



CELEBRATING 40 YEARS

2020 annual
report

 SuniTAFE

Contents

Introduction	2
Establishment	6
Programs	9
Purpose	10
Summary of Activities, Programs and Achievements	12
Awards and Achievements	26
2021	28
Resources	30
Financial Performance	33
Compliance	34
Financial Statements	37
Disclosure Index	87
Key to Abbreviations	95

CRICOS Provider Code: 01985A RTO Code: 4693

Sunraysia Institute of TAFE would like to acknowledge the traditional owners of the land upon which we conduct training, principally in Mildura, Robinvale, Swan Hill and Horsham, and all communities where we have a presence. We also acknowledge their elders past, present and emerging as well as all the Aboriginal and Torres Strait Islander people that make up these communities today.

Accountable Officer's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Sunraysia Institute of TAFE (SuniTAFE) Annual Report for the year ending 31 December 2020.



Geoff Dea
Chief Executive Officer (CEO) Sunraysia Institute of TAFE
12 March 2021



Introduction

Board Chair and Chief Executive Officer Statement

SuniTAFE launched into 2020 with a plan for continued transformation that would capitalise on our 40 year anniversary and the recognition we achieved at the 2019 Victorian and Australian Training Awards as the Large Training Provider of the Year.

Little did we know at that time what 2020 would have in store for us, our students, industry, community and the world we live in.

When COVID-19 arrived we endeavoured to maintain focus on what we do best while rapidly responding to a continuously changing environment. Community and industry lock-downs, social distancing, job losses and uncertainty prevailed. The world had changed and SuniTAFE changed along with it.

2020 became the year in which we trialled new ways of working and innovative approaches to education and training delivery. We progressed quickly towards a blended learning environment, where safe, practical training could be accomplished on our campuses as well as online to

ensure continued course delivery. We moved courses into a temporary blended or online delivery model that kept our students connected and on-track. This transition was organisation-wide and all over the course of just a few months, proving what we can achieve when we work toward our goals together.

Our COVID-19 Pandemic Response Group (PRG) also succeeded in implementing a plan that was all encompassing, continuously communicating the changing environment to our stakeholders and keeping our staff cohort motivated, engaged and supported during these challenging times.

Amidst this extraordinary workload we were recognised at the Victorian Training Awards, where we won the Industry Collaboration Award in conjunction with four aged care providers from within our region. The Award recognised our successful, shared, aged care leadership development program. We were subsequently also named as finalists for the Australian Training Awards in the same category. We are very proud of this recognition. It acknowledges our commitment and capability to build relationships and deliver training solutions that respond to our community and meet the needs of industry. Developing leadership in aged care has proven to be very important during these unprecedented times and we are honoured to have played a role in developing the skills and aptitude of aged care workers locally for the benefit of their residents and families.

Amidst this extraordinary workload we were recognised at the Victorian Training Awards, where we won the Industry Collaboration Award in conjunction with four aged care providers from within our region.

We are also particularly proud of a number of other accomplishments that stand behind our success this year and are critical to the future of SuniTAFE.

These include:

- Further development of the SuniTAFE SMART Farming Horticulture Training and Innovation Hub, where SuniTAFE is now the first Victorian educational facility to be granted a license to grow industrial hemp. Victorian Agriculture Minister The Hon. Jaclyn Symes visited the farm in October 2020 to officiate the commencement of plantings. The project includes a two year research and development program featuring sowing trials and varieties suited to our environment.
- A new Heavy Automotive training facility opened this year in Mildura, co-designed by industry.
- Certificate III in Commercial Cookery student Elva Smerotkins was category finalist for Koorie Student of the Year at the 2020 Victorian Training Awards.
- Receiving \$4.4 million dollars under the 2020 TAFE Asset Maintenance Fund from the Victorian Government to modernise and upgrade learning spaces and facilities at the Mildura Campus.

The SuniTAFE Board has continued to oversee operations through adherence to best practice governance principles, including oversight of the delivery of our 2019 – 2023 Strategic Plan.

The Minister for Training and Skills and Minister for Higher Education has led the commitment of the Victorian Government to our Institute. We thank The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education and acknowledge the support of the Department of Education and Training (DET), Higher Education and Skills (HES) and Victorian TAFE Association (VTA). SuniTAFE also acknowledges the significant work of the Victorian Skills Commissioner in the preparation of the Mallee Regional Skills Demand Profile.

Every hurdle we crossed and achievement we made in 2020 was shared by our entire workforce across all campuses. Together they contributed tirelessly to improving outcomes for our own employees and students, businesses, community and government - people that rely on us to deliver relevant and quality skills and training across our vast region in north-west Victoria.

Together we are rising to meet the challenges of a dynamic skills and training sector, while creating opportunities that will continue to make this region prosperous and great, now and well into the future.

We remain committed to guaranteeing the ongoing sustainability of our Institute and ensuring that SuniTAFE, with the continued support of the Victorian Government, delivers on its vision to be 'a leading regional training provider building community capacity through collaboration'.

It is with much pleasure that we submit the 2020 Annual Report of Sunraysia Institute of TAFE.



Kay Martin
Board Chair
12 March 2021




Geoff Dea
CEO
12 March 2021





Celebrating
40 YEARS
1980-2020

Establishment

40 Year Anniversary 2020

SuniTAFE reached a 40 year milestone in 2020, arriving at this point in time as one of the largest providers of vocational education and training in north-west Victoria. On a state-wide scale SuniTAFE is a small TAFE with a large reach.

Originally instigated by a number of local educators in 1980, its establishment was seen as integral to the needs of the growing community and regional industry.

Formerly known as the Sunraysia College of TAFE, SuniTAFE was the first purpose-designed and built TAFE college in Victoria. It was set up to provide a quality teaching program that would meet the needs of the community and industry, providing access to training for those living in remote, regional areas of north-west Victoria.

During those very early years, partnerships with other educational providers were already seen as being vital. Links and relationships were fostered with Ballarat University College, La Trobe University, Hawthorn Institute of Education, Victoria College and Deakin University – which are still strong today. Notably, SuniTAFE's Mildura Campus evolved into an education precinct with the co-location of La Trobe University.

Today, SuniTAFE is a vibrant educational community, providing vocational education and training for the people of Loddon Mallee North and beyond. In fact, SuniTAFE now has programs on its scope of registration operating in every state and territory in Australia.

Through the use of technology and a commitment to building educational partnerships that improve opportunities for our students, SuniTAFE's reach now extends far beyond the boundaries of its geographic location.

Minister

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

Management and Structure

SuniTAFE is governed by a Board of Directors, established by the Order in Council titled the *Constitution of the Sunraysia Institute of Technical and Further Education Order 2016*, made under section 3.1.11(2) of the *Education Training and Reform Act 2006*.

The role of the Board under the Act is to oversee and govern SuniTAFE efficiently and effectively; develop and implement strategic plans and statements of corporate intent in accordance with the requirements of the Act; and oversee operational planning. The Board Standing Orders provides additional guidance to Directors on accountabilities and interactions, which is read in conjunction with the Act and Constitution.

The Board is comprised of 11 directors, with the majority coming from the local region. Board members have experience in Management; Business and Commerce; Finance; Corporate Governance; Law; Horticulture; Nursing; Adult and Tertiary Education.

The Board is committed to ethical conduct in line with the Victorian Public Sector Commission (VPSC) Code of Conduct and is ultimately responsible to the Victorian Government for the governance and management of SuniTAFE.

Board Members

- 6 are Ministerial appointed directors
- 3 are co-opted directors appointed by the Board (1 co-opted position was held vacant for the 2020 period)
- 1 is a SuniTAFE staff member elected by SuniTAFE staff
- 1 is the CEO

The following Directors served on the Board during 2020:

Kay Martin (Board Chair)

Geoff Dea

Rod Markwell

Amanda Phillips

Terry Jennings

Greg Hutchison

Justin Lachal

Patricia Kelly (concluded 30 November 2020)

Neth Hinton

Tania Chapman

Board Committees

Committees are established by the Board to facilitate its functioning. The following Board Committees assisted the Board in fulfilling its duties in 2020:

Governance Committee

The Governance Committee assists the Board to oversee SuniTAFE's corporate governance and ensure compliance with SuniTAFE's statutory obligations.

The Committee's role involves:

- Stewardship of SuniTAFE's governance framework
- Responsibility to promote a corporate culture of accountability, integrity, and transparency
- Ensuring that appropriate compliance processes are in place
- Managing the processes of recruitment, induction and performance review of Board Directors
- Making recommendations to the Board on all matters relating to the CEO's employment and executive remuneration matters
- Reviewing new and existing SuniTAFE policies

Membership

(as at 31 December 2020)

Neth Hinton (Chair)

Kay Martin (Board Chair)

Tania Chapman (Board Director)

Geoff Dea (CEO)

Audit Committee

The Audit Committee links the Board with SuniTAFE's continuous audit program, and provides advice and recommendation on matters pertaining to financial management strategies.

The Committee's role involves:

- Oversee the scope and execution of the internal audit plan
- Review the integrity and effectiveness of SuniTAFE's internal controls
- Monitor the effectiveness of SuniTAFE processes to ensure compliance with its fiduciary and statutory obligations in relation to financial reporting
- Oversee the preparation of financial statements and other published financial data
- Review SuniTAFE's Fraud Management Plan
- Ensure appropriate management of matters pertaining to risk and fraud control
- Review financial and accounting policies

The financial statements in the Annual Report have been reviewed by the members of the Audit Committee, and formally adopted by the SuniTAFE Board.

Membership

(as at 31 December 2020)

Amanda Phillips (Chair)

Kay Martin (Board Chair)

Inga Dalla Santa (Co-opted)

Justin Lachal (Board Director)

Neth Hinton (Board Director)

Strategic Business Development Committee

The Strategic Business Development Committee assists the Board to discharge its duty with respect to positioning SuniTAFE for sustainable growth.

The Committee's role involves:

- Makes recommendations to the Board in regards to strategic marketing and business development initiatives
- Serves as a source of advice to the Board to guide growth into new areas of business and marketing
- Acts as a resource to connect SuniTAFE with businesses and the regional community
- Provides independent advice and recommendations drawing on the business experience of Committee members

Membership

(as at 31 December 2020)

Rod Markwell (Chair)

Geoff Dea (CEO)

Greg Hutchison (Board Director)

Terry Jennings (Board Director)

Risk Committee

The Risk Committee assists the Board to discharge its duty in fulfilling their oversight and governance responsibilities and obligations.

The Committee's role involves:

- Take proactive action and management against risks facing SuniTAFE
- Ensure legislative and other compliance responsibilities are met (as they relate to SuniTAFE) under the *Financial Management Act 1994*; *Standing Directors of the Minister for Finance 2018*; *the instructions of the Minister for Finance*; and *Victorian Government Risk Management Framework*
- Independently review and assess the effectiveness of SuniTAFE's Risk Management Plan
- Ensure SuniTAFE's Risk Management Framework supports the development of a positive risk culture

Membership

(as at 31 December 2020)

Tania Chapman (Chair)

Kay Martin (Board Chair)

Geoff Dea (CEO)

Patricia Kelly (Board Director) (concluded 30 November 2020)

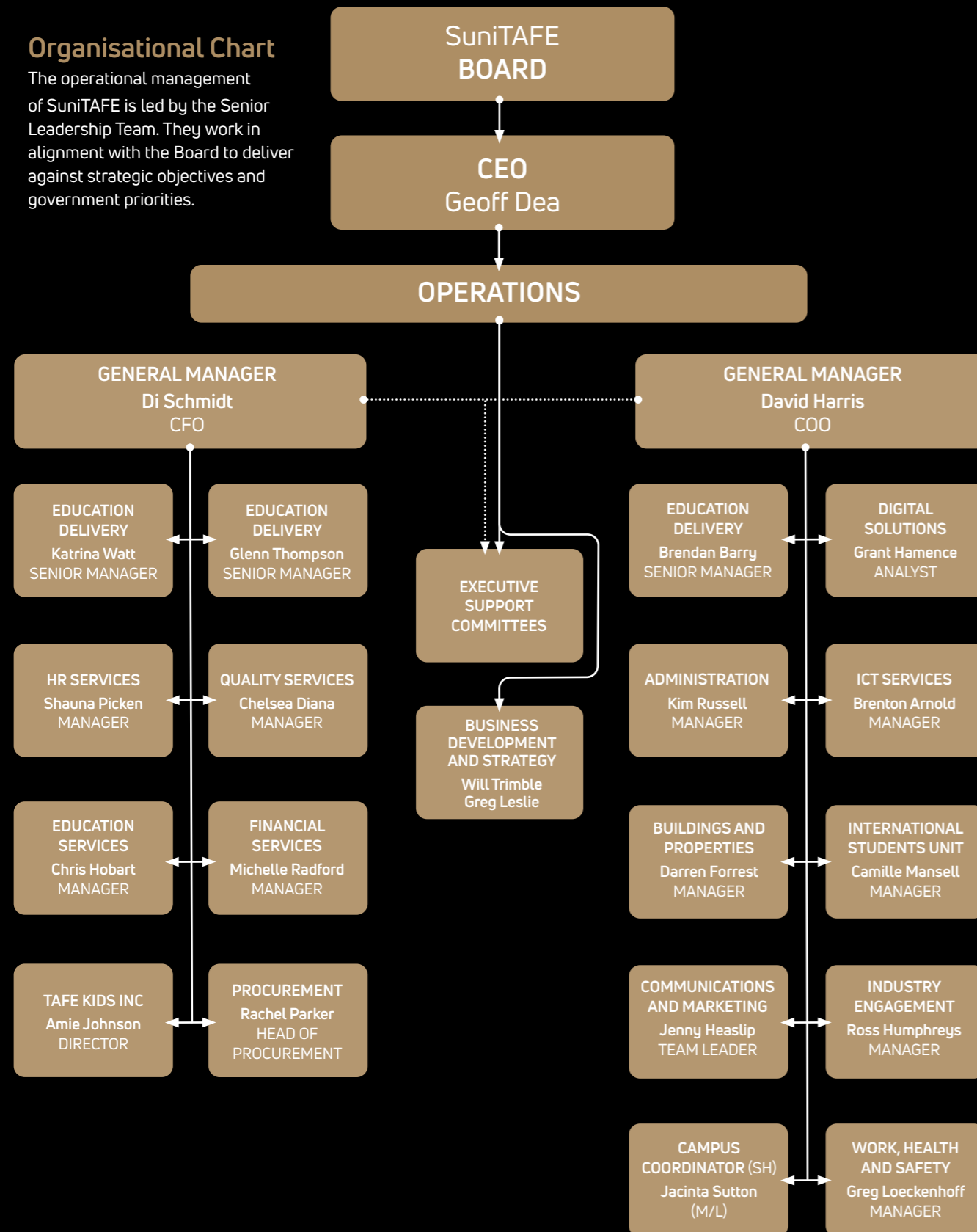
Leonie Burrows (Co-opted)

Amanda Phillips (Board Director)

Executive Management

Organisational Chart

The operational management of SuniTAFE is led by the Senior Leadership Team. They work in alignment with the Board to deliver against strategic objectives and government priorities.



Programs

In 2020, SuniTAFE offered 140 priority courses ranging from VET Delivered to Secondary Students (VETDSS), traineeships, apprenticeships, certificates through to diplomas and advanced diplomas.

