



2023 annual report

Acknowledgment of Country

Sunraysia Institute of TAFE would like to acknowledge the traditional owners of the land and waters upon which we conduct training; principally in Mildura, Robinvale and Swan Hill, and all communities where we have a presence, and pay our respects to elders past, present and emerging.

We acknowledge the important contribution that First Nations Peoples make in our communities today.

Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present Sunraysia Institute of TAFE's Annual Report for the year ending 31 December 2023.

CRICOS Provider Code: 01985A, RTO Code: 4693



Brett Millington
Chief Executive Officer (CEO)
Sunraysia Institute of TAFE
26/03/2024

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Introduction

Board Chair and Chief Executive Officer Statement

In 2023 the Board and staff of SuniTAFE welcomed a new era with the appointment of Brett Millington to the role of Chief Executive Officer (CEO), following the retirement of Geoff Dea in June. Geoff made a lasting impact on SuniTAFE throughout his seven years as CEO, and there have been many reasons for the Board to be proud of the work accomplishments Geoff achieved. During Geoff's tenure he continued to deliver exceptional outcomes for SuniTAFE and our community, while also facing many challenges and adversity to ensure SuniTAFE's long term sustainability and ongoing relevance.

To continue our focus on supporting growth in industry capability, student success, and regional sustainability in 2023, we undertook a recruitment campaign to expand the Executive Leadership Team. Three new roles were introduced: General Manager - Education Delivery; Head of People and Culture and Head of Governance.

Our strong engagement with the TAFE sector was strengthened even further in July, with our hosting of the Victorian TAFE Association Annual State Conference. This was a great opportunity to showcase to the broader TAFE community the many great things we do at SuniTAFE, and what our region has to offer.

Our response to students and industry capacity building included securing \$1.9 million towards the 'Protective Cropping – Building an Industry Workforce' project. With the delivery of high-quality training through the AHC21819 Certificate II in Protected Horticulture at our SMART Farm Campus in Mildura, we will assist the growing protected cropping industry regionally, which includes the multimillion-dollar medicinal cannabis facility of the Cann Group.

We continually strive for excellence and the Board is pleased to have endorsed and adopted SuniTAFE's refreshed values. The values ensure quality education outcomes by setting the standard of behaviour for our organisation, what is important to us collectively, and how we will work collectively to achieve success.

We are proud of our many significant achievements this year, notably the opening of The Nexus in September by The Hon. Gayle Tierney MP, Minister for Skills and TAFE. This new space has created a vibrant student information, support,

and technology hub. The renovations have made our main campus building more student-centred, helping us to deliver on our mission as an Institute.

We are equally proud of our student award winners for 2023. In August, trade apprentices Thomas Bevan and Tristan Bulger received gold medals at the WorldSkills Australia National Championships. We also had nursing graduate Pearl Dunn win a Victorian Training Award as Koorie Student of the Year, and featuring as a finalist for the Australian Training Awards.

We are very grateful for the support of the Victorian Government in providing funding for the following initiatives in 2023:

- Completion of \$1.6 million engagement space project at the Mildura Campus (Funding Source: Asset Maintenance Program);
- \$1.9 million for Protected Cropping (Funding Source: Agriculture TAFE and Training Fund);

Our Board, Strategic Leadership Team, teachers, and administrative staff have continued to play a pivotal role in shaping SuniTAFE's workforce, culture, and overall success. We thank them for their ongoing commitment and hard work.

We continually strive to empower learners, industry, and community to succeed. We engage with them at a scale that can achieve impact and influence. Notably, staff and the Board participated in engagement workshops in August to seek reflections on the 2019-2023 Strategic Plan, and provide input to the future strategy for the 2024-2028 SuniTAFE Strategic Plan. The new strategic plan, which is detailed on page 17 of this report was ratified by the Board on Tuesday 28 November, 2023.



Geoff Dea, Neth Hinton Board Chair, Brett Millington CEO

On behalf of the SuniTAFE Board, we wish to thank Minister Tierney for her ongoing support of SuniTAFE. We also gratefully acknowledge the assistance and support of the Department of Jobs, Skills, Industry and Regions (DJSIR), Office of TAFE Coordination and Delivery (OTCD), Victorian Skills Authority (VSA) and Victorian TAFE Association (VTA).

We are pleased to present the 2023 Annual Report of Sunraysia Institute of TAFE.

Neth Hinton Board Chair
26/03/2024

Brett Millington CEO
26/03/2024

Minister

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

History

SuniTAFE is 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, our 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, 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 regional and remote areas of north-west Victoria.

During those very early years, partnerships with other educational providers were already seen as being vital to the work we have done for the community.

Links and relationships were fostered with Ballarat University College, La Trobe University, Hawthorn Institute of Education, Victoria College, and Deakin University. Some of these partnerships remain strong today.

Notably, the Mildura Campus evolved into an education precinct with the co-location of La Trobe University.

Today, we are a vibrant educational community, providing vocational education and training for the people of Loddon Mallee North and beyond. Students travel from across Victoria and interstate to study courses in which we have a demonstrated level of expertise.

Through the use of technology and a commitment to building educational partnerships that improve opportunities for our students, we are also well positioned to deliver high quality training to many who are unable to access a physical campus.

Services

We offer priority courses from VET Delivered to Secondary School Students (VETDSS), traineeships, apprenticeships, leading to a range of certificates through to diplomas and advanced diplomas.

We enrol students in a range of disciplines including:

- Accounting and Management;
- Automotive and Engineering;
- Beauty;
- Business and Information Technology;
- Conservation and Ecosystems Management;
- Construction and Trades;
- Design and Visual Arts;
- Food and Hospitality;
- General Education and English;
- Health and Community;
- Horticulture and Agriculture.

Other Services:

We continue to offer a range of services to industry including:

- Business and industry advisory panels;
- Employment services;
- Partnership programs;
- Workforce development.

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 businesses;
- Government agencies;
- Job starters;
- People returning to the workforce;
- Up-skillers.

Locations and Facilities

SuniTAFE operates across four locations:

Mildura

453 Benetook Avenue, Mildura

Swan Hill

64 Sea Lake-Swan Hill Road, Swan Hill

SMART Farm

161 Dairtnunk Avenue, Cardross

Co-location, Robinvale College

88 George Street, Robinvale

Controlled Entities

TAFE Kids Inc.

Co-location, SuniTAFE Mildura Campus

TAFE Kids Inc. is a small community not-for-profit service that is managed by the TAFE Kids Management Committee. The Centre takes pride in providing a home-like feel for children, educators, families, and other stakeholders.


TAFE Kids Inc. provides early childhood education and care and 3- and 4-year-old kindergarten programs, with care available to children aged from 6 weeks to 5 years. With the general community, SuniTAFE staff, and students all welcome to enrol their child, the Centre caters for up to 69 children per day.

The Centre strives to put into practice the understanding of childhood development through study, observations and collaborative work between parents and educators.

TAFE Kids Inc. delivers weekly curriculum that supports and nurtures the physical, emotional, social, and intellectual growth of the child inspired by the understanding of child development, and in accordance with State and Federal requirements. TAFE Kids Inc. is committed to investing in the professional development of educators, enabling the delivery of holistic education to all children. In addition, the Centre offers traineeships and work placement opportunities for SuniTAFE students.

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* which is included in the audited Financial Report; Note 9.3'



TAFE Kids Inc. creates an environment based on live, laugh and learn for all children.

Purpose

Strategic Plan

The 2019-2023 Strategic Plan specified SuniTAFE's organisational priorities, and provided a guide to the approach with which our focus of delivering education, skills and training to meet the current and future needs

of the north-west region of Victoria would be undertaken.

It was the overarching outline for business and action plans through which the vision, mission, values, strategic pillars and associated objectives were operationalised.

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



Summary of Activities, Programs and Achievements

Preferred training provider

Sponsorship

School Bursaries

We support young people who live in the Mallee through financially supporting their learning across disciplines such as education, music, sports or other extracurricular activities organised by the secondary schools.

In 2023, 11 bursaries were gifted across the district to be presented by schools at end of year awards, to further the education opportunities of school leavers.

VETDSS Excellence Awards

We were a gold sponsor for the Sunraysia Careers Network 2023 VET Delivered to Secondary Students (VETDSS) Excellence Awards, held in November. The awards celebrate outstanding work accomplished by VET, VCE and SBAT students in the region.

SuniTAFE had 55 students and 4 teachers nominated for an award. 11 of the nominated students were named winners.

We proudly offer the VETDSS program to students locally to help them get a jump on their career in a range of industries, including trades, allied health and I.T. The program creates new opportunities and alternative pathways for students. Not only does this fill gaps in the local workforce, it also improves educational outcomes for students.

Chances for Children Scholarship

We continued our community partnership with Chances for Children to provide education scholarships. Chances for Children help us create pathways to education and employment opportunities which are critical in breaking cycles of disadvantage.

NAIDOC Awards

We supported Mallee District Aboriginal Services (MDAS) NAIDOC Awards events in Mildura and Swan Hill. The awards reward and recognise those who have made

an outstanding contribution to the local First Nations community.

CareerWISE

In 2023 work continued on developing the CareerWISE 'virtual marketplace' which sits alongside SuniTAFE's Skills and Jobs Centre. CareerWISE's role is to facilitate a dynamic flow of information and engagement between our Institute, students and employers to fill job vacancies (for industry), and enable employment outcomes (for students). CareerWISE also encourages the attraction of new students to choose SuniTAFE for skills, training and education.

Project milestones include development of a brand identity and on-boarding campaign with assets to launch a web interface and attract users (industry and students) to the platform.

This SuniTAFE innovation achieved Victorian Government 'start-up' funding in 2022 from the Workforce Innovation Training Fund.

Future Lab

In 2023 we launched Future Lab at the Mildura Campus for enrolled students in the new Diploma of Graphic Design (CUA50720). Future Lab aims to assist the Victorian Government's priority industry in digital technology.

Budding graphic designers received hands-on knowledge and experience while working on real projects with real clients and industry partners, while also being mentored by SuniTAFE's broader creative community.

Funding for SuniTAFE's Future Lab was received from the Regional and Specialist Training Fund in 2022.

Electric Vehicles

Our students are at the forefront of electric vehicle (EV) technology with the arrival of two new, fully electric trucks in late June to Mildura and Swan Hill campuses.

The expanded fleet of electric vehicles supports local workforce needs to develop the next generation of technicians, and build on the skills and capabilities to support Victoria's Clean Economy.

The two SEA 300-45 EV's from SEA Electric Australia are equipped with advanced electric drivetrains, offering exceptional performance and zero tailpipe emissions. These state-of-the-art vehicles are designed to promote sustainable transportation and reduce environmental impact.

The purchase of the vehicles was made possible through funding from the Apprenticeships Victoria Quality Apprenticeships Equipment Grant in 2022.

Ardoch - Learning Through Lunch Program

The Skills and Jobs Centre continued its involvement with Ardoch in September 2023 by offering four Learning Through Lunch Program sessions to local school children. Ardoch is a children's education charity focussed on improving educational outcomes for children and young people in disadvantaged communities. We were pleased to have expanded the program this year to include a program day at the SuniTAFE SMART Farm and Swan Hill campuses. Across the four events we hosted 250 students from seven schools. The events provided students an opportunity to try new foods through fine dining, converse with volunteers from a range of industries, and give them the chance to imagine what their future career could be.

SuniTAFE Project Funding

SuniTAFE's Project Reporting Team oversees, records and monitors all projects, funding submissions and reporting requirements. We welcome monetary boosts for training and resources from the Victorian government. The funding further strengthens our capacity to deliver quality education, training and services to the wider Mallee region, to support regional workforces and keep people in the region.

2023 projects included:

- Skills and Jobs Centres;
- Destination Australia Program (Round 4);
- Indigenous Rangers – Certificate III in Conservation and Ecosystem Management;
- Cyber Security;

- Shared Learning Materials;
- SMART Farm capital works;
- Accessibility Funding – Improving disability access;
- Reconnect;
- New Asset Information Management Systems;
- InPlace Platform;
- VETDSS;
- Senior Secondary Enrolment and attendance Funding.

Major funding received in 2023:

Protective Cropping

SuniTAFE secured \$1.9 million to be used towards its 'Protective Cropping – Building an Industry Workforce' project.

The project is one of 13 approved for funding as part of the Victorian Government's \$15 million Agriculture TAFE and Training Fund.

Protected cropping provides a sustainable solution for food production in Australian climates, enabling the production of high-quality crops with minimal wastage. To meet the needs of the protected cropping industry we will help build a skilled workforce through the delivery of high-quality training in protected horticulture at its SMART Farm campus.

The course will provide skills and knowledge for workers in the protected horticulture industry undertaking routine tasks such as picking, packing, crop and nursery work. It will be a great addition to our scope, and provide a pathway to further education and training.

The course is being developed in partnership with La Trobe University and the Cann Group – Australia's first commercially licensed medicinal cannabis cultivator and manufacturer. Through this partnership, we will benefit through Cann's extensive experience in agriculture, agronomic and health research sectors, and in developing and commercialising agriculture technology. Cann's experience will help to develop and teach relevant course offerings in this area of precision agriculture. La Trobe University will support course delivery by providing in-kind support such as lectures for students, work experience opportunities and pathways into higher education.

Development of the project is underway with the view of taking enrolments for the course as early as 2024.

Judicial College of Victoria comes to SuniTAFE

SuniTAFE's Dulka Yuppata Indigenous Training Centre students hosted a welcome dinner for the Judicial College of Victoria in October, as part of the Back to Country event in Mildura. Students created table centrepieces and used native ingredients to cook and serve a diverse menu.

It was a privilege for us to host this community event and showcase the skills and knowledge of our students, while providing them with a great real life learning experience.

Progressive Collaborator

SaJC Mallee Mobile Service

The reach of the Skills and Jobs Centre expanded further in 2023 welcoming an increase in fleet, with a permanent van service now located at the Swan Hill Campus. The van is available for all community, industry and school engagement opportunities.

The implementation of the mobile service in 2022 has enabled a fleet of vans to visit schools, community centres, and workplaces regularly in areas with limited or no direct access to TAFE, training or the regions' employment information (Charlton, Kerang, Robinvale and other towns across the region). The service provides free advice and assists in building strong connections with employers and industry across the region to ensure strong pathways to employment. This will support regional workforces and keeping people in the region.

Community Engagement

SuniTAFE's Skills and Jobs Centre had a busy calendar of events and activations in 2023 to promote its suite of services to school-leavers, industry and the wider community. Since hitting the road, the Mallee Mobile Service has implemented a rotational visitation calendar to link in with community groups and stakeholders to provide Skills and Jobs Centre services to Robinvale, Charlton, Kerang and Swan Hill.

Activation events include:

- Mildura Field Days;
- Mallee Machinery Field Days;
- Futures Day;
- School visits;
- Campus tours;
- Loddon Tertiary Education Service events;
- La Trobe University Open Day;
- Information sessions.

SuniTAFE SMART Farm Community Engagement

SuniTAFE'S SMART Farm Campus continued its connection with industry and community in 2023 via the following activations:

Staff

Appointment of a new Horticultural Relationship Manager.

