

2022  
annual  
report



### Acknowledgment of Country

Sunraysia Institute of TAFE would like to acknowledge the traditional owners of the land upon which we conduct training, principally in Mildura, Robinvale and Swan Hill, and all communities where we have a presence. We also acknowledge their elders past, present and emerging as well as all the First Nation people that make up these 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 2022.

CRICOS Provider Code: 01985A, RTO Code: 4693



Geoff Dea  
Chief Executive Officer (CEO)  
Sunraysia Institute of TAFE  
24/03/2023

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# Introduction

## Board Chair and Chief Executive Officer Statement

As we emerge from the worst of the COVID19 pandemic, SuniTAFE has continued to refine its courses and student services to address the needs of our region both now and in the future.

During 2022 we reviewed the rapid changes that were made during the initial outbreak of the pandemic. This led to modifications in course delivery which are benefitting students, employers and teachers. This includes further adapting and improving our on-line and hybrid courses through technology and interface improvements, teacher development and student support.

We also worked closely with the Office of TAFE Co-Ordination and Delivery to support a range of sector-wide initiatives aimed at transforming VET delivery in Victoria.

As borders and other restrictions re-opened, domestic and international students gradually returned to our campuses in Mildura and Swan Hill during 2022 and we look forward to further increases in enrolments in 2023.

Our strong engagement with employers continued in 2022, with our Board, Strategic Leadership Team, teaching staff and the Skills and Jobs Centre actively engaging with industry in a range of forums throughout the year. We responded to the needs of industry by developing various "earn and learn" models to help address gaps in local training and also the current workforce shortages being felt across the region and beyond.

SuniTAFE's response to students and industry include a new Electric Vehicle (EV) course, which commenced at the end of 2022 and which is a good example of training that was activated in response to industry demand for new skills. We also introduced a "Future Lab" for graphic design students, including new drawing tables, 3D printers and display equipment.

A new Mallee Mobile Skills and Jobs Centre was launched in 2022. This mobile facility is already improving the reach of our services and supporting individuals to gain skills, upskill, re-skill or gain employment. This highly visible mobile service now provides direct in-person access to our professional career advisors for communities across the vast region covered by SuniTAFE.

Free TAFE and Job Trainer courses were again included in our scope to provide equitable opportunity for skills development and training. This Commonwealth and

Victorian Government initiative makes free and low-fee training places available, helping to fill critical skills gaps in areas of industry need.

While the on-line environment has become increasingly important to course delivery and our overall operations, throughout 2022 SuniTAFE also invested heavily in modern training equipment and facilities to support face-to-face learning. Continuously upgrading our assets improves our capacity to provide training that is current and enables job-readiness of our students, apprentices and trainees.

We are proud of our many achievements this year. Among them have been major infrastructure projects, innovative programs, outreach services and new areas of course delivery.

**We are very grateful for the support of the Victorian Government in providing funding for the following initiatives in 2022:**

**Completion of the \$2.8 million roads, carparks, and stormwater infrastructure project at the Mildura Campus.**  
(Funding Source: Asset Maintenance Program)

**\$1.32 million for the Skills and Jobs Centre Mallee Mobile Service, launched in 2022 to provide opportunities across our region.**  
(Funding Source: Department of Education and Training, 2021-22 budget)

**\$1.18 million for EV training at Mildura and Swan Hill campuses.**  
(Funding Source: Apprenticeships Victoria, Quality Apprenticeships Equipment Grant)

**\$130,000 for a Future Lab to support the new Diploma of Graphic Design**  
(Funding Source: Regional and Specialist Training Fund)

**Commencement of works on the new \$1.6 million engagement space at the Mildura Campus to create a vibrant student information, support, and technology hub.**  
(Funding Source: Asset Maintenance Program)

**\$599,000 for SuniTAFE's CareerWISE project – a new concept to provide a pipeline solution across the student journey and into viable employment.**  
(Funding Source: Workforce Innovation Training Fund)

Our Board, Strategic Leadership Team, teachers and administrative staff have continued to work together with a strong student focus, a response to the needs of industry and an acknowledgement of the importance of the broader community. We thank them for their ongoing commitment and hard work. We continually strive for excellence and are guided not only by best practice governance principles but equally importantly, by our SuniTAFE values.

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 Education and Training (DET), Office of TAFE Coordination and Delivery (OTCD), Victorian Skills Authority (VSA) and Victorian TAFE Association (VTA).

We are pleased to present the 2022 Annual Report of Sunraysia Institute of TAFE.



**Neth Hinton**  
Board Chair  
24/03/2023




**Geoff Dea**  
CEO  
24/03/2023



### Minister

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

# 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, its establishment was seen as integral to the needs of the growing community and regional industry.

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

During those very early years, partnerships with other educational providers were already seen as being vital.

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

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

Today, SuniTAFE is a vibrant educational community, providing vocational education and training for the people of Loddon Mallee North and beyond with students traveling from both across Victoria and interstate to study in courses where SuniTAFE has a demonstrated level of expertise.

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

# Services

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

**SuniTAFE enrolls students in a range of disciplines including:**

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

**Other Services:**

- SuniTAFE continues to offer a range of services to industry including:
- Business and industry advisory panels;
- Employment services;
- Partnership programs;
- Skills recognition;
- Workforce development.

**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**

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

SuniTAFE has other campuses located at:

**Swan Hill**  
64 Sea Lake-Swan Hill Road, Swan Hill

**SMART Farm Training and Innovation Hub**  
161 Dairtrunk Avenue, Cardross

**Co-location, Robinvale College**  
88 George Street, Robinvale

**TAFE Kids Inc.**

TAFE Kids Inc. is a small community non-for-profit service that is managed by the TAFE Kids Management Committee and is located on the SuniTAFE grounds. The Centre takes pride in providing a home-like feel for children, educators, families and other stakeholders. The Centre caters for up to 69 children per day and provides a 3-year-old and 4-year-old Kinder service.

TAFE Kids Inc. provides early childhood education and care and kindergarten programs for the general community, SuniTAFE staff and students, with care available to children aged from 6 weeks to 5 years.

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 them to deliver a holistic education to all children. In addition, the Centre offers traineeships and work placement opportunities for SuniTAFE students. The Centre creates an environment based on live, laugh and learn for all children.

# Purpose

**Strategic Plan**

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

The Strategic Plan was developed through extensive consultation (in 2018), and aligns with SuniTAFE's Statement of Priorities.

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

The COVID-19 pandemic saw a change of emphasis in focus to key parts of the Strategic Plan.

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

Our strategic plan is heavily reliant on necessary funding that is provided from the Department to deliver on our strategic priorities.

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



SuniTAFE’s values were refreshed and endorsed by the SuniTAFE Board of Directors in 2022.

SuniTAFE staff participated in a series of focus groups and workshops in 2022 to assist in refreshing the SuniTAFE values and behaviours.

Our values shape the experience for our staff, students, employers and community when visiting a SuniTAFE campus.

SuniTAFE’s values and behaviours ensure quality education outcomes by setting the standards of the organisation, what is important to us collectively, and how we work to achieve success.

## Preferred Training Provider

During 2022, SuniTAFE maintained a focus on financial and operational sustainability, while actioning strategic priorities.

SuniTAFE continued to apply strong governance while developing the capability of our own staff to perform at their best.

SuniTAFE adapted swiftly in response to regional needs and government strategy, including the delivery of Free TAFE and other initiatives.

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

Student numbers	2021 (Dec)	2022 (Dec)
Government Funded Students	2,923	2,452
Fee for Service Students	1,785	1,416
<b>Total student numbers</b>	<b>4,708</b>	<b>3,868</b>

### Skills and Jobs Centre (SaJC) fostered pathways to employment in 2022 and achieved:

Student numbers	2021 (Dec)	2022 (Dec)
<b>Student enquiries:</b> Number of enquiries (regarding course options, educational advice, upskilling)	605	888
<b>Industry enquiries:</b> Number of industry/business enquiries in relation to training or SaJC support	52	141
<b>Job outcomes:</b> Number of clients who have secured employment via the operations of SaJC	29	34
<b>Job Ready applicant referrals:</b> Number of applicant referrals conducted by SaJC under the Trades Recognition Australia Job Ready Program. The program is aimed at assessing people awaiting Australian citizenship in an identified skills shortage area.	1,153	1,028



# Summary of Activities, Programs and Achievements

## MyeQuals

SuniTAFE's Education Support team implemented MyeQuals for certificate issuance, joining the growing list of RTOs that offer official qualification records via this digital platform.

