days past due	2,330	13%	303	Yes
	<b>3,550</b>		<b>316</b>	
<b>31 December 2020</b>				
Current (not past due)	1,013	2%	20	Yes
31–60 days past due	654	1%	9	Yes
61–90 days past due	180	6%	11	Yes
More than 90 days past due	2,214	17%	384	Yes
	<b>4,061</b>		<b>424</b>	

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

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with GOTAFE, 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, \$316,000 (2020 – \$424,000) relate to receivables arising from contracts with customers.

### 7.1.3 Liquidity risk

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

GOTAFE 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.

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

GOTAFE manages liquidity risk by:

- maintaining an adequate short term reserves 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;
- regular communication with the Department in regard to funding needs; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

There has been no significant change in GOTAFE's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period other than disclosed in note 1.3.

## 7. Managing risks and uncertainties

For the year ended 31 December 2021

### 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.

There are no quantifiable or non quantifiable contingent assets.

Note - in prior years GOTAFE reported water entitlements in relation to the William Orr campus as a contingent asset. Following a review of accounting treatment, this asset has been reclassified as an intangible asset in the 2021 financial statements.

#### 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 2021

### 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 GOTAFE.

This section sets out information on how GOTAFE 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.

GOTAFE 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.

GOTAFE 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).

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

#### Fair value determination of financial assets and liabilities

GOTAFE 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 2021.

#### (a) Fair value determination of non-financial assets

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

GOTAFE, 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 GOTAFE'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.

Right of use assets that arose from below market (including peppercorn) leases, were measured at cost in accordance with FRD 123 Transitional requirements on the application of AASB 16 Leases.

## 7. Managing risks and uncertainties

For the year ended 31 December 2021

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
2021	\$'000	\$'000	\$'000	\$'000
Specialised land	16,148	-	-	16,148
<b>Total land at fair value</b>	<b>16,148</b>	<b>-</b>	<b>-</b>	<b>16,148</b>
Specialised buildings	60,047	-	-	60,047
<b>Total buildings at fair value</b>	<b>60,047</b>	<b>-</b>	<b>-</b>	<b>60,047</b>
Investment properties	2,990	-	-	2,990
<b>Total investment properties at fair value</b>	<b>2,990</b>	<b>-</b>	<b>-</b>	<b>2,990</b>
Plant and equipment	3,141	-	-	3,141
Motor vehicles	24	-	-	24
Right on use assets	1,536	-	-	1,536
<b>Total other assets at fair value</b>	<b>4,701</b>	<b>-</b>	<b>-</b>	<b>4,701</b>
<b>2020</b>				
Specialised land	16,148	-	-	16,148
<b>Total land at fair value</b>	<b>16,148</b>	<b>-</b>	<b>-</b>	<b>16,148</b>
Specialised buildings	62,366	-	-	62,366
<b>Total buildings at fair value</b>	<b>62,366</b>	<b>-</b>	<b>-</b>	<b>62,366</b>
Investment properties	2,710	-	-	2,710
<b>Total investment properties at fair value</b>	<b>2,710</b>	<b>-</b>	<b>-</b>	<b>2,710</b>
Plant and equipment	3,391	-	-	3,391
Motor vehicles	80	-	-	80
Right on use assets	1,736	-	-	1,736
<b>Total other assets at fair value</b>	<b>5,207</b>	<b>-</b>	<b>-</b>	<b>5,207</b>

## 7. Managing risks and uncertainties

For the year ended 31 December 2021

### Impairment

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

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

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

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

### (b) Valuations of property, plant and equipment

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

For the year ending 31 December 2021 GOTAFE conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

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

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

## 7. Managing risks and uncertainties

For the year ended 31 December 2021

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

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

For GOTAFE's majority of specialised buildings, the depreciated replacement cost method is used. The replacement cost of specialised buildings is based on comparing the existing building with a modern equivalent, then adjusting for associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of GOTAFE's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2017.

**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 (i.e. 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.

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

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

**Motor vehicles** are valued using the depreciated replacement cost method. GOTAFE 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 GOTAFE who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

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

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

There were no changes in valuation techniques throughout the period to year ended 31 December 2021.