Staging the first field day in Australia for the John Deere 5ML tractor

John Deere trainers spent a month teaching 76 personnel and dealership staff from across the country about innovative technology designed for High Value Crops (HVC). The diversity of crops and open areas at the SMART Farm presented a wide range of conditions to demonstrate the capabilities of the technology.

Horticulture Immersion Program

We were part of the Northern Mallee Local Learning and Employment Network (NMLLEN) Northern Mallee Horticulture Immersion Program. Introduced this year, the program is hands-on and runs each term, providing nine full days of horticultural experiences, including immersion days at the SuniTAFE SMART Farm. Students explored the pivotal role of technology in research and production. Activities included a site induction, farm tour, data analysis, drone flying and VET Delivered to Secondary Students (VETDSS) information. Participants also explored cutting-edge technology, including weather stations, crop monitoring, soil moisture sensors, cameras, irrigation systems, VR Goggles and pest monitoring. The program has opened the doors to more than 50 secondary school students in the northern Mallee to explore modern horticulture careers and technology.

VTA State Conference

The Victorian TAFE Association State Conference, TAFECreates-23, was held in the region for the first time in 2023 with the support of SuniTAFE. The three-day event held in July saw approximately 220 delegates from Victorian TAFEs, dual sector universities and government, community and industry partners join together to discuss contemporary issues, convey big picture ideas, communicate trends, gather for collaborative consultation, connect and network.

Holding the event in Mildura was a fantastic opportunity for the region and an honour for us.

The event allowed visitors to gain a greater understanding of our role within the local community, while also getting a chance to visit other local industry sites.

Breeding program

Our Conservation and Ecosystem Management students have been part of a team working to make a difference to the local ecosystem. For the past two years, our students have worked alongside North Central and Mallee Catchment Management Authority, OzFish Unlimited, and SEA LIFE Melbourne Aquarium to implement a breeding program of native fish. In March, 40 Olive Perchlet fingerlings roughly 20mm long were released into the pond at the Mildura Campus. In April 2023 students worked on sampling, where they discovered in some cases the fish had doubled in size and some appeared to be ready to breed.

The project aims to create a breeding program with potential of these fish being relocated into other systems and to repopulate those areas.

Koorie Big Day Out

Held across the state, the event introduced Koorie students to the many career opportunities that are available locally and across Victoria.

The Victorian Aboriginal Education Association Inc. (VAEAI) hosted their Koorie Big Day Out event at the Mildura Campus in August 2023 as part of the Toorong Marnong expo.

Secondary school students from across Sunraysia visited SuniTAFE to participate in the day which was held at the Dulka Yuppata Indigenous Training Centre. Students attended a careers expo, health and wellbeing workshops, cultural activities, and listened to Koorie student ambassadors as part of the event.

Community connections

In contribution to wellbeing and community connectivity, SuniTAFE staff participated in the following initiatives in 2023:

Mallee Family Care Christmas Toy Drive

Mildura Campus staff got into the festive spirit by participating in the 2023 Mallee Family Care Christmas Appeal. More than 80 gifts were purchased, including dolls, building blocks, sporting equipment, and art supplies.

We have participated in the Christmas Appeal for more than a decade. The contributions of local businesses, schools, and individuals allow Mallee Family Care to provide Christmas gifts to children who might otherwise go without.

Beyond Blue

Staff went above and beyond for Beyond Blue in October raising almost \$2,000 for mental health awareness. Staff joined together for afternoon tea in support of work colleagues shaving, waxing, cutting or colouring their hair.

Community Walk Against Family Violence

Taking a step in the right direction, staff took part in the Mildura Rural City Council's annual Community Walk Against Family Violence in November. SuniTAFE and Skills and Jobs Centre staff also provided an information stall.

The theme for White Ribbon Day this year was No Good Reason, calling on those involved to challenge the status quo, learn more or make a commitment to creating change. We emphasise White Ribbon Australia's view that there's no good reason for people to stand by and stay disengaged or indifferent to family violence.

Support Growth and be Sustainable

Activation Events

Futures Day

In 2023 we continued our collaboration with La Trobe University to showcase the many opportunities and study options in the region to students at Mildura Senior College for Futures Day in June. It was fantastic to provide this event again to Year 12 students with future study options and course guidance. There are plans to expand the event in 2024.

SuniTAFE Open Day

Two successful Careers Open Days were held in September at Swan Hill and Mildura campuses. More than 100 secondary school students attended the Swan Hill event, travelling from as far away as Balranald to get a taste of what their future might be at SuniTAFE. Student groups and members of the public at the Mildura event saw course areas brought to life in the new Nexus space. The careers expo was also a big hit, with representatives from 13 external organisations in attendance. We were proud to open our doors to potential students on both campuses, to show off the quality learning opportunities available and promote connections with local industry.

Blended Delivery

Implementation of a best practice blended delivery model has continued in 2023. High priority courses are in the process of transitioning to blended delivery creating a more immersive and engaging learning environment. The SuniConnect Users Group continues to grow in numbers. This group provides an opportunity to share knowledge, learn and develop new skills that enhance the educational experience. The model is supported by a framework that provides a structured path for the successful integration of technology and traditional teaching methods.

International Students

In 2023 we welcomed students from 17 countries, providing small diverse classes and opportunities for students to speak English with friends.

Initiatives undertaken in 2023 to boost international promotion for SuniTAFE include:

- Joining a Study Melbourne TAFE delegation to Vietnam in September to meet agents and gain insights into what Vietnamese students are seeking;

- Attendance to the Australian International Education Conference in Adelaide in October;
- Presentations to offshore agents at Study Melbourne TAFE focused events;
- Continuing to offer Pathway to Victoria Scholarships, a Victorian Government initiative to help the recovery of international education after the pandemic;
- Successfully receiving Round 4 Destination Australia Scholarships, an Australian Government initiative to encourage students to pursue their education in regional areas. An application was approved in December to again offer these scholarships in 2024.

Student Voice

In 2023 work continued on developing a mechanism to hear what our students are saying.

Project milestones include:

- Development of a Student Voice brand identity and campaign materials to promote survey periods;
- Developing a communication framework to report Student Voice survey results to SuniTAFE's Leadership Team and Board;
- Establishing a working party and Terms of Reference;
- An increase in survey response rates from 2022 jumping from 8.8% to 11.4% (Term 1 survey);
- A new Student Portal to be launched in 2024 to assist with communicating with our students.

We are also considering a Student Voice Australia membership.

SuniTAFE wellbeing

The SuniTAFE Board, CEO and Executive Leadership Team are united in the commitment to improving staff wellbeing.

The 2023 People Matters Survey results showed a significant dip in response rate (62% in 2022 down to 39% in 2023), and challenges to be addressed in staff wellbeing and engagement.

In response to the staff feedback, staff participated in an additional Wellbeing Survey in May to further consult and identify corrective actions for the future.'

These actions included;

- Establishing a People and Wellbeing Plan to support the implementation of the 2024-2028 Strategic Plan.
- Embedding SuniTAFE Values by strengthening the

support to the Values Leadership Team; Ensuring values driven recruitment processes, decision making, policies and procedures;

- Staff Wellbeing: Alignment of Occupational Health and Safety function and committees; Recruitment of Manager, Wellbeing; 2024 calendar of wellbeing activities; training; role of Contact Officers; Risk assessment and development of action plan;
- Communication: Implement an internal Communication Strategy.

Filling Early Years Education Gap

We are working towards filling the local and national shortage of qualified early years educators.

Future and current students now have the option to complete a Certificate III in Early Childhood Education and Care (CHC30121) or Diploma of Early Childhood Education and Care (CHC50121) via blended delivery or a sector delivery mode.

Registered trainees or those currently working in a regulated early years' service can undertake the sector delivery mode where students meet together online with teachers fortnightly as well as completing online learning.

Blended delivery is a combination of on campus delivery and online topics, which includes placements in a regulated early years education service that is arranged by our Institute.

The delivery modes have been created to complement the new course content and current qualifications. All the learning content is available online, which makes completing the course a lot more accessible, especially for those already out in the workforce.

Integrated Placement Program

Six Certificate I in Work Education (22566VIC) students participated in a new and improved 17-week pilot work placement program in 2023. Students were placed across local businesses and the Mildura Base Public Hospital, working 3 days per week.

The Integrated Placement Program (IPP) offered students with learning difficulties the chance to gain job specific skills to help them transition from education to the working world. The program aims to achieve employment outcomes for the students whilst giving them tailored support to meet their specific needs.

In 2024 the IPP will form part of a new 3-year Pathway to Work Program for special needs students.

Gender Equality Action Plan

In 2023 work continued on developing resources for SuniTAFE's Gender Equality Action Plan (GEAP). The GEAP ensures the attraction, development and retention of an inclusive, high performing and engaged workforce.

Business Excellence

Trades Night Event

The second annual Trades Event was held in the Automotive Workshop in November. The event brings together students, family, friends, employers and industry in a casual atmosphere to celebrate the academic year. This year's event was bigger and proved more popular amongst apprentices, with more than 130 guests in attendance. A highlight of the evening was the announcement of the 2023 Trades Awards winners.

Boasting strong student numbers in pre-apprenticeship and apprenticeship courses at both Mildura and Swan Hill campuses, the Trades Event was introduced last year to highlight the ongoing success and partnerships with local industry and employers.

Official opening of The Nexus

In October 2023, we celebrated the official opening of the SuniTAFE Nexus Space. The Nexus was developed thanks to \$1.6 million in funding from the Victorian Government Asset Maintenance Fund launched on 11 October 2023 by The Hon. Gayle Tierney MP, Minister for Skills and TAFE and Minister for Regional Development.

Students and staff were delighted to have this great new activity space as a welcoming point to our Mildura Campus, used to display state-of-the-art equipment, highlight student achievements, and run training sessions.

Prior to these renovations, visitors were greeted by a hallway of administrative offices when walking through the front doors of the campus. Now, those same front doors lead to a bright, modern, and open-plan engagement space named The Nexus. The administrative offices were relocated upstairs, so that the main entrance could be more welcoming and, most importantly, student-centred.

The new space was first opened to the public in May 2023, after nearly two years of planning and construction. The Nexus includes an exhibit space, an IT hub, a chillout zone, and an updated Café.

It is also the new home of the Skills and Jobs Centre, placing it in a central location to offer services to even more members of the public.

The name 'Nexus' was chosen for its definition, meaning a connection or focal point. To be at the nexus of something is to be right in the middle of it, like standing in the middle of an intersection.





Members of the SuniTAFE Board signing the Values statement

SuniTAFE refreshed Values

SuniTAFE's organisational values have undergone a refresh to better reflect the culture and align with the role we play in the community.

The redevelopment of the SuniTAFE Values has been a journey that began in early 2022 when the Board of Directors, in discussion with the Senior Leadership Team, identified that it was time for the pre-existing values to be refreshed.

When the new values were developed, an implementation plan was also created to reinforce with everyone; staff, students, and the broader community, the values that we hold ourselves to.

As we continue the rollout of these values, some initiatives have been trialled to help embed them into workplace culture, starting with the establishment of a Values Leadership Team and a signing off on the values by the Board of Directors in 2023. This was to signify the importance of the values at every level of the organisation.

Another early initiative has been the Values Recognition Program. Staff are able to nominate their colleagues who embody the values in their daily operations. Not only does this provide recognition for the individual, it also celebrates their demonstration of the values and encourages others to follow suit. The inaugural winner of the Geoff Dea Values and Leadership Award (Staff Member of the Year) was Rachel Parker (Manager, Procurement) who was recognised for significant contribution and demonstration of the values a number of times during the year. This award also sees Rachel recognised on the Geoff Dea Perpetual Shield' which was established to recognise the winner of this Award annually. The refreshed values form part of the wider review of the SuniTAFE Strategic Plan to be completed for 2024-2028.

Reconciliation Action Plan (RAP)

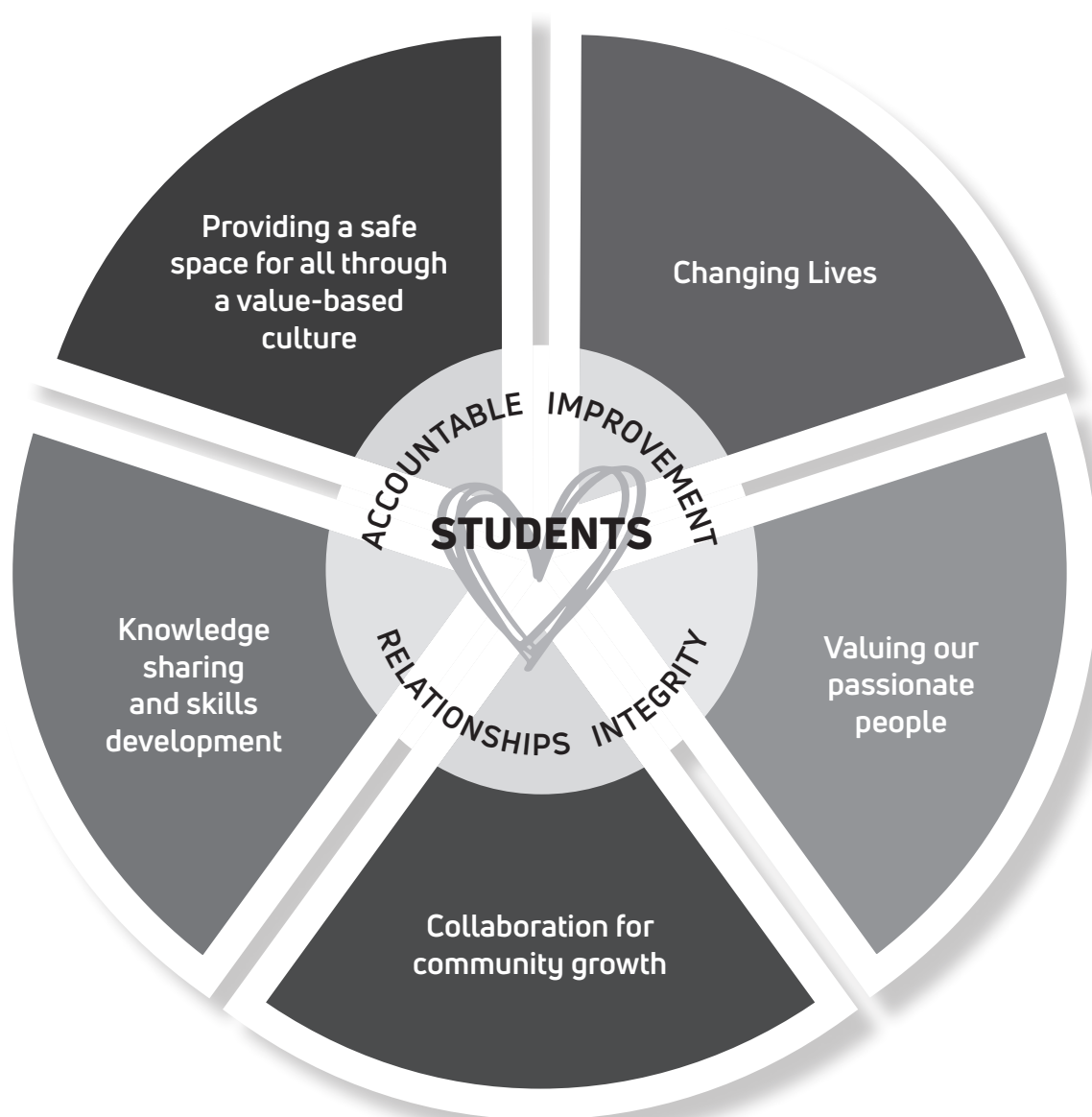
As part of SuniTAFE's commitment to reconciliation, a Reflective RAP has been developed and endorsed by the SuniTAFE Board. Through this RAP, SuniTAFE aims to develop and implement strategies to enhance its relationship with First Nations community, promote First Nations employment, and provide culturally appropriate education and training opportunities for First Nations individuals.