MyeQuals offers:

- Students - an easy and secure platform to receive, view and share their qualifications online;
- RTOs - an easy and secure place to issue and manage qualifications for students;
- Employers and other agencies - an easy way to verify qualification claims online.

## New Front Entrance Signage

The two main entrance pylon signs at the Mildura Campus were given a major facelift with the installation of new striking blue signs in August. To compliment the new signage, new flags were also installed at the Benetook Avenue entrance.

## Re-Registration

SuniTAFE received notification in June 2022 that registration as an RTO and CRICOS provider was renewed until 2029. SuniTAFE's Compliance and Risk team led a coordinated wide review project that commenced in late 2021.

## Sponsorship

### School Bursaries

SuniTAFE supports young people who live in the Mallee through their learning across disciplines such as education, music, sports or other extracurricular activities. In 2022, 10 bursaries were gifted to schools across the district to be used for their end of year awards and further the education of school leavers.

### VETDSS Excellence Awards

SuniTAFE was a gold sponsor for the Sunraysia Careers Network 2022 VETDSS Excellence Awards, held in November. The awards celebrate outstanding work accomplished by VET, VCAL and SBAT students in the region.

### Monetary Boost for SuniTAFE

SuniTAFE has welcomed a monetary boost for training and resources from the Victorian government. The funding further strengthens SuniTAFE's capacity to deliver quality education, training and services to the wider Mallee region to support regional workforces and keep people in the region.

### CareerWISE

A \$599,000 Workforce Innovation Training Fund grant for SuniTAFE's CareerWISE project was announced in April. It is a pipeline solution, integrating across functions and milestones of the student journey into employment. It is designed to support TAFE training in priority employment areas aligned with the Victorian Skills Plan and achieve successful outcomes for Free TAFE qualifications. This will be realised through a range of targeted activities

with a central virtual marketplace website/app for enrolled or prospective students to connect with employers, and SuniTAFE Skills and Jobs Centre expertise.

### Future Lab

In March \$130,000 was announced to establish 'Future Lab' to support the local delivery of the new Diploma of Graphic Design (CUA50720) course in Mildura. This will assist the Victorian Government's priority industry in digital technology.

Future Lab will see budding graphic designers get hands on knowledge and experience while working with local experts and organisations all while obtaining their Diploma.

Students will learn their craft in an environment that replicates a professional setting. They will have access to first-class technology, including projectors, a 3D printer and display equipment.

### Electric Vehicles

A \$1.18 million investment under the Apprenticeships Victoria Quality Apprenticeships Equipment Grant was announced in April. The funding will support delivery of training on heavy and light electric and hybrid vehicles in workshops at SuniTAFE Swan Hill and Mildura campuses.

SuniTAFE's heavy automotive department became the first RTO in Australia to train with a fully electric excavator. Adding to the fleet of electric and hybrid vehicles, the Mildura Campus acquired the JCB 19C 1E mini excavator model which is the world's first working electric excavator that is completely untethered. The introduction of this training supports local workforce needs to develop the next generation of technicians. This will build on the skills and capabilities to support Victoria's Clean Economy. This will build on the skills and capabilities to support Victoria's Clean Economy.

### Events

#### Sunray Warriors

SuniTAFE SMART Farm Project Leader of Horticultural Innovation presented to the next generation at the Sunray Warriors event in March.

More than 700 students enjoyed hands-on, interactive activities to help them learn about local biodiversity and what they can do to become environmental warriors.

#### Ardoch - Learning Through Lunch Program

The Skills and Jobs Centre hosted a Learning Through Lunch Program in October in partnership with Ardoch, a children's education charity focussed on improving educational outcomes for children and young people in disadvantaged communities.

The two sessions saw 80 primary school students from 6 schools attend the Mildura Campus on each day. The partnership will continue into 2023.

# Progressive Collaborator

## SaJC Mallee Mobile Service Launch

The reach of the Skills and Jobs Centre expanded with the launch of the Mallee Mobile Service in April.

The \$1.32 million new mobile service will enable a fleet of vans to visit schools, community centres, and workplaces regularly in areas with limited or no direct access to TAFE and training - including Charlton, Kerang, Robinvale and other towns across Sunraysia.

The service will provide free advice and better connect everyone in the region to education, training, and employment opportunities.

In addition, services include pathways to training, career counselling, resume and interview preparation. They will also assist 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.

## SMART Farm Trials

### IMapPESTS Sentinel Surveillance for Agriculture Program

The diversity of crops at the SuniTAFE SMART Farm was the ideal location for the study to take place and gain insights into pest populations that might be relevant to many of the plant industries in the region.

### Cover Crops

SuniTAFE SMART Farm was selected as one of only two sites involved in a three-year cover crop trial. With support from the Australian Wine Research Institute and Murray Valley Winegrowers, both sites have been sown to a mix of species including annual medics, lucerne, cocksfoot and prostrate saltbush. The sites will enable growers to visually assess the mid-row and under-vine cover crops impact on the soil health, weed control and cultural practices on vine health.

### CitrusWatch

SuniTAFE is working with Citrus Australia as part of CitrusWatch, a national program aimed to protect the Australian citrus industry from harmful exotic pests. A surveillance for the early detection of Asian citrus phyllid is being conducted at the SuniTAFE SMART Farm.

### Growing Smarter in the Mallee

A two-day summit was held in May at the SuniTAFE SMART Farm to give growers across the Sunraysia region the opportunity to explore the latest innovations in horticultural production.

An initiative of the Mallee Regional Innovation Centre (MRIC), the event provided an opportunity to showcase the SMART Farm, see the latest equipment in operation, talk to developers and trade stall experts.





**Trade Workshop for Women**

Women learnt how to use basic hand and power tools in a fun and empowering workshop at SuniTAFE's Mildura and Swan Hill campuses in June.

SALT (Supporting and Linking Tradeswomen) in conjunction with SuniTAFE ran the workshops to encourage women to consider a career in a trade and also get local employers thinking about taking on more women as apprentices in industries that are traditionally male dominated.

**NAIDOC Celebrations**

The Dulka Yuppata Indigenous Training Centre at the Mildura Campus hosted a celebration for NAIDOC Week in September (delayed due to COVID). The event featured a traditional smoking ceremony and food, basket weaving and art gallery display. It was well attended by the students, staff and the wider community.

**Student Community Events and Activities**

**Fish Hotels**

SuniTAFE VCAL students joined the Priority Species Program in August, a Health Rivers Program with OZFish Unlimited, Sunraysia River Repair Bus and First Peoples of Millewa Mallee, with the construction of 20 fish

hotels having begun in November 2022 and expected to be completed by March 2023. Fish hotels are wooden structures that are built to emulate what naturally occurs in rivers and streams when trees fall into the waterway.

**Sunassist VCAL Volunteers**

Senior VCAL students volunteered to assist Sunassist with the planning and running of their major fundraising event, the Sunassist Motor Show in September. The collaboration enabled the students to learn about Sunassist's role in the community and help identify problems and resource needs. The project demonstrated effective teamwork and enhance skills in scheduling meetings and seeking sponsorship.

**SolarBuddy Project**

Certificate I in Transition Education students learned about global citizenship and social enterprise first hand by planning and completing a project to send SolarBuddy lights to children in Timor Leste.

SolarBuddy was founded to address the physical, economic and environmental effects of energy poverty. Placing a SolarBuddy in the hands of children worldwide who live in energy poverty has wide reaching effects on a generation.

**The SolarBuddy project involved:**

- Planning and fundraising around \$800 to purchase 25 lights through selling handmade granola and running their version of the greatest vanilla slice at the Chat n Chew Café.
- Ordering and constructing the solar lights.
- Writing letters to the children who will receive the lights.
- Arranging a courier to collect constructed lights and letters.

**Skills and Jobs Centre Community Engagement**

SuniTAFE's Skills and Jobs Centre had a busy calendar of events and activations in 2022 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;
- Youth and Jobs Career Expo;
- Futures Day;
- School visits;
- Campus tours;
- Loddon Tertiary Education Service events;
- La Trobe University Open Day;
- Information sessions.

**Assistance to GrowAbility Nursery**

SuniTAFE came to the aid of Christie Centre Inc. GrowAbility Nursery by housing over 100,000 plants that needed to be relocated in preparation for approaching floods. Its location towards Apex Park meant that access to the business would be cut off once the water arrived.

SuniTAFE and the Christie Centre have long worked in partnership with a shared goal of helping people in the community.

The relocation has enabled GrowAbility to retain its stock and staff will continue to work their rostered hours.