SuniTAFE enrolls students in a range of disciplines including:

- Accounting and Management
- Automotive and Engineering
- Beauty
- Business, IT
- Conservation and Land Management
- Construction and Trades
- Design and Visual Arts
- Food and Hospitality
- General Education and English
- Health and Community
- Horticulture and Agriculture
- Youth

The SuniTAFE Skills and Jobs Centre (SaJC) provides expert advice on training and employment opportunities to:

- Apprentices and trainees
- Career-changers
- Current and prospective students
- Employers and business
- Government agencies
- Job starters
- People returning to the workforce
- Up-skillers

Locations and Facilities

The main campus of SuniTAFE is located in Mildura 453 Benetook Avenue, Mildura

SuniTAFE has other campuses located at:
Swan Hill
 64 Sea Lake-Swan Hill Road, Swan Hill

Robinvale
 160 Bromley Road, Robinvale

Horsham
 17 Carine Street, Horsham

SMART Farm Training and Innovation Hub
 161 Dairtnunk Avenue, Cardross

Services

SuniTAFE continues to offer a range of services to industry including:

- Business and industry advisory panels
- Employment services
- Partnership programs
- Skills recognition
- Workforce development

Purpose

Strategic Plan

The 2019-2023 Strategic Plan (Strategic Plan) specifies SuniTAFE's organisational priorities and guides the approach with a focus on delivering education, skills and training to meet the current and future needs of the north-west region of Victoria.

The Strategic Plan was developed through extensive consultation (in 2018) and aligns with SuniTAFE's Statement of Corporate Intent:

Together we give every Victorian the best learning and development experience, making our state a smarter, fairer, more prosperous place.

The Strategic Plan recognises SuniTAFE's current phase of exploration and growth, it offers flexibility and enables variation to match the fluidity and competitive nature of the education and training environment. It acts as the overarching outline for business and action plans through which the vision, mission, values, strategic pillars and associated objectives are operationalised.

There are four strategic pillars that assure focus on the future vision while maintaining delivery of quality services on a day-to-day basis. These priority areas emphasise a continued commitment to excellence in delivering education, skills and training that benefit our students, businesses and communities - providing opportunity for increased productivity and regional growth.

Preferred Training Provider	Progressive Collaborator	Support Growth and be Sustainable	Business Excellence
Deliver inclusive, flexible and accessible services of choice	Commit to excellence through collaboration	Create value driven and innovative services that support growth	Deliver business with optimal outcomes
Deliver relevant and quality services that are fair and equitable	Respond to training needs to encourage innovation	Deliver sustainable services	Strengthen service delivery through business excellence
Deliver valued services aligned to training needs	Collaborate to address required service delivery outcomes and experiences	Pursue opportunities and social investment through business culture	Integrate stakeholder opportunities into business operations
Broaden service scope	Develop progressive options for providing services	Support opportunities for growth	Demonstrate compliance, accountability and asset management
			Enable measured risk
Offer a value driven workforce	Strengthen the SuniTAFE workforce through collaboration	Engage workforce in the business culture	Be an employer of choice



Vision, Mission, Values

Our Vision
A leading regional training provider building community capacity through collaboration

Our Mission
To be the most respected training provider in north-west Victoria delivering positive outcomes for all

Our Values
Integrity > Innovation > A Customer Focus > Business Acumen

Summary of Activities, Programs and Achievements

During 2020, SuniTAFE maintained a focus on financial and operational sustainability, while actioning strategic priorities and facing the challenges presented by COVID-19.

There has never been a year quite like this and, as the world changed, SuniTAFE changed too.

We continued to apply strong governance while developing the capability of our own staff to perform at their best in a mostly remote working environment.

Courses were moved into a temporary online and blended model of education delivery. We adapted swiftly in response to regional needs and government strategy, including the delivery of Free TAFE and other initiatives.

'Knowing our patch' is essential to our success and we build community capacity through our extensive networks, partnerships and relationships. In this way we maintain currency and understanding of our region. In these changing times, our collaborative approach has been essential to our adaptability and it has provided us with the determination to deliver training and education that is of benefit to our stakeholders.

Preferred Training Provider

Student numbers

In 2020 there were 3,197 Government Funded Students and 1,851 Fee for Service Students.

Total student numbers for 2020: **5,048**

2020 enrolment numbers across 'key' training and education pillars:

Horticulture and Agriculture	550
Health	418
Transport and Logistics	428

Teaching Capability Development Project

In support of the Multi-Enterprise Agreement (MEA) negotiations - involving DET, VTA and the Australian Education Union (AEU) - the TAFE Teaching Capability Development Fund was allocated towards specific, identified development needs among teaching staff.

The Project assisted SuniTAFE to:

- Develop teaching excellence and improve assessment practices
- Support opportunities for industry immersion
- Increase proficiency in digital literacy
- Improve individual TAFE teachers' capacity for innovation and change

Key requirements for professional development (PD) were identified; to ensure PD was relevant, valuable and focused to deliver quality in the VET sector. Approaches included quality reviews, audits and surveying teachers and Business Managers. In 2020 there was a concentrated focus to develop and train staff in delivery of online and remote learning.

Professional Educator College (PEC)

SuniTAFE continued its participation in the PEC Educator Passport Pilot Program to improve the quality of VET educators and provide access to professional and vocational learning opportunities in line with current and emerging needs. This included PD specific to online delivery, which was escalated in 2020 in response to COVID-19. A schedule of training was delivered in 2020 within the SuniTAFE Teaching Workforce PD Plan. SuniTAFE has committed to the PEC until the end of 2021.

Futures Day

SuniTAFE partnered with the Mildura Senior College and La Trobe University for the second annual Futures Day to provide 350 Year 12 students with pathway and career options. Due to COVID-19 restrictions the event was adapted and held virtually, featuring a series of pre-recorded interviews with La Trobe and SuniTAFE staff and students. Q&A sessions were held in real-time for students and expo sessions were held on-site at the school during recess and lunchtime.

Horsham Campus

The Horsham Campus opened in 2018 and during 2020 it was supporting training across five industries, with six employees.

The campus is now home to cutting edge engineering equipment and technology purchased in 2019 to deliver Computer Numerical Control (CNC), Computer-aided Design (CAD) training and general engineering, including fabrication and mechanical streams.

In 2020, the Horsham Campus established partnerships with local Adult and Community Further Education providers to deliver pre-accredited pathways into community services training.

Programs for individual support, leadership and management were commenced in 2020 in conjunction with local healthcare agencies, including Nhill Hospital and West Wimmera Health Services.

A series of short course offerings for hospitality businesses were also enabled to bolster skills for residents in the region.

SuniTAFE entered the Wimmera/South Mallee Region with a three year establishment phase and an aim of achieving 270 enrolments by the end of this period in 2021. In 2020 (half-way through the establishment phase), the accumulative total course enrolments for the Horsham Campus was 244 (all funding types and industries) – an extraordinary result considering the current operating environment. The total number of students for 2020 at the Horsham Campus was 94.

First Nursing Graduates

30 Diploma of Nursing students from the Mildura and Swan Hill Campuses successfully completed their training in December 2020. This is the first group of students to complete the new program since the Australian Nursing and Midwifery Accreditation Council (ANMAC) registration in 2019. In June 2021, a further 30 students will complete the program.

Skills and Jobs Centre (SaJC) fostered pathways to employment in 2020 and achieved:

Student enquiries:

The number of enquiries (regarding course options, educational advice, upskilling) exceeds the annual target of 466.

1244

Industry enquiries:

Number of industry/business enquiries in relation to training or SaJC support.

77

Job outcomes:

Number of clients who have secured employment via the operations of SaJC.

42

Job Ready applicant referrals:

Number of applicant referrals conducted by SaJC under the Trades Recognition Australia Job Ready Program. The program is aimed at assessing people awaiting Australian citizenship in an identified skills shortage area.

1260

Percentage of Job Ready assessments completed in 2020:

86%

Student of the Year Award Finalist

Certificate III in Commercial Cookery student, Elva Smerotkins, was shortlisted as a category finalist for Koorie Student of the Year at the 2020 Victorian Training Awards. Juggling full time study, children and carer for her husband, Elva brought fierce passion to class and a charitable spirit that earned her this recognition.

New Bridge the Gap Program

A new 12 month program for school-leavers was launched in August 2020 that combines Free TAFE certificate courses with accredited short courses, life skills and mentoring.

The Bridge the Gap program was established in response to COVID-19 restrictions on students; providing an alternative to those who would normally take a 'gap year' through overseas travel or ahead of their move to further university study.

The SuniTAFE gap year experience aims to provide a bridge into adulthood, further study, job or career - while learning skills and starting pathways close to home.

New branding and a series of webpages were developed for the SuniTAFE website. School leavers were reached via careers advisors, their parents and exposure to social media.

Teaching and Learning Conference

The inaugural two day Teaching and Learning Conference was held in January 2020. Held concurrently at the Mildura and Swan Hill Campuses, the conference featured five keynote external speakers and a range of internal presenters.

To ensure SuniTAFE teachers maintain both VET and industry currency, the conference provided a PD activity to begin the teaching year. The conference enhanced teacher capability in the areas of development and teaching excellence, digital literacy, industry immersion, innovation and change.

Student Satisfaction

Each year the Student Satisfaction Survey covers 10 key areas in student experience, student outcomes and employer feedback.

In 2020, SuniTAFE improved its performance significantly in seven of the 10 'key' areas. In all but one of the 'key' areas, **SuniTAFE outperformed the state average** in both the TAFE and private sector.

2020 Student Satisfaction Survey results:

Satisfied with generic skills and learning experiences
(47.5% in 2019) **52.5%**

Would recommend the RTO
(83.2% in 2019) **85.1%**

Satisfied with training provided by their RTO
(78.0% in 2019) **83.1%**

2020 Employer Satisfaction Survey results:

Would recommend their RTO
(80.5% in 2019) **84.7%**

Satisfied with training provided by their RTO
(82.6% in 2019) **86.6%**

Education Development Services (EDS)

In 2020, the EDS team continued to work with teaching staff to provide advice and guidance on best-practice training and assessment practices and tools. To build teacher capability, EDS delivered coaching/mentoring and formal instruction in training and assessment practices and processes. The EDS achieved this in 2020 through:

- Developing and facilitating tailored departmental workshops
- Conducting assessment writing workshops
- Facilitating regular workshops in various teaching topics e.g. best-practice
- Coordinating SuniTAFE's participation in the PEC pilot program.

Online and Remote Learning PD

A concentrated effort was made to develop and train staff in the delivery of online and remote learning to ensure students stayed connected as COVID-19 changed the training and educational landscape in 2020. Between January and June 2020, during the time of critical impact of the COVID-19 pandemic for Victoria, SuniTAFE staff had attended a total of 468 PD activities related to improving quality and access to the courses that were moved temporarily to online and remote learning.

Free Essential Farm Worker Training

Responding to workforce shortages and impacts of COVID-19, SuniTAFE received funding under the Victorian Government's \$50 million Agriculture Workforce Plan to develop the Horticulture Farm Worker Induction Program.

This included the production of 12 Essential Farm Worker videos that offered free, non-accredited, training via 3D experiences. They demonstrate skills and knowledge essential to working effectively on farms, such as work readiness, farm safety, pruning, working on an almond orchard, citrus farming, pulling out and rolling on for table grapes. Since the launch via Facebook and new webpages in October 2020, the landing page achieved 2,357 page views. The first Facebook post reached 8,249 people with 157 post engagements. The top video experiences viewed include pruning and pulling out table grapes; finding a job in the horticultural industry; work readiness.

Free Course in Infection Control

To improve the safety of the community and manage the ongoing risk of COVID-19, SuniTAFE commenced delivery of a free Infection Control skill-set course in September 2020. Offered as a mixture of online and workplace-based learning to customer-facing employees, the course was made available for the retail, food handling and transport and logistics sectors. In 2020, there were 45 enrolments in this course.

New JobTrainer Program

SuniTAFE is a provider of the new joint Commonwealth and Victorian Government JobTrainer initiative program that started in November 2020 in Victoria. JobTrainer provides additional funding to improve access to training and education for young people and job seekers through free or low fee training places.

This initiative complements the existing subsidised training available under Skills First as well as Free TAFE.



Progressive Collaborator School Bursaries

SuniTAFE supports young people who live in the Mallee through their learning across disciplines such as education, music, sports or other extracurricular activities. In 2020, 10 bursaries were gifted to schools across the district to be used for their end of year awards and further the education of school leavers.

Industry Advisory Groups

Industry Advisory Groups involve key industry stakeholders, with an aim to provide an industry perspective on SuniTAFE's strategic objectives, projects and programs. They inform delivery methods, relevance to business outcomes, potential for employment outcomes and ongoing continuous improvement.

In 2020 Industry Advisory Groups included:

- Nursing
- Horticulture
- Leadership and Management

Industry on the Couch

The SaJC Industry on the Couch sessions bring together key industry representatives and students to participate in a facilitated panel discussion.

There was high engagement in these sessions held during SuniTAFE Online Careers Week in August 2020.

Topics included:

- How to be employment ready
- What industry is looking for in an employee
- Local career outcomes
- Skillsets and/or training required
- Do's and don'ts when interviewing

Students attending these virtual sessions were able to gain valuable information direct from industry, to determine and identify their chosen career pathways. This concept was first introduced during the SuniTAFE Careers Open Day in 2019 and proved popular with potential students.

Pathway Opportunities

In 2020, SuniTAFE continued its collaboration with La Trobe University to provide students with a seamless transition from TAFE to university.

SuniTAFE currently offers formalised pathway opportunities for diploma and advanced diploma's across four discipline areas. These pathways provide 12-18 months credit towards a university degree. Guaranteed entry into a university degree, for Certificate IV courses across four discipline areas are also offered.

SMART Trials and Agreements

In 2020 there was further development of the SuniTAFE SMART Farming Horticulture Training and Innovation Hub:

- In conjunction with Australian Primary Hemp, existing equipment and infrastructure was used to plant the first hemp trial in November and December 2020. One hectare (Ha) of Carina vines was cleared and overhead sprinklers were reinstated to plant three varieties of hemp seed provided by Australian Primary Hemp:
 - CFX: at a rate of 40kg/Ha over 0.25 Ha mid-November
 - CFS: at a rate of 20kg/Ha over 0.25 Ha late November
 - Finola: at a rate of 10kg/Ha over 0.5 Ha mid-December
- SuniTAFE worked with the Australian Table Grape Association and Dried Fruits Australia to develop templates for an on-farm COVID-19 safe workplan.
- A Service Agreement was signed with Mildura Senior College to continue pathway support initiatives for horticulture.

Commencement of Heavy Automotive Mildura

Delivery of heavy automotive education and training commenced at the Mildura Campus in February 2020, in response to previous industry consultation that identified the need for locally delivered training.

Student numbers in the first year have exceeded expectations, starting at three groups with 30 apprentices, growing to four groups with 48 apprentices. In October 2020, apprentice numbers peaked at 53 apprentices and five school-based apprentices, outgrowing the current workshop and requiring more equipment. An additional teacher was also employed. Works are now underway to redesign and extend the current workshop to meet demand. These works are being co-designed with industry to ensure the most relevant and current facilities are offered to meet the requirements of the sector.

To enhance training and support of the initiative with the business and corporate sectors, SuniTAFE is grateful for equipment donations including Penske Australia (of a detriot diesel engine) and Mildura Truck Centre/Isuzu Australia (of a diesel truck).