SuniTAFE's workplace reconciliation journey so far has been based on implementing strategies and actions from its Wurreker Implementation Plan. This includes providing cultural support for students through employment of a Koorie Liaison Officer, Koorie Student Support Officer, First Nations participation assistants and training First Nations teachers. We provide students with transportation, breakfast, career advice and individual learning plans. We celebrate all significant events such as NAIDOC week and regularly have the Elders in for lunch. We have also included Cultural Awareness training for all staff as part of our ongoing professional development.

The success of a Reflective RAP relies on the implementation of the strategies and actions outlined in the plan. The creation of a RAP Working Group will be an integral component of successful implementation. We will ensure that all staff members are aware of their roles and responsibilities in implementing the plan and provide training and support where necessary.

Future Direction and Strategy

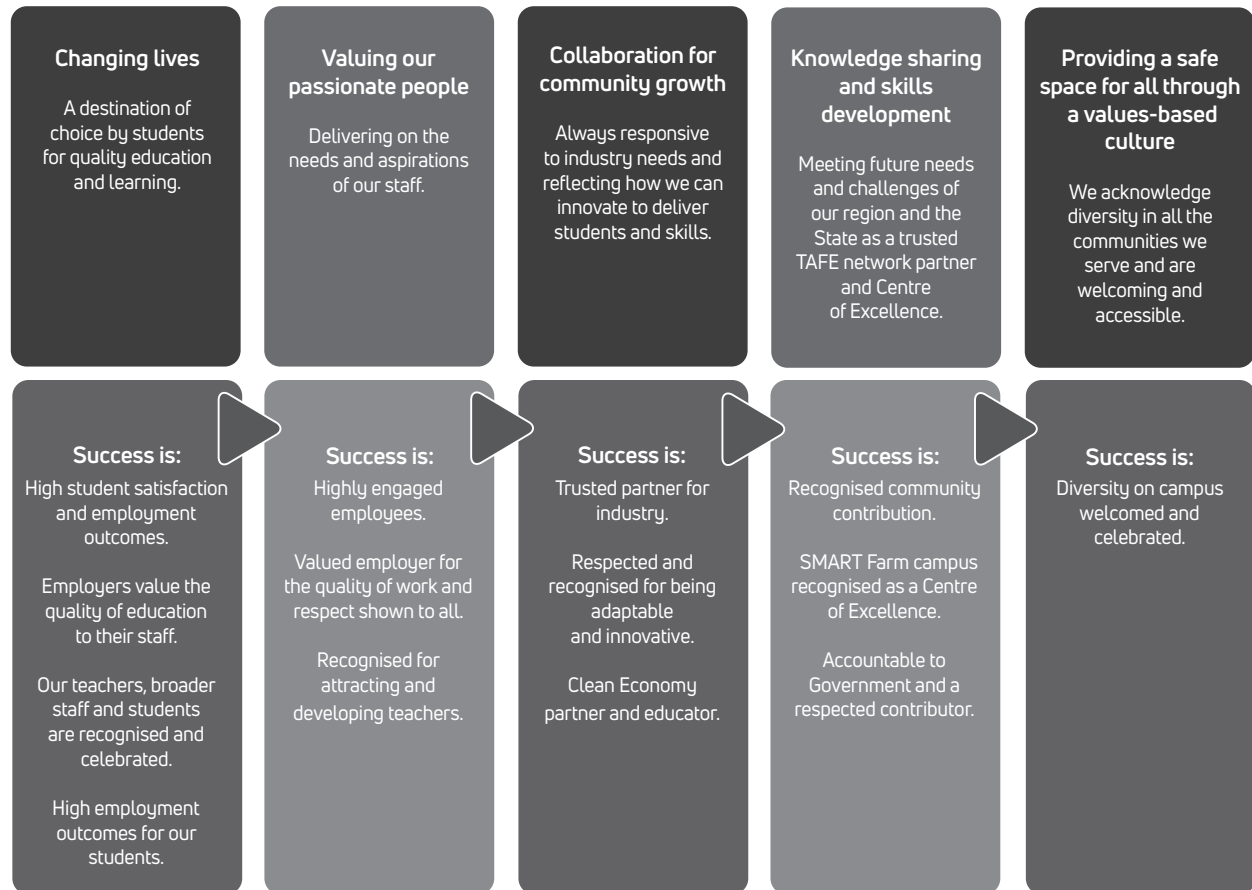
We are committed to delivering education, skills, and training that benefits our students, businesses, and communities. The SuniTAFE Board and staff have provided input into the development of the 2024-2028 SuniTAFE Strategic Plan. In November 2023, the SuniTAFE Board endorsed the new Strategy.



Strategy 2024 - 2028

Vision: Inspire growth and belief through learning.

Purpose: To deliver quality vocational education driven by communication, collaboration and understanding our community's needs.



As an organisation



Relationships

We respect and value the contributions of staff, students and our community and work as one team to fulfill SuniTAFE's vision. We recognise that our best work is done when it's done together and take the time to build connections with each other and strengthen those connections with open, respectful communication.

We know our individual differences strengthen what we can achieve and we provide an environment that allows people to be who they are.



Integrity

We choose to do the right thing, not the easy thing. We are honest, genuine and transparent towards our colleagues, customers, students and community stakeholders and recognize our place as a leader and role model in the community.

We give each other the safety and space to express views and opinions. We are willing to listen to feedback that may be difficult to hear and have the courage to act on that feedback.



Accountable

We ensure that our staff and students know what is expected of them and what they can expect from each other. We provide a framework to ensure that people are held accountable for their actions and behaviours.

We ensure decisions that are made uphold our accountability as a public sector organisation to manage our resources responsibly.



Improvement

We understand that change is pivotal to our growth. We take pride in the services we deliver. We actively seek and share feedback and look to action it where appropriate.

We offer the best experience we can to our stakeholders by ensuring our people have the skills they need. We seek to share our skills with others.

Awards and Achievements

SuniTAFE and staff	Award
Jess Kendrigan Teacher - Beauty	Winner, Teacher of the Year, SuniTAFE Graduation and Awards (Mildura) Teaching Fellowship Program - VET Development Centre
Chris McGinty Teacher, Koorie VCAL	Winner, Teacher/Trainer of the Year, 2023 Victorian Aboriginal Education Association (VAEAI) Wurreker Awards
Eilene Mitchell Koorie Liaison Officer	Finalist, Public Sector Employee, 2023 Victorian Aboriginal Education Association (VAEAI) Wurreker Awards
Chelsie Jensen Kindergarten Teacher - TAFE Kids Inc.	Nomination, Early Childhood Teacher of the Year, 2023 Victorian Early Years Awards
Rachel Parker Manager - Procurement	Winner, SuniTAFE Values Recognition Staff Member of the Year Award
SuniTAFE SMART Farm Campus	Quality Dried Fruit Award
SuniTAFE students	Award
Yuying 'Linda' Ding Certificate IV in Accounting and Bookkeeping	Winner, International Student of the Year - Vocational Education and Training, 2023 Victorian International Education Awards
Thomas Bevan Certificate III in Heavy Commercial Vehicle Mechanical Technology	Gold Medal - WorldSkills Australia National Championships
Tristan Bulger Certificate III in Wall and Ceiling Lining	Gold Medal - WorldSkills Australia National Championships
Pearl Dunn Diploma of Nursing	Winner - Koorie Student of the Year, Victorian Training Awards Finalist - Aboriginal and Torres Strait Islander Student of the Year, Australian Training Awards
VETDSS Excellence Award winners	Casey Skipworth VCE Vocational Major 3/4 Jacob Follett Victorian Pathways Certificate Jade Eames VET Allied Health Isabelle Petty VET Beauty Services Brannon Chislett VET Automotive Frankee-Mae Keenan VET Community Services Liam Dowling VET Conservation and Primary Industries Shakiera Faux VET Early Childhood Services Riley Douglas VET Electrical Will Nicholds VET Plumbing Riley McManus VET Wood Trades
Blair Hogan Certificate III in Engineering – Fabrication Trade	Young Trades Person of the Year for Victoria and Tasmania, 2023 Welding Excellence Awards
Mei (Khanh Ngan) Ho Certificate IV in Commercial Cookery	Winner, Life on Campus Photography Competition, Australian Education Union

Management and Structure

SuniTAFE and the governing Board are established by the *Education and Training Reform Act 2006* (Vic). The Board is governed under the Constitution of the Sunraysia Institute of Technical and Further Education Order 2016.

The functions of the TAFE Institute Boards include:

- Overseeing and efficiently managing the Institute;
- Developing and implementing strategic plans and other operational plans that are required;
- Developing policies and issuing directions that relate to the employment of staff, and administration and management of the Institute;
- Exercising direction and control and monitoring the CEO and staff to ensure work is conducted in an appropriate manner;
- Advising the Minister of Institute activities
- Notifying the Minister of any appointment of a co-opted Director, election of an elected Director, or any Board vacancies;
- Overseeing the process for electing a Board Chair, and staff-elected Director
- Holding and recording meetings as prescribed in the Constitution of the Sunraysia Institute of Technical and Further Education;
- Appointing a Board secretary.

Board Directors are appropriately skilled, with knowledge or experience in:

- Management;
- Business or Commerce;
- Finance;
- Corporate Governance;
- Law;
- Vocational Education and Training;
- Adult, Community and Further Education;
- Any industry in which training is provided at SuniTAFE.

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 Directors

The Board consists of 11 Directors:

- Six are Ministerial appointed Directors;
- Three are co-opted Directors appointed by the Board;
- One is a SuniTAFE staff member elected by SuniTAFE staff;
- One is the CEO.

The following Directors served on the Board during 2023 and hold a wealth of knowledge and experience:

Neth Hinton (Board Chair)

Neth joined the SuniTAFE Board in 2018 and was appointed Board Chair in July 2022. Neth worked for nearly 30 years in several major Melbourne health services as a clinician, project manager and senior executive, and has a particular interest in leadership, management and corporate governance.

Amanda Phillips (Deputy Chair)

Amanda joined the SuniTAFE Board in 2015 and was appointed Deputy Board Chair in July 2022. Amanda is a chartered accountant with over 25 years of business, finance, audit and management experience. Providing strong professional, government and community links, Amanda brings robust corporate governance, strategic planning and risk management skills to the Board.

Brett Millington (CEO – appointed 13 June 2023)

Brett was appointed as SuniTAFE Chief Executive Officer in June 2023. Brett has more than 20 years' experience at an executive level in the economic development and water industries.

Tania Chapman

Tania joined the SuniTAFE Board in July 2018. Tania has over 35 years' experience and has provided financial recording and advice services to a variety of rural businesses.

David Cofield (re-appointed 28 November 2023)

David joined the SuniTAFE Board in January 2021. David has been employed at SuniTAFE since 2008, firstly as a teacher in electrical and more recently in the role of Business Manager for Trades Mildura. David has a passion for TAFE and the important role it plays in both education and the community.

Kate Hughes

Kate joined the SuniTAFE Board in September 2021. Kate is an experienced non-executive director holding board and committee roles across a diverse portfolio. Prior to this Kate held executive roles in risk management, governance and compliance.

Julie Humphrey (appointed 1 October 2023)

Julie joined the SuniTAFE Board in October 2023. Julie has over 20 years of executive experience in finance, governance, strategy and management and is an experienced non-executive director holding board and committee roles across a range of government and private sectors.

Justin Lachal

Justin joined the SuniTAFE Board in July 2016. Justin is an active member on a number of boards and committees and brings extensive experience in business management and team leadership. Justin has a track record in implementing strategy in a complex environment.

Leesa Merrett (appointed 29 May 2023)

Leesa joined the SuniTAFE Board in May 2023. Leesa is an experienced executive who has worked in senior roles in the public water and environment sectors for over 20 years. Leesa has established strong connections across many sectors and is an advocate for inclusive access to services and meaningful community engagement.

Justin Pickering (appointed 21 August 2023)

Justin joined the SuniTAFE Board in August 2023. Justin has over 20 years' experience in a family owned-and-operated logistics business, advancing through the business from operations roles, to General Manager and Company Director. Justin holds qualifications in corporate governance, business, transport and distribution and is committed to serving his local community of Swan Hill.

Stelvio Vido

Stelvio joined the SuniTAFE Board in October 2022. Stelvio has over 20 years of board experience across a range of sectors, in addition to extensive executive experience having worked in senior leadership roles within community health care and support, settlement services, management consulting, local government and commercial media.

The following Directors concluded their term during 2023:

- **Geoff Dea** (CEO - concluded 30 June 2023)
- **Dennis Mitchell** (concluded 29 May 2023)
- **Terry Jennings** (concluded 31 August 2023)

The following Committees assisted the Board in fulfilling its duties in 2023:

Governance, Risk and Compliance Committee

The Governance, Risk and Compliance Committee assists the Board to effectively discharge its duties in relation to:

- Overseeing all aspects of good corporate governance, including the Board membership process and CEO employment;
- Proactive action and management of risks facing the Institute, and mitigation of these risks in accordance with the Victorian Government Risk Management Framework;
- Monitoring the adequacy of the Institute's compliance and quality management practices.

Membership

Kate Hughes (Chair)

Tania Chapman (Board Director)

Neth Hinton (Board Chair)

Julie Humphrey (Board Director
– appointed 1 November 2023)

Leesa Merrett (Board Director
– appointed 26 September 2023)

Brett Millington (CEO - appointed 13 June 2023)

Stelvio Vido (Board Director)

Geoff Dea (CEO - concluded 30 June 2023)

Leonie Burrows

(Co-Opted Member - concluded 30 September 2023)

Audit Committee

The Audit Committee assists the Board in the effective discharge of its legal responsibilities to oversee corporate reporting processes, including the financial reporting process, internal controls, external and internal audit, and compliance with applicable laws, regulations, the *Financial Management Act 1994* reporting requirements, and internal policies.

The Committee's role involves:

- Overseeing the scope and execution of the internal audit plan;
- Monitoring the effectiveness of SuniTAFE processes to ensure compliance with its fiduciary and statutory obligations in relation to financial reporting;
- Overseeing the preparation of financial statements and other published financial data;
- Review SuniTAFE's Fraud Management Plan;
- Reviewing 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

Amanda Phillips (Chair)

Neth Hinton (Board Chair)

Justin Lachal (Board Director)

Kellie Nulty (Co-Opted Member - appointed 1 March 2023)

Stelvio Vido (Board Director)

Terry Jennings (Concluded 31 August 2023)

Education and Student Experience Committee

The Education and Student Experience Committee assists the Board to discharge its duty in fulfilling their oversight of activities related to the student experience and quality education at SuniTAFE.