# Support Growth and be Sustainable

## Activation Events

### Futures Day

SuniTAFE in partnership with La Trobe University showcased 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 face-to-face event again to year 12 students with future study options and course guidance after hosting challenges through the pandemic.

### SuniTAFE Open Day

Activation events were held at both Swan Hill and Mildura campuses in October. It was great to welcome the public to the campuses for face-to-face events after hosting online events through the pandemic. A range of information was available to students, school leavers, job seekers, career changers, those returning to work and people considering further study and training. Features of the day included department/course information and displays, campus tours, information sessions and career and industry expo.

### WorkSafe Events

During Health and Safety Month (HSM) in October, WorkSafe Victoria held four events at SuniTAFE to present health and safety messages to key audiences. The purpose of HSM is to raise awareness of WorkSafe and the role it plays in the community to improve workplace safety and return to work outcomes.

### Gender Equality Action Plan

SuniTAFE's Gender Equality Action Plan (GEAP) has been developed and is being implemented to ensure that we attract, develop and retain an inclusive, high performing and engaged workforce.

Our three key priorities in this plan are:

1. Embed the culture and processes to challenge and reduce inappropriate behaviour;
2. Increase access to and support for flexible work;
3. Improve fairness and transparency in our recruitment and promotion practices to encourage diversity and address imbalance (including gender pay gap).

## Transition to Blended Delivery Project

A project commenced in January to implement a best practice blended delivery model to provide a richer and more engaging student experience. The project team meets monthly with a cross section of education staff.

In 2022 we defined Blended Learning for SuniTAFE, developed blended delivery categories, completed a draft framework and are currently trialling the framework across a number of courses.

The project team is currently working on an implementation plan to transition SuniTAFE courses to blended delivery.

## HALT Events

The importance of looking after the mental health of local tradies was the focus of several mental health and wellbeing presentations held at SuniTAFE's Mildura and Swan Hill campus' in July by Hope Assistance Local Tradies (HALT), a national grass-roots suicide prevention charity. Co-founder and spokesperson Jeremy Forbes presented to approximately 250 apprentices, students, teachers and employers.

## International Students

SuniTAFE saw an influx of new international students stepping foot on campus in 2022 with a dramatic increase in applications compared to 2021 despite students continuing to be impacted by visa processing delays. In July, new students were from 9 different countries.

International students were surveyed in May 2022 and **100% of respondents had a part-time job with 70% of students having a job related to their course.**





# Business Excellence

## 20 Years of Heavy Automotive in Swan Hill

The SuniTAFE Heavy Automotive Department was recognised at the 2022 SuniTAFE Graduation and Awards event for the Swan Hill Campus to celebrate 20 years since the program was first established.

The success of Heavy Automotive training is due to not only the members of the Swan Hill Automotive Reference Group but also the hard work of managers at that time, along with all the Heavy Automotive staff from the start to the present.

## Inaugural Trades Event

SuniTAFE's Automotive Workshop was the perfect backdrop for the inaugural SuniTAFE Trades Event in November. 130 students, family, friends, employers and industry came

together to recognise and celebrate student achievements across a number of trades.

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

## Introduction of SuniTAFE News

In June a new initiative was introduced to share the latest news happening across Mildura and Swan Hill campuses and the SMART Farm. Distributed bi-monthly, the SuniTAFE News bulletin is also giving readers a chance to get to know our staff and students.

## Mildura Campus Refurbishment

The following projects are funded by the Victorian Government Asset Maintenance Program:

### Roads and Carparks

Significant improvements were made to the roads, carparks and stormwater infrastructure at the Mildura Campus with the completion of the \$2.8 million project in July.

### New Engagement Space

Works commenced in March on the \$1.6 million project to re-purpose the main thoroughfare of the Mildura Campus. The Undercroft and Library areas will be transformed into new engagement spaces.

## Videography/Photography Project

SuniTAFE's Communications and Marketing team coordinated a videography/photography project across multiple locations around Mildura and Swan Hill to update the image library and produce a promotional capability video.

Over 100 students were involved across the 2 campuses, more than 35 different areas and departments and 4 industry organisations off-site shoots.

The project will continue into 2023 with the development of a suite of study area and targeted promotional videos.





# Awards and Achievements

## SuniTAFE Graduation and Awards

A celebration of student achievement for the 2021 academic year was held in both Mildura and Swan Hill. It was great to host face-to-face events after holding them virtually during the pandemic.

6 months of planning

34 award nominee interviews

451 attendees

57 graduands crossed the stage

23 award winners and 5 scholarships

## SuniTAFE staff

### Nicky Moore

#### Training and Assessment

Winner - Teacher of the Year,  
SuniTAFE Graduation and Awards (Mildura)

After nearly a decade of teaching at SuniTAFE, Nicky Moore has been recognised for her dedication and passion by being named SuniTAFE Mildura Campus Teacher of the Year.

The prestigious award was presented to Nicky at the SuniTAFE Graduation and Awards evening at the Mildura Arts Centre in May.

The Certificate IV in Training and Assessment (TAE40116) teacher was nominated for going above and beyond with her commitment to her students and her passion for being the best teacher she can be by continually updating her practices and tools.

### Stewart Brown

#### Team Leader Learning Resource Centre

Winner – Staff Member of the Year,  
SuniTAFE Graduation and Awards (Mildura)

### Natalie Broussard

#### Nursing

Winner – Teacher of the Year,  
SuniTAFE Graduation and Awards (Swan Hill)

### Terry Pain

#### Automotive

Winner - Teacher of the Year,  
2022 VETDSS Excellence Awards

### Laree Hills

#### ATSICA

Winner - Teacher/Trainer of the Year,  
Victorian Aboriginal Education Association (VAEA)  
2022 Wurreker Awards

### Carmela Tyson

#### 40 Years of Service

A special lunch was held on Tuesday 15 March to recognise and celebrate Carmela Tyson's 40-year contribution to SuniTAFE. Carmela is now one of the longest serving employees of SuniTAFE. She is currently the Skills Recognition Coordinator and over the past 40 years has held many other roles including Customer Service Officer, Switchboard Operator, Assistant to Director Secretaries, Typist for the Institute staff, Print room/Bookshop Support Officer, Office Campus Administration Assistant and Off Campus Coordinator.

With SuniTAFE only established two years prior to Carmela commencing her employment, she has witnessed firsthand many of the major changes that have occurred since its inception. Congratulations Carmela on your ongoing contribution to SuniTAFE.

## SuniTAFE Canteen

After 27 years of operating the canteen at the Mildura Campus, Ross and Leanne Hoyle departed SuniTAFE in mid-December 2022. With the impending completion of the undercroft project, SuniTAFE, in line with many other Victorian TAFEs, will operate its canteen with internal staff and seek to provide placement opportunities for students. We say a big thank you to Ross, Leanne and their staff for their service to SuniTAFE.

## SuniTAFE students

### Kade Loxton

#### Building and Construction

Winner - 2022 Bendigo Apprentice of the Year  
Future Builder Award,  
Master Builders Victoria Regional Apprentice  
of the Year Awards

### Alexiane Beck

#### Diploma of Accounting

Winner - International Student of the Year  
Vocational Education and Training,  
2021-22 Victorian International Education Awards

### Lilli Rogers

#### Plumbing

Winner - VETDSS Student of the Year,  
2022 VETDSS Excellence Awards

## AUS-TAFE Culinary Trophy State Finals

### Shapo Jigdak

Stefano's, Silver Medal

### Nicholas Coe

Mallee Track Health & Community Service, Bronze Medal

### Jaivon Stacey

Brother Chris, Bronze Medal

### Shaun Watters

The Corporate Moose, Participation





# Management and Structure

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

The role of the Board under the Act is to oversee and govern SuniTAFE efficiently and effectively; develop and implement the Statement of Priorities in accordance with the requirements of the Act; and oversee operational planning.

SuniTAFE and the Board of Directors work closely with the Office of TAFE Coordination and Delivery and the TAFE network to provide adaptive innovative and high-quality accessible hands-on training to students, to facilitate life-long learning pathways in consultation with industry to deliver a job ready workforce with real work outcomes.

The Board Standing Orders provide additional guidance to Directors on accountabilities and interactions, read with the Act and Constitution.