To officiate the handover of the Isuzu truck, SuniTAFE, together with Isuzu Australia Limited and Mildura Truck Centre, hosted a presentation event for invited guests in March 2020.

In October 2020, heavy automotive education and training apprentice numbers peaked at 53 apprentices and five school-based apprentices



SuniTAFE 40 Year Anniversary

2020 marked SuniTAFE's 40 year milestone since operations began in 1980. To celebrate this significant anniversary, a lift-out was published in the Sunraysia Daily on Saturday 10 October 2020, featuring advertising support from 19 stakeholders and partners across sectors including health, horticulture, aged care and education.

A small COVID-19 safe staff commemorative morning tea was held in December 2020, with the official cutting of a cake in lieu of the large celebration originally planned prior to COVID-19 restrictions.

Destination Australia Scholarships

In 2020, SuniTAFE was successful in being announced a tertiary education provider for the Australian Government's Destination Australia Scholarships to support domestic and international students. The scholarships aim to attract and support students to study in regional Australia in new full-time, on-campus Certificate IV, Diploma or Advanced Diploma qualifications. In total, five scholarships were awarded (four domestic and one international), enabling students to commence studies in 2020.

Following this round of scholarships, SuniTAFE received approval in November 2020 for the 2021 round of the Destination Australia program.

Aged Care Collaboration

A successful aged care leadership development collaboration was formed between SuniTAFE and four aged care providers in the region - Princes Court, Chaffey Aged Care, Jacaranda Village and Murray House. The project identified common problems across the four providers in order for tailor-made skills, training and education solutions to be developed and delivered.

Targeted training was provided in 2019 and 2020 for existing team leaders, supervisors and managers in Certificate IV in Leadership and Management. This training was conducted on-site across all respective aged care facilities, thanks to funding provided by the Regional and Specialist Training Fund (RSTF).

In January 2020, 18 participants graduated from the 2019 program.

An additional 14 participants graduated from the program in 2020.

Receiving the Victorian Training Award for Industry Collaboration and becoming a finalist in the Australian Training Awards for the same category acknowledged the success of this initiative for all involved.

New Delivery Modes

In April 2020, SuniTAFE operations were adapted to enable the continuation of training delivery to the community due to restrictions imposed from the ongoing COVID-19 pandemic. This focus on continued engagement with students was facilitated through the swift and temporary move of courses to new modes of online/flexible delivery.

Enhancements were made to the online student portal SuniCONNECT (Moodle), including visual look and feel, student information (such as student support services), COVID-19 updates, course learning and training resources.

Where practical training was required and allowed in 2020, it was safely conducted at one of SuniTAFE's campus locations.

A key priority was to deliver courses and skillsets critical to meeting workforce demands due to the COVID-19 pandemic.

Art Collaboration

Arts Mildura collaborated with SuniTAFE's Dulka Yuppata Indigenous Training Centre to showcase emerging local Indigenous contemporary artists in the fifth instalment of the organisation's In Real Life (IRL) window gallery. The exhibition titled 'Weaved To-Gather' is the first exhibition held outside of SuniTAFE. The exhibition showcased the works of seven Certificate II and III in Aboriginal and Torres Strait Islander Cultural Arts (ATSICA) students and two teachers, who created woven baskets using traditional methods and techniques in a very contemporary way.

Support Growth and be Sustainable Mentoring

SuniTAFE re-worked the teacher induction process in 2020, to improve the opportunity to provide early engagement support and best-practice guidance to newly appointed teachers.

Providing access to mentors and coaches through targeted training now provides new teaching recruits with:

- An introduction to teaching life at SuniTAFE
- Mentoring/coaching/shadowing from experienced teachers
- Targeted best-practice teacher training
- A supportive network that provides new teachers with a sense of community, belonging, and ongoing support

The program was delivered over a six month period, involving a cross-section of SuniTAFE's staff including Business Managers and EDS Advisors.

Individual Achievement Plans

Under the TAFE Teaching Capability Development Project, departmental Business Managers worked with teaching staff in 2020 to complete their annual Individual Achievement Plan. The Plans assist in identifying PD needs to ensure training is relevant, valuable and drives quality in the VET sector.

Business Planning

SuniTAFE's Business Plan was reviewed in July and August 2020, where target growth areas were identified and actions noted. Growth areas were identified via a strategic planning day that was held in July 2020 with internal stakeholders only, due to COVID-19 restrictions.

The SuniTAFE Asset Management Plan detailed anticipated expenditure of \$4 million for 2020. Due to COVID related issues including shipment delays and contractor availability, actual expenditure for 2020 represented 51% of budget. Further analysis indicates that the remaining 49% is committed and will be expended in early/mid 2021.

University of the Third Age (U3A)

SuniTAFE has enjoyed a long successful relationship with U3A, hosting them onsite at the Mildura Campus for the last 29 years. Due to continued growth and requirement for teaching space, SuniTAFE worked together with U3A in 2020 to find the organisation a new site for relocation.

SMART Farming Operations

SMART Farm Project Leaders mapped out SMART Farm capabilities to integrate into SuniTAFE teaching programs in readiness for 2021.

To ensure students are future ready, new innovative technology was acquired in 2020 including:

- Spray demonstration table – to enhance training presentations in pesticide and weedicide applications
- Farmbot – to perform processes prior to harvesting including sowing, mechanical weed control and watering
- iMETOS – insect monitoring and crop growth modelling system

The Operational Plan was finalised in September 2020 to identify objectives for 2021 in alignment with the 2020-2023 Strategic Plan.

Mechanisms to communicate to stakeholders in 2020 included:

- Distribution of a SMART Farm quarterly newsletter
- Development of a resource guide to promote mentoring partnerships
- Development of a Which App for Horticulture digital book to promote 60 horticulture apps available on the market
- Purchase of a purpose built mobile trailer to deliver more hands-on-training at workplaces and schools

Online Careers Week

Careers Open Day moved online this year, spanning over five days to coincide with National Skills Week in August 2020.

COVID-19 prompted the traditional careers event to be adapted to a virtual platform, with a microsite built onto the SuniTAFE website. The site featured information and videos on courses for careers that are most in demand, pathways, Free TAFE, careers and study advice, including links to live Q&A sessions.

The Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education officially opened the event and marked the beginning of National Skills Week via live Zoom.

Digital campaign metric results showed 147 event responses with 11,528 people reached. The campaign promoting the event targeted three audiences, including school leavers, parents and career change/boost.

Smart Farm's Farmbot



People Matters Survey Wellbeing Check

The online independent employee engagement 2020 People Matters Survey Wellbeing Check was conducted in October 2020. Facilitated by the Victorian Public Sector Commission, the survey encouraged employees to have their say and provide feedback on workplace experiences during the COVID-19 pandemic. Survey questions included the areas of wellbeing, work-related stress, employee support and working during the COVID-19 pandemic. Staff satisfaction in 2020 was 71%.

A number of initiatives were offered to support staff wellbeing in 2020, including:

- Flu injections
- Launched the Lifeworks Employee Assistance Program mobile app
- Dedicated communications bulletin re: COVID-19
- 10,000 Steps Challenge
- Morale-boosting activities for staff working from home
- Pulse surveys of staff wellbeing and satisfaction
- First full year of standardised corporate induction regardless of location

Marketing Campaigns

During 2020, SuniTAFE conducted 12 campaigns to stimulate ongoing awareness and demand.

Target audiences across the various campaigns included prospective students (school leavers and career changers), local industries, government and the community. Campaigns included:

Awards > Promotion of SuniTAFE's capability as Large Training Provider of the Year.

Connected > Promoting new models of delivering training to keep everyone safe, connected and on-track.

Bridge the Gap > A new gap year program for school leavers to bridge into adulthood, further study, job or career, while learning skills and starting pathways close to home.

Careers Week > Promoting a digital hub of course information, industry outlooks and Q&A sessions to potential students.

Staff recruitment > To combat the challenges of recruiting quality training professionals and lift the perception of SuniTAFE within the teaching and training community.

Enrolment > Promoting courses and driving enrolments.

Destination Australia Scholarships > Study scholarships for domestic and international students to study at SuniTAFE.

Free TAFE > Sharing real stories via a series of documentary/testimonial videos of SuniTAFE students that have completed Free TAFE courses.

A mix of press, TV, radio, cinema and digital/social were used across the campaigns. In addition, new website pages were developed for recruitment, Free TAFE and Bridge the Gap.

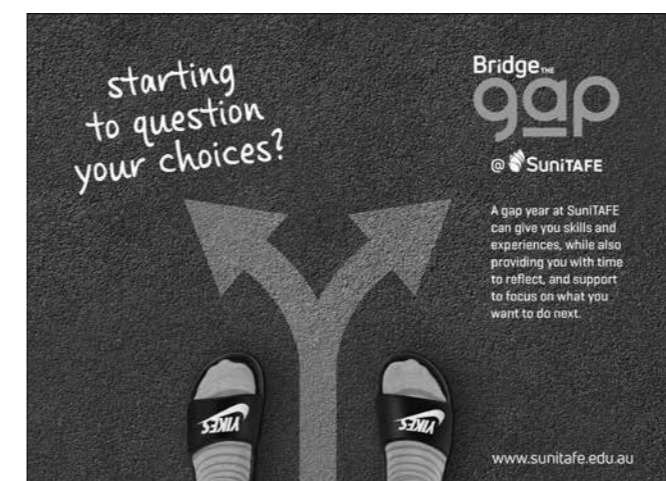
Campaigns generated on **average 1,166 clicks** and achieved a range of click through rates, with some as high as **4.85%** (a good rate is between 2-5%).

Digital Analytics

Traffic to the SuniTAFE website significantly increased in 2020. Traffic volume followed the same seasonal patterns as previous years, but was on average 41% higher each month. Weekly sessions peaked during Online Careers Week in August with 5,524 website visits.

There was a significant year-on-year increase in both organic and social traffic. Social became an important component of SuniTAFE's 2020 marketing efforts and resulted in an **increase in the percentage of traffic coming from this channel from 1% to 12%**

FREE TAFE Video Campaign



Create change, shape the future, pass on your skills

SuniTAFE is experiencing rapid growth and are seeking qualified professionals. Do you have over 3 years' industry experience? Are you looking for a rewarding career that allows you to pass on your skills and help shape the future? Becoming a teacher at SuniTAFE could be the right job for you.

Current Teaching positions available

Allied Health
Community Services
Spoken and Written English
Work Education/Transition Education

Work with Victoria's Award Winning Training Provider

Not a teacher? We can train you

For position descriptions and how to apply, please visit our website at: sunitafe.edu.au/recruitment/
Call HR 03 5022 3972

SuniTAFE TAFE VICTORIA **te@ch** SuniTAFE

Current teaching positions available at Mildura Campus

VICAL RETAIL
Part Time, Fixed Term to Nov 2021
Closing Date: 10 Jan 2021

INFORMATION TECHNOLOGY
Full Time, Part Time or Casual
Closing Date: 10 Jan 2021

MECHANICAL ENGINEERING
Full Time, ongoing position
Closing Date: 10 Jan 2021

ALLIED HEALTH
Full Time, fixed term
Closing Date: 29 Jan 2021

COMMUNITY SERVICES
Full Time, ongoing position
Closing Date: 29 Jan 2021

SPOKEN AND WRITTEN ENGLISH
Part Time, fixed term - 6 Months
Closing Date: 29 Jan 2021

te@ch
SuniTAFE

Work with Victoria's Award Winning Training Provider

RECONNECT CASE WORKER
Part Time, fixed term to Dec 2022
Closing Date: 10 Jan 2021

EDUCATION DEVELOPMENT ADVISOR
Part Time, fixed term
Closing Date: 29 Jan 2021

c@reers
SuniTAFE

For position descriptions and how to apply, visit our website at: sunitafe.edu.au/recruitment/
Call HR 03 5022 3972

SuniTAFE TAFE VICTORIA

Business Excellence New Project Management Process

A new project management system was activated in 2020 to formalise the process of bringing ideas to life without stifling the creativity that inspired them. The new project management process enables better review, authority, execution and tracking mechanisms across the many and varied projects that are driven by SuniTAFE every year.

Student completion rate

In 2020, 78% of student contact hours (SCH) were completed (all delivery, including assessment pending) against the annual budget of 82% for 2020. This is down slightly from 81.2% achieved in 2019.

TAFE Teaching Capability Development

Under the TAFE Teaching Capability Development fund a number of key PD initiatives were delivered in 2020.

These included:

- Developing teaching excellence and improving assessment practices.

- Increasing proficiency in digital literacy – teaching with Moodle and Zoom to improve quality and access to online and remote learning.
- Supporting opportunities for industry immersion. COVID-19 limited opportunities in 2020 for teaching staff to actively participate in industry immersion such as SuniTAFE's Industry Reference Groups. A focus of the 2021 SuniTAFE Teaching and Learning Conference will be to innovate new means of undertaking industry immersion in a COVID-19 restricted environment.

SMART Farm Visual Identity

The logo and visual design for SMART Farm branding was established in 2020 and rollout has commenced across various marketing and communication mechanisms.

A SMART Farm sponsorship prospectus was developed along with a tiered approach to attracting corporate and commercial partners. In 2021 the 'net will be cast' to seek inaugural donors, corporations and business for the development of the SuniTAFE SMART Farming Horticulture Training and Innovation Hub. Partners will build a growing network of support to enable further opportunities for the SMART Farm to teach, experience, trial, network, research, show, tell and learn.



In 2020, 78% of student contact hours were completed

Working Remotely, Together

Under the provisions of the Business Continuity Plan, SuniTAFE established a PRG to manage the stability of SuniTAFE through the COVID-19 crisis.

The Pandemic Response Group (PRG) managed the short term response under the direction of the Victorian Government and the longer term actions required for the ongoing management of SuniTAFE.

The PRG was responsible for taking leadership, recommend, inform, empower staff and advise the CEO of SuniTAFE in respect to requirements during this period.

A Stakeholder Engagement Plan was developed to guide communications and engagement during the COVID-19 pandemic and an ongoing methodology for the transition of business was established.

In line with DET directives, SuniTAFE continued to operate throughout the year, limiting the number of students and visitors to campuses.

Measures implemented included:

- Student Administration operating by appointment only.
- Campus public spaces and training rooms adjusted to comply with social distancing measures including signage and floor stickers
- Temporary Flexible Working Arrangements for staff to work from home, including development of a series of guidelines, checklists and frequently asked questions (FAQ) documents.
- An online timesheet, 'Clockify,' was introduced to assist in managing working from home arrangements. It also assisted in meeting DET reporting requirements.
- Staff engagement was conducted remotely via:
 - > CEO video updates in weekly newsletters
 - > Online staff forums
 - > CEO Q&A online sessions
 - > Dedicated pages on the staff SharePoint portal for COVID-19 staff information and remote learning resources
 - > An end of year thank you gift delivered to each staff member
- Student and stakeholder engagement was conducted via:
 - > SuniTAFE website news
 - > SuniConnect updates
 - > Press advertising
 - > Connected marketing campaign (TV, press, digital/social) LOOP survey
 - > Text messages to enrolled students
 - > Social media posts

Mildura Campus Refurbishment

It was announced in September 2020 SuniTAFE Mildura Campus would receive \$1.6mil funding as part of the 2020 TAFE Asset Maintenance Program to repurpose its main thoroughfare into an energetic activation space, to lift SuniTAFE's image and student experience. The new space will showcase the role of SuniTAFE in building regional capacity and opportunity for students, employers and the community.