The Committee role involves:

- Sourcing, analysing and responding to evidence of teaching quality and student experience, with a focus on student feedback;
- Oversight, monitoring and advising the Board on the achievement of internal and external quality standards across all teaching and learning experiences;
- Promoting the development of excellence in teaching and learning at SuniTAFE, and advising the Board on developments of best practice.

Membership

Justin Lachal (Chair)

David Cofield (Staff - Elected Board Director)

Brett Millington (CEO)

Amanda Phillips (Board Director)

Industry and Community Engagement Committee

The Industry and Community Engagement Committee assists the Board to discharge its duty in relation to

positioning SuniTAFE for sustainable growth, and serve as a source of advice and connection within the local community, while developing and delivering exceptional and relevant training.

The Committee role involves;

- Assisting to guide SuniTAFE through the engagement process with the wider community it provides training to;
- Complementing the work of the Education and Student Engagement Committee, recognising that robust industry engagement is an important part of providing best practice education;
- Collaborating with industry partners to ensure educational offerings of the Institute are current, and reflect the needs of the wider community.

Membership

Brett Millington (Chair)

Tania Chapman (Board Director)

Chloe Keogh

(Co-Opted Member - appointed 25 October 2023)

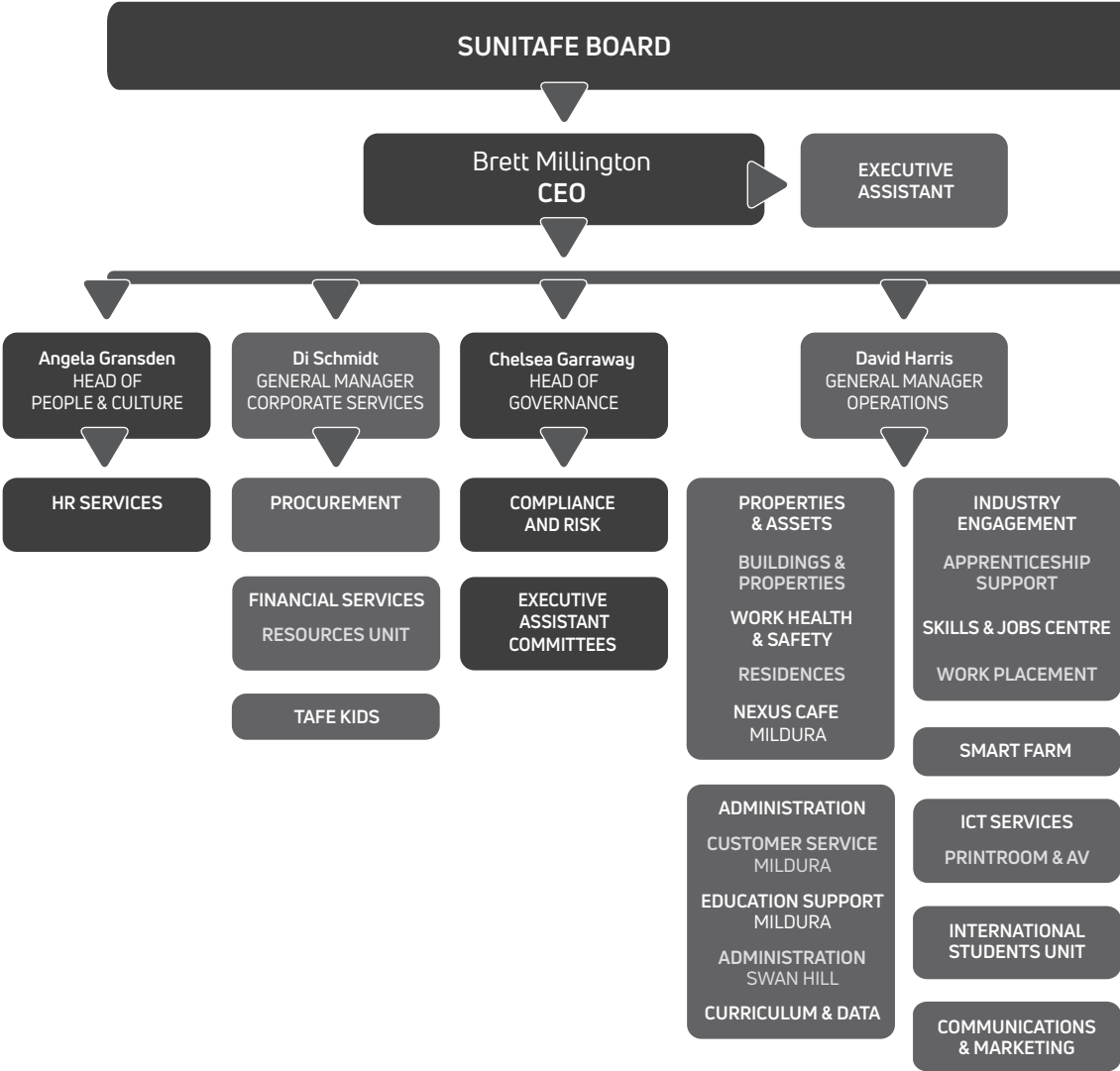
Leesa Merrett (Board Director)

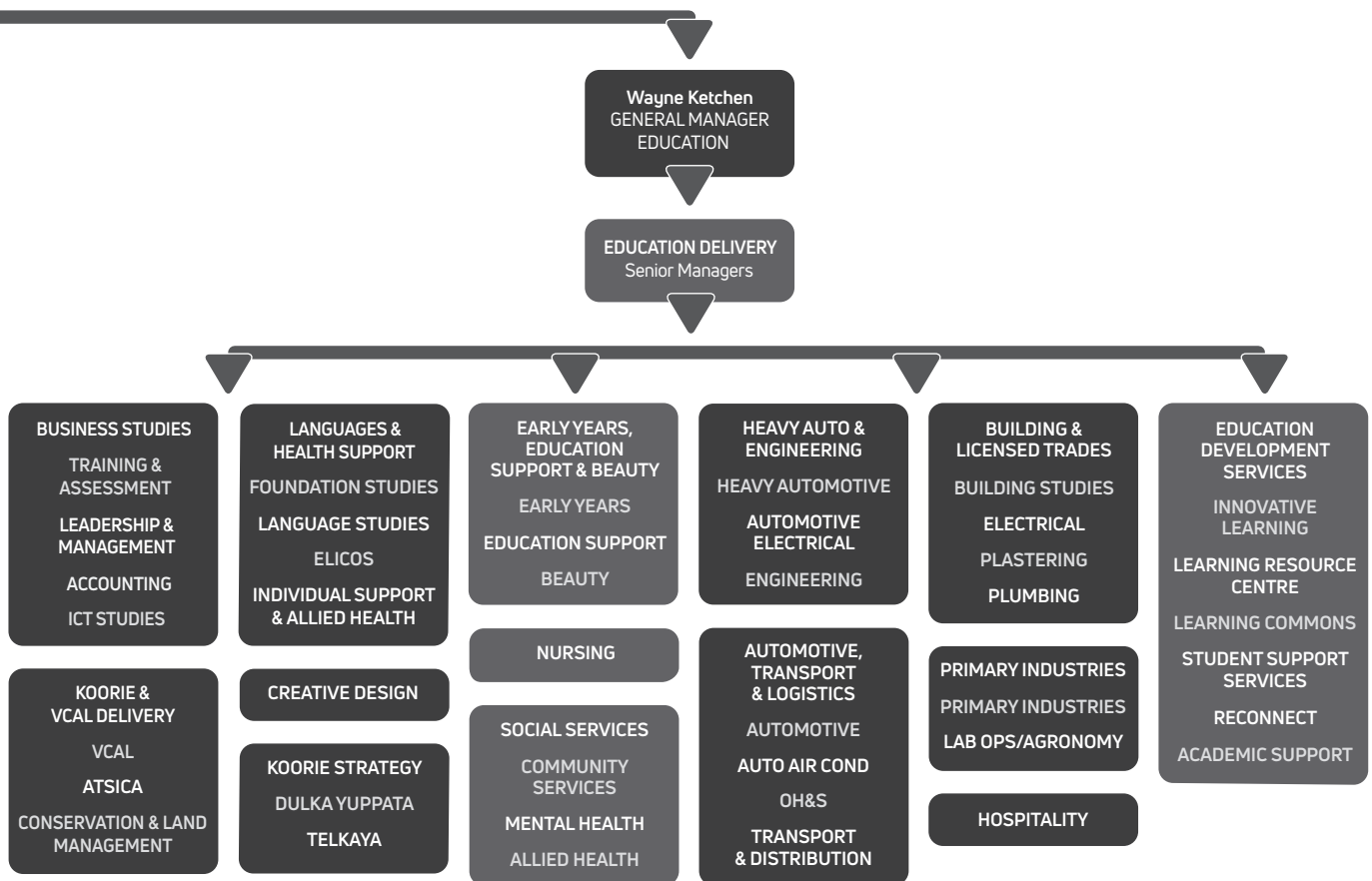
Justin Pickering (Board Director)

Stelvio Vido (Board Director)



Executive Management Organisational Chart





Financial and other information

Workforce data

Employment and Conduct Principles

SuniTAFE is committed to applying merit and equity principles when appointing staff. The selection processes ensure applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. SuniTAFE's employment and conduct principles are set in accordance with the Victorian Public Sector Commission's Code of Conduct for Victorian Public Sector Employees. SuniTAFE attests to the accuracy of staff classifications in workforce data collections.

Workforce Data

The total Full Time Equivalent (FTE) for 2023 was 262.0. 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 2022 and 2023

	Year ending 31 December 2023							Year ending 31 December 2022						
	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	88.5	3.6	15.9	1	NA	8.7	117.7	88.8	4.4	15.9	3	NA	5.2	117.3
Executive	-	5.1	-	-	NA	-	5.1	-	1	-	-	NA	-	1
Other	14.2	-	7.8	-	NA	0.4	22.4	8.9	-	8.5	-	NA	1.5	18.9
Teacher	88.7	-	21.3	1.3	5.5	NA	116.8	91	1.1	22	0.4	3.5	NA	118
Total	191.4	8.7	45.0	2.3	5.5	9.1	262.0	188.7	6.5	46.4	3.4	3.5	6.7	255.2

Employees have been correctly classified in the workforce data collections

Table 2. Workforce Disclosures
(December 2022 – December 2023)

December 2023								December 2022						
	All Employees		Ongoing			Fixed Term and Casual		All Employees		Ongoing			Fixed Term and Casual	
Demographic Data	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	3	3	-	-	-	3	3	-	-	-	-	-	-	-
Women (total staff)	200	157.6	106	60	148.2	34	9.4	192	150.8	104	53	139.1	35	11.7
Men Executives	3	3	-	-	-	3	3	1	1	-	-	-	1	1
Men (total staff)	118	102.1	91	6	95	21	7.1	111	103.4	87	7	96	17	7.4
Self-described Executives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Self-described (total staff)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Age														
15-24	6	6	5	1	6	-	-	8	6.7	7	-	6.6	1	0.1
25-34	55	50.2	38	16	49.2	1	1	57	46	33	19	43.4	5	2.6
35-44	74	56.8	39	20	53.3	15	3.5	72	56.2	45	12	51.6	15	4.6
45-54	97	82	69	13	78	15	4	91	77.9	60	15	72.2	16	5.7
55-64	67	54.5	39	12	46.8	16	7.6	63	54.4	38	11	47.3	14	7.1
Over 64	19	10.3	7	4	9.9	8	0.4	13	14	8	3	14	2	-
Total	318	259.7	197	66	243.2	55	16.5	304	255.2	191	60	235.1	53	20.1

Occupational Health and Safety

In 2023 our ongoing commitment to Occupational Health and Safety was demonstrated through our strategy to ensure that all staff, students, contractors, and visitors experience a working and learning environment at SuniTAFE which is without risk to health and safety.

A highlight was the increased engagement, visibility and activity of the OHS committee. A Health and Safety Representative assumed the chairperson role, which has

previously been held by a management representative. The committee led continuous improvements in student induction, workstation ergonomics, and OHS monitoring.

One lost time injury was recorded in 2023, consistent with 2022. Other incident data demonstrates steady performance considering increased on-campus activity post-covid restrictions. Hazard reporting, which is considered a positive lead indicator, has remained steady.

Measure	KPI	2023	2022	2021	2020	2019
Incidents and Injuries	Incident Employee Minor	10 (3.8/100FTE)	5 (2.13/100FTE)	2 (0.73/100FTE)*	7 (2.65/100FTE)	8 (2.93/100FTE)
	Incident Employee Significant	2 (0.76/100FTE)	1 (0.43/100FTE)	2 (0.73/100FTE)	3 (1.13/100FTE)	0 (0/100FTE)
	Incident Student Minor	4	7	2	10	5
	Incident Student Significant	2	1	3	3	6
Claims	WorkCover Claims	1 (0.38/100FTE)	1 (0.43/100FTE)	0 (0/100FTE)	4 (1.51/100FTE)	0 (0/100FTE)
	Lost Time (days)	155	25	0	33	0
Claim Costs	Total paid on claims	\$27,199.90	\$22,703.43	\$93,186.76	\$10,523	**\$229,326
	Average cost per claim	\$27,199.90	\$22,703.43	\$31,062.25	\$2,631	\$76,442
	WorkCover premium	EML Victoria \$313,506.56 GST inc. WorkCover QLD \$3,329.14 Return to Work SA \$5,123.25	\$224,996.95 GST inc.	\$241,535	\$201,257	\$152,370
	Premium Rate	EML Victoria 0.8823% WorkCover QLD 0.88% Return to Work SA 2.17%	0.8102%	0.8553%	0.8553%	0.6579%
	Industry premium rate	WorkCover QLD 0.985% Return to Work SA no data EML Victoria 1.188%	1.1150%	0.9890%	0.7950%	0.9577%
Risk Management	Hazards Identified and Managed	16 (6.08/100FTE)	22 (9.3/100FTE)	24 (8.8/100FTE)	12 (4.54/100FTE)	17 (6.24/100FTE)

*262.0 FTE **Claims costs relate to injuries from 2018 and 2017

Financial Summary

Comparative results 2019 – 2023

Consolidated Entity (\$'000)	2023	2022	2021	2020	2019
Operating Revenue	45,315	47,058	36,183	32,312	37,861
Operating Expenses	43,777	38,565	37,123	37,041	35,057
Operating Result before Other Economic Flows	1,538	8,493	(940)	(4,729)	2,804
Other economic flows included in Net Result	180	49	(49)	289	(573)
Net Result	1,718	8,542	(989)	(4,440)	2,231
Gain/(Loss) on Revaluation of Assets	(199)	5,380	4,082	1,393	(5,710)
Comprehensive Result	1,519	13,922	3,093	(3,004)	(3,479)
Accumulated Profit before 1st January	13,228	13,228	14,361	18,801	16,720
Transfers from Reserves	-	57	(144)	-	(150)
Accumulated Profit 31st December	23,546	21,827	13,228	14,361	18,801

Summary of significant changes to financial performance during the year

For the financial year ended 31 December 2023, SuniTAFE recorded a consolidated gain of \$1.718 million. Total income achieved for 2023 was \$45.315 million, compared to \$47.058 million for 2022. Operating income has decreased by \$1.743 million, which is an decrease of 3.70%. Expenditure for 2023 totalled \$43.777 million compared to \$38.565 million for 2022, an increase of \$5.212 million, which is an increase of 13.51%

Overall employee expenses increased by \$3.452 million, an increase of 14.05%, and non-salary expenses increased by \$2.122 million for 2023, an increase of 23.09%. Financially 2023 was a challenging year for SuniTAFE, 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)	2023	2022	2021	2020	2019
Accumulated Surplus 31st December	23,545	21,827	13,228	14,361	18,801
Reserves	33,709	33,908	28,528	24,446	23,053
Contributed Capital	6,997	6,997	6,997	6,997	6,997
Net Worth	64,251	62,732	48,753	45,804	48,851
Assets	75,602	72,228	63,587	58,294	61,420
Liabilities	11,351	9,496	14,834	12,490	12,569
Net Assets	64,251	62,732	48,753	45,804	48,851

SuniTAFE's financial position is reflected in the balance sheet. A key indicator of SuniTAFE's financial position is determined from its net assets (assets less liabilities), which is equal to its net worth. At 31 December 2023, SuniTAFE's net worth increased from the previous year, with consolidated net assets and net worth increasing by 2.42% to \$64.251 million. This is largely attributable to capital acquisitions of \$5.94 million.