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

## 7. Managing risks and uncertainties

For the year ended 31 December 2021

### Reconciliation of level 3 items for the periods ended 31 December 2020 and 31 December 2021

Level 3 Fair value measurements 2021	Specialised land and buildings \$'000	Investment properties \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Right of use assets \$'000
<b>As at 1 January 2021</b>	<b>78,514</b>	<b>2,710</b>	<b>3,390</b>	<b>80</b>	<b>1,738</b>
Additions	-	-	-	-	275
Disposals	(10)	-	-	(30)	-
Depreciation	(3,233)	-	(870)	(26)	(477)
Revaluation	-	280	-	-	-
Write-ups/transfers/(write-offs)	924	-	620	-	-
Transfers into or out of Level 3	-	-	-	-	-
<b>Balance as at 31 December 2021</b>	<b>76,195</b>	<b>2,990</b>	<b>3,140</b>	<b>24</b>	<b>1,536</b>
<b>Level 3 Fair value measurements 2020</b>					
<b>As at 1 January 2020</b>	<b>81,210</b>	<b>2,349</b>	<b>2,654</b>	<b>305</b>	<b>1,416</b>
Additions	-	-	-	-	829
Disposals	(198)	-	-	(133)	-
Depreciation	(198)	-	(887)	(92)	(509)
Revaluation	1,503	361	-	-	-
Write-ups/transfers/(write-offs)	(3,803)	-	1,624	-	-
Transfers into or out of Level 3	-	-	-	-	-
<b>Balance as at 31 December 2021</b>	<b>78,514</b>	<b>2,710</b>	<b>3,391</b>	<b>80</b>	<b>1,736</b>



## 7. Managing risks and uncertainties

For the year ended 31 December 2021

### Description of significant unobservable inputs to Level 3 valuations

2021 and 2020	Valuation technique	Significant unobservable inputs	
Specialised land	Market approach	Community service obligation (CSO) adjustment	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Specialised Buildings	Current replacement cost	Useful life of buildings and cost per square metre	A change in the useful life of the buildings and/or cost per square metre would result in a significantly higher or lower fair value
Plant and equipment	Current replacement cost	Useful life of plant and equipment	A change in the useful life may have an impact on the fair value (higher / lower)
Motor vehicles	Current replacement cost	Useful life of vehicles	A change in the useful life may have an impact on the fair value (higher / lower)

## 8. Governance Disclosures

For the year ended 31 December 2021

### 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 GOTAFE were as follows:

Position	Name	Dates of appointment
Minister of Training and Skills	The Hon. Gayle Tierney, MP	1 January 2021 to 31 December 2021
Board Director and Chief Executive Officer (Accountable Officer)	Mr Travis Heeney	1 January 2021 to 31 December 2021
Board Chairperson	Ms Diana Taylor	1 January 2021 to 31 December 2021
Deputy Board Chair	Ms Angela Verde	1 January 2021 to 31 December 2021
Board Director	Mr Daniel Briggs	1 January 2021 to 31 December 2021
Board Director	Mr Philip Eggleston	1 January 2021 to 31 December 2021
Board Director	Ms Kate Fraser	1 January 2021 to 31 December 2021
Board Director	Ms Deborah Spring	1 January 2021 to 31 December 2021
Board Director	Ms Jenny Wilson	1 January 2021 to 31 December 2021
Board Director	Ms Candy Broad	1 September 2021 to 31 December 2021
Board Director	Mr Ashley Day	1 September 2021 to 31 December 2021
Board Director	Ms Catherine Scott	1 January 2021 to 26 May 2021
Board Director	Ms Rowena Allen	1 January 2021 to 26 February 2021
Board Director (Staff representative)	Ms Celia Turnbull	1 January 2021 to 31 December 2021

#### Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of GOTAFE during the reporting period was in the range: \$380,000 – \$389,999 (2020: \$370,000 – \$379,999).

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

Income range	2021	2020
Less than \$10,000	2	4
\$10,000 – \$19,999	3	4
\$20,000 – \$29,999	–	1
\$30,000 – \$39,999	6	4
\$40,000 – \$49,999	–	–
\$60,000 – \$69,999	–	–
\$70,000 – \$79,999	1	1
<b>Total number</b>	<b>12</b>	<b>14</b>
<b>Total remuneration (\$'000)</b>	<b>345</b>	<b>321</b>

Remuneration of the Responsible Minister is included in the financial statements of the Department of Parliamentary Services.