The new innovative design will provide a modern entrance with specialised hubs for exhibitions, art, student work, training demonstrations, meeting points, lounge spaces, IT hot spots and technology interfaces. Works also include renovating the SaJC as well as upgrades to the library and administration spaces.

A further \$2.8 million has been granted to upgrade the car park, stormwater infrastructure, road resurfacing, safety and security (such as lighting).

The aim of these projects is to freshen and modernise SuniTAFE's primary building assets and provide opportunity for construction work within the Sunraysia region's building community. Local architects have been appointed and major contracts will be tendered in 2021, with an aim to complete works by later that year.

This funding has been provided by the State Government with a focus on local jobs for local people.



\$1.6 million
Grant to repurpose main thoroughfare...

Awards and Achievements

SuniTAFE

SuniTAFE Aged Care Leadership and Learning, Industry Collaboration Award
 Winner – 2020 Victorian Training Awards
 Finalist – 2020 Australian Training Awards

SuniTAFE Partners

Collaborative Team Award (Princes Court Homes, Chaffey Aged Care, Jacaranda Village, Murray House and SuniTAFE)
 Winner – 2020 Leading Age Services Australia (LASA) Excellence in Age Services Awards - Victoria
 Finalist - 2020 Leading Age Services Australia (LASA) Excellence in Age Services National Awards

Employer of the Year

Winner – Select Harvest, SuniTAFE Graduation and Awards

SuniTAFE staff

Michelle Dent - Nursing
 Winner – Teacher of the Year, SuniTAFE Graduation and Awards (Mildura)

Janet Nunn, Coordinator Disability Liaison
 Winner – Staff Member of the Year, SuniTAFE Graduation and Awards (Mildura)

Devon Andrews, Rural Engineering
 Winner – Teacher of the Year, SuniTAFE Graduation and Awards (Swan Hill)

Frances Trinci, Engagement and Retention Support Officer
 Winner – Staff Member of the Year, SuniTAFE Graduation and Awards (Swan Hill)

SuniTAFE students

Elva Smerotkins, Certificate III in Commercial Cookery
 Finalist – Koorie Student of the Year, 2020 Victorian Training Awards

Jacob Sinclair, 3rd Year carpentry apprentice (employed by SMGT and Bruce Lee Builders)
 Winner – Training Provider Apprentice of the Year Award, 2020 Master Builders Victoria Regional Apprentice of the Year Awards (Bendigo region)
 Runner up – Training Provider Apprentice of the Year Award, 2020 Master Builders Victoria Regional Apprentice of the Year Awards (state)

Clayton Lambert, 3rd Year carpentry apprentice (employed by Steve Hudson Carpentry)
 Winner - Chairman's Award, 2020 Master Builders Victoria Regional Apprentice of the Year Awards (Bendigo region)

Tara Matthews, Diploma of Nursing (Swan Hill)
 Winner - 2020 Aware Super and Australian Nursing and Midwifery Federation (Vic Branch) Student Award

Tyler Ayars, Diploma of Nursing (Mildura)
 Winner - 2020 Aware Super and Australian Nursing and Midwifery Federation (Vic Branch) Student Award



2021

In 2021, SuniTAFE will switch onto specialisation and reform, with an aim to contribute even further to the education of students and the outcomes they achieve in life.

Processes and procedures will be embedded, so they become the bedrock on which innovation is encouraged.

SuniTAFE will continue to apply its own brand of collaboration into the core of every project and program.

Key Focus Areas for 2021 include:

- Further specialisation of the curriculum and associated resources with a focus on the 'key' pillars of training growth - to meet the needs of industry, students, government and community
- Review of the infrastructure footprint to prioritise and meet the changed environment brought about by COVID-19
- Review of the SuniTAFE brand and its values
- Improvement of the student experience - from enquiry through to completion
- Focus on equity and inclusion for Indigenous and disadvantaged members of the community
- Analysis and planning of workforce needs
- Enabling teachers to be equipped with time and skills to focus on teaching
- Attracting and retaining the best quality in industry standard teaching
- Ongoing stakeholder engagement across identified groups Innovation and development of blended models of training delivery
- Strategic assessment and improvement in IT systems and software integration
- Improvement in capacity to produce timely reports and data to enable rapid response to Government and internal enquiry.



SMART Farm Spray Table



2020 Graduation

Resources

Environmental Performance

	Mildura Campus	Swan Hill Campus	Robinvale Campus	Cardross Campus	Horsham Campus	Total
Gross Useable Floor Area - m²	19,999	6,206	476	1,486	5,176	33,343.0

Gas and Electricity		Unit of Measure	Total
E1	Total energy usage segmented by primary	Megajoules Gas	2,040,119
	Sources (including green power)	Megajoules Electricity	4,387,253
E2	Greenhouse gas emissions associated with energy use, segmented by primary source	Tonnes CO ₂ -e Gas	106
		Tonnes CO ₂ -e Electricity	900
E3	Percentage of electricity Green Power	%	2
E4	Units of energy per FTE	Megajoules / FTE	24,291
E5	Units of energy per office area	Megajoules / m ²	193
Waste Production			
Ws1	Total units disposed of by destination	Landfill (kg)	103,351
		Recycle (kg)	28,718
Ws2	Units disposed per FTE by destination	Landfill (kg)	391
		Recycle (kg)	109
Ws3	Recycling rate of total waste	%	22
Ws4	Greenhouse gas emissions waste disposal	Tonnes CO ₂ -e	68
Paper Use			
P1	Total units of A4 equivalent copy paper used	Reams	3,663
P2	Total units of A4 copy paper used per FTE	Reams / FTE	14
P3	Recycled content in copy paper purchase	%	50
Water			
W1	Water consumed by water source	Kilolitres	259,371
W2	Water consumed in offices per FTE	Kilolitres / FTE	980
W3	Water consumed in offices per area	Kilolitres per m ²	8
Transportation			
T1	Energy consumption by operational vehicles	GJ	922
T2	Travel associated with entity operations	km	258,200
T3	Greenhouse gas emissions from vehicle fleet	Tonnes CO ₂ -e	60
T4	Greenhouse gas emissions from vehicle fleet per 1,000kms	Tonnes CO ₂ -e	0.64
T5	Total distance travelled by air	km	65,126
T6	Employees using public transport	%	2
Greenhouse Gas Emissions			
G1	Emissions associated with energy use	Tonnes CO ₂ -e	1,006
G2	Emissions associated with vehicle fleet	Tonnes CO ₂ -e	60
G3	Emissions associated with air travel	Tonnes CO ₂ -e	18
G4	Emissions associated with waste disposal	Tonnes CO ₂ -e	68
G5	Emissions associated with offsets purchased	Tonnes CO ₂ -e	7
G6	Emissions: energy, waste, vehicle	Tonnes CO ₂ -e	1,152

Occupational Health & Safety

In 2020 SuniTAFE's ongoing commitment to OH&S was demonstrated through our strategy to ensure that all staff, students, contractors, and visitors experience a working and learning environment at SuniTAFE that is safe.

2020 has seen improvement in some of SuniTAFE's OH&S performance indicators. There were two lost time injuries, up from zero in 2019, a 50% reduction in student injuries rated as significant, and a 12.5% reduction in staff injuries rated as minor.

The Coronavirus (COVID-19) Pandemic had a significant impact on occupational health and safety at SuniTAFE in 2020. The Pandemic Response Group was formed in early March 2020, and proceeded to formulate policy, procedures, and practices to ensure the safety of SuniTAFE staff, students, contractors, and visitors in response to the pandemic. The Pandemic Response Group ensured that each SuniTAFE site had a current COVID Safe Plan, and was compliant with government directions.

Measure	KPI	2020	2019	2018
Incidents & Injuries	Incident Employee Minor	7 (2.65/100FTE)*	8 (2.93/100FTE)	4 (1.65/100FTE)
	Incident Employee Significant	3 (1.13/100FTE)	(0/100FTE) 0	5 (2.07/100FTE)
	Incident Student Minor	10	5	25
	Incident Student Significant	3	6	8
Claims	WorkCover Claims	4 (1.51/100FTE)	0 (0/100FTE)	2 (0.83/100FTE)
	Lost Time (days)	33	0	227
Claim Costs	Total paid on claims	\$10,523	**\$229,326	\$50,708
	Average cost per claim	\$2,631	\$76,442	\$5,534
	WorkCover premium	\$201,257	\$152,370	\$101,736
	Premium Rate	0.8553%	0.6579%	0.5060%
	Industry premium rate	0.7950%	0.9577%	0.6924%
Risk Management	Hazards Identified and Managed	12 (4.54/100FTE)	17 (6.24/100FTE)	36 (9.5/100FTE)

* 264.6 FTE

**Claims costs relate to injuries from 2018 and 2017

Workforce Data

The total Full Time Equivalent (FTE) for 2020 was 264.6. Employees have been correctly classified in the workforce

data collections. The method of calculation is the approach used to report FTEs to the Department as per the Performance and Accountability Framework. A breakdown of workforce data is below.

Table 1. Performance and Accountability Framework FTE Table
- For years ending 31 December 2019 and 2020

	Year ending 31 December 2019							Year ending 31 December 2020						
	Full Time		Part Time		Casual		Total	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other		Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	80.0	10.0	16.7	1.8	NA	4.7	113.2	80.9	7.3	18.2	1.8	NA	4.0	112.2
Executive	0.0	1.0	0.0	0.0	NA	0.0	1.0	0.0	1.0	0.0	0.0	NA	0.0	1.0
Other	16.0	0.0	6.8	0.0	NA	4.9	27.7	9.8	0.2	8.8	0.1	NA	4.9	23.8
Teacher	83.0	10.0	18.3	5.2	14.0	NA	130.5	84.9	5.1	24.3	3.4	9.9	NA	127.6
Total	179.0	21.0	41.8	7.0	14.0	9.6	272.4	175.6	13.6	51.3	5.3	9.9	8.9	264.6

Table 2. Workforce Disclosures (December 2019 – December 2020)

Demographic Data	December 2019							December 2020						
	All Employees		Ongoing			Fixed Term and Casual		All Employees		Ongoing			Fixed Term and Casual	
	Number Head-count	FTE	Full time Head-count	Part time Head-count	FTE	Number Head-count	FTE	Number Head-count	FTE	Full time Head-count	Part time Head-count	FTE	Number Head-count	FTE
Gender														
Women Executives	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0	0.0
Women (total staff)	250	166.7	104	54	142.7	92	24.0	220	167.5	102	60	145.9	58	21.6
Men Executives	1	1.0	0	0	0.0	1	1.0	1	1.0	0	0	0.0	1	1.0
Men (total staff)	135	105.7	75	4	77.9	56	27.8	115	97.1	71	12	81.0	32	16.1
Self-described	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
Age														
15-24	22	10.8	8	1	8.9	13	1.9	12	7.5	6	0	5.9	6	1.6
25-34	65	40.6	25	11	33.0	29	7.6	62	45.8	26	18	37.2	18	8.6
35-44	77	59.4	40	11	48.0	26	11.4	75	56.3	39	16	49.7	20	6.6
45-54	109	87.8	59	15	69.2	35	18.6	94	81.6	54	19	70.6	21	11.0
55-64	92	63.4	41	15	52.3	36	11.1	72	61.2	42	13	53.4	17	7.8
Over 64	20	10.4	6	5	9.2	9	1.2	20	12.2	6	6	10.1	8	2.1
Total	385	272.4	179	58	220.6	148	51.8	335	264.6	173	72	226.9	90	37.7

SuniTAFE employment and conduct principles are set in accordance with the Victorian Public Sector Commission's Code of Conduct for Victorian Public Sector Employees.

Financial Performance

Five Year financial summary

Comparative results 2016 – 2020

Consolidated Entity (\$'000)	2020	2019	2018	2017	2016
Operating Revenue	32,312	37,861	34,175	28,573	27,995
Operating Expenses	37,041	35,057	29,034	28,111	27,981
Operating Result before Other Economic Flows	(4,729)	2,804	5,141	462	14
Other economic flows included in Net Result	289	(573)	(788)	277	309
Operating Result after Other Economic Flows	(4,440)	2,231	4,353	739	323
Accumulated Profit (Deficit) before 1st January	18,801	16,720	12,367	11,628	11,305
Transfers from Reserves	-	(150)	-	-	-
Transfers to Reserves	-	-	-	-	-
Transfer to Contributed Capital	-	-	-	-	-
Accumulated Profit (Deficit) 31st December	14,361	18,801	16,720	12,367	11,628

Summary of significant changes to financial performance during the year

For the financial year ended 31 December 2020, the Institute recorded a consolidated loss of \$4.440 million. Total income achieved for 2020 was \$32.312 million, compared to \$37.861 million for 2019. Operating income has decreased by \$5.549 million, which is a decrease of 14.7%. Expenditure for 2020 totalled \$37.041 million compared to \$35.057 million for

2019, an increase of \$1.984 million, which is an increase of 5.7%.

Overall employee expenses increased by \$2.453 million, an increase of 10.5%, and non-salary expenses decreased by \$0.469 million for 2020, a decrease of 4.3%. Financially 2020 was a challenging year for Sunraysia Institute of TAFE, with some revenue targets not met. The financial information provided in this report is consistent with that provided in the Financial Statements.

Financial Position

Consolidated Entity (\$'000)	2020	2019	2018	2017	2016
Accumulated Surplus 31st December	14,361	18,801	16,720	12,367	11,628
Reserves	23,096	23,053	28,763	28,736	25,308
Contributed Capital	6,997	6,997	6,997	6,997	6,997
Net Worth	44,454	48,851	52,480	48,127	43,933
Assets	56,944	61,420	62,487	59,172	56,037
Liabilities	12,490	12,569	10,007	11,045	12,104
Net Assets	44,454	48,851	52,480	48,127	43,933

The Institute's financial position is reflected in its balance sheet. A key indicator of the Institute's financial position is determined from its net assets (assets less liabilities), which is equal to its net worth. At 31 December 2020, the Institute's net worth fell from the previous year, with consolidated net assets and net worth decreasing by 9% to \$44.454 million.

Compliance

Financial Management Attestation Statement

I, Kay Martin on behalf of the Responsible Body, certify that for the period 1 January 2020 to 31 December 2020, the Sunraysia Institute of TAFE has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



Kay Martin
Board Chair
Sunraysia Institute of TAFE
23 February 2021

Additional Information available on request

In compliance with the requirements of the Standing Directions of the Assistant Treasurer, details in respect of the items listed below have been retained by the Institute and are available on request from the Accountable Officer, subject to the provisions of the *Freedom of Information Act 1982*.

- Declarations of pecuniary interests of relevant officers
- Shares held by senior officers as nominees of a statutory authority.
- Publications produced and how these can be obtained.
- Changes in prices, fees, charges, rates and levies.
- Major external reviews carried out on SuniTAFE.
- Major research and development activities undertaken by SuniTAFE.
- Overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- Major promotional, public relations and marketing activities.
- Assessments and measures undertaken to improve the occupational health and safety of employees.
- Industrial relations issues.
- Major committees sponsored by SuniTAFE
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed to for each engagement.

Building Services

SuniTAFE takes all reasonable steps to ensure that the buildings conform to relevant building standards and codes; including the *National Construction Code (NCC)*, the *Victorian Building Act 1993*, and *Victorian Building Regulations 2006*.