Other Disclosures

Freedom of Information

We have 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 provisions of the *Freedom of Information Act 1982*. During 2023, we did not receive any Freedom of Information (FOI) requests. Section 17 of the Act sets out the formal requirements for making a request.

To lodge an online FOI request, visit the Freedom of information website at www.ovic.vic.gov.au
SuniTAFE is also able to accept FOI requests directly either via mail or email.

Requests for documents in the possession of SuniTAFE should be addressed to:

Freedom of Information Officer
PO Box 1904 Mildura VIC 3502
quality@sunitafe.edu.au

Access charges may be applicable, and could include charges for search time, supervision and/or photocopying /digital scanning. Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and www.ovic.vic.gov.au

Compliance with the Building Act 1993

All reasonable steps are taken to ensure that buildings conform to relevant building standards and codes, including the *National Construction Code (NCC)*, the *Victorian Building Act 1993*, and *Building Regulations 2018 (Vic)*. Buildings in existence prior to the introduction of the *Building Act 1993* comply with the relevant building regulations existent at that time. 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*. We retain all plans and documentation for building extensions and new buildings. Upon completion of construction, a Certificate of Occupancy is obtained, and final inspection conducted by the relevant Building Surveyors.

National Competition Policy

We have established mechanisms to ensure the National Competition Policy is complied with, including compliance with the requirements of the policy statement, Competitive Neutrality Policy Victoria and any subsequent reforms.

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.

We are 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. We will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. We will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible. In 2023, 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.

Carers Recognition Act 2012

We have 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. We have 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, we are guided by the Access and Equity Policy, which promotes adherence to the principles of access and equity, and directs that our 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 our Institute, 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.

Consultancies

In 2023, there were seven consultancies totalling \$10,000 or greater. The expenditure during 2023 in relation to these consultancies totalled \$626,905.77 (ex GST).

In 2023, there were two consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure during 2023 in relation to these consultancies is \$10,510.00 (ex GST).

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

ICT Expenditure

Details of ICT Expenditure for 2023 (full year)

BAU ICT expenditure Total	Non-BAU expenditure Total =A+B	Operational Expenditure A	Capital Expenditure B
\$4,947,784.34	\$-	\$-	\$-

Environmental Performance

All the operations and activities of SuniTAFE are included within the organisational boundary for this reporting period

	Mildura Campus	Swan Hill Campus	Cardross Campus	Total
Gross Useable Floor Area - m2	19,999	6,206	1,486	27,691

Indicator	Unit of Measure	Total
EL1 Total electricity consumption segmented by source	Megawatt hours	1,562 mWh
EL2 On-site electricity generated segmented by usage and source	Megawatt hours	Information not available at time of reporting*
EL3 On-site installed generation capacity segmented by source	Megawatts	Information not available at time of reporting*
EL4 Total electricity offsets segmented by offset type	Megawatt hours	Information not available at time of reporting*
F1 Total fuels used in buildings and machinery segmented by fuel type	Megajoules	231,217 MJ
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type	Tonnes CO2-e	Information not available at time of reporting*
T1 Total energy used in transportation within the entity segmented by fuel type and vehicle category	Megajoules or megawatt-hours	Unleaded – 357,984 MJ Diesel – 841,807 MJ Hybrid – 57,157 MJ
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	Number and %	7 Petrol Vehicles (21%) 23 Diesel Vehicles (70%) 3 Hybrid Vehicles (9%)
T3 Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category	Tonnes CO2-e	1,151
T4 Total distance travelled by commercial air travel	Kilometres	196,476
E1 Total energy usage from fuels	Megajoules	14,968,926 MJ
E2 Total energy usage from electricity	Megajoules	5,622,736 MJ
E3 Total energy usage segmented into renewable and non-renewable sources	Megajoules	Information not available at time of reporting*
E4 Units of energy used normalised by FTE, headcount, floor area, or other entity or sector specific quantity	Megajoules (normalised)	78,597 per 1.0 FTE
B1 Discuss how environmentally sustainable design is incorporated into newly completed entity-owned buildings	Description	Working Towards
B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule	Description	Working Towards

Indicator		Unit of Measure	Total
B3	NABERS Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs	Itemised list	Information not available at time of reporting*
B4	Environmental performance ratings of newly completed entity-owned non-office building or infrastructure projects or upgrades with a value over \$1 million, where these ratings have been conducted	Itemised list	Information not available at time of reporting*
W1	Total units of metered water consumed by water source	Kilolitres	365,961 KL
W2	Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity	Kilolitres (normalised)	1,397 KL per 1.0 FTE
WR1	Total units of waste disposed of by disposal method and material type / waste stream	Kilograms and %	General Waste 222,830kg Recycling 42,473kg Total Waste 265,303kg
WR2	Dedicated collection services provided in offices for printer cartridges, batteries, and soft plastics	% of office locations	Not Currently Tracked
WR3	Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method	Kilograms (normalised)	1,013 kg per 1.0 FTE
WR4	Recycling rate	% of total waste by weight	16%
WR5	Greenhouse gas emissions associated with waste disposal	Tonnes CO2-e	Information not available at time of reporting*
G1	Total scope one (direct) greenhouse gas emissions	Tonnes CO2, CH4, N2O, other and CO2-e	Information not available at time of reporting*
G2	Total scope two (indirect electricity) greenhouse gas emissions	Tonnes CO2-e	Information not available at time of reporting*
G3	Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal	Tonnes CO2-e	18,850

* Sunraysia Institute of TAFE is currently implementing improved data gathering and reporting capabilities, including an Enterprise Asset Management System (EAMS) which will assist in meeting environmental reporting obligations.

Additional Information

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

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
 - i. consultants/contractors engaged;
 - ii. services provided; and
 - iii. expenditure committed to for each engagement

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

Brett Millington
 Chief Executive Officer
 SuniTAFE
 PO Box 1904 Mildura Victoria 3502
quality@sunitafe.edu.au

Local Jobs First

The *Local Jobs First Act 2003* requires departments and public sector bodies to apply the Local Jobs First policy to all projects over \$3 million in metropolitan Melbourne or state-wide, and \$1 million in regional Victoria. In 2023 two projects were subject to the Local Jobs First policy: the

Roads, Carpark and Stormwater Project; and the Undercroft and Library Upgrade. These projects are completed, and Local Jobs First reporting requirements have been lodged and are currently under review by the Industry Capability Network (ICN) Policy Unit.

Major Commercial Activity

One major commercial activity continued in 2023; the Undercroft and Library Upgrade Project. This project was funded through the 2020 TAFE Asset Maintenance Fund and provided upgrades to learning facilities and amenities. This is reported within the 2023 SuniTAFE Annual Report in accordance with Section 45 of the *Financial Management Act 1994*, together with matters listed under Commercial Guideline 10 (clause 27).

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 across all courses. In 2023, total materials fees were \$735,826. A list of fees and charges are available on SuniTAFE's website www.sunitafe.edu.au

Compliance with Other Legislation

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

- *Education and Training Reform Act 2006 (ETRA) (Vic)*
- *TAFE Institute Constitution*
- *Directions of the Minister for Skills and TAFE (or predecessors)*
- *TAFE Institute Commercial Guidelines*
- *TAFE Institute Strategic Planning Guidelines*
- *Public Administration Act 2004 (Vic)*
- *Financial Management Act 1994 (Vic)*
- *Freedom of Information Act 1982 (Cth)*
- *Building Act 1993 (Vic)*
- *Public Interest Disclosures Act 2012 (Vic)*
- *Carers Recognition Act 2012 (Vic)*
- *Local Jobs First Act 2003 (Vic)*
- *Gender Equality Act 2020 (Vic)*
- *Disability Act 2006 (Vic)*

Victorian Public Service Travel Policy

SunTAFE 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.

Compliance Attestation

Sunraysia Institute of TAFE Financial Management Compliance Attestation Statement

I, Neth Hinton, on behalf of the Responsible Body, certify that for the period 1 January 2023 to 31 December 2023, 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.



Neth Hinton
Board Chair
Sunraysia Institute of TAFE
26/03/2024

Financial Statements

Sunraysia Institute of TAFE Performance Statement Declaration

For the Year ended 31 December 2023

Declaration by Board Chair, Chief Executive Officer 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 2023, 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.



Neth Hinton
Board Chair
Sunraysia Institute of TAFE
26/03/2024



Brett Millington
Chief Executive Officer
Sunraysia Institute of TAFE
26/03/2024



Diane Schmidt
Chief Finance and Accounting Officer
Sunraysia Institute of TAFE
26/03/2024

Performance Opinion

Sunraysia Institute of TAFE 2023



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 2023 • declaration by Board Chair, Chief Executive Officer and Chief Finance and Accounting Officer. <p>In my opinion, the performance statement of Sunraysia Institute of TAFE in respect of the year ended 31 December 2023 presents fairly, in all material respects, in line with the reporting requirements outlined by the Minister in the statement of priorities.</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 performance statement 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. 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
30 March 2024



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Key Performance Indicators

Indicator Title	Description and Methodology	Measure	2023 Target	2023 Actual	Explanation of Variances	Prior Year Result
Training Revenue Diversity	Breakdown of training revenue by: <ul style="list-style-type: none"> • Government Funded (GF) • Fee for Service (FFS) • Student Fees and Charges 	%	58.0% 22.6% 19.4%	48.7% 32.7% 18.6%	SuniTAFE has exceeded Fee for Service training revenue in the 2023 year. This has resulted in lower actuals for Government Funded and Student Fees & Charges training revenue. SuniTAFE has continued to mitigate risk factors associated with over reliance on Government Funded training revenue by continuing to grow alternate revenue streams, in particular International, training and federally funded revenue opportunities	59.6% 23.9% 16.5%
Employment costs as a proportion of training revenue	Employment and third-party training delivery costs as a proportion of training revenue.	%	161.3%	164.8%	SuniTAFE operates within an extremely large geographic location, with sparse population and significant distances between delivery points. Employment margins are challenging to reduce in this environment but can be managed effectively by seeking alternative revenue streams and utilising methods to closely monitor and evaluate course offerings with a view to providing essential skill in thin markets	176.1%
Training revenue per teaching FTE	Training Revenue (excl. third-party) per Teaching FTE	\$	\$146,102	\$144,204	Training revenue per teacher FTE decreased for the same reasons as detailed above. Critical delivery was maintained due to perceived community need and job outcomes.	\$124,169
Operating margin percentage	Operating margin % EBIT (excl. capital contributions)/Total revenue (excl. capital contributions)	%	(14.8%)	2.2%	Variance primarily attributed to unbudgeted Government funding received during 2023.	13.4%

Sunraysia Institute of TAFE Financial Report for the Year End 31 December 2023

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

The following 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, Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, Australian Accounting Standards including interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ending 31 December 2023 and financial position of the Institute and the consolidated entity as at 31 December 2023.

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.



Neth Hinton
Board Chair
Sunraysia Institute of TAFE
26/03/2024



Brett Millington
Chief Executive Officer
Sunraysia Institute of TAFE
26/03/2024



Diane Schmidt
Chief Finance and Accounting Officer
Sunraysia Institute of TAFE
26/03/2024

Opinion

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"> • balance sheet as at 31 December 2023 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration by the Board Chair, Chief Executive Officer and Chief Finance and Accounting Officer. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • presenting fairly, in all material respects, the financial position of the institute as at 31 December 2023 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2022</i>.
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 and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Charlotte Jeffries

as delegate for the Auditor-General of Victoria

MELBOURNE
30 March 2024

Sunraysia Institute of TAFE

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Sunraysia Institute of TAFE has presented its audited general-purpose financial statements for the financial year ended 31 December 2023 in the following structure to provide users with the information about the Group's stewardship of resources entrusted to it.

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Sunraysia Institute of TAFE

Comprehensive Operating Statement

For the year ended 31 December 2023

		Consolidated	
	Note	2023 \$'000	2022 \$'000
CONTINUING OPERATIONS			
<u>Revenue and income from transactions</u>			
Government grants			
Operating grants - revenue	2.1.1	8,200	8,926
Operating grants - income	2.1.1	25,175	23,527
Capital grants - income	2.1.2	26	2,785
Revenue from fees, charges and sales	2.2	9,028	5,941
Other revenue	2.3	1,860	1,569
Other income	2.3	1,026	4,310
Total revenue and income from transactions		45,315	47,058
<u>Expenses from transactions</u>			
Employee benefits	3.1.1	27,936	25,818
Depreciation and amortisation	3.6	4,408	3,118
Supplies and services	3.3	9,160	7,586
Finance costs	3.5	121	218
Other operating expenses	3.4	2,152	1,825
Total expenses from transactions		43,777	38,565
Net result from transactions		1,538	8,493
<u>Other economic flows included in net result</u>			
Net gain/(loss) on financial instruments	9.1a	55	(270)
Net gain on non-financial assets	9.1b	213	82
Other gains/(losses) from other economic flows	9.1c	(88)	237
Total other economic flows included in net result		180	49
Net result		1,718	8,542
<u>Other economic flows - other comprehensive income</u>			
Gain/(loss) on revaluation of physical assets	9.2	(88)	5,070
Gain/(loss) on revaluation of intangible assets	9.2	(111)	310
Comprehensive result		1,519	13,922

The accompanying notes form part of these financial statements.