The Board is comprised of 11 Directors with knowledge of or experience in Management; Business and Commerce; Finance; Corporate Governance; Law; Vocational Education and Training; Horticulture; Adult and Tertiary Education; and 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

- Six are Ministerial appointed Directors (one vacant position -Ministerial appointed Director);
- 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 2022:

**Neth Hinton** (Board Chair - appointed Chair 1 July 2022)  
**Geoff Dea** (CEO)  
**Amanda Phillips**  
**Dennis Mitchell** (appointed 17 October 2022)  
**Justin Lachal**  
**Kate Hughes**  
**Stelvio Vido** (appointed 10 October 2022)  
**Tania Chapman**  
**Terry Jennings**  
**David Cofield**

**Kay Martin** (Board Chair concluded 30 June 2022)  
**Rod Markwell** (Board Director concluded 30 June 2022)  
**Greg Hutchison** (Board Director concluded 30 June 2022)

## Board Committees

Board Sub-Committees are established to assist the Board with governance and oversight of obligations. The following Sub-Committees assisted the Board in fulfilling its duties in 2022:

### Governance Committee

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

#### The Committee's role involves:

- Assisting the Board to effectively discharge its duties with respect to overseeing all aspects of good corporate governance;
- Ensuring that legislative and compliance responsibilities as they relate to the Institute are met;
- Managing the processes of recruitment, induction, and performance review of Board Directors;
- Making recommendations to the Board on all matters relating to the CEO's employment and executive remuneration matters;
- Reviewing new and existing SuniTAFE policies.

### Membership (as at 31 December 2022)

**Neth Hinton** (Board Chair concluded as Governance Chair 30 June 2022)  
**Tania Chapman** (Interim Chair effective 1 July 2022, appointed Governance Chair effective 30 August 2022)  
**Justin Lachal** (Board Director appointed 30 August 2022)  
**Geoff Dea** (CEO)  
**Kay Martin** (concluded 30 June 2022)

### 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 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 (as at 31 December 2022)

**Amanda Phillips** (Chair)  
**Justin Lachal** (Board Director)  
**Neth Hinton** (Board Chair)  
**Kay Martin** (concluded 30 June 2022)  
**Inga Dalla Santa** (Co-opted member, concluded 31 December 2022)

### Strategic Business Development Committee

The Strategic Business Development Committee assists the Board by providing objective advice, insights, and recommendation on strategic marketing; stakeholder engagement; skills and training in response to industry and workforce demand; and business development initiatives to position SuniTAFE for sustainable growth.

#### The Committee's role involves:

- Making recommendations to the Board in regards to strategic marketing and business development initiatives as referenced in the SuniTAFE Strategic Plan;
- Providing advice to the Board on identified growth projects; new job opportunities; new and existing markets or industry segments; and new geographical areas Acting as a resource to connect SuniTAFE with businesses and the regional community;
- Providing independent advice and recommendations drawing on the business experience of Committee members.

### Membership (as at 31 December 2022)

**Geoff Dea** (CEO)  
**Terry Jennings** (Interim Chair effective 1 July 2022, appointed Strategic Business Development Chair effective 30 August 2022)  
**Neth Hinton** (Board Chair)  
**Amanda Phillips** (Board Director)  
**Rod Markwell** (Chair concluded 30 June 2022)  
**Greg Hutchison** (concluded 30 June 2022)

### Risk Committee

The Risk Committee assists the Board to discharge its duty in fulfilling their oversight and governance responsibilities and obligations by taking proactive action and management against risks facing the Institute and mitigate these risks.

#### The Committee's role involves:

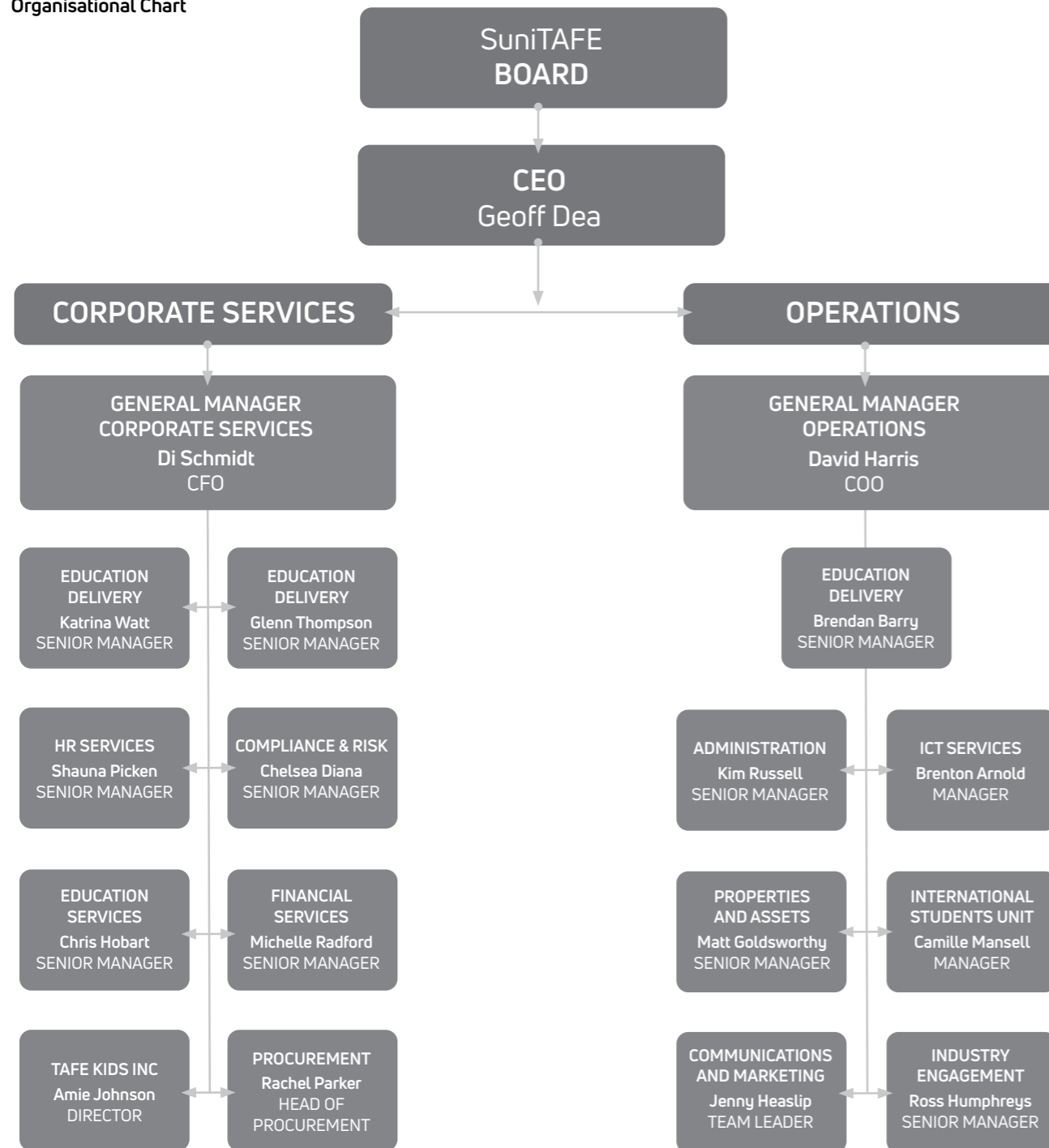
- Ensuring legislative and other compliance responsibilities are met under the *Financial Management Act 1994*; Standing Directors of the Minister for Finance 2018; the instructions of the Minister for Finance; and Victorian Government Risk Management Framework;
- Independently reviewing and assessing the effectiveness of SuniTAFE's Risk Management Plan;
- Ensuring SuniTAFE's Risk Management Framework supports the development of a positive risk culture

### Membership (as at 31 December 2022)

**Tania Chapman** (concluded as Chair 30 June 2022)  
**Geoff Dea** (CEO)  
**Leonie Burrows** (Co-opted)  
**Amanda Phillips** (Board Director)  
**Kate Hughes** (Interim Chair effective 1 July 2022, appointed Risk Chair effective 30 August 2022)  
**David Cofield** (Board Director appointed 30 August 2022)  
**Kay Martin** (concluded 30 June 2022)

# 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 2022 was 255.2. 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 2021 and 2022**

	Year ending 31 December 2022							Year ending 31 December 2021						
	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	88.8	4.4	15.9	3	NA	5.2	117.3	85.1	9.9	21.3	1.4	NA	3.5	121.2
Executive	-	1	-	-	NA	-	1	-	1	-	-	NA	-	1
Other	8.9	-	8.5	-	NA	1.5	18.9	9.2	0.1	11	-	NA	2.6	22.9
Teacher	91	1.1	22	0.4	3.5	NA	118	89.2	6.4	23.8	2.9	5.4	NA	127.7
<b>Total</b>	<b>188.7</b>	<b>6.5</b>	<b>46.4</b>	<b>3.4</b>	<b>3.5</b>	<b>6.7</b>	<b>255.2</b>	<b>183.5</b>	<b>17.4</b>	<b>56.1</b>	<b>4.3</b>	<b>5.4</b>	<b>6.1</b>	<b>272.8</b>

Employees have been correctly classified in the workforce data collections.