SuniTAFE buildings in existence prior to the introduction of the *Building Act 1993* comply with the relevant building regulations existent at that time. SuniTAFE's ongoing maintenance programs and any improvements or alterations to buildings are completed in a manner compliant with the relevant requirements of the *Building Act 1993*.

SuniTAFE retains all plans and documentation for building extensions and new buildings. Upon completion of construction, the TAFE obtains Certificates of Occupancy and Final Inspection from the relevant Building Surveyors.

Carers Recognition Act 2012

SuniTAFE has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012* to ensure staff have an awareness and understanding of the care relationship principles set out in the Act. SuniTAFE has an equal opportunity policy in place that entitles staff to reasonable flexibility in working arrangements where needed to accommodate their carer responsibilities.

In delivering services to the community, SuniTAFE is guided by its access and equity policy, which promotes adherence to the principles of access and equity, and directs that SuniTAFE practices be inclusive and should not unreasonably prevent individuals from accessing services or participating in learning. Staff and/or students in a carer's role are encouraged to access a range of services offered by SuniTAFE, including Student Support Services such as counselling, disability support and participation services. New staff are made aware of these policies as part of their induction.

Compliance with other legislation

SuniTAFE complies with all relevant legislation and subordinate instruments including, but not limited to the following:

- *Education and Training Reform Act 2006 (ETRA)*
- *TAFE institute constitution*
- *Directions of the Minister for Training and Skills (or predecessors)*

- *TAFE institute Commercial Guidelines*
- *TAFE institute Strategic Planning Guidelines*
- *Public Administration Act 2004*
- *Financial Management Act 1994*
- *Freedom of Information Act 1982*
- *Building Act 1993*
- *Public Interest Disclosure Act 2012*
- *Local Jobs First Act 2003*

Controlled Entities

Under section 45 of the *Financial Management Act 1994* a copy of the accounts of TAFE Kids Inc. prepared in accordance with the requirements of the *Financial Management Act 1994* is included in the audited Financial Report; Note 23.

ICT Expenditure

Details of ICT Expenditure for 2020 (full year)

BAU ICT expenditure Total	Non-BAU expenditure Total =A+B	Operational Expenditure A	Capital Expenditure B
\$3,233,800	\$-	\$-	\$-

Local Jobs First

The *Local Jobs First Act 2003* required departments and public sector bodies to apply the Local Jobs First policy to all projects over \$3 million in metropolitan Melbourne or state-wide, and \$1 million in regional Victoria. In 2020 there were no projects commenced or completed.

Major Commercial Activity

In 2020, SuniTAFE entered into two major commercial activities; the Undercroft Project, and the Carpark, Road and Stormwater Project as part of the 2020 TAFE Asset Maintenance Fund. These activities were valued at \$6,328,000.

This is reported in accordance with section 45 of the *Financial Management Act 1994*, together with matters listed under Commercial Guideline 10 (clause 27).

Consultancies

In 2020, SuniTAFE undertook 11 consultancies totalling \$10,000 or greater. The expenditure incurred during 2020 in relation to these consultancies totalled \$468,398 (ex GST).

In 2020, there were 19 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2020 in relation to these consultancies is \$57,617 (ex GST).

Details of individual consultancies (valued at \$10,000 or greater) can be viewed at:
<https://www.sunitafe.edu.au/about/reports-registration/>

Freedom of Information

SuniTAFE has implemented procedures which, subject to privacy and confidentiality provisions, facilitate all reasonable requests for information from students, staff and the general public, without recourse to the *Freedom of Information Act 1982*. There were no requests for information under the Act in 2020.

National Competition Policy

SuniTAFE has established mechanisms to ensure that the National Competition Policy including the requirements of the following Government Policy Statements are observed; 'Competitive Neutrality: Statement of Victorian Government Policy' and 'Victorian Government Timetable for the Review of Legislative Restrictions on Competition' and any subsequent reforms.

Non-Academic Student Fees

Materials fees are charged separately to tuition fees at time of enrolment. Materials fees cover the actual cost of essential materials and other items provided by SuniTAFE that are required for students to undertake their course. Material fees are set annually by each education unit and vary from course to course. In 2020, total materials fees were \$966,629. A list of fees and charges is available on SuniTAFE's website www.sunitafe.edu.au

Financial Statements

Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and for rectification action to be taken. SuniTAFE does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. SuniTAFE will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible. No disclosures of improper conduct or detrimental action were referred to or from the Ombudsman or taken over by the Ombudsman. There were no recommendations made by the Ombudsman under the Act that related to SuniTAFE.

Victorian Public Service Travel Policy

SuniTAFE has formal mechanisms in place to ensure that all travel by employees is approved and undertaken in accordance with the Victorian Public Service Travel Policy and the Australian Tax Office guidelines.

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

Chelsea Diana
 Manager, Compliance & Risk
 Sunraysia Institute of TAFE
 PO Box 1904
 Mildura Victoria 3502
 cdiana@sunitafe.edu.au

Sunraysia Institute of TAFE
PERFORMANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

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

In our opinion, the accompanying Statement of Performance of Sunraysia Institute of TAFE, in respect of the year ended 31 December 2020, is presented fairly.

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

As at the date of signing, we are not aware of any circumstance which would render any particulars in the Statement to be misleading or inaccurate.



Kay Martin, Board Chair
 12 March 2021
 Sunraysia Institute of TAFE



Geoff Dea, Chief Executive Officer
 12 March 2021
 Sunraysia Institute of TAFE



Diane Schmidt, Chief Finance and Accounting Officer
 12 March 2021
 Sunraysia Institute of TAFE



Independent Auditor's Report

To the Board of Sunraysia Institute of TAFE

Opinion	<p>I have audited the accompanying performance statement of Sunraysia Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none"> • performance statement for the year ended 31 December 2020 • the management certification. <p>In my opinion, the performance statement of Sunraysia Institute of TAFE in respect of the year ended 31 December 2020 presents fairly, in all material respects.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the performance statement	<p>The Board is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</p> <p>Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.</p>

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

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

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

MELBOURNE
19 March 2021

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Key Performance Indicators

Indicator Title	Description and Methodology	Measure	2020 Target	2020 Actual	Explanation of Variances	Prior Year Result
Training revenue diversity	Breakdown of training revenue by: Government Funded (GF) Fee for Service (FFS) Student Fees and Charges	%	65.0% 16.3% 18.7%	61.3% 23.5% 15.1%	Whilst the majority of GF delivery fell short of budget due to the impacts of COVID-19, FFS delivery under the Job Ready Program exceeded budget	62.3% 18.3% 19.4%
Employment costs as a proportion of training revenue	Employment and third-party training delivery costs as a proportion of training revenue	%	123.6%	118.0%	Improved performance due to below budget staffing costs resulting from COVID-19 combined with additional government funding minimising proportional impact on training revenue.	131.7%
Training revenue per teaching FTE	Training Revenue (excl. third-party) per Teaching FTE	\$	\$147,157	\$171,259	Increased performance due to a combination of lower teaching FTE and additional government COVID-19 funding	\$134,706
Operating margin percentage	Operating margin % EBIT (excl. capital contributions) / Total revenue (excl. capital contributions)	%	(25.6%)	(14.2%)	Variance attributed to unbudgeted State Government funding.	7.7%

Sunraysia Institute of TAFE

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

The attached financial statements for the Sunraysia Institute of TAFE and the consolidated entity 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, 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 to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2020 and financial position of the Institute and the consolidated entity as at 31 December 2020.

At the date of signing this financial report, we are not aware of any circumstances 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 Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of Sunraysia Institute of TAFE.



Kay Martin, Board Chair
12 March 2021
Sunraysia Institute of TAFE



Geoff Dea, Chief Executive Officer
12 March 2021
Sunraysia Institute of TAFE



Diane Schmidt, Chief Finance and Accounting Officer
12 March 2021
Sunraysia Institute of TAFE



Independent Auditor's Report

To the Board of Sunraysia Institute of TAFE

Opinion	<p>I have audited the financial report of Sunraysia Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none"> consolidated entity and institute balance sheet as at 31 December 2020 consolidated entity and institute comprehensive operating statement for the year then ended consolidated entity and institute statement of changes in equity for the year then ended consolidated entity and institute cash flow statement for the year then ended notes to the financial statements, including significant accounting policies Declaration by the Board Chair, Chief Executive Officer and Chief Financial Officer. <p>In my opinion the financial report presenting fairly, in all material respects, the financial position of the institute as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the institute to cease to continue as a going concern. 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. <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>
--	--

MELBOURNE
19 March 2021

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Table of Contents

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

Financial Statements		Comprehensive Operating Statement	46
		Balance sheets	47
		Statements of Changes in Equity	48
		Cash Flow Statement	49
Notes to the Financial Statements	1.	About this report	50
	1.1	Basis of preparation	50
	1.2	Compliance information	51
	1.3	Impact of COVID-19	51
	2.	How we earned our funds	53
	2.1	Government contributions	53
	2.2	Revenue from fees, charges and sales	54
	2.3	Other income	57
	3.	How we expended our funds	58
	3.1	Employee benefits <i>3.1.1 Employee benefits in the comprehensive operating statement</i>	58
	3.2	Superannuation	59
	3.3	Supplies and services <i>3.3.1 Other expenditure commitments</i>	60 60
	3.4	Other operating expenses	61
	3.5	Finance Costs	61
	3.6	Depreciation and amortisation	61
	4.	The assets we invested in	62
	4.1	Property, plant and equipment 4.1.1 Reconciliation of movements in carrying amount of property, plant and equipment 4.1.2 Capital commitments 4.1.3 Gain / loss on property, plant and equipment	62 63 64 64
	4.2	Intangible assets	65
	4.3	Depreciation and amortisation	65
	4.4	Investments and other financial assets	66
	5.	Balances from Operations	67
	5.1	Receivables	67
	5.2	Other non-financial assets	68
	5.3	Payables	69
	5.4	Contract liabilities	70
	5.5	Other liabilities	70
	5.6	Employee provisions	70

Financial Statements	6.	How we Financed our Operations	71
Notes to the Financial Statements	6.1	Cash and deposits <i>6.1.1 Reconciliation of operating result to net cash flows from operating activities</i>	71 71
	6.2	Borrowings	72
	6.3	Contributed capital	73
	6.4	Leases	73
	7.	Managing Risks and Uncertainties	75
	7.1	Financial instruments <i>7.1.1 Financial risk management objectives and policies</i> <i>7.1.2 Credit risk</i> <i>7.1.3 Liquidity risk</i> <i>7.1.4 Market risk</i>	75 75 76 77 77
	7.2	Contingent assets and contingent liabilities	78
	7.3	Fair value determination	78
	8.	Governance Disclosures	81
	8.1	Responsible persons	81
	8.2	Remuneration of executives	82
	8.3	Related parties	82
	8.4	Remuneration of auditors	83
	9.	Other Disclosures	84
	9.1	Other economic flows included in net result	84
	9.2	Other equity reserves	84
	9.3	Controlled entities	84
	9.4	Events after reporting date	85
	9.5	Application of standards issued but not yet effective	85
	9.6	Transition impact on financial statements	85
10.	Parent Entity Financial Information	86	

Comprehensive Operating Statement

For the year ended 31 December 2020

	Note	Consolidated	
		2020 \$'000	2019 \$'000
CONTINUING OPERATIONS			
<u>Revenue and income from transactions</u>			
Revenue from government contributions	2.1	21,234	27,369
Revenue from fees, charges and sales	2.2	8,764	7,331
Other income	2.3	2,314	3,161
Total income from transactions		32,312	37,861
<u>Expenses from transactions</u>			
Employee benefits	3.1.1	25,825	23,372
Depreciation and amortisation	3.6	2,318	1,881
Supplies and services	3.3	5,789	6,527
Finance costs	3.5	127	119
Other operating expenses	3.4	2,982	3,158
Total expenses from transactions		37,041	35,057
Net result from transactions		(4,729)	2,804
<u>Other economic flows included in net result</u>			
Net (loss) on non-financial assets	4.1.3	(11)	(361)
Net gain/(loss) on financial instruments	9.1b	107	(93)
Other gains/(losses) from other economic flows	9.1a	193	(119)
Total other economic flows included in net result		289	(573)
Net result		(4,440)	2,231
Comprehensive result		(4,440)	2,231

Balance Sheet

As at 31 December 2020

	Note	Consolidated	
		2020 \$'000	2019 \$'000
ASSETS			
<u>Financial assets</u>			
Cash and deposits	6.1	10,221	15,691
Receivables	5.1	1,721	1,320
Investments and other financial assets	4.4	40	428
Total financial assets		11,982	17,439
<u>Non-financial assets</u>			
Property, plant and equipment	4.1	39,184	38,683
Right of use assets	4.1	3,149	2,700
Intangible assets	4.2	1,391	1,738
Other non-financial assets	5.2	1,238	860
Total non-financial assets		44,962	43,981
Total assets		56,944	61,420
LIABILITIES			
Payables	5.3	694	1,479
Contract liabilities	5.4	1,115	953
Employee provisions	5.6	3,484	3,141
Other liabilities	5.5	123	40
Borrowings	6.2	3,827	4,224
Lease liabilities	6.4	3,247	2,732
Total liabilities		12,490	12,569
Net assets		44,454	48,851
EQUITY			
Accumulated surplus		14,361	18,801
Contributed capital	6.3	6,997	6,997
Reserves	9.2	23,096	23,053
Net worth		44,454	48,851

Statement of Changes in Equity

For the year ended 31 December 2020

	Physical assets revaluation surplus \$'000	Accumulated surplus \$'000	Contributed capital \$'000	Total \$'000
CONSOLIDATED				
As at 1 January 2019	28,763	16,720	6,997	52,480
Impact of change in accounting policy				
AASB 15: Revenue from contracts with customers and AASB 1058: Income of not-for-profit	-	(150)	-	(150)
AASB 16: Leases	(5,710)	-	-	(5,710)
As at 1 January 2019 - adjusted	23,053	16,570	6,997	46,620
Net result for the year	-	2,804	-	2,804
Other economic flows - other comprehensive income	-	(573)	-	(573)
Total comprehensive income	-	2,231	-	2,231
Year ended 31 December 2019	23,053	18,801	6,997	48,851
Net result for the year	43	(4,729)	-	(4,686)
Other economic flows - other comprehensive income	-	289	-	289
Total comprehensive income	43	(4,440)	-	(4,397)
Year ended 31 December 2020	23,096	14,361	6,997	44,454

Cash Flow Statement

For the year ended 31 December 2020

	Note	Consolidated	
		2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government contributions		20,591	27,504
User fees and charges received		11,360	9,351
Goods and services tax recovered from the ATO		1,222	76
Interest received		3	178
Other receipts		1,150	997
Capital grants received		440	-
Total receipts from operating activities		34,766	38,106
Payments			
Payments to employees		(25,149)	(22,979)
Payments to suppliers		(11,135)	(9,495)
Goods and services tax paid to the ATO		(1,658)	(454)
Short-term, low value and variable lease payments		(132)	(120)
Interest paid – lease liability		(127)	(119)
Total payments from operating activities		(38,201)	(33,167)
Net cash flows (used in) / from operating activities	6.1.1	(3,435)	4,939
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemptions of investments		388	-
Payments for investments		-	(9)
Payments for property, plant and equipment		(2,039)	(2,637)
Proceeds from sales of non-financial assets		-	185
Net cash flows (used in) investing activities		(1,651)	(2,461)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(209)	(1,208)
Payment of lease liabilities		(175)	(112)
Net cash flows (used in) financing activities		(384)	(1,320)
Net (decrease) / increase in cash and cash equivalents		(5,470)	1,158
Cash and cash equivalents at beginning of year		15,691	14,533
Cash and cash equivalents at end of year	6.1	10,221	15,691

1. ABOUT THIS REPORT

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

Its registered office and principal address is:

Sunraysia Institute of TAFE
453 Benetook Avenue
Mildura VIC 3500
Australia

1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of Sunraysia Institute of TAFE ("the TAFE") and its controlled entity, TAFE Kids Inc. These financial statements have been prepared in accordance with the historical cost convention, unless a different measurement basis is specifically disclosed in the notes associated with the item measured on a 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 the financial information being presented. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3);
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.1);
- the recognition of revenue in relation to contracts with customers (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 to Note 6.4);
- whether or not the TAFE has control over TAFE Kids Inc. (refer to Note 9.3); and
- whether or not AASB 1059 *Service Concession Arrangements: Grantors* is applicable.