Balance Sheet

As at 31 December 2023

		Consolidated	
		2023	2022
		\$'000	\$'000
ASSETS			
<u>Financial assets</u>			
Cash and cash equivalents	6.1	12,255	10,495
Receivables	5.1	1,244	904
Investments and other financial assets	4.4	42	41
Total financial assets		13,541	11,440
<u>Non-financial assets</u>			
Property, plant and equipment	4.1	56,446	54,584
Right of use assets	6.3	2,989	2,812
Intangible assets	4.2	1,549	1,867
Other non-financial assets	5.2	1,077	1,526
Total non-financial assets		62,061	60,789
Total assets		75,602	72,229
LIABILITIES			
Payables	5.3	2,374	1,762
Contract liabilities	5.4	954	549
Other liabilities	5.4	679	568
Employee provisions	5.5	4,273	3,772
Lease liabilities	6.3	3,071	2,846
Total liabilities		11,351	9,497
Net assets		64,251	62,732
EQUITY			
Accumulated surplus	9.2	23,545	21,827
Contributed capital	6.2	6,997	6,997
Reserves	9.2	33,709	33,908
Net worth		64,251	62,732

The accompanying notes form part of these financial statements.

Sunraysia Institute of TAFE

Statement of Changes in Equity

For the year ended 31 December 2023

	Physical assets revaluation surplus \$'000	Intangible assets revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
CONSOLIDATED					
As at 1 January 2022	27,178	1,350	13,228	6,997	48,753
Net result for the year	-	-	8,542	-	8,542
Other economic flows - other comprehensive income	5,070	310	-	-	5,380
Total comprehensive income	5,070	310	8,542	-	13,922
Transfer to accumulated surplus	-	-	57	-	57
Year ended 31 December 2022	32,248	1,660	21,827	6,997	62,732
Net result for the year	-	-	1,718	-	1,718
Other economic flows - other comprehensive income	(88)	(111)	-	-	(199)
Total comprehensive income	(88)	(111)	1,718	-	1,519
Year ended 31 December 2023	32,160	1,549	23,545	6,997	64,251

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the year ended 31 December 2023

		Consolidated	
	Note	2023 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Government contributions		32,971	32,842
Receipts from customers - fees, charges and sales		10,263	6,930
Goods and services tax recovered from the ATO		1,518	1,934
Interest received		633	188
Other receipts		2,701	2,197
Capital grants		200	-
Total receipts from operating activities		48,286	44,091
<u>Payments</u>			
Payments to employees		(27,540)	(24,867)
Payments to suppliers		(11,689)	(10,854)
Goods and services tax paid to the ATO		(1,176)	(1,334)
Short-term, low value and variable lease payments		(109)	(115)
Interest paid – lease liability		(121)	(218)
Total payments from operating activities		(40,635)	(37,388)
Net cash flows from operating activities	6.1.1	7,651	6,703
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(5,943)	(6,710)
Proceeds from sales of non-financial assets		249	113
Net cash flows (used in) investing activities		(5,694)	(6,597)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(197)	(129)
Net cash flows (used in) financing activities		(197)	(129)
Net increase / (decrease) in cash and cash equivalents		1,760	(23)
Cash and cash equivalents at beginning of year		10,495	10,518
Effect of foreign currency transactions			
Cash and cash equivalents at end of year	6.1	12,255	10,495

The accompanying notes form part of these financial statements.

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).

Sunraysia Institute of TAFE is a Technical and Further Education (TAFE) provider, based predominantly in Mildura of Victoria.

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.

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

- determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring Sunraysia Institute of TAFE's satisfaction of a performance obligation (refer to Note 2.1);
- AASB 16 *Leases* and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.3);
- whether Sunraysia Institute of TAFE has control over TAFE Kids Inc. (refer to Note 9.3); and
- whether AASB 1059 *Service Concession Arrangements: Grantors* is applicable - specifically, in determining whether an asset provides public services and in determining whether the operator manages at least some of the public services and not acting merely as an agent on behalf of the grantor.

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

- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 5.5);
- the loss rate used in calculating the allowance for expected credit losses (refer to Note 7.1.2);
- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3); and
- the fair value of assets measured at current replacement cost as a result of rising costs of construction and inflation.

These 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.

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

1. ABOUT THIS REPORT

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, Sunraysia Institute of TAFE consolidates its controlled entities 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 entities 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.

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 in particular, the Department of Jobs, Skills, Industry and Region and Training. The Department of Jobs, Skills, Industry and Region and Training has confirmed operational grant funding support for 2024 and provided indicative levels for 2025. The TAFE's forecast outlook incorporating the grant support information and operational expectations and related cashflows indicate the TAFE will be able to meet its obligations as they fall due. On that basis, the financial statements have been prepared on a going concern basis.

The TAFE manages funding risk by continuing to diversify and increase funding from commercial activities, both domestically and offshore.

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.

1.2 Compliance information

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

In 2023, the impacts of the COVID-19 pandemic, including movement and density restrictions, were no longer significant to the TAFE's operations.

Between 2020 and 2022, various restrictions such as self-isolation and border entry rules were enforced and implemented by the government in order to contain the spread of the virus and to prioritise the health and safety of our communities. The TAFE conducted classes through remote learning where possible, held examinations online, placed restrictions on non-essential work, performed COVID-19 testing and implemented work from home arrangements where possible. The Department of Jobs, Skills, Industry and Regions (formerly Department of Education) also provided grants to assist the TAFE with response to the pandemic in order to retain staff, assist with the transition to online and remote learning and maintain government funding at pre-pandemic levels.

Following the easing of restrictions in 2022, learning returned to campus and no further funding was provided by the Department in relation to the pandemic.

2. HOW WE EARNED OUR FUNDS

2.1 Government grants

2.1.1 Revenue and income from government grants

	Consolidated	
	2023	2022
	\$'000	\$'000
Government grants – operating revenue		
Government – contestable		
DE/DJSIR	7,981	8,689
Other States, Territories, Local Govt.	219	237
Total government grants - operating revenue	8,200	8,926
Government grants – operating income		
Government – other grants		
DE/DJSIR	25,143	23,490
Commonwealth	32	37
Total government grants - operating income	25,175	23,527
Total government grants – operating	33,375	32,453

Revenue and income from government grants

The TAFE is first required to determine whether the government grants received should be accounted for as Revenue per AASB 15 or Income per AASB 1058.

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

Revenue from government grants

The TAFE's revenue streams are predominately for transactions relating to the delivery of courses to students and education services to clients. In all cases, the total transaction price for these services is allocated amongst the various performance obligations based on the consideration specified in the contract with the customer. The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time as the TAFE satisfies the performance obligations by transferring the promised goods or services to its customers. Where government grants have been received for services to be delivered in the following year, these amounts are deferred as a contract liability (Note 5.4).

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.

Income from government grants

Income from government grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the TAFE has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the TAFE recognises any related grants by owners, increases in liabilities and decreases in assets ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- contributions by owners, in accordance with AASB 1004
- a lease liability in accordance with AASB 16
- a financial instrument, in accordance with AASB 9
- a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

2. HOW WE EARNED OUR FUNDS

Specific criteria in relation to determining whether government grants are accounted for as revenue per AASB 15 or income per AASB 1058 are set out below.

Source of Funding	Nature	Performance obligation	Timing of satisfaction
State government – contestable	Refers to Victorian state government funding for which the Institute must compete with other registered training providers. Funding is allocated primarily through a combination of a 'User Choice' system for all providers and a competitive tendering process for private providers.	The funding agreement for these grants outlines the performance obligations to provide education services to eligible students. These grants are recognised as revenue from contracts with customers in line with the requirements of AASB15.	Revenue is recognised over time, on the basis of the number of units of training delivered to eligible students over the life of the agreement.
State government – other grants	Refers to funding that is not recognised as contestable and includes specific purpose grants.	In general, funding agreements for these grants do not contain sufficiently specific performance obligations and are therefore recognised as income under AASB 1058. The TAFE recognises income immediately in the comprehensive operating statement when control is achieved over the funds which occurs on execution of the relevant contract.	
		Where performance obligations are sufficiently specific in accordance with AASB15.	Revenue is recognised over time in the comprehensive operating statement as the performance obligations are delivered.

Transaction price allocated to remaining performance obligations

All unsatisfied performance obligations are expected to be met in 2024.

2.1.2 Capital grants income

	Consolidated	
	2023 \$'000	2022 \$'000
Government grants - capital		
State government – capital	26	2,785
Total government grants – capital	26	2,785
Total government grants	33,401	35,238

2. HOW WE EARNED OUR FUNDS

Income Type	Nature	Performance obligation	Timing of satisfaction
State government – capital	Where the TAFE receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by the TAFE.	Whilst the TAFE has an obligation to acquire or construct a non-financial asset, such transactions are accounted for following specific guidance under AASB 1058.	When the asset is acquired. Or Over time, as the building or facility is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction are the best measure of the stage of completion of the building.

2.2 Revenue from fees, charges and sales

	Consolidated	
	2023	2022
	\$'000	\$'000
Student fees and charges	3,139	2,418
Fee for service – government	4,628	2,804
Fee for service – international operations – onshore	878	429
Fee for service – other	-	38
Other non-course fees and charges		
Sale of goods	383	252
Total revenue from fees, charges and sales	9,028	5,941

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

	Consolidated	
	2023	2022
	\$'000	\$'000
Revenue recognised over time	8,645	5,651
Revenue recognised at a point in time	383	290
Total revenue from fees, charges and sales	9,028	5,941

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. For example, student amenities and services revenue is recognised as the TAFE provides the service to the student.

The TAFE uses performance obligations to recognise revenue over time in line with AASB 15.

2. HOW WE EARNED OUR FUNDS

Revenue Type	Nature	Performance obligation	Timing of satisfaction
Student fees and charges	<p>The TAFE provides educational services to eligible domestic students.</p> <p>Student fees and charges revenue includes student tuition fees and course materials received or to be received from eligible students for the provision of these services.</p>	Provision of education services	<p>Student fees and charges are recognised in accordance with the relevant enrolment terms and conditions and over the period that the education and training services are provided.</p> <p>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.</p>
Fee for service – government	Relates to course fees funded by State government departments (excluding revenue/income recognised in note 2.1.1).	Provision of services	<p>Revenue is recognised over time by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered.</p> <p>Where fee for service revenue 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.</p>
Fee for service – International onshore	Relates to international student course fees and other revenue for onshore training operations.		
Fee for service – other	Relates to revenue from training programs to domestic students (who are not eligible for a government funded subsidy) and private organisations (industry).		
Revenue from sale of goods		Delivery of goods	Revenue is recognised at a point in time 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. HOW WE EARNED OUR FUNDS

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:

	Consolidated	
	2023 \$'000	2022 \$'000
Funds received in advance	477	164
International students	4	4
Other	37	38
Child care services	30	35
	548	241

Transaction price allocated to remaining performance obligations

All unsatisfied performance obligations are expected to be met in 2024.

Payment terms

The payment terms for student fees are as follows:

- up-front payment via cash, EFTPOS or credit card prior to course commencement;
 - payment plan via a third party (Debit success);
 - 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 Revenue and Income

	Consolidated	
	2023 \$'000	2022 \$'000
Childcare revenue	1,744	1,482
Kinder income	116	87
Total other revenue	1,860	1,569
Interest income	633	188
Rental income	290	162
Donations, bequests and grants	19	150
Other income	84	3,810
Total other income	1,026	4,310
Total revenue and other income	2,886	5,879

2. HOW WE EARNED OUR FUNDS

Other Revenue Type	Nature	Performance obligation	Timing of satisfaction
Childcare revenue Kinder income		Provision of childcare 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 Type	Nature	Performance obligation	Timing of satisfaction
Interest	Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets.	None	Recognised taking into account the effective interest rates applicable to the financial assets.
Rental income from operating leases	The TAFE receives rental income for certain land and buildings leased out to the general public during the semester break period and when the buildings are excess to the current requirement. The TAFE also receives rental income from long term lease arrangements with third parties.	None	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. Typically, the stated purpose of the gift is not specific enough for the requirements of the AASB 15. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied.
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

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

	Consolidated	
	2023 \$'000	2022 \$'000
Salaries, wages, overtime and allowances	22,505	22,570
Superannuation	2,480	2,279
Payroll tax	357	306
Mental health levy	84	30
Workers compensation	248	214
Annual leave	1,434	148
Long service leave	671	264
Termination benefits	93	11
Other	64	(4)
Total employee benefits	27,936	25,818

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.

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 which are expected to be wholly-settled more than 12 months after balance sheet date are discounted to present value.

3. HOW WE EXPENDED OUR FUNDS

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	
	2023	2022
	\$'000	\$'000
Paid contribution for the year		
Defined benefit plans:		
State Superannuation Fund – revised and new	7	26
Total defined benefit plans	7	26
Accumulation contribution plans:		
VicSuper/ Aware	913	842
Other	1,560	1,411
Total accumulation contribution plans	2,473	2,253
Total paid contribution for the year	2,480	2,279
Accumulation contribution plans:		
VicSuper/ Aware	47	43
Other	72	72
Total accumulation contribution plans	119	115
Total contribution outstanding at year end	119	115

Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3. HOW WE EXPENDED OUR FUNDS

3.3 Supplies and services

	Consolidated	
	2023 \$'000	2022 \$'000
Building repairs and maintenance	1,922	1,663
General consultancy	1,373	1,384
Payment to contractors	3,003	2,324
Communication expenses	462	227
Cost of goods sold / distributed (ancillary trading)	213	117
Legal expenses	35	14
Minor equipment	1,209	1,004
Purchase of supplies and consumables	943	853
Total supplies and services	9,160	7,586

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 all properties in existence at reporting date but not recognised as liabilities are as follows:

	Consolidated	
	2023 \$'000	2022 \$'000
Payable		
Within one year	104	172
Later than one year but not later than five years	-	-
Later than five years		
Total other expenditure commitments	104	172
GST payable on the above	9	16
Net other expenditure commitments	95	156

3. HOW WE EXPENDED OUR FUNDS

3.4 Other operating expenses

	Consolidated	
	2023	2022
	\$'000	\$'000
Audit fees and services	132	122
Insurance	169	137
Marketing and promotional expenses	338	222
Staff development	189	213
Travel and motor vehicle expenses	512	443
Utilities	598	566
Variable lease payments not included in the measurement of lease liability	153	115
Expenses relating to short-term leases	3	3
Bad debt expense	27	3
Other	31	1
Total other operating expenses	2,152	1,825

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	
	2023	2022
	\$'000	\$'000
Interest on lease liabilities	121	218
Total finance costs	121	218

3.6 Depreciation and amortisation

	Consolidated	
	2023	2022
	\$'000	\$'000
Buildings	2,360	866
Plant and equipment	1,529	1,175
Motor vehicles	64	49
Land improvements	5	2
Right of use assets	243	189
Intangible assets	207	837
Total depreciation and amortisation	4,408	3,118

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	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED						
Land	3,522	3,377	-	-	3,522	3,377
Buildings	44,699	40,602	(2,371)	-	42,328	40,602
Construction in progress	1,993	3,573	-	-	1,993	3,573
Plant and equipment	19,788	17,076	(11,605)	(10,437)	8,183	6,639
Motor vehicles	618	546	(403)	(363)	215	183
Land improvements	134	134	(10)	(5)	124	129
Cultural assets	81	81	-	-	81	81
Total carrying amount	70,835	65,389	(14,389)	(10,805)	56,446	54,584

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

4. THE ASSETS WE INVESTED IN

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 current 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 current replacement cost.