Table 2. Workforce Disclosures (December 2021 – December 2022)

Demographic Data	December 2022						December 2021							
	All Employees		Ongoing			Fixed Term and Casual	All Employees		Ongoing			Fixed Term and Casual		
	Number Head-count	FTE	Full time Head-count	Part time Head-count	FTE	Number Head-count	FTE	Number Head-count	FTE	Full time Head-count	Part time Head-count	FTE	Number Head-count	FTE
<b>Gender</b>														
Women Executives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Women (total staff)	192	150.8	104	53	139.1	35	11.7	212	166.2	101	69	149.5	42	16.7
Men Executives	1	1	-	-	-	1	1	1	1	-	-	-	1	1
Men (total staff)	111	103.4	87	7	96	17	7.4	123	106.6	87	10	90.1	26	16.5
Self-described Executives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Self-described (total staff)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Age</b>														
15-24	8	6.7	7	-	6.6	1	0.1	14	12.9	10	2	11	2	1.9
25-34	57	46	33	19	43.4	5	2.6	65	51.4	29	23	44.7	13	6.7
35-44	72	56.2	45	12	51.6	15	4.6	81	65.1	46	22	57.7	13	7.4
45-54	91	77.9	60	15	72.2	16	5.7	90	74.7	55	17	68.3	18	6.4
55-64	63	54.4	38	11	47.3	14	7.1	73	59.2	42	11	48.9	20	10.3
Over 64	13	14	8	3	14	2	-	12	9.5	6	4	9	2	0.5
<b>Total</b>	<b>304</b>	<b>255.2</b>	<b>191</b>	<b>60</b>	<b>235.1</b>	<b>53</b>	<b>20.1</b>	<b>335</b>	<b>272.8</b>	<b>188</b>	<b>79</b>	<b>239.6</b>	<b>68</b>	<b>33.2</b>

## Occupational Health & Safety

In 2022 SuniTAFE's ongoing commitment to OH&S was demonstrated through our strategy to ensure that all staff, students, contractors, and visitors experience a working and learning environment at SuniTAFE that is safe. A highlight was the merger of the two OHS committees, and increased stewardship of the committee and its processes, by the representative membership.

A lost time injury in 2022 is an increase from zero in 2021. Other incident data show steady performance considering increased on campus activity, post covid restrictions. Hazard reporting, which is considered a positive lead indicator, has remained steady.

Measure	KPI	2022	2021	2020	2019	2018
<b>Incidents and Injuries</b>	Incident Employee Minor	5 (2.13/100FTE)	2 (0.73/100FTE)*	7 (2.65/100FTE)	8 (2.93/100FTE)	4 (1.65/100FTE)
	Incident Employee Significant	1 (0.43/100FTE)	2 (0.73/100FTE)	3 (1.13/100FTE)	0 (0/100FTE)	5 (2.07/100FTE)
	Incident Student Minor	7	2	10	5	25
	Incident Student Significant	1	3	3	6	8
<b>Claims</b>	WorkCover Claims	1 (0.43/100FTE)	0 (0/100FTE)	4 (1.51/100FTE)	0 (0/100FTE)	2 (0.83/100FTE)
	Lost Time (days)	25	0	33	0	227
<b>Claim Costs</b>	Total paid on claims	\$22,703.43	\$93,186.76	\$10,523	**\$229,326	\$50,708
	Average cost per claim	\$22,703.43	\$31,062.25	\$2,631	\$76,442	\$5,534
	WorkCover premium GST inc.	\$224,996.95	\$241,535	\$201,257	\$152,370	\$101,736
	Premium Rate	0.8102%	0.8553%	0.8553%	0.6579%	0.5060%
	Industry premium rate	1.1150%	0.9890%	0.7950%	0.9577%	0.6924%
<b>Risk Management</b>	Hazards Identified and Managed	22 (9.3/100FTE)	24 (8.8/100FTE)	12 (4.54/100FTE)	17 (6.24/100FTE)	36 (9.5/100FTE)

\*255.2 FTE

\*\*Claims costs relate to injuries from 2018 and 2017

## Financial Summary

### Comparative results 2018 – 2022

Consolidated Entity (\$'000)	2022	2021	2020	2019	2018
Operating Revenue	47,058	36,183	32,312	37,861	34,175
Operating Expenses	38,565	37,123	37,041	35,057	29,034
Operating Result before Other Economic Flows	8,493	(940)	(4,729)	2,804	5,141
Other economic flows included in Net Result	49	(49)	289	(573)	(788)
Net Result	8,542	(989)	(4,440)	2,231	4,353
Gain/(Loss) on Revaluation of Assets	5,380	4,082	1,393	(5,710)	-
Comprehensive Result	13,922	3,093	(3,004)	(3,479)	4,353
Accumulated Profit before 1st January	13,228	14,361	18,801	16,720	12,367
Transfers from Reserves	57	(144)	-	(150)	-
Accumulated Profit 31st December	21,827	13,228	14,361	18,801	16,720

#### Summary of significant changes to financial performance during the year

For the financial year ended 31 December 2022, the Institute recorded a consolidated gain of \$8.542 million. Total income achieved for 2022 was \$47.058 million, compared to \$36.183 million for 2021. Operating income has increased by \$10.876 million, which is an increase of 30.05%. Expenditure for 2022 totalled \$38.565 million compared to \$37.123 million for 2021, an increase of \$1.443 million, which is an increase of 3.88%.

Overall employee expenses decreased by \$80 thousand, a decrease of 0.30%, and non-salary expenses increased by \$1.523 million for 2022, an increase of 13.56%. Financially 2022 was a challenging year for Sunraysia Institute of TAFE, with some revenue targets not met. The financial information provided in this report is consistent with that provided in the Financial Statements.

## Financial Position

Consolidated Entity (\$'000)	2022	2021	2020	2019	2018
Accumulated Surplus 31st December	21,827	13,228	14,361	18,801	16,720
Reserves	33,908	28,528	24,446	23,053	28,763
Contributed Capital	6,997	6,997	6,997	6,997	6,997
<b>Net Worth</b>	<b>62,732</b>	<b>48,753</b>	<b>45,804</b>	<b>48,851</b>	<b>52,480</b>
Assets	72,228	63,587	58,294	61,420	62,487
Liabilities	9,496	14,834	12,490	12,569	10,007
<b>Net Assets</b>	<b>62,732</b>	<b>48,753</b>	<b>45,804</b>	<b>48,851</b>	<b>52,480</b>

The Institute's financial position is reflected in its balance sheet. A key indicator of the Institute's financial position is determined from its net assets (assets less liabilities), which is equal to its net worth. At 31 December 2022, the Institute's net worth increased from the previous year, with consolidated net assets and net worth increasing by 28.67% to \$62.732 million. This is largely attributable to the revaluation of property, plant and equipment of \$5.1 million

and additional capital acquisition of \$6.7 million. Conversely, the Institute has decreased liabilities as the result of receiving a deed from the Department of Education and Training which agreed to forgive, discharge and release in full the debt of \$3.5 million relating to its historical loans.

## Other Disclosures

#### Freedom of Information

SuniTAFE has implemented procedures which, subject to privacy and confidentiality provisions, facilitate all reasonable requests for information from students, staff and the general public, without recourse to the *Freedom of Information Act 1982*. During 2022, SuniTAFE received one *Freedom of Information (FOI)* request from the Australian Education Union. A decision on the request was made within the statutory time period to decide the request.

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](http://www.ovic.vic.gov.au)

SuniTAFE is also able to accept FOI requests directly. 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](mailto: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](http://www.ovic.vic.gov.au).

#### Compliance with the Building Act 1993

SuniTAFE takes all reasonable steps to ensure that the buildings conform to relevant building standards and codes; including the *National Construction Code (NCC)*, the *Victorian Building Act 1993*, and *Building Regulations 2018 (Vic)*.

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

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

#### National Competition Policy

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

#### Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and for rectification action to be taken.

SuniTAFE is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. SuniTAFE will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible. No disclosures of improper conduct or detrimental action were referred to or from the Ombudsman or taken over by the Ombudsman. There were no recommendations made by the Ombudsman under the Act that related to SuniTAFE.