These financial statements cover the TAFE and its controlled entities as an individual reporting entity and include all the controlled activities of the TAFE.

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.

Basis of consolidation

In accordance with AASB 10 *Consolidated Financial Statements*, the TAFE consolidates its controlled entity on the basis that control exists when an entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the entity included in the consolidated financial statements are from the date on which control commences until the date on which control ceases.

In preparing consolidated financial statements for the TAFE, all material transactions and balances between consolidated entities are eliminated.

1.1 Basis of preparation (continued)

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.

The TAFE has substantial economic dependency on Government operating and capital contributions.

The TAFE manages funding risk by continuing to diversify and increase funding from commercial activities.

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

Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

1.2 Compliance information

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

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

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

1.3 Impact of COVID-19

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

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

During the year, COVID-19 has had a material impact on the operations of the TAFE and as a consequence has results in a number of material impacts on the performance of the TAFE as well as the judgements and estimates used in assessing balances.

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

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

The key impacts on the performance is summarised as follows:

Revenue and other income

The Department of Education and Training provided funding due to the lost revenue with certain direct and indirect COVID-19 costs also reimbursed. The TAFE also received essential personal protective equipment free of charge under the state supply arrangement.

Business Continuity Grants and Crisis Support Funding were received for the following purposes:

- To assist the TAFE with its immediate response to the pandemic;
- To provide support to retain staff;
- To assist with the TAFE'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 the TAFE and as a consequence has impacted student enrolments in various courses.

There was a notable drop off of progression for students in non-trade courses due to online and remote delivery of training, leading to significant withdrawals.

Practical placements added another layer of complexity to students being able to complete.

An exception was that Trades courses (building, plumbing, electrical) maintained market expectations, although students faced block release difficulty caused by employers, and travel restrictions including border closures.

1.3 Impact of COVID-19 (continued)

Child Care Services

TAFE Kids Inc.'s response to the pandemic included providing fee free childcare and capping numbers. Services Australia (formerly The Department of Human Services) provided funding due to the lost revenue

COVID-19 has also had a direct impact on services provided by TAFE Kids Inc. and as a consequence has impacted childcare enrolments.

The financial implication of the Government's fee free childcare services initiative was that the usual Child Care Subsidy (CCS) and Additional Child Care Subsidy (ACCS) payments were suspended from 6 April 2020.

From 6 April 2020 until 10 July 2020, TAFE Kids Inc. received a weekly 'Business Continuity Payment', equating to approximately 50% of general monthly revenue, to ensure they could continue to deliver care to families who needed it.

Being a government owned entity TAFE Kids was ineligible for Job Keeper payments.

Expenses

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

Employee provisions

COVID-19 forced the cancellation of a number of instances of planned leave by staff. Additionally staff have been unable to take leave during the Victorian state lockdowns. As a result, the leave provisions have increased by \$343k (2019: \$271k). This is further discussed in Note 5.6.

Liquidity risk

The impact of the COVID-19 pandemic on TAFE finances is expected to continue in 2021, which may require TAFEs to draw on their cash reserves to cover their operating costs.

Where there is a risk of a low cash reserve position, the Department of Education and Training (the Department) has provided a Letter of Comfort to guarantee the cash solvency of the TAFE as a state-owned entity. The Letter of Comfort provides assurance that financial assistance will be made available to the TAFE until April 2022 (if required) and to enable the TAFE to continue as a going concern.

On that basis, the financial statements for the TAFE have been prepared on a going concern basis.

The TAFE's ability to meet its financial obligations has benefited from the Department of Education and Training deferring quarterly repayments due on its Government loan until 2023. No repayments were made on this loan during 2020.

Credit risk

There is no evidence the COVID-19 pandemic had an impact on the TAFE's ability to collect its receivables.

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

Fair value of non-financial physical assets

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

2. HOW WE EARNED OUR FUNDS

2.1 Government contributions

2.1.1 Revenue from government contributions

	Consolidated	
	2020 \$'000	2019 \$'000
Grants and other transfers		
Government contributions – operating		
State government – contestable	13,400	10,952
State government – other contributions	7,834	16,417
Total government contributions – operating	21,234	27,369

Due to COVID-19, the TAFE received \$1.27 million in crisis support funding to assist them with its immediate response to the pandemic, and \$2.39 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.

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

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

Revenue is measured at the amount of consideration to which the TAFE 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
State government – contestable	Refers to contributions received from a limited pool of government funding for which the TAFE must compete with other registered training providers. Funding is allocated primarily through a competitive tendering process and a 'User Choice' system.	Provision of education services	Over time, as the student receives and consumes the educational services
State government – other contributions	Refers to funding such as specific-purpose grants and additional contributions relating to students who are 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 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.
			At the point-in-time when each internship is completed. Transaction price is the amount agreed with the customer for each internship.

2.2 Revenue from fees, charges and sales

	Consolidated	
	2020 \$'000	2019 \$'000
Student fees and charges	3,307	3,416
Fee for service – government	3,985	2,146
Fee for service – international operations – onshore	867	1,052
Fee for service – other	293	13
Other non-course fees and charges		
Sale of goods	312	704
Total revenue from fees, charges and sales	8,764	7,331

The following table provides a breakdown of contractual sales with customers based on the timing of revenue recognition:

	Consolidated	
	2020 \$'000	2019 \$'000
Revenue recognised over time	8,159	6,614
Revenue recognised at a point in time	605	717
Total revenue from fees, charges and sales	8,764	7,331

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

Revenue for student fees and charges is recognised as the course is delivered to the student and is measured as the amount the TAFE 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 sales of goods revenue is recognised when the TAFE transfers control over a good or service to its customers.

The TAFE uses performance obligations as set out in project plans to recognise revenue over time in line with AASB 15.

2.2 Revenue from fees, charges and sales (continued)

Revenue Type	Nature	Performance obligation	Timing of satisfaction
Student fees and charges	The TAFE 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 the TAFE expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.
Fee for service – government, international operations	Fee for service relates to course fees funded by government or students.	Provision of services	Revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability.
Fee for service – other	Relates to non-course fees and charges. Ancillary services such as rental of facilities and resources.	Provision of services	Other non-course fees and charges are recognised as the service is delivered to the student or the public. For example, rent is recognised as the TAFE provides the use of space to the public.
Revenue from sale of goods		Delivery of goods	Revenue is recognised when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable). Payment of transaction price is due immediately.

2.2 Revenue from fees, charges and sales (continued)

Revenue recognised in relation to contract liabilities

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

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

	Consolidated	
	2020 \$'000	2019 \$'000
Funds received in advance	704	298
International Students	29	344
Other	53	75
Child Care Services	17	32
	803	749

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

Transaction price allocated to remaining performance obligations

All unsatisfied performance obligations are expected to be met in 2021.

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

Payment terms

The payment terms for student fees are as follows:

- up-front payment via EFTPOS or credit card prior to course commencement;
 - payment plan via a third party (Debitsuccess);
 - 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 21 days).
- Students are generally entitled to a refund (less administration fee) if they withdraw from a course within 28 days of enrolment. Students who withdraw after this time are generally not entitled to a refund.

2.3 Other income

	Consolidated	
	2020 \$'000	2019 \$'000
Interest income	84	178
Rental income	282	308
Donations, bequests and contributions	167	438
Childcare fees	1,480	1,868
Kinder Income	80	105
Other	221	264
Total other income	2,314	3,161

Other Income Type	Nature	Performance obligation	Timing of satisfaction
Interest	Interest income includes interest received on bank term deposits.	None	Recognised taking into account the effective interest rates applicable to the financial assets
Rental income	The TAFE receives rental income from student accommodation and hiring out space to third parties.	Provision of services	Rental income is recognised on a time proportional basis and is brought to account when the TAFE's right to receive the rental is established.
Donations and bequests	From time to time, generous benefactors may provide donations or gifts to further the objectives of the TAFE. 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 circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the
Childcare fees	Fee for service	Provision of services	Recognised in the reporting period in which the services are rendered. Where fee for service revenue is received in advance of providing the services the amount received in advance is disclosed as revenue received in advance.
Other income		Other income is recognised when the TAFE's right to receive payment is established.	

3. HOW WE EXPENDED OUR FUNDS

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.

- Future salary growth rate 2.88% (2019: 4.25%);
- Bond discount rates as per the Department of Treasury and Finance 1.008% (2019: 1.39%).

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

	Consolidated	
	2020 \$'000	2019 \$'000
Salaries, wages, overtime and allowances	21,651	19,775
Superannuation	2,535	1,915
Payroll tax	494	478
Workers compensation	146	148
Annual leave	311	325
Long service leave	601	447
Termination benefits	48	228
Other	39	56
Total employee benefits	25,825	23,372

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

3.2 Superannuation

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

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

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

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

	Consolidated	
	2020 \$'000	2019 \$'000
Paid contribution for the year		
Defined benefit plans:		
State Superannuation Fund – revised and new	63	71
Total defined benefit plans	63	71
Accumulation contribution plans:		
VicSuper	1,338	747
Other	1,134	1,097
Total accumulation contribution plans	2,472	1,844
Total paid contribution for the year	2,535	1,915
Contribution outstanding at year end		
Accumulation contribution plans:		
VicSuper	11	-
Total accumulation contribution plans	11	-
Total contribution outstanding at year end	11	-

Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3.3 Supplies and services

	Consolidated	
	2020 \$'000	2019 \$'000
Building repairs and maintenance	2,146	1,820
Communication expenses	232	290
Contract and other services	1,760	1,862
Cost of goods sold / distributed (ancillary trading)	123	451
Fees and charges	550	420
Purchase of supplies and consumables	978	1,684
Total supplies and services	5,789	6,527

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

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

3.3.1 Other expenditure commitments

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

	Consolidated	
	2020 \$'000	2019 \$'000
Payable		
Within one year	1,160	3,083
Later than one year but not later than five years	84	-
Total other expenditure commitments	1,244	3,083
GST payable on the above	113	280
Net other expenditure commitments	1,131	2,803

3.4 Other operating expenses

	Consolidated	
	2020 \$'000	2019 \$'000
Audit fees and services	145	78
Equipment below capitalisation threshold	1,220	1,004
Marketing and promotional expenses	423	246
Staff development	139	125
Travel and motor vehicle expenses	205	580
Utilities	573	748
Variable lease payments not included in the measurement of lease liability	132	120
Expenses relating to short-term leases	37	43
Other	108	214
Total other operating expenses	2,982	3,158

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.

3.5 Finance costs

	Consolidated	
	2020 \$'000	2019 \$'000
Interest on lease liabilities	127	119
Total finance costs	127	119

3.6 Depreciation and amortisation

	Consolidated	
	2020 \$'000	2019 \$'000
Depreciation of property, plant and equipment	1,731	1,372
Depreciation of right of use assets	240	144
Amortisation of intangible assets	347	364
Total depreciation and amortisation	2,318	1,880

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment

Fair value measurement

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

In accordance with government purpose classifications (used by the Australian Bureau of Statistics to classify expenses and acquisitions of non-financial assets of the public sector and general government sector), the TAFE's property, plant and equipment are assets used for the purpose of education. Property, plant and equipment includes all operational assets.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
CONSOLIDATED						
Land	2,350	2,307	-	-	2,350	2,307
Buildings	32,718	32,715	(2,441)	(1,628)	30,277	31,087
Construction in progress	161	389	-	-	161	389
Plant and equipment	14,814	11,988	(8,747)	(7,505)	6,067	4,483
Motor vehicles	722	1,195	(482)	(859)	240	336
Land improvements	8	-	-	-	8	-
Cultural assets	81	81	-	-	81	81
Right of use assets	3,523	2,844	(374)	(144)	3,149	2,700
Net carrying amount	54,377	51,519	(12,044)	(10,136)	42,333	41,383

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

Initial recognition

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

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

The cost of land improvements is capitalised and depreciated over their estimated useful lives.

Subsequent measurement

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

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

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

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

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

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2017. For the year ended 31 December 2020, an assessment was conducted using indices provided by the Office of the Victorian Valuer-General, which resulted in a revaluation increment for land. Refer to Note 9.2 for the quantum of the revaluation increment.

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 Property, plant and equipment (continued)

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

	Land \$'000	Buildings \$'000	Construction in progress \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Land improvements \$'000	Cultural assets \$'000	Right of use assets \$'000	Total \$'000
Consolidated 2020									
Opening net book amount	2,307	31,087	389	4,483	336	-	81	2,700	41,383
Additions	-	3	403	1,775	-	8	-	187	2,376
Revaluations	43	-	-	-	-	-	-	502	545
Transfers	-	6	(631)	687	(62)	-	-	-	-
Depreciation	-	(819)	-	(878)	(34)	-	-	(240)	(1,971)
Net carrying amount	2,350	30,277	161	6,067	240	8	81	3,149	42,333
Consolidated 2019									
Opening net book amount	8,017	31,580	458	3,001	404	-	93	-	43,553
Additions	-	58	522	1,869	81	-	-	497	3,027
Adjustment on adoption of AASB16	-	-	-	-	-	-	-	2,347	2,347
Revaluations	(5,710)	-	-	-	-	-	-	-	(5,710)
Disposals	-	(87)	-	(219)	-	-	(12)	-	(318)
Transfers	-	349	(591)	337	(95)	-	-	-	-
Depreciation	-	(813)	-	(505)	(54)	-	-	(144)	(1,516)
Net carrying amount	2,307	31,087	389	4,483	336	-	81	2,700	41,383

4.1 Property, plant and equipment (continued)

4.1.2 Capital commitments

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

	Consolidated	
	2020 \$'000	2019 \$'000
Payable		
Within one year	7,211	992
Total capital expenditure commitments	7,211	992
GST payable on the above	656	90
Net capital expenditure commitments	6,555	902

As part of the Victorian Government's \$2.7billion Building Works stimulus package the TAFE was successful in securing funding for two major commercial activities to freshen and modernise its primary building assets. The projects are scheduled to be completed during 2021.

4.1.3 Loss on property, plant and equipment

	Consolidated	
	2020 \$'000	2019 \$'000
Net (loss) on disposal of property plant and equipment	(11)	(361)
Net (loss) on disposal of property plant and equipment	(11)	(361)

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.