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2022. For the year ended 31 December 2023, an assessment was conducted using indices provided by the Office of the Victorian Valuer-General. No revaluation was required as a result of this assessment.

Revaluations of non-financial physical assets

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

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

4. THE ASSETS WE INVESTED IN

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	Total \$'000
Consolidated 2023								
Opening net book amount	3,377	40,602	3,573	6,639	183	129	81	54,584
Additions	-	30	4,328	1,582	3	-	-	5,943
Revaluations	145	(234)	-	-	-	-	-	(89)
Disposals	-	-	(13)	(17)	(4)	-	-	(34)
Transfers	-	4,290	(5,895)	1,508	97	-	-	-
Depreciation	-	(2,360)	-	(1,529)	(64)	(5)	-	(3,958)
Net carrying amount	3,522	42,328	1,993	8,183	215	124	81	56,446
Consolidated 2022								
Opening net book amount	2,736	33,392	2,076	6,509	142	11	81	44,947
Additions	-	129	4,897	1,574	95	15	-	6,710
Revaluations	641	4,429	-	-	-	-	-	5,070
Disposals	-	-	(33)	(13)	(5)	-	-	(51)
Transfers	-	3,518	(3,367)	(256)	-	105	-	-
Depreciation	-	(866)	-	(1,175)	(49)	(2)	-	(2,092)
Net carrying amount	3,377	40,602	3,573	6,639	183	129	81	54,584

4. THE ASSETS WE INVESTED IN

4.1.2 Capital commitments

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

	Consolidated	
	2023	2022
	\$'000	\$'000
Payable		
Within one year	629	1,970
Later than one year but not later than five years	72	-
Total capital expenditure commitments	701	1,970
GST payable on the above	64	179
Net capital expenditure commitments	638	1,791

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 project has completed in 2023.

4.1.3 Gain on property, plant and equipment

	Consolidated	
	2023	2022
	\$'000	\$'000
Net gain on disposal of property plant and equipment	213	82
Net gain/(loss) on non-financial assets	213	82

Net gain 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. THE ASSETS WE INVESTED IN

4.2 Intangible assets

Finite life assets

Finite life assets includes expenditure incurred in the development of the Student Management System (SMS) purchased by the TAFE. The software's estimated useful life was reviewed in 2022 and an accelerated depreciation has been applied for it to be fully amortised in 2023.

	Consolidated	
	2023	2022
	\$'000	\$'000
Software		
Gross carrying amount		
Opening balance	3,468	3,468
Closing balance	3,468	3,468
Accumulated amortisation and impairment		
Opening balance	(3,261)	(2,424)
Amortisation charge	(207)	(837)
Closing balance	(3,468)	(3,261)
Net carrying amount at end of the year	-	207

Indefinite life assets

Indefinite life assets includes the allocation of water rights that was provided to the TAFE with the transfer of land. The water use license of 221.3 MLs has an indefinite life and the fair value can be determined with reference to the Victorian Water Register. Revaluations are recognised in other comprehensive income.

	Consolidated	
	2023	2022
	\$'000	\$'000
Water Rights		
Gross carrying amount		
Opening balance	1,660	1,350
Revaluation	(111)	310
Closing balance	1,549	1,660
Net carrying amount at end of the year	1,549	1,660
Net carrying amount for intangible assets at end of the year	1,549	1,867

4. THE ASSETS WE INVESTED IN

Initial recognition

Internally generated intangible assets

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.

Configuration and customisation costs incurred related to a Software as a Service (SaaS) arrangement

SaaS arrangements are service contracts providing Sunraysia Institute of TAFE with the right to access the software provider's application software over the contract period. Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where Sunraysia Institute of TAFE has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset. Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide Sunraysia Institute of TAFE with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs capitalised as a prepayment are recognised as expenses over the duration of the SaaS contract.

Judgement is required in determining whether:

- costs incurred result in the creation of an intangible asset that meets the recognition criteria in AASB 138;
- the configuration and customisation costs provide a distinct service where such costs do not give rise to the recognition of an intangible asset.

Subsequent measurement

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

Intangible assets recognised in accordance with AASB 1059 are subsequently measured under the revaluation model.

Impairment of intangible assets

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

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

4. THE ASSETS WE INVESTED IN

4.3 Depreciation and amortisation

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

Depreciation and amortisation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Right-of-use assets and leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight-line method. The only exception is where the TAFE expects to obtain ownership of the leased asset at the end of the lease term, where in such instances, the right-of-use assets and leasehold improvements will be depreciated over their expected useful lives.

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

Class of assets	Useful life	Method
Buildings	40 - 60 years (2022: 40 years)	Straight Line
Plant and equipment	3 - 10 years (2022: 3 —10 years)	Straight Line
Motor vehicles	2 - 20 years (2022: 2 - 20 years)	Straight Line
Leasehold improvements	3 - 6 years (2022: 3 - 6 years)	Straight Line
Land improvements	10 - 40 years (2022: 10 - 40 years)	Straight Line
Right of use assets	Lease term (2022: lease term)	Straight Line
Software	9 - 10 years (2022: 9 - 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.

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

4.4 Investments and other financial assets

	Consolidated	
	2023	2022
	\$'000	\$'000
Current investments and other financial assets		
Term deposits > three months	42	41
Total investments and other financial assets	42	41

4. THE ASSETS WE INVESTED IN

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 2023						
Term deposits	42	-	-	-	42	-
Total	42	-	-	-	42	-
Consolidated 2022						
Term deposits	41	-	-	-	41	-
Total	41	-	-	-	41	-

5. BALANCES FROM OPERATIONS

5.1 Receivables

	Consolidated	
	2023	2022
	\$'000	\$'000
Current		
Trade receivables	608	367
Loss allowance on trade receivables	(29)	(29)
Total receivables from contracts with customers	579	338
Statutory		
Amount receivable from Victorian Government	129	263
Amount receivable from Commonwealth Government	390	133
GST input tax credit recoverable	146	170
Total current receivables	1,244	904

Receivables consist of:

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

Receivables other than sale of goods and services are stated exclusive of the amount of GST receivable.

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

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. 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 approximates the 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	
	2023	2022
	\$'000	\$'000
Balance at the beginning of the year	29	31
Amounts written off	-	(2)
Balance at the end of the year	29	29

5. BALANCES FROM OPERATIONS

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.

Ageing analysis of contractual receivables

	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 2023						
Trade receivables	579	128	81	369	1	-
Total	579	128	81	369	1	-
Consolidated 2022						
Trade receivables	338	275	30	33	-	-
Total	338	275	30	33	-	-

Note: The disclosures above exclude statutory receivables (e.g. GST credits).

Sunraysia Institute of TAFE's receivables relate to student debtors, sponsor debtors, other debtors who engage the TAFE to provide training services or short courses as well as government agencies. The average credit period on receivables is 52 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. BALANCES FROM OPERATIONS

5.2 Other non-financial assets

	Consolidated	
	2023	2022
	\$'000	\$'000
Current		
Prepayments	1,077	1,515
Inventories	-	11
Total current other non-financial assets	1,077	1,526
Total other non-financial assets	1,077	1,526

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

Inventories include goods and other items 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

	Consolidated	
	2023	2022
	\$'000	\$'000
Current		
Contractual		
Supplies and services	2,370	1,760
Total contractual payables	2,370	1,760
Statutory		
FBT payable	4	2
Total statutory payables	4	2
Total current payables	2,374	1,762

5. BALANCES FROM OPERATIONS

Payables consist of:

- contractual payables, such as accounts payable and refund liabilities. 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.

Ageing analysis of contractual payables

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.

Consolidated 2023	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
Supplies and services	2,370	2,370	2,192	115	63	-
Total	2,370	2,370	2,192	115	63	-

Consolidated 2022	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
Supplies and services	1,760	1,760	1,760	-	-	-
Total	1,760	1,760	1,760	-	-	-

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

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

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

Due to their short-term nature, the carrying amounts of trade and other payables are not considered to be materially different to their fair values.

5.4 Contract and other liabilities

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

Contract liabilities	Consolidated	
	2023 \$'000	2022 \$'000
Student fees	954	549
Total contract liabilities	954	549

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. BALANCES FROM OPERATIONS

	Consolidated	
	2023 \$'000	2022 \$'000
Other liabilities		
Deferred capital grants	174	-
Dr Alan Antcliff Memorial Trust	42	41
Funds held in trust	463	527
Total other liabilities	679	568

Deferred capital grants

In 2023, grant consideration was received from Department of Jobs, Skills, Industry and Regions to support the redevelopment of the SuniTAFE Smart Farm. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of SMART Farm. As such, the TAFE has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

	Consolidated	
	2023 \$'000	2022 \$'000
Contractual		
Deferred capital grants at beginning of the year	-	2,786
Grant consideration for capital works received during the year	200	-
Grant consideration recognised as income under AASB 1058	(26)	(2,786)
Closing balance of deferred capital grants	174	-

5. BALANCES FROM OPERATIONS

5.5 Employee benefits in the balance sheet

	2023 \$'000	2022 \$'000
Current Provisions		
Annual leave		
Unconditional and expected to settle within 12 months	994	906
Long service leave		
Unconditional and expected to settle within 12 months	2,025	1,906
On costs		
Annual leave		
Unconditional and expected to settle within 12 months	133	112
Long service leave		
Unconditional and expected to settle within 12 months	44	43
Unconditional and expected to settle after 12 months	233	201
Total current provisions	3,429	3,168
Non-Current Provisions		
Long service leave		
Conditional and expected to settle after 12 months	743	535
Long service leave - on costs		
Conditional and expected to settle after 12 months	101	69
Total non-current provisions	844	604
Total employee provisions	4,273	3,772

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 \$1,127k (2022: \$1,018k) 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.

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

	Consolidated	
	2023 \$'000	2022 \$'000
Unconditional and expected to settle within 12 months	3,196	1,399
Unconditional and expected to settle after 12 months	233	1,769
Total current employee provisions	3,429	3,168

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash and cash equivalents

	Consolidated	
	2023	2022
	\$'000	\$'000
Cash at bank and on hand	1,710	1,617
Deposits at call	10,545	8,878
Total cash and deposits	12,255	10,495

Cash and 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	
	2023	2022
	\$'000	\$'000
Net result for the year	1,718	8,542
Non-cash movements		
Depreciation / amortisation of non-financial assets	4,408	3,118
Net loss on sale of non-financial assets	(213)	(82)
Government loan discount	-	263
Impairment and forgiveness of loans and receivables	-	(3,750)
Net gain/(loss) arising from revaluation of long service leave liability	88	(237)
Net gain/(loss) on revaluation of financial assets	(55)	12
Prior period adjustment	-	57
Movements in assets and liabilities		
Decrease / (increase) in receivables	(340)	195
Decrease in inventories	11	4
Decrease in other assets	438	39
Increase in payables	612	1,256
(Decrease) / increase in provisions	413	(42)
Increase in contract liabilities	460	307
(Decrease) / increase in other liabilities	111	(2,979)
Net cash flows from / (used in) operating activities	7,651	6,703
Per cash flow statement	7,651	6,703

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 Contributed capital

	Consolidated	
	2023	2022
	\$'000	\$'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.

6.3 Leases

Policy

At inception of a contract, the TAFE 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

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.

Right of use assets	Property \$'000	Vehicles \$'000	Total \$'000
Consolidated 2023			
Balance as at 1 January 2023	2,050	762	2,812
Additions	64	341	405
Remeasurements arising from reassessments	64	19	83
Disposals	-	(68)	(68)
Amortisation	(102)	(141)	(243)
Balance as at 31 December 2023	2,076	913	2,989

Consolidated 2022			
Balance as at 1 January 2022	2,530	643	3,173
Additions	-	402	402
Remeasurements arising from reassessments	(412)	-	(412)
Disposals	-	(162)	(162)
Amortisation	(68)	(121)	(189)
Balance as at 31 December 2022	2,050	762	2,812

Lease liabilities

	Consolidated	
	2023 \$'000	2022 \$'000
Maturity analysis – contractual undiscounted cash flows		
Within one year	207	170
Later than one year but not later than five years	678	1,157
Later than five years	3,360	3,375
Total undiscounted lease liabilities as at 31 December	4,245	4,702
Future finance charges	(1,174)	(1,856)
Total discounted lease liabilities as at 31 December	3,071	2,846
Current	409	192
Non-current	2,662	2,654
Total lease liabilities	3,071	2,846

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	
	2023	2022
	\$'000	\$'000
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and cash equivalents	12,255	10,495
Trade receivables	608	367
Term deposits	42	41
Total contractual financial assets	12,905	10,903
Contractual financial liabilities		
Loans and payables		
Supplies and services	2,370	1,760
Other liabilities	679	568
Lease liabilities		
Lease liabilities	3,071	2,846
Total contractual financial liabilities	6,120	5,174

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; and
- receivables (excluding statutory receivables).

Financial liabilities at amortised cost are initially recognised on the date they originate. They are initially measured at fair value minus 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).

7.1.1 Financial risk management objectives and policies

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

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, foreign exchange 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 Sunraysia Institute of TAFE on behalf of the Board.

7. MANAGING RISKS AND UNCERTAINTIES

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 counterparty on their contractual obligations resulting in financial loss to the TAFE.

The trade receivables balances at 31 December 2023 and 31 December 2022 largely relate to student debtors, sponsor debtors, other debtors who engage the TAFE to provide training services or short courses as well as government agencies. These balances 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 past due nor impaired

	Financial institution s (AA-rating) \$'000	Governme nt agencies (AAA- rating) \$'000	Other counterparty \$'000	Total \$'000
Consolidated 2023				
Cash and cash equivalents	1,710	10,545	-	12,255
Receivables	-	-	579	579
Investments and other financial assets	42	-	-	42
Total contractual financial assets	1,752	10,545	579	12,876
Consolidated 2022				
Cash and deposits	1,617	8,878	-	10,495
Receivables	-	-	338	338
Investments and other financial assets	41	-	-	41
Total contractual financial assets	1,658	8,878	338	10,874

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

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;
- or
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

7. MANAGING RISKS AND UNCERTAINTIES

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 2023 and the past 48 months before 31 December 2022, 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 accordingly adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

7.1.3 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, the Group's 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.

Foreign currency risk

Foreign currency risk is the risk that the the TAFE's operating result, cash flow or capital are negatively impacted by a change in foreign exchange rates. The the TAFE has minimal exposure to foreign currency risk.

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.

There were no contingent assets or contingent liabilities as at 31 December 2023 (31 December 2022: nil) that may have a material effect on the financial operations of the TAFE.

7. MANAGING RISKS AND UNCERTAINTIES

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, and leasehold 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 2023.

7. MANAGING RISKS AND UNCERTAINTIES

(a) Fair value determination of non-financial assets including right of use 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.