#### Carers Recognition Act 2012

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

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



### Consultancies

In 2022, there were four consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2022 in relation to these consultancies was \$21,347.00 (ex GST).

In 2022, there were Six consultancies where the total fees payable to the consultants was more than \$10,000. The total expenditure incurred during 2022 in relation to these consultancies was \$294,543.04 (ex GST).

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

### ICT Expenditure

Details of ICT Expenditure for 2021 (full year)

BAU ICT expenditure Total	Non-BAU expenditure Total =A+B	Operational Expenditure A	Capital Expenditure B
\$4,213,228.81	\$-	\$-	\$-

## Environmental Performance

	Mildura Campus	Swan Hill Campus	Robinvale Campus	Cardross Campus	Horsham Campus	Total
<b>Gross Useable Floor Area - m2</b>	19,999	6,206	476	1,486	5,176	<b>33,343.0</b>
<b>Gas and Electricity</b>						
<b>E1</b>	Total energy usage segmented by primary		Unit of Measure		Total	
	Sources (including green power)		Megajoules Gas		4,837,908	
			Megajoules Electricity		5,318,188	
<b>E2</b>	Greenhouse gas emissions associated with		Tonnes CO2-e Gas		229	
	Energy use, segmented by primary source		Tonnes CO2-e Electricity		1,544	
<b>E3</b>	Percentage of electricity Green Power		%		2	
<b>E4</b>	Units of energy per FTE		Megajoules / FTE		31,229	
<b>E5</b>	Units of energy per office area		Megajoules / m2		305	
<b>Waste Production</b>						
<b>Ws1</b>	Total units disposed of by destination		Landfill (kg)		213,408	
			Recycle (kg)		19,024	
<b>Ws2</b>	Units disposed per FTE by destination		Landfill (kg)		782	
			Recycle (kg)		70	
<b>Ws3</b>	Recycling rate of total waste		%		0.1	
<b>Ws4</b>	Greenhouse gas emissions waste disposal		Tonnes CO2-e		85.36	
<b>Paper Use</b>						
<b>P1</b>	Total units of A4 equivalent copy paper used		Reams		1,287	
<b>P2</b>	Total units of A4 copy paper used per FTE		Reams / FTE		5	
<b>P3</b>	Recycled content in copy paper purchase		%		50	
<b>Water</b>						
<b>W1</b>	Water consumed by water source		Kilolitres		81,915	
<b>W2</b>	Water consumed in offices per FTE		Kilolitres / FTE		300	
<b>W3</b>	Water consumed in offices per area		Kilolitres per m2		2	
<b>Transportation</b>						
			ULP	DIESEL	HYBRID	
<b>T1</b>	Energy consumption by operational vehicles	GJ	292.02	842.09	N/A	1,134
<b>T2</b>	Travel associated with entity operations	km	73,828	219,274	15,607	308,709
<b>T3</b>	Greenhouse gas emissions from vehicle fleet	Tonnes CO2-e	20.14	59.69	.83	80.66
<b>T4</b>	Greenhouse gas emissions from vehicle fleet per 1,000kms	Tonnes CO2-e	.27	.27	0	.55
<b>T5</b>	Total distance travelled by air		-	-	-	143,899
<b>T6</b>	Employees using public transport		-	-	-	2
<b>Greenhouse Gas Emissions</b>						
<b>G1</b>	Emissions associated with energy use		Tonnes CO2-e		1,773	
<b>G2</b>	Emissions associated with vehicle fleet		Tonnes CO2-e		81	
<b>G3</b>	Emissions associated with air travel		Tonnes CO2-e		17,687.22	
<b>G4</b>	Emissions associated with waste disposal		Tonnes CO2-e		85.36	
<b>G5</b>	Emissions associated with offsets purchased		Tonnes CO2-e		7	
<b>G6</b>	Total Greenhouse gas emissions: energy, waste, vehicle		Tonnes CO2-e		19,634	

## Additional Information

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

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

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

### Chelsea Diana

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

### Local Jobs First

The Local Jobs First Act 2003 required departments and public sector bodies to apply the Local Jobs First policy to all projects over \$3 million in metropolitan Melbourne or state-wide, and \$1 million in regional Victoria. In 2022 there were two projects subject to the Local Jobs First policy, the Undercroft Project and the Carpark, Roads and Stormwater Project. The Undercroft is still currently progressing and the Carpark, Roads and Stormwater Project has been completed and currently under review of the ICN team.

### Major Commercial Activity

Two major commercial activities continued at SuniTAFE in 2022, the Undercroft Project, and the Carpark, Roads and Stormwater Project. The Carpark, Roads and Stormwater Project came to completion in August 2022. Both projects were funded through the 2020 TAFE Asset Maintenance Fund to carry out essential upgrades to learning facilities and amenities. These activities were \$6.328m. This is reported within the 2022 SuniTAFE Annual Report in accordance with Section 45 of the *Financial Management Act 1994*, together with matters listed under Commercial Guideline 10 (clause 27).

### Controlled Entities

Under section 45 of the *Financial Management Act 1994* a copy of the accounts of TAFE Kids Inc. prepared in accordance with the requirements of the *Financial Management Act 1994* is included in the audited Financial Report; Note 9.3.

### Compliance with Other Legislation

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

- Education and Training Reform Act 2006 (ETRA) (Vic);
- TAFE Institute Constitution;
- Directions of the Minister for Training and Skills (or predecessors);
- TAFE Institute Commercial Guidelines;
- TAFE Institute Strategic Planning Guidelines;
- *Public Administration Act 2004* (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).

### Non-Academic Student Fees

Materials fees are charged separately to tuition fees at time of enrolment. Materials fees cover the actual cost of essential materials and other items provided by SuniTAFE that are required for students to undertake their course. Material fees are set annually by each education unit and vary from course to course. In 2022, total materials fees were \$656,591.64. A list of fees and charges is available on SuniTAFE's website [www.sunitafe.edu.au](http://www.sunitafe.edu.au).

### Victorian Public Service Travel Policy

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

## 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 2022 to 31 December 2022, 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  
24/03/2023

## Financial Statements

### Sunraysia Institute of TAFE Performance Statement Declaration For the Year ended 31 December 2022

#### 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 2022, 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.



**Geoff Dea**  
Board Chair  
Sunraysia Institute of TAFE  
24/03/2023



**Geoff Dea**  
Chief Executive Officer  
Sunraysia Institute of TAFE  
24/03/2023



**Diane Schmidt**  
Chief Finance and Accounting Officer  
Sunraysia Institute of TAFE  
24/03/2023



## Performance Opinion

Sunraysia Institute of TAFE 2022



## Independent Auditor's Report

## To the Board of Sunraysia Institute of TAFE

<b>Opinion</b>	<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"> <li>• performance statement for the year ended 31 December 2022</li> <li>• declaration by Board Chair, Chief Executive Officer and Chief Finance and Accounting Officer.</li> </ul> <p>In my opinion, the performance statement of Sunraysia Institute of TAFE in respect of the year ended 31 December 2022 presents fairly, in all material respects, in line with the reporting requirements outlined by the Minister in the statement of priorities.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the 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>
<b>Board's responsibilities for the performance statement</b>	<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>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<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.

Charlotte Jeffries

as delegate for the Auditor-General of Victoria

MELBOURNE  
30 March 2023

## Key Performance Indicators

Indicator Title	Description and Methodology	Measure	2022 Target	2022 Actual	Explanation of Variances	Prior Year Result
Training Revenue Diversity	Breakdown of training revenue by:  Government Funded (GF) Fee for Service (FFS) Student Fees and Charges	%	60% 21.2% 18.8%	59.6% 23.9% 16.5%	SuniTAFE has largely maintained a balance of government-funded, fee for service, and student fees and charges in line with targeted expectations. SuniTAFE's mix of funding is considered an appropriate balance, given due consideration to risk factors (e.g. international student revenue, COVID-19 impact and prevailing job demand).	60.5% 24.3% 15.2%
Employment costs as a proportion of training revenue	Employment and third-party training delivery costs as a proportion of training revenue.	%	144.6%	176.1%	Employment and third-party training delivery costs is directly related to number of students per class. Due to the impact of COVID-19 on workforce, and a strong labor market driven by COVID-19 pressure, student numbers were below expectation which directly impacts revenue associated per teacher. SuniTAFE made the decision to retain valuable teachers through a period of low student enrolments.	147.8%
Training revenue per teaching FTE	Training Revenue (excl. third-party) per Teaching FTE	\$	\$157,231	\$124,169	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.	\$136,710
Operating margin percentage	Operating margin % EBIT (excl. capital contributions)/Total revenue (excl. capital contributions)	%	(7.1%)	13.4%	Variance primarily attributed to unbudgeted State Government funding which was received during 2022. As at 1 January 2022, the institute had an outstanding loan of \$3.75m owed to the Department of Education and Training. During the year, the Department forgave this loan. This loan forgiveness was recognised as other income and contributes to an improved result for this indicator compared to Target.	(7.6%)

## Sunraysia Institute of TAFE Financial Report for the Year End 31 December 2022

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

The following financial statements for the Sunraysia Institute of TAFE and the consolidated entity have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, 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 ended 31 December 2022 and financial position of the Institute and the consolidated entity as at 31 December 2022.