4.2 Intangible assets

Capitalised software includes expenditure incurred in the development of the Student Management System (SMS) purchased by the TAFE. The software's estimated useful life is ten years and on this basis it will be fully amortised in 2024.

	Consolidated	
	2020 \$'000	2019 \$'000
Software		
Gross carrying amount		
Opening balance	3,468	3,660
Additions	-	107
Disposals	-	(299)
Closing balance	3,468	3,468
Gross carrying amount		
Opening balance	(1,730)	(1,437)
Amortisation charge	(347)	(364)
Disposals	-	71
Closing balance	(2,077)	(1,730)
Net carrying amount at end of the year	1,391	1,738

4.2 Intangible assets (continued)

Initial recognition

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

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

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

Subsequent measurement

Intangible assets are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Intangible assets have useful lives of 10 years.

Impairment of intangible assets

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.

4.3 Depreciation and amortisation

Depreciation and amortisation is provided on software, property, plant and equipment, and freehold buildings.

Depreciation and amortisation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Depreciation and amortisation methods and useful life used for each class of depreciable assets are:

Class of assets	Useful life	Method
Buildings	40 years (2019: 40 years)	Straight Line
Plant and equipment	3 – 10 years (2019: 3 – 10 years)	Straight Line
Motor vehicles	2 -20 years (2019: 2 - 20 years)	Straight Line
Land improvements	10 – 40 years (2019: 15 – 40 years)	Straight Line
Right of use assets	Lease term (2019: lease term)	Straight Line
Software	10 years (2019: 10 years)	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.

4.4 Investments and other financial assets

	Consolidated	
	2020 \$'000	2019 \$'000
Current investments and other financial assets		
Term deposits > three months	40	428
Total investments and other financial assets	40	428

Ageing analysis of investments and other financial assets

	Carrying amount \$'000	Not past due and not \$'000	Less than 1 month \$'000	1 to 3 months \$'000	3 months to 1 year \$'000	1 to 5 years \$'000
Consolidated 2020						
Term deposits	40	-	-	-	40	-
Total	40	-	-	-	40	-
Consolidated 2019						
Term deposits	428	-	-	-	428	-
Total	428	-	-	-	428	-

5. BALANCES FROM OPERATIONS

5.1 Receivables

	Consolidated	
	2020 \$'000	2019 \$'000
Current		
Trade receivable	517	860
Loss allowance on accounts receivable	(44)	(56)
Other receivables	2	2
Total receivables from contracts with customers	475	806
Statutory		
Amount receivable from Victorian Government	1,177	436
Amount receivable from Commonwealth Government	47	41
GST input tax credit recoverable	22	37
Total other receivables	1,246	514
Total current receivables	1,721	1,320

Receivables consist of:

- statutory receivables, which include predominantly amounts owing from the Government and GST input tax credits recoverable; and
- contractual receivables, which include mainly debtors in relation to 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 not classified as financial instruments.**

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

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

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

Impairment

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

The movement in the allowance for impairment in respect of trade receivables during the year is shown in the following table.

	Consolidated	
	2020 \$'000	2019 \$'000
Balance at the beginning of the year	56	26
Amounts written off	(20)	(6)
Net remeasurement of loss allowance	8	36
Balance at the end of the year	44	56

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

5.1 Receivables (continued)

Ageing analysis of contractual receivables

Consolidated 2020	Carrying amount \$'000	Not past due and not \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	Consolidated	
							2020 \$'000	2019 \$'000
Trade receivables	473	432	33	1	7	-		
Other receivables	2	2	-	-	-	-		
Total	475	434	33	1	7	-		
Consolidated 2019								
Trade receivables	804	601	78	125	-	-		
Other receivables	2	2	-	-	-	-		
Total	806	603	78	125	-	-		

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 21 days.

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

5.2 Other non-financial assets

Current	Consolidated	
	2020 \$'000	2019 \$'000
Prepayments	1,216	835
Inventories	22	25
Total current other non-financial assets	1,238	860
Total other non-financial assets	1,238	860

Prepayments represent that part of expenditure made in one accounting period covering a term extending beyond that period.

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

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

Cost, includes an appropriate portion of fixed and variable overhead expenses. Cost is assigned to other high value, low volume inventory items on a specific identification of cost basis. Cost for all other inventory is measured on the basis of weighted average cost.

5.3 Payables

Current	Consolidated	
	2020 \$'000	2019 \$'000
Contractual		
Supplies and services	681	1,479
Total contractual payables	681	1,479
Statutory		
FBT payable	13	-
Total statutory payables	13	-
Total current payables	694	1,479

Payables consist of:

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

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 are 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.

Ageing analysis of contractual payables

Consolidated 2020	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	Consolidated	
							2020 \$'000	2019 \$'000
Supplies and services	681	681	681	-	-	-		
Total	681	681	681	-	-	-		
Consolidated 2019								
Supplies and services	1,479	1,479	1,479	-	-	-		
Total	1,479	1,479	1,479	-	-	-		

Note: The disclosures above exclude statutory payables (e.g. amounts arising to Victorian Government and 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.

5.4 Contract liabilities

Refer to 2.2 for further information around revenue recognised in relation to contract liabilities.

	Consolidated	
	2020 \$'000	2019 \$'000
Contract liabilities – student fees	525	803
Contract liabilities – other	590	150
Total contract liabilities	1,115	953

Contract liabilities

Any fees received by the TAFE 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.

5.5 Other liabilities

	Consolidated	
	2020 \$'000	2019 \$'000
Dr Alan Antcliff Memorial Trust	40	40
Funds held in trust	83	-
Total other liabilities	123	40

5.6 Employee provisions

	Consolidated	
	2020 \$'000	2019 \$'000
Annual leave	698	620
Long service leave	2,085	1,976
Total short-term benefits	2,783	2,596
Long service leave	701	545
Total long-term benefits	701	545
Total employee provisions	3,484	3,141

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

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro rata payments in certain circumstances. The entire amount of the provision of \$2,783k (2019: \$2,596k) is presented as current, since the TAFE does not have an unconditional right to defer settlement for any of these obligations.

However, based on past experience, the TAFE 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 Victorian state lockdown. As a result, the leave provisions have increased by \$343k (2019: \$271k). The impact of COVID-19 is further discussed in Note 1.3.

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

	Consolidated	
	2020 \$'000	2019 \$'000
Unconditional and expected to wholly settle within 12 months	1,143	1,008
Unconditional and expected to wholly settle after 12 months	1,640	1,588
Total current employee provisions	2,783	2,596

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash and deposits

	Consolidated	
	2020 \$'000	2019 \$'000
Cash at bank and on hand	515	847
Deposits at call	9,706	14,844
Total cash and deposits	10,221	15,691

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

	Consolidated	
	2020 \$'000	2019 \$'000
Net result for the year	(4,440)	2,231
Non-cash movements		
Depreciation / amortisation of non-financial assets	2,318	1,880
Net loss on sale of non-financial assets	11	367
Greener government loan discount	-	24
Government loan discount	(188)	64
(Decrease)/Increase in provision for doubtful contractual receivables	(12)	30
Movements in assets and liabilities		
(Increase) in receivables	(389)	(135)
Decrease in inventories	3	17
(Increase) in prepayments	(381)	(355)
(Decrease) / increase in payables	(945)	344
Increase in employee provisions	343	266
Increase in contract liabilities	162	953
Increase/ (decrease) in other liabilities	83	(747)
Net cash flows (used in) / from operating activities	(3,435)	4,939
Per cash flow statement	(3,435)	4,939

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are presented as operating cash flows.

6.2 Borrowings

	Consolidated	
	2020 \$'000	2019 \$'000
Current		
Advances from Government	209	1,123
Non-current		
Advances from Government	3,618	3,101
Total borrowings	3,827	4,224

Advances from Government

Advances from Government are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs.

The measurement basis subsequent to initial recognition depends on whether the the TAFE has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost.

Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The the TAFE determines the classification of its interest bearing liabilities at initial recognition.

Maturity analysis of borrowings

Consolidated 2020	Carrying amount \$'000	Nominal amount \$'000	Less than			
			1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
Advances from Government	3,827	4,025	-	209	-	3,816
Total	3,827	4,025	-	209	-	3,816
Consolidated 2019						
Advances from Government	4,224	4,418	-	250	959	3,209
Total	4,224	4,418	-	250	959	3,209

The fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 7.3) due to the use of unobservable inputs, including own credit risk.

6.3 Contributed capital

	Consolidated	
	2020 \$'000	2019 \$'000
Balance at 1 January	6,997	6,997
Balance at 31 December	6,997	6,997

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.

6.4 Leases

Policy

At inception of a contract, all entities 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.

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

As a lessee

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

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the TAFE is reasonably certain to exercise, lease payments in an optional renewal period if the TAFE is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the TAFE is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured:

- when there is a change in future lease payments arising from a change in an index or rate;
- if there is a change in the TAFE's estimate of the amount expected to be payable under a residual value guarantee; or
- if the TAFE changes its assessment of whether it will exercise a purchase, extension or termination option.

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

6.4 Leases (continued)

Right of use assets	Property \$'000	Vehicles \$'000	Other \$'000	Total \$'000
Consolidated				
2020				
Balance as at 1 January 2020	2,184	516	-	2,700
Additions	-	-	187	187
Revaluation	500	-	2	502
Amortisation	(128)	(100)	(12)	(240)
Balance as at 31 December 2020	2,556	416	177	3,149
Consolidated				
2019				
Balance as at 1 January 2019	-	-	-	-
Adoption of AASB16 Leases	2,226	121	-	2,347
Additions	40	457	-	497
Amortisation	(82)	(62)	-	(144)
Balance as at 31 December 2019	2,184	516	-	2,700

Lease liabilities

	Consolidated	
	2020 \$'000	2019 \$'000
Maturity analysis – contractual undiscounted cash flows		
Within one year	331	273
Later than one year but not later than five years	885	1,086
Later than five years	3,832	3,591
Total undiscounted lease liabilities as at 31 December	5,048	4,950
Future finance charges	(1,801)	(2,218)
Total discounted lease liabilities as at 31 December	3,247	2,732
Current	277	153
Non-current	2,970	2,579
Total lease liabilities	3,247	2,732

Short-term and low value leases

The TAFE has elected not to recognise right of use assets and lease liabilities for short-term leases of equipment 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. The TAFE 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

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

	Consolidated	
	2020 \$'000	2019 \$'000
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and deposits	10,221	15,691
Trade receivables	517	860
Other receivables	2	2
Term deposits	40	428
Total contractual financial assets	10,780	16,981
Contractual financial liabilities		
Loans and payables		
Supplies and services	681	1,479
Other liabilities	123	40
At amortised cost		
Lease liabilities	3,247	2,732
Contract liability (Advances from Government)	3,827	4,224
Total contractual financial liabilities	7,878	8,475

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

Categories of financial instruments

The TAFE 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).

The TAFE recognises the following assets in this category:

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

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

- payables (excluding statutory payables);
- borrowings (including finance lease liabilities);
- other liabilities; and
- advances from government.

7.1 Financial instruments (continued)

7.1.1 Financial risk management objectives and policies

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

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

Primary responsibility for the identification and management of financial risks rests with the TAFE's finance function, overseen by the Audit and Risk Management Committee of the TAFE on behalf of the Board.

7.1.2 Credit risk

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

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

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

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

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

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

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

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

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

	Financial institutions (AA-rating) \$'000	Government agencies (AAA-rating) \$'000	Other counterparty \$'000	Total \$'000
Consolidated 2020				
Cash and deposits	515	9,706	-	10,221
Receivables	-	-	475	475
Investments and other financial assets	40	-	-	40
Total contractual financial assets	555	9,706	475	10,736
Consolidated 2019				
Cash and deposits	847	14,844	-	15,691
Receivables	-	-	806	806
Investments and other financial assets	428	-	-	428
Total contractual financial assets	1,275	14,844	806	16,925

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

7.1 Financial instruments (continued)

AASB 9 uses an 'expected credit loss' (ECL) model. Under this model, loss allowances are measured on either of the following bases:

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

In measuring expected credit losses, 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 2020 and the past 48 months before 31 December 2019, 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. The TAFE 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.

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

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

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

7.1.3 Liquidity risk

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

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

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

The TAFE manages liquidity risk by:

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

The TAFE's exposure to liquidity risk is deemed to be not material based on prior periods' data and current assessment of risk.

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

7.1.4 Market risk

In its daily operations, the TAFE, is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse effect on the operating result and /or net worth of the the TAFE.

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

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

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.

The TAFE has not identified any contingent assets as at 31 December 2020 (31 December 2019: nil) that may have a material effect on the financial operations of the TAFE.

The TAFE has given an undertaking to its controlled entity, TAFE Kids Inc., that it will provide financial support to that organisation should the need arise.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

- land, buildings, plant and equipment, vehicles, cultural assets, and land improvements.

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

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

Fair value estimation

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

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

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

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

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

Fair value determination of financial assets and liabilities

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

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

(a) Fair value determination of non-financial assets

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

The TAFE, in conjunction with the Valuer-General Victoria (VGV), monitors changes in the fair value of each asset through relevant data sources to determine whether revaluations are required. The recurring fair value measurements of non-financial physical assets, such as land and buildings, are based on Level 2 observable inputs and Level 3 unobservable inputs due to the nature and characteristics of the TAFE's campus assets. There is little or no observable market evidence of the market selling price of campus assets as they are specialised assets with a Community Service Obligation (CSO) applied.

7.3 Fair value determination (continued)

The table below shows the relevant fair value information relating to those assets.

	Carrying amount at 31 December \$'000	Fair value hierarchy		
		Level 1 Quoted prices \$'000	Level 2 Observable price inputs \$'000	Level 3 Unobservable inputs \$'000
Consolidated 2020				
Specialised land	2,350	-	-	2,350
Total land at fair value	2,350	-	-	2,350
Specialised buildings	30,277	-	-	30,277
Total buildings at fair value	30,277	-	-	30,277
Plant and equipment	6,067	-	-	6,067
Vehicles	240	-	-	240
Cultural Assets	81	-	-	81
Land improvements	8	-	-	8
Total other assets at fair value	6,396	-	-	6,396
Consolidated 2019				
Non-specialised land	484	-	484	-
Specialised land	1,823	-	-	1,823
Total land at fair value	2,307	-	484	1,823
Specialised buildings	31,807	-	-	31,807
Total buildings at fair value	31,807	-	-	31,807
Plant and equipment	4,483	-	-	4,483
Vehicles	336	-	-	336
Cultural assets	81	-	-	81
Total other assets at fair value	4,900	-	-	4,900

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 applicable to that class of asset.

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

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

(b) Valuations of property, plant and equipment

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

7.3 Fair value determination (continued)

For the year ending 31 December 2020 the TAFE conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

- assumptions made about the future
- source of estimation uncertainty
- the nature or class of assets impacted
- the carrying amount of the assets subject to the significant uncertainty
- sensitivity of the carrying amounts to methods, assumptions and estimates including the reasons for their sensitivity; and
- 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.

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

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

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

Construction in progress assets are held at cost. the TAFE 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. the TAFE acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the TAFE who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant, equipment, library 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.

Land 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 land improvements is based on significant unobservable inputs and accordingly is classified as a Level 3 asset.

Land that was incorrectly disclosed as level 2 input at 31 December 2019 has been reclassified as level 3 input. There were no other changes in valuation techniques throughout the period to 31 December 2020.