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

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 Unobserva ble inputs \$'000
Consolidated 2023				
Specialised land	3,522	-	-	3,522
Total land at fair value	3,522	-	-	3,522
Specialised buildings	42,328	-	-	42,328
Total buildings at fair value	42,328	-	-	42,328
Plant and equipment	8,183	-	-	8,183
Vehicles	215	-	-	215
Land improvements	124	-	-	124
Right of use assets	2,989	-	-	2,989
Cultural assets	81	-	-	81
Total other assets at fair value	11,592	-	-	11,592
Consolidated 2022				
Specialised land	3,377	-	-	3,377
Total land at fair value	3,377	-	-	3,377
Specialised buildings	40,602	-	-	40,602
Total buildings at fair value	40,602	-	-	40,602
Plant and equipment	6,639	-	-	6,639
Vehicles	183	-	-	183
Land improvements	129	-	-	129
Cultural assets	81	-	-	81
Right of use assets	2,812	-	-	2,812
Total other assets at fair value	9,844	-	-	9,844

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

7. MANAGING RISKS AND UNCERTAINTIES

(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) 103 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 2022.

For the year ending 31 December 2023 the TAFE conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

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

During the current year, the RBA have progressively increased the cash rate target from 3.1% at 1 January to 4.35% by year end. The RBA have taken these measures in response to higher than target inflation rates currently being experienced in the Australian economy. The increases in the cash rate target has had a consequential impact on the risk free and capitalisation rates used in determining the fair value of non-financial assets and creates increased estimation uncertainty as the market continues to adjust.

Further, rising costs of construction and inflation creates estimation uncertainty for assets measured at current replacement cost.

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 current 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 2022.

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 current 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 the TAFE who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

7. MANAGING RISKS AND UNCERTAINTIES

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

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

There were no changes in valuation techniques throughout the period to 31 December 2023.

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

Reconciliation of level 3 items for the periods ended 31 December 2022 and 31 December 2023

	Specialised land and buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Cultural Assets \$'000	Land Improvement s \$'000	Right of use assets \$'000
Level 3 Fair value measurements 2022						
As at 1 January 2022	36,128	6,509	142	81	11	3,173
Additions	129	1,574	95	-	15	402
Disposals	-	(13)	(5)	-	-	(162)
Depreciation	(866)	(1,175)	(49)	-	(2)	(189)
Revaluation	5,070	-	-	-	-	(412)
Write-ups/transfers/(write-offs)	3,518	(256)	-	-	105	-
Balance as at 31 December 2022	43,979	6,639	183	81	129	2,812
Level 3 Fair value measurements 2023						
As at 1 January 2023	43,979	6,639	183	81	129	2,812
Additions	30	1,582	3	-	-	405
Disposals	-	(17)	(4)	-	-	(68)
Depreciation	(2,360)	(1,529)	(64)	-	(5)	(243)
Revaluation	(89)	-	-	-	-	83
Write-ups/transfers/(write-offs)	4,290	1,508	97	-	-	-
Balance as at 31 December 2023	45,850	8,183	215	81	124	2,989

Description of significant unobservable inputs to Level 3 valuations

2023 and 2022	Valuation technique	Significant unobservable inputs	Estimated sensitivity
Specialised land	Market approach	Community service obligation (CSO) adjustment	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Specialised buildings	Current replacement cost	Useful life of buildings and cost per square metre	A change in the useful life of the buildings and/or cost per square metre would result in a significantly higher or lower fair value
Motor vehicles	Current replacement cost	Useful life of vehicles	A change in the useful life may have an impact on the fair value (higher / lower)
Plant and equipment	Current replacement cost	Useful life of plant and equipment	A change in the useful life may have an impact on the fair value (higher / lower)
Leasehold improvements	Current replacement cost	Useful life of lease	A change in the useful life may have an impact on the fair value (higher / lower)

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

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 Skills and TAFE	The Hon. Gayle Tierney MLC	1 January 2023 to 31 December 2023
Director and Chief Executive Officer (Accountable Officer)	Geoff Dea	1 January 2023 to 30 June 2023
Director and Chief Executive Officer (Accountable Officer)	Brett Millington	13 June 2023 to 31 December 2023
Board Chair	Neth Hinton	1 January 2023 to 31 December 2023
Deputy Chair	Amanda Phillips	1 January 2023 to 31 December 2023
Board Member	Tania Chapman	1 January 2023 to 31 December 2023
Board Member	David Cofield	1 January 2023 to 31 December 2023
Board Member	Katherine Hughes	1 January 2023 to 31 December 2023
Board Member	Julie Humphrey	1 October 2023 to 31 December 2023
Board Member	Justin Lachal	1 January 2023 to 31 December 2023
Board Member	Leesa Merrett	29 May 2023 to 31 December 2023
Board Member	Justin Pickering	21 August 2023 to 31 December 2023
Board Member	Stelvio Vido	1 January 2023 to 31 December 2023
Board Member	Terry Jennings	1 January 2023 to 31 August 2023
Board Member	Dennis Mitchell	1 January 2023 to 29 May 2023

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the TAFE during the reporting period was in the range: \$370,000 – \$379,999 (2022: \$340,000 – \$349,999).

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

Income range	2023	2022
Less than \$10,000	3	2
\$10,000 – \$19,999	2	2
\$20,000 – \$29,999	5	6
\$30,000 – \$39,999	-	1
\$40,000 – \$49,999	1	-
\$130,000 – \$139,999	-	1
\$140,000 – \$149,999	1	-
Total number	12	12
Total remuneration (\$'000)	301	330

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

8. GOVERNANCE DISCLOSURES

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	
	2023 \$'000	2022 \$'000
Remuneration		
Short-term employee benefits	835	611
Post-employment benefits	89	63
Other long-term benefits	94	17
Total remuneration	1,018	691
Total number of executives	5	3
Total annualised employee equivalents (i)	4	3

(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 Sunraysia Institute of TAFE and its consolidated group 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 (see Note 9.4);
- and
- all departments and public sector entities that are controlled and consolidated into the whole-of-state consolidated financial statements.

The following entities have 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 to its subsidiary TAFE Kids Inc. by way of Human Resources, Bookkeeping/ Accounting, IT and building related services throughout the year.

The TAFE has had material government related party transactions for the period ending 31 December 2023, further information can be found in Note 2.1.

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

8. GOVERNANCE DISCLOSURES

Related party transactions

	Transaction values for year ended 31 December		Balances outstanding as at 31 December	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Related party transactions				
Debtor – TAFE Kids Inc.	58	47	60	6
Total	58	47	60	6

Key management personnel of the TAFE include the members of the Sunraysia Institute of TAFE Board, and the members of the Executive Leadership Team which include:

Key management personnel	Position title	Relevant Period
Geoff Dea	Chief Executive Officer	Resigned 30 June 2023
Brett Millington	Chief Executive Officer	Commenced 13 June 2023
David Harris	General Manager - Operations	
Diane Schmidt	General Manager - Corporate Services	
Wayne Ketchen	General Manager - Education	Commenced 3 July 2023
Chelsea Garraway	Head of Governance	
Angela Gransden	Head of People and Culture	Commenced 15 September 2023

Compensation of key management personnel

	Consolidated	Consolidated
	2023 \$'000	2022 \$'000
Remuneration		
Short-term employee benefits	1,479	1,211
Post-employment benefits	150	117
Other long-term benefits	104	39
Termination benefits	-	-
Total remuneration	1,733	1,367

Key management personnel of TAFE Kids Inc., consolidated pursuant to section 53(1)(b) of the *Financial Management Act 1994* into the TAFE's financial statements, include:

Key management personnel	Position title	Relevant Period
Neth Hinton	Board Chair	
Geoff Dea	Chief Executive Officer	Resigned 30 June 2023
Brett Millington	Chief Executive Officer	Commenced 13 June 2023
Amanda Phillips	Board Member	
Katherine Hughes	Board Member	
Diane Schmidt	Treasurer	
David Harris	Secretary	
Amie Johnson	Centre Director	

Transactions and balances with key management personnel and other related parties

The TAFE had no related party transactions for the period ending 31 December 2023.

8. GOVERNANCE DISCLOSURES

8.4 Remuneration of auditors

	Consolidated	
	2023 \$'000	2022 \$'000
Remuneration of the Victorian Auditor-General's Office		
Audit of the financial statements	94	76
Total remuneration of the Victorian Auditor-General's Office	94	76
Remuneration of other auditors		
Internal audit services	38	45
Total remuneration of other auditors	38	45
Total	132	121

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	
	2023	2022
	\$'000	\$'000
(a) Net gain/(loss) on financial instruments		
Government loan discount	-	(263)
Impairment of loans and receivables	-	5
Net gain/(loss) on revaluation of financial assets	55	(12)
Total net gain/(loss) on financial instruments	55	(270)
(b) Net gain/(loss) on non-financial assets		
Net gain on disposal of assets	213	82
Total net gain/(loss) on non-financial assets	213	82
(c) Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	(88)	237
Total other gains/(losses) from other economic flows	(88)	237
Total other economic flows included in net result	180	49

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. OTHER DISCLOSURES

9.2 Other equity reserves

	Consolidated	
	2023	2022
	\$'000	\$'000
Accumulated surplus/(deficit)		
Balance at 1 January	21,827	13,228
Transfer to Reserves	-	57
Net operating result for the year	1,718	8,542
Balance at 31 December	23,545	21,827
Physical asset revaluation surplus		
Balance at 1 January	32,248	27,178
Revaluation increment/(decrement) on non-current assets	(88)	5,070
Balance at 31 December	32,160	32,248

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

Intangible asset revaluation surplus		
Balance at 1 January	1,660	1,350
Revaluation increment/(decrement) on non-current assets	(111)	310
Balance at 31 December	1,549	1,660

Note: The intangible asset revaluation surplus arises on the revaluation of water licenses.

9.3 Controlled entities

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

Controlled entities	Country of incorporation	Class of shares	2023	2022
			%	%
TAFE Kids Incorporated	Australia	Ordinary	100	100

TAFE Kids Inc.

TAFE Kids Incorporated provides community child care services

Sunraysia Institute of TAFE has been assessed to have control over TAFE Kids Inc. as Sunraysia Institute of TAFE holds 100% of the share capital issued by TAFE Kids Inc. .

There are no subsidiaries that have material non-controlling interests to the Group.

All subsidiaries have the same year-end as Sunraysia Institute of TAFE.

9.4 Events after reporting date

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

9. OTHER DISCLOSURES

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 2023 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.

AASB 2021-7c - Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections is effective from 1 January 2022. However, this amendment is part of a series of amendments that defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture to annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.

AASB 2022-5 - Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback amends AASB 16 Leases to add subsequent requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendment is not expected to impact the TAFE and the TAFE will not early adopt the standard.

In March 2020, the AASB issued AASB 2020-1 - Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current, which makes amendments to AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

In December 2022, the AASB issued AASB 2022-6 - Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants, which amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.

The amendment is not expected to impact the TAFE and the TAFE will not early adopt the standard.

AASB 2022-10 - Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial assets of Not-for-Profit Public Sector Entities amends AASB 13 Fair Value Measurement, including adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The TAFE will not early adopt the standard.

AASB 2023-1 - Amendments to Australian Accounting Standards - Supplier Finance Arrangements amends AASB 107 and AASB 7 to require an entity to provide additional disclosures about its supplier finance arrangements. The amendment is not expected to impact the TAFE and the TAFE will not early adopt the standard.

9.6 New or amended Accounting Standards and Interpretations adopted

The following Australian Accounting Standards and interpretations are mandatory for the 31 December 2023 reporting period.

AASB 2021-2 - Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates amends:

- AASB 7 - *Financial Instruments*;
- AASB 101 - *Presentation of Financial Statements*;
- AASB 108 - *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- AASB 134 - *Interim Financial Reporting*.

The Standard also makes amendments to AASB Practice Statement 2 Making Materiality Judgements (December 2017). These amendments arise from the issuance by the International Accounting Standards Board (IASB) in February 2022 of the following International Financial Reporting Standards:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2); and
- Definition of Accounting Estimates (Amendments to IAS 8)

The amendment has not had a material impact on the consolidated entity's financial statements.

AASB 2022-3 - Amendments to Australian Accounting Standards - Illustrative examples for NFPs accompanying AASB 15 amends the Australian illustrative examples for not-for-profit entities accompanying AASB 15 Revenue from Contracts with Customers to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15. The Basis for Conclusions also document the Board's decision to retain the accounting policy choice on an ongoing basis for NFP private sector lessees to elect to initially measure a class of right-of-use assets arising under concessionary leases at cost or at fair value. The amendment did not have an impact on the consolidated entity's financial statements.

AASB 2022-7 - Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards makes editorial corrections to six Standards and to Practice Statement 2 Making Materiality Judgements. It also formally repeals superseded and redundant Australian Account Standards as set out in Schedules 1 and 2 to the Standard. The amendment did not have an impact on the consolidated entity's financial statements.

10. PARENT ENTITY FINANCIAL INFORMATION

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

	2023 \$'000	2022 \$'000
Balance sheet		
Total current assets	14,070	12,502
Total non-current assets	60,172	58,396
Total assets	74,242	70,898
Total current liabilities	7,600	6,074
Total non-current liabilities	3,475	3,239
Total liabilities	11,075	9,313
Accumulated surplus	22,859	21,078
Contributed capital	6,997	6,997
Reserves	33,311	33,510
Total equity	63,167	61,585
Comprehensive operating		
Net result	1,781	8,530
Other comprehensive income	(199)	5,759
Comprehensive result	1,582	14,289

The parent entity has confirmed that it will continue to provide its subsidiaries adequate cash flow support to meet its current and future obligations as and when they fall due.

The parent entity did not have any contingent liabilities as at 31 December 2023.

The parent entity had no contractual commitments as at 31 December 2023.

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Key to abbreviations

CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
COVID-19	Coronavirus
DJSIR	Department of Jobs, Skills, Industry and Regions
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EV	Electric Vehicle
FFS	Fee for Service
FMA	Financial Management Association
FOI	Freedom of Information
FTE	Full Time Equivalent
GF	Government Funded
KPI	Key Performance Indicator
NMLLEN	Northern Mallee Local Learning and Employment Network
MDAS	Mallee District Aboriginal Services
MRIC	Mallee Regional Innovation Centre
NCC	National Construction Code
OH&S	Occupational Health and Safety
OTCD	Office of TAFE Coordination and Delivery
PACCT	Professional, Administrative, Clerical, Computing and Technical
PAEC	Public Accounts and Estimates Committee
PD	Professional Development
RAP	Reconciliation Action Plan
RSTF	Regional and Specialist Training Fund
SaJC	Skills and Jobs Centre
SBAT	School Based Apprenticeship Traineeship
SMS	Student Management System
SuniTAFE	Sunraysia Institute of TAFE
TAFE	Technical and Further Education
ULP	Unleaded Petrol
VAEI	Victorian Aboriginal Education Association Inc
VAGO	Victorian Auditor-General's Office
VET	Vocational Education and Training
VETDSS	Vocational Education and Training Delivered to Secondary Schools
VPSC	Victorian Public Sector Commission VTA Victorian TAFE Association
VSA	Victorian Skills Authority
VTA	Victorian TAFE Association



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