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  
24/03/2023



**Geoff Dea**  
Chief Executive Officer  
Sunraysia Institute of TAFE  
24/03/2023



**Diane Schmidt**  
Chief Finance and Accounting Officer  
Sunraysia Institute of TAFE  
24/03/2023



## Opinion

Sunraysia Institute of TAFE

# Independent Auditor's Report

To the board of Sunraysia Institute of TAFE



**Opinion** I have audited the financial report of Sunraysia Institute of TAFE (the institute) which comprises the:

- balance sheet as at 31 December 2022
- 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.

In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Accounting Standards.

**Basis for Opinion** I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Board's responsibilities for the financial report** 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 *Financial Management Act 1994*, 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.

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.

### 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 2023

## 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 2022 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

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Sunraysia Institute of TAFE

# Comprehensive Operating Statement

For the year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
<b>CONTINUING OPERATIONS</b>			
<u>Revenue and income from transactions</u>			
Government grants			
Operating grants - revenue	2.1.1	8,689	10,531
Operating grants - income	2.1.1	23,527	14,620
Capital grants - income	2.1.2	2,785	1,765
Revenue from fees, charges and sales	2.2	6,178	7,230
Other revenue	2.3	1,569	1,555
Other income	2.3	4,310	482
<b>Total revenue and income from transactions</b>		<b>47,058</b>	<b>36,183</b>
<u>Expenses from transactions</u>			
Employee benefits	3.1.1	25,818	25,898
Depreciation and amortisation	3.6	3,118	2,503
Supplies and services	3.3	6,582	6,049
Finance costs	3.5	218	102
Other operating expenses	3.4	2,829	2,571
<b>Total expenses from transactions</b>		<b>38,565</b>	<b>37,123</b>
<b>Net result from transactions</b>		<b>8,493</b>	<b>(940)</b>
<u>Other economic flows included in net result</u>			
Net gain/(loss) on property, plant and equipment	4.1.3	82	(72)
Net gain/(loss) on financial instruments	9.1a	(270)	33
Other gains/(losses) from other economic flows	9.1b	237	(10)
<b>Total other economic flows included in net result</b>		<b>49</b>	<b>(49)</b>
<b>Net result</b>		<b>8,542</b>	<b>(989)</b>
<u>Other economic flows - other comprehensive income</u>			
Gain on revaluation of physical assets	9.2	5,070	4,082
Gain on revaluation of intangible assets	9.2	310	-
<b>Comprehensive result</b>		<b>13,922</b>	<b>3,093</b>

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

Sunraysia Institute of TAFE

# Balance Sheet

As at 31 December 2022

	Note	2022 \$'000	*Restated 2021 \$'000
<b>ASSETS</b>			
<u>Financial assets</u>			
Cash and cash equivalents	6.1	10,495	10,518
Receivables	5.1	904	1,081
Investments and other financial assets	4.4	41	40
<b>Total financial assets</b>		<b>11,440</b>	<b>11,639</b>
<u>Non-financial assets</u>			
Property, plant and equipment	4.1	54,584	44,947
Right of use assets	6.4	2,812	3,173
Intangible assets*	4.2	1,867	2,394
Other non-financial assets	5.2	1,526	1,434
<b>Total non-financial assets*</b>		<b>60,789</b>	<b>51,948</b>
<b>Total assets*</b>		<b>72,229</b>	<b>63,587</b>
<b>LIABILITIES</b>			
Payables	5.3	1,762	487
Contract liabilities	5.4	549	241
Other Liabilities	5.4	568	3,547
Employee provisions	5.5	3,772	4,052
Borrowings	6.2	-	3,486
Lease liabilities	6.4	2,846	3,021
<b>Total liabilities</b>		<b>9,497</b>	<b>14,834</b>
<b>Net assets*</b>		<b>62,732</b>	<b>48,753</b>
<b>EQUITY</b>			
Accumulated surplus		21,827	13,228
Contributed capital	6.3	6,997	6,997
Reserves*	9.2	33,908	28,528
<b>Net worth*</b>		<b>62,732</b>	<b>48,753</b>

\*Refer to note 9 for detailed information on restatement of comparatives

The above Balance Sheet should be read in conjunction with the accompanying notes.

Sunraysia Institute of TAFE

## Statement of Changes in Equity

For the year ended 31 December 2022

	Physical assets revaluation surplus \$'000	Intangible assets revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Restated Total \$'000
*Restated					
As at 1 January 2021*	23,096	-	14,361	6,997	44,454
Adjustment for correction of error*	-	1,350	-	-	1,350
As at 1 January 2021 - restated*	23,096	1,350	14,361	6,997	45,804
Net result for the year	-	-	(989)	-	(989)
Other economic flows - other comprehensive income	4,082	-	-	-	4,082
Total comprehensive income	4,082	-	(989)	-	3,093
Transfer from accumulated surplus	-	-	(144)	-	(144)
<b>Year ended 31 December 2021*</b>	<b>27,178</b>	<b>1,350</b>	<b>13,228</b>	<b>6,997</b>	<b>48,753</b>
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
<b>Year ended 31 December 2022</b>	<b>32,248</b>	<b>1,660</b>	<b>21,827</b>	<b>6,997</b>	<b>62,732</b>

\*Refer to note 9 for detailed information on restatement of comparatives

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Cash Flow Statement

For the year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Government contributions		32,842	25,394
Receipts from customers - fees, charges and sales		6,930	8,716
Goods and services tax recovered from the ATO		1,934	951
Interest received		188	30
Other receipts		2,197	2,335
Capital grants received		-	3,960
<b>Total receipts from operating activities</b>		<b>44,091</b>	<b>41,386</b>
<b>Payments</b>			
Payments to employees		(24,867)	(25,334)
Payments to suppliers		(10,854)	(9,857)
Goods and services tax paid to the ATO		(1,334)	(1,371)
Short-term, low value and variable lease payments		(115)	(95)
Interest paid – lease liability		(218)	(102)
<b>Total payments from operating activities</b>		<b>(37,388)</b>	<b>(36,759)</b>
<b>Net cash flows from / (used in) operating activities</b>	6.1.1	<b>6,703</b>	<b>4,627</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(6,710)	(3,971)
Proceeds from sales of non-financial assets		113	223
<b>Net cash flows from / (used in) investing activities</b>		<b>(6,597)</b>	<b>(3,748)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-	(459)
Payment of lease liabilities		(129)	(123)
<b>Net cash flows from / (used in) financing activities</b>		<b>(129)</b>	<b>(582)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(23)</b>	<b>297</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>10,518</b>	<b>10,221</b>
<b>Cash and cash equivalents at end of year</b>	6.1	<b>10,495</b>	<b>10,518</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.



## 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 the 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 6.4); and
- whether the TAFE has control over TAFE Kids Inc. (refer to Note 9.3).

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); and
- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.3)

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 the TAFE and its controlled entity as an individual reporting entity and include all the controlled activities of the TAFE.

### Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

## 1. ABOUT THIS REPORT

### Basis of consolidation

In accordance with AASB 10 *Consolidated Financial Statements*, the 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.

### Economic Dependency

The TAFE is dependent on the continued financial support of the State Government and in particular, the Department of Jobs, Skills, Industry and Regions.

### 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 Regions. The Department of Jobs, Skills, Industry and Regions has provided confirmation that it will continue to provide the TAFE adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to March 2024. 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 domestically.

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

The coronavirus (COVID-19), which was declared a global pandemic in March 2020, continued to evolve in 2022.

Various restrictions such as self-isolation and border entry rules continue to be enforced and implemented by the government as required to contain the spread of the virus and to prioritise the health and safety of our communities. These actions have in turn, continued to impact the manner in which businesses operate, including the TAFE and controlled entity.