## 8. Governance Disclosures

For the year ended 31 December 2021

### 8.2 Remuneration of executives

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

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

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

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

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

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

Remuneration	2021 \$'000	2020 \$'000
Short-term benefits	697	740
Post-employment benefits	67	67
Other long-term benefits	(4)	6
Termination benefits	-	48
<b>Total remuneration</b>	<b>761</b>	<b>862</b>
<b>Total number of executives</b>	<b>4</b>	<b>5</b>
<b>Total annualised employee equivalents <sup>(i)</sup></b>	<b>4.0</b>	<b>3.8</b>

<sup>(i)</sup> 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 2021

### 8.3 Related parties

Related parties of GOTAFE include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all 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. There were no material transactions.

Key Management personnel of GOTAFE includes the Portfolio Minister and Board members noted in Note 8.1 and members of the executive team, which includes:

Position	Name	Period of position held
Executive Director, Attraction & Engagement	Cameron Cahill	1 January 2021 to 31 December 2021
Executive Director, Corporate Services	Nick Gray	1 January 2021 to 31 December 2021
Executive Director, Strategy & Governance	Sharon Olivier	1 January 2021 to 31 December 2021
Executive Director, Education	Karen Taylor	1 January 2021 to 31 December 2021

Remuneration	2021 \$'000	2020 \$'000
Short-term benefits	1,368	1,383
Post-employment benefits	120	115
Other long-term benefits	5	15
Termination benefits	-	26
<b>Total remuneration</b>	<b>1,493</b>	<b>1,538</b>

#### Transactions and balances with key management personnel and other related parties.

GOTAFE has no other material related party transactions for the period ending 31 December 2021.

### 8.4 Remuneration of auditors

	2021 \$'000	2020 \$'000
<b>Remuneration of the Victorian Auditor-General's Office</b>		
Audit of the financial statements	70	115
<b>Total remuneration of the Victorian Auditor-General's Office</b>	<b>70</b>	<b>115</b>
<b>Remuneration of other auditors</b>		
Internal audit services	19	78
<b>Total remuneration of the Victorian Auditor-General's Office</b>	<b>19</b>	<b>78</b>
<b>Total</b>	<b>89</b>	<b>193</b>

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

## 9. Other disclosures

For the year ended 31 December 2021

### 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.

	2021 \$'000	2020 \$'000
<b>(a) Net loss on financial instruments</b>		
Remeasurement of provision for doubtful debts under AASB 9	(89)	(338)
<b>Net loss on financial assets</b>	<b>(89)</b>	<b>(338)</b>
<b>(b) Other gains from other economic flows</b>		
Net gain arising from revaluation of long service leave liability	85	381
<b>Total other gains from other economic flows</b>	<b>85</b>	<b>381</b>
<b>Total other economic flows included in net result</b>	<b>(4)</b>	<b>43</b>

'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.

### 9.2 Other equity reserves

	2021 \$'000	2020 \$'000
<b>Physical asset revaluation surplus <sup>1</sup></b>		
Balance at 1 January	58,492	56,989
Revaluation increment on non-current asset	-	1,503
	<b>58,492</b>	<b>58,492</b>

**Note:**

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

## 9. Other disclosures

For the year ended 31 December 2021

### 9.3 Events after reporting date

No matters or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of, the results of those operations or the state of affairs of GOTAFE in subsequent financial years.

### 9.4 Application of standards issues but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2021 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises GOTAFE of their applicability and early adoption where applicable.

*AASB 2020-1 - Amendments to Australian Accounting Standards - Classification of liabilities as current or non-current* amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued *2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non current - Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The amendment is not expected to impact GOTAFE and GOTAFE will not early adopt the standard.

### 9.5 New or amended Accounting Standards and Interpretations adopted

#### **IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets).**

Following the IFRIC decision, GOTAFE conducted an analysis on all costs incurred in relation to its Cloud Computing Arrangements. Through this analysis GOTAFE identified several software assets that were now under a software as a service (SaaS) agreements and consequently should not be classified as an asset under IAS 38. At the time of capitalisation of the majority of these assets, GOTAFE was not under SaaS agreements but moved to a SaaS arrangement in a subsequent agreement. Accordingly a change in policy was made for 31 December 2021 and the impact was a \$1.2M reduction in intangible assets. As the change in value was not material in comparison to GOTAFE's total asset base, there has been no change to the 2020 comparative and the decrease in value has been recognised as an expense in 2021.