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

Description of significant unobservable inputs to Level 3 valuations

2020 and 2019	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment
Specialised buildings	Current replacement cost	Useful life of buildings and cost per square metre
Motor vehicles	Current replacement cost	Useful life of vehicles
Plant, equipment and library	Current replacement cost	Useful life of plant and equipment
Cultural assts	Cost per unit	Useful life of cultural assets
Land improvements	Current replacement cost	Useful life of lease

8. GOVERNANCE DISCLOSURES

8.1 Responsible persons

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

The persons who held the positions of Ministers and Accountable Officers in the TAFE were as follows:

Position	Name	Relevant Period
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MLC	1 January 2020 to 31 December 2020
Director and Chief Executive Officer (Accountable Officer)	Geoff Dea	1 January 2020 to 31 December 2020
Board Chair	Kay Martin	1 January 2020 to 31 December 2020
Board Member	Rod Markwell	1 January 2020 to 31 December 2020
Board Member	Amanda Phillips	1 January 2020 to 31 December 2020
Board Member	Justin Lachal	1 January 2020 to 31 December 2020
Board Member	Terry Jennings	1 January 2020 to 31 December 2020
Board Member	Greg Hutchison	1 January 2020 to 31 December 2020
Board Member	Patricia Kelly	1 January 2020 to 30 November 2020
Board Member	Neth Hinton	1 January 2020 to 31 December 2020
Board Member	Tania Chapman	1 January 2020 to 31 December 2020

Remuneration

Remuneration received or receivable by the Chief Executive Officer in connection with the management of the TAFE during the reporting period was in the range: \$240,000 - \$249,999 (2019: \$220,000 - \$229,999).

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

Income range	2020	2019
\$10,000 – \$19,999	-	7
\$20,000 – \$29,999	7	1
\$40,000 – \$49,999	1	1
\$110,000-\$119,999	1	1
Total number	9	10
Total remuneration (\$'000)	318	314

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

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.

	Consolidated	
	2020 \$'000	2019 \$'000
Remuneration		
Short-term employee benefits	597	804
Post-employment benefits	54	57
Other long-term benefits	13	15
Termination benefits	23	95
Total remuneration	687	971
Total number of executives	4	6
Total annualised employee equivalents (i)	4	5

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

8.3 Related parties

Related parties of the TAFE and its consolidated entity 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 entities that are controlled and consolidated into the TAFE's consolidated financial statements; and
- all departments and public sector entities that are controlled and consolidated into the whole-of-state consolidated financial statements.

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

The following entity has been consolidated into the TAFE's financial statements in accordance with AASB 10:

- TAFE Kids Inc.

Significant transactions with related entities

The TAFE provides services by way of Human Resources, Bookkeeping/Accounting, IT and building related services throughout the year.

Related party transactions

	Transaction values for year ended 31 December		Balances outstanding as at 31 December	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
	Services provided to subsidiary TAFE Kids Inc. (service fees)	84	80	12
Total	84	80	12	145

8.3 Related parties (continued)

Key management personnel of the TAFE includes the Minister for Training and Skills and Minister for Higher Education, the Hon. Gayle Tierney MLC, all Board members, and members of the Executive Leadership Team which includes:

Key management personnel	Position title
Geoff Dea	Chief Executive Officer
David Harris	General Manager - Operations
Diane Schmidt	General Manager - Corporate Services
Chelsea Diana	Manager - Compliance & Risk
Robin Kuhne	General Manager - Education Mildura - (Resigned 14 August 2020)

Compensation of key management personnel

	Consolidated	
	2020 \$'000	2019 \$'000
Remuneration		
Short-term employee benefits	1,108	1,283
Post-employment benefits	101	102
Other long-term benefits	16	27
Termination benefits	23	95
Total remuneration	1,248	1,507

Key management personnel of TAFE Kids Inc., consolidated pursuant to section 53(1)(b) of the FMA into the TAFE's financial statements, include:

Key management personnel	Position title
Kay Martin	Board Chair
Geoff Dea	Chief Executive Officer
Amanda Phillips	Board Member
Diane Schmidt	Treasurer
Amie Johnson	Centre Director
David Harris	Secretary

Transactions and balances with key management personnel and other related parties

TAFE Kids Inc. had no material related party transactions for the period ending 31 December 2020.

8.4 Remuneration of auditors

	Consolidated	
	2020 \$'000	2019 \$'000
Remuneration of the Victorian Auditor-General's Office		
Audit of the financial statements	82	39
Total remuneration of the Victorian Auditor-General's Office	82	39
Remuneration of other auditors		
Internal audit services	63	39
Total remuneration of other auditors	63	39
Total	145	78

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

9. OTHER DISCLOSURES

9.1 Other economic flows included in net result

	Consolidated	
	2020 \$'000	2019 \$'000
(a) Net gain/(loss) on financial instruments		
Greener Government loan discount	-	(24)
Government loan discount	188	(64)
Impairment of loans and receivables	5	(31)
Total net gain/(loss) on financial instruments	193	(119)
(b) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	107	(93)
Total other gains/(losses) from other economic flows	107	(93)
Total other economic flows included in net result	300	(212)

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

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

- gains and losses from disposals of non-financial assets (refer to Note 4.1);
- revaluations and impairments of non-financial physical and intangible assets (refer to Note 4.1 and Note 4.2);
- remeasurement arising from employee benefits (refer to Note 3.1); and
- fair value changes of financial instruments (refer to Note 7.3).

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

	Consolidated	
	2020 \$'000	2019 \$'000
Physical asset revaluation surplus		
Balance at 1 January	23,053	28,763
Effect of adoption of AASB16 Leases	-	(5,710)
Revaluation increment/(decrement) on non-current assets	43	-
Balance at 31 December	23,096	23,053

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

9.3 Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entity:

Controlled entities	Country of incorporation	Class of shares	2020 %	2019 %
TAFE Kids Incorporated	Australia	N/A	100	100

TAFE Kids Incorporated

TAFE Kids Incorporated provides community child care services. The Association is controlled by the TAFE.

9.4 Events after reporting date

To mitigate liquidity risk, The Department of Education and Training has provided a letter of comfort to Sunraysia Institute of TAFE to provide a level of assurance that financial assistance will be made available for Sunraysia Institute of TAFE to continue as a going concern.

The TAFE is economically dependent on the Department of Education for the majority of its revenue used to fund the operations of the TAFE. At the date of this report, the Board have no reason to believe the Department of Education will not continue to support the TAFE in its operations.

No other matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the TAFE and TAFE Kids Inc., the results of those operations or the state of affairs of the TAFE and TAFE Kids Inc. in subsequent financial years.

9.5 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2020 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises the TAFE of their applicability and early adoption where applicable.

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

9.6 Transition impact on financial statements

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

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

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

10. PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	2020	2019
	\$'000	\$'000
Balance sheet		
Total current assets	12,754	17,725
Total non-current assets	42,569	41,929
Total assets	55,323	59,654
Total current liabilities	5,023	6,215
Total non-current liabilities	7,246	6,188
Total liabilities	12,269	12,403
Accumulated surplus	13,607	17,847
Contributed capital	6,997	6,997
Reserves	22,450	22,407
Total equity	43,054	47,251
Comprehensive operating statement		
Net result	(4,237)	2,193
Comprehensive result	(4,237)	2,193

The parent entity has not provided any financial guarantees on behalf of its subsidiaries.
The parent entity did not have any contingent liabilities as at 31 December 2020 (2019 Nil).
The parent entity had no contractual commitments as at 31 December 2020 (2019: Nil).

Disclosure Index

Item No.	Source	Summary of Reporting Requirement	Page No.
Report of Operations			
Charter and Purpose			
1	FRD 22H 5.4 a	Manner of establishment and the relevant Minister	6
2	FRD 22H 5.4 b 5.5	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	6-29
3	FRD 22H 5.4 c	Nature and range of services provided including the communities served	6-29
Management and Structure			
4	FRD 22H 5.4 d 5.6	Organisational chart detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	6-8
Financial and Other Information			
5	FRD 03A	Accounting for Dividends	N/A
6	FRD 07B	Early adoption of authoritative accounting pronouncements	85
7	FRD 10A	Disclosure Index	87-89
8	FRD 17B	Wage inflation and discount rates for employee benefits	58
9	RD 22H 5.11 c	Operational and budgetary objectives, including performance against objectives and achievements	10-25
10	FRD 22H 5.10	Occupational health and safety statement including performance indicators, performance against those indicators.	31
11	FRD 22H 5.8	Workforce data for current and previous reporting period, including a statement on the application of employment and conduct principles and that employees have been correctly classified in the workforce data collections	32
12	FRD 22H 5.11 a	Summary of the financial results, with comparative information for the preceding four reporting periods	33
13	FRD 22H 5.11 b	Summary of significant changes in financial position	33
14	FRD 22H 5.7	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future	10-25
15	FRD 22H 5.11 d	Post-balance sheet date events likely to significantly affect subsequent reporting periods	85
16	FRD 22H 5.18 a	Summary of application and operation of the <i>Freedom of Information Act 1982</i>	35
17	FRD 22H 5.12	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	33
18	FRD 22H 5.9	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target	N/A
19	FRD 22H 5.16	Schedule of any government advertising campaign in excess of \$100,000 (exclusive of GST)	N/A
20	FRD 22H 5.18 e	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of Victoria's Competitive Neutrality Policy and any subsequent reform	35
21	FRD 22H 5.18 g	Statement on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	34

Item No.	Source	Summary of Reporting Requirement	Page No.
22	FRD 22H 5.18 c	Summary of application and operation of the Public Interest Disclosures Act 2012 including disclosures required by the Act	36
23	FRD 22H 5.18 h	Summary of Environmental Performance	30
24	FRD 22H 5.13 5.14 5.15	Consultants: Report of Operations must include a statement disclosing each of the following: 1 Total number of consultancies of \$10,000 or more (excluding GST) 2 Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project 3 Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period	35
25	FRD 22H 5.19	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	34
26	FRD 22H 5.17	An entity shall disclose the following in the report of operations: a. Total entity ICT Business as Usual (BAU) expenditure for the full 12-month reporting period; and b. Total entity ICT Non-Business as Usual expenditure for the full 12-month reporting period; and provide a breakdown for: i Operational expenditure (OPEX); and ii Capital expenditure (CAPEX).	35
27	FRD 25D	Local Jobs First	35
28	AASB 16	Leases	73-74
29	SD 5.1.4	Financial Management Compliance Attestation Statement The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions and the Instructions, and disclose all Material Compliance Deficiencies.	34
30	FRD 119A	Transfers through contributed capital	47, 48, 73
31	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	Inside cover, 34, 41,
32	SD 5.2.3	The report of operations must be signed and dated by a member of the Responsible Body	37, 41
33	CG 10 Clause 27	Summary of Major Commercial Activities	35
34	CG 12 Clause 33	TAFE Institute Controlled Entities	84
Financial Report			
35	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: • the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and • the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards.	37, 41
36	SD 5.2.2(a)	An Agency's financial statements must include a signed and dated declaration by: • The Accountable Officer; • Subject to Direction 5.2.2(c), the CFO; and • For Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body.	37, 41

Item No.	Source	Summary of Reporting Requirement	Page No.
37	FRD 30D	Rounding of Amounts	50
38	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: • review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament	7
Other requirements as per Financial Reporting Directions in notes to the Financial Statements			
39	FRD 11A	Disclosure of ex-gratia payments	N/A
40	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	81-83
41	FRD 102A	Inventories	68
42	FRD 103H	Non-financial physical assets	62-64
43	FRD 105B	Borrowing costs	72
44	FRD 106B	Impairment of assets	65-67, 75, 79
45	FRD 107B	Investment properties	N/A
46	FRD 109A	Intangible assets	65
47	FRD 110A	Cash flow statements	49
48	FRD 112D	Defined benefit superannuation obligations	59
49	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	84
50	FRD 114C	Financial instruments	75-77
51	FRD 120N	Accounting and reporting pronouncements applicable to the reporting period	50-86
Compliance with other Legislation, Subordinate Instruments and Policies			
52	Legislation	The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following: • <i>Education and Training Reform Act 2006</i> (ETRA) • TAFE institute constitution • Directions of the Minister for Training and Skills (or predecessors) • TAFE institute Commercial Guidelines • TAFE institute Strategic Planning Guidelines • <i>Public Administration Act 2004</i> • <i>Financial Management Act 1994</i> • <i>Freedom of Information Act 1982</i> • <i>Building Act 1993</i> • <i>Public Interest Disclosure Act 2012</i> • <i>Local Jobs First Act 2003</i>	34-35
53	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2020	35
54	Policy	Statement that the TAFE institute complies with the Victorian Public Service Travel Policy	36
55	Key Performance Indicators	Institutes to report against: • Employment costs as a proportion of training revenue; • Training revenue per teaching FTE; • Operating margin percentage; • Training revenue diversity.	40
Overseas Operations of Victorian Tafe Institutes			
56	PAEC and VAGO (June 2003 Special Review – Recommendation 11)	• Financial and other information on initiatives taken or strategies relating to the institute's overseas operations • Nature of strategic and operational risks for overseas operations • Strategies established to manage such risks of overseas operations • Performance measures and targets formulated for overseas operations • The extent to which expected outcomes for overseas operations have been achieved.	N/A

Key to abbreviations

AEU	Australian Education Union
ANMAC	Australian Nursing and Midwifery Accreditation Council
ASQA	Australian Skills Quality Authority
ATO	Australian Taxation Office
ATSICA	Aboriginal and Torres Strait Islander Cultural Arts
CAD	Computer-aided Design
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMF	Compliance Management Framework
CNC	Computer Numerical Control
COO	Chief Operations Officer
COVID-19	Coronavirus
DET	Department of Education and Training
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EDS	Education Development Services
FAQ	Frequently Asked Questions
FFS	Fee for Service
FMA	Financial Management Association
FTE	Full Time Equivalent
GF	Government Funded
HA	Hectare
HESG	Higher Education and Skills Group
ICT	Information and Communication Technology

KPI	Key Performance Indicator
LPG	Liquefied Petroleum Gas
MEA	Multi Enterprise Agreement
OH&S	Occupational Health and Safety
PACCT	Professional, Administrative, Clerical, Computing and Technical
PAEC	Public Accounts and Estimates Committee
PRG	Pandemic Response Group
PD	Professional Development
PEC	Professional Educator College
PTR	Pre Training Review
RPL	Recognition of Prior Learning
RSTF	Regional and Specialist Training Fund
SCH	Student Contact Hours
SaJC	Skills and Jobs Centre
SMART	Specific Measurable Attainable Realistic Timely
SMGT	Sunraysia and Murray Group Training
SMS	Student Management System
SuniTAFE	Sunraysia Institute of TAFE
TAFE	Technical and Further Education
ULP	Unleaded Petrol
VAGO	Victorian Auditor-General's Office
VET	Vocational Education and Training
VETDSS	Vocational Education and Training Delivered to Secondary Schools
VIPP	Victorian Industry Participation Policy
VPSC	Victorian Public Sector Commission
VTA	Victorian TAFE Association
VTG	Victorian Training Guarantee
WHS	Work Health and Safety



Requests for further information can be directed to:
Sunraysia Institute of TAFE
Office of the CEO
PO Box 1904
Mildura, VIC 3502
Ph: 03 5022 3707
mildura@sunitafe.edu.au

This annual report is available online at
www.sunitafe.edu.au