# Disclosure Index

Item no.	Source	Summary Of Reporting Requirement	Page no.
<b>Report of Operations</b>			
<b>Charter and purpose</b>			
1	FRD 22I	Manner of establishment and the relevant Minister	5
2	FRD 22I	Purpose, functions, powers and duties	5-17
3	FRD 22I	Key initiatives and projects	10-17
4	FRD 22I	Nature and range of services provided	10-17
<b>Management and structure</b>			
5	FRD 22I	Organisational structure	21-28
<b>Financial and other information</b>			
6	FRD 10A	Disclosure Index	93, 94
7	FRD 22I	Employment and conduct principles	31
8	FRD 22I	Workforce data disclosures	15, 16, 29, 30
9	FRD 22I	Occupational health and safety policy	32
10	FRD 22I	Summary of the financial results for the year	18
11	FRD 22I	Significant changes in financial position during the year	18
12	FRD 22I	Summary of operational and budgetary objectives	20
13	FRD 22I	Major changes or factors affecting performance	20
14	FRD 22I	Subsequent events	93
15	FRD 22I	Application and operation of the Freedom of Information Act 1982	35, 36
16	FRD 22I	Compliance with building and maintenance provisions of Building Act 1993	36
17	FRD 22I	Statement on National Competition Policy	35
18	FRD 22I	Application and operation of the Public Interest Disclosures Act 2012	36
19	FRD 22I	Application and operation of the Carers Recognition Act 2012 (Carers Act)	36
20	FRD 22I	Details of consultancies over \$10 000	35
21	FRD 22I	Details of consultancies under \$10 000	35
22	FRD 22I	Disclosure of government advertising expenditure	35
23	FRD 22I	Disclosure of ICT expenditure	35
24	FRD 22I	Asset Management Accountability Framework (AMAF) maturity assessment	37
25	FRD 22I	Summary of Environmental Performance	33, 34
26	FRD 22I	Statement of availability of other information	38
27	FRD 25D	Local Jobs First	35
28	SD 5.2	Specific requirements under Standing Direction 5.2	38
29	CG 10 Clause 27	Summary of Major Commercial Activities	35
30	CG 12 Clause 33	TAFE Institute Controlled Entities	35

# Disclosure Index

Item no.	Source	Summary Of Reporting Requirement	Page no.
<b>Compliance attestation and declaration</b>			
31	SD 5.1.4	Financial Management Compliance Attestation Statement	38
32	SD 5.2.3	Declaration in report of operations	32-40
<b>Financial Statement</b>			
<b>Declaration</b>			
33	SD 5.2.2	Declaration in financial statements	44
<b>Other requirements as per financial reporting directions in notes to the financial statements</b>			
34	SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	4, 38, 44, 51
35	SD 5.2.1(a)	Compliance with Standing Directions	38, 39, 44
<b>Other disclosures as required by financial reporting directions in notes to the financial statements</b>			
36	FRD 11A	Disclosure of ex-gratia expenses	60, 63
37	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	88
38	FRD 103I	Non-financial physical assets	67, 68
39	FRD 110A	Cash flow statements	50
40	FRD 112D	Defined benefit superannuation obligations	61
Note: References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.			
<b>Compliance with other legislation, subordinate instruments and policies</b>			
41	Legislation	Compliance statement	4
42	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2021	37
43	Policy	Statement of compliance with the Victorian Public Service Travel Policy	37
44	KPIs	Key Performance Indicators	20
45	PAEC and VAGO (June 2003 Special Review – Recommendation 11)	Overseas operations: <ul style="list-style-type: none"> <li>Financial and other information on initiatives taken or strategies relating to the institute's overseas operations</li> <li>Nature of strategic and operational risks for overseas operations</li> <li>Strategies established to manage such risks of overseas operations</li> <li>Performance measures and targets formulated for overseas operations</li> <li>The extent to which expected outcomes for overseas operations have been achieved</li> </ul>	NA





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