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

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

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

## 1. ABOUT THIS REPORT

The key impacts on the performance is summarised as follows:

### Basis of preparation

The TAFE has a sound financial position, with net asset position of \$62.7m (2021: \$48.7m), a net current asset position of \$12.9m (2021: \$13.03m), and positive operating cash flows of \$6.70m (2021: \$4.63m) and ongoing State Government support. Considering the TAFE's financial position, together with the impacts of COVID-19 on the business as discussed below, the TAFE has concluded it is appropriate to prepare the financial statements on a going concern basis.

### Revenue and other income

The Department of Education and Training provided the Business Continuity Grant, Boost and Viability funding to assist the TAFE with its response to the pandemic, provide support to retain staff, assist with the TAFE's continued transition to online and remote learning and to maintain government funding at pre-pandemic levels. This is further discussed in Note 2.1.

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

### Expenses

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

### Employee provisions

With the ease of COVID-19 restrictions, staff have been able to take leave. As a result the provisions have decreased by \$280k (2021: \$568k). This is further discussion in Note 5.5.

### Liquidity risk

The impact of the COVID-19 pandemic on the TAFE's finances is expected to continue in 2023, which may require the TAFE to draw on any cash holding to cover operating costs.

During 2022 the TAFE received a deed from the Department of Education and Training which agreed to forgive, discharge and release in full the debt relating to its historical loans. This is further discussed in Note 6.2

### Credit risk

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

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

### Allowance for expected credit losses

Although both local and international students have been impacted by the pandemic, the TAFE has not experienced a decline in the collectability of its trade receivables. Where students are experiencing financial difficulty, the TAFE has allowed for payments to be made in accordance with a payment plan. The number of students on payment plans remain consistent on prior year. The TAFE monitors payments made under the plan and noted that for the majority of students on a plan, payments continue to be made in line with schedule. These factors, including the continued impact of the pandemic on students' payment history has been considered in determining the expected credit loss for the 2022 financial year.

It should also be noted that the TAFE has the right to cancel a student's enrolment and prohibit them from undertaking new courses in situations where there are unpaid fees or outstanding debts.

### Fair value of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 103. A full revaluation of the land and buildings normally occurs every five years, with this occurring for the year ended 31 December 2022. Due to COVID-19, there is an increased element of estimation uncertainty with regard to the fair values of the TAFE's non-financial physical assets. This is further discussed in Note 7.3.

Exceptions to the fair value measurement policy as described above include:

- right-of-use assets that arise from below market (including peppercorn) leases, which are measured at cost in accordance with FRD 123;
- assets under construction which are measured under cost unless they relate to service concession arrangement assets which shall be measured at current replacement cost; and
- assets where the TAFE has received the prior written approval of the Assistant Treasurer to be measured at cost.

## 2. HOW WE EARNED OUR FUNDS

### 2.1 Government grants

#### 2.1.1 Revenue and income from government grants

	2022 \$'000	2021 \$'000
<b>Grants and other transfers</b>		
<b>Government grants – operating revenue</b>		
State government – contestable	8,689	10,531
<b>Total government grants - operating revenue</b>	<b>8,689</b>	<b>10,531</b>
<b>Government grants – operating income</b>		
State government – other grants	23,490	14,588
Commonwealth government grants	37	32
<b>Total government grants - operating income</b>	<b>23,527</b>	<b>14,620</b>
<b>Total government grants – operating</b>	<b>32,216</b>	<b>25,151</b>

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

#### **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.

#### **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.

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.



## 2. HOW WE EARNED OUR FUNDS

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 and relevant terms and conditions. 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 2023.

#### 2.1.2 Capital grants income

	2022 \$'000	2021 \$'000
<b>Government grants - capital</b>		
State government – capital	2,785	1,765
<b>Total government grants – capital</b>	<b>2,785</b>	<b>1,765</b>
<b>Total government grants - capital</b>	<b>2,785</b>	<b>1,765</b>

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. Where government grants has been received for services to be delivered in the following year, these amounts are deferred as a liability (Note 5.4).

## 2. HOW WE EARNED OUR FUNDS

### 2.2 Revenue from fees, charges and sales

	2022 \$'000	2021 \$'000
Student fees and charges	2,418	2,650
Fee for service – government	3,040	3,599
Fee for service – international operations – onshore	429	605
Fee for service – other	39	40
<b>Other non-course fees and charges</b>		
Sale of goods	252	336
<b>Total revenue from fees, charges and sales</b>	<b>6,178</b>	<b>7,230</b>

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

	2022 \$'000	2021 \$'000
Revenue recognised over time	5,887	6,854
Revenue recognised at a point in time	291	376
<b>Total revenue from fees, charges and sales</b>	<b>6,178</b>	<b>7,230</b>

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

Revenue for student fees and charges is recognised as the course is delivered to the student and is measured as the amount 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	The TAFE provides educational services to the general public.  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.	Provision of education services	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.  Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.
'Fee for service – government	Relates to course fees funded by State government departments (excluding revenue/income recognised in note 2.1.1)	Provision of services	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.
'Fee for service – international operations	Relates to international student course fees and other revenue for onshore training operations.		Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as a contract liability.
Fee for service – other	Relates to non-course fees and charges. Ancillary services such as rental of facilities and resources.		
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:

	2022 \$'000	2021 \$'000
Funds received in advance	164	439
International students	4	15
Other	38	40
Child care services	35	31
	<b>241</b>	<b>525</b>

### Transaction price allocated to remaining performance obligations

All unsatisfied performance obligations are expected to be met in 2023.

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

### Payment terms

The payment terms for student fees are as follows:

- up-front payment via 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

	2022 \$'000	2021 \$'000
Childcare revenue	1,482	1,439
Kinder income	87	116
<b>Total other revenue</b>	<b>1,569</b>	<b>1,555</b>
Interest income	188	29
Rental income	162	209
Donations, bequests and grants	150	65
Other income	3,810	179
<b>Total other income</b>	<b>4,310</b>	<b>482</b>
<b>Total other revenue and income</b>	<b>5,879</b>	<b>2,037</b>

Other income includes debt forgiveness of advances from Government, refer to note 6.2.

## 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 leave claims.

- Future salary growth rate as per the Department of Treasury and Finance 3.85% (2021: 3.63% ) ;
- Bond discount rates as per the Department of Treasury and Finance 4.091% (2021: 1.692%).

All assumptions are reviewed at each reporting date.

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

	2022 \$'000	2021 \$'000
Salaries, wages, overtime and allowances	22,570	22,017
Superannuation	2,279	2,138
Payroll tax	306	365
Mental health levy	30	-
Workers compensation	214	231
Annual leave	148	537
Long service leave	264	536
Termination benefits	11	91
Other	(4)	(17)
<b>Total employee benefits</b>	<b>25,818</b>	<b>25,898</b>

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

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

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. 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:

	2022 \$'000	2021 \$'000
<b>Paid contribution for the year</b>		
<b>Defined benefit plans:</b>		
State Superannuation Fund – revised and new	26	42
<b>Total defined benefit plans</b>	<b>26</b>	<b>42</b>
<b>Accumulation contribution plans:</b>		
VicSuper	842	840
Other	1,411	1,256
<b>Total accumulation contribution plans</b>	<b>2,253</b>	<b>2,096</b>
<b>Total paid contribution for the year</b>	<b>2,279</b>	<b>2,138</b>
<b>Contribution outstanding at year end</b>		
<b>Accumulation contribution plans:</b>		
VicSuper	43	-
Other	72	-
<b>Total accumulation contribution plans</b>	<b>115</b>	<b>-</b>
<b>Total contribution outstanding at year end</b>	<b>115</b>	<b>-</b>

#### Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

### 3. HOW WE EXPENDED OUR FUNDS

#### 3.3 Supplies and services

	2022 \$'000	2021 \$'000
Building repairs and maintenance	1,663	1,987
Communication expenses	227	291
Contract and other services	2,325	1,994
Cost of goods sold / distributed (ancillary trading)	117	78
Fees and charges	1,397	883
Purchase of supplies and consumables	853	816
<b>Total supplies and services</b>	<b>6,582</b>	<b>6,049</b>

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

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

#### 3.3.1 Other expenditure commitments

Commitments for future expenditure include operating commitments arising from contracts. These commitments are recorded below at their nominal value and are inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

	2022 \$'000	2021 \$'000
<b>Payable</b>		
Within one year	2,664	1,071
Later than one year but not later than five years	1,492	184
Later than five years	-	-
<b>Total other expenditure commitments</b>	<b>4,157</b>	<b>1,255</b>
GST payable on the above	378	114
<b>Net other expenditure commitments</b>	<b>3,779</b>	<b>1,141</b>

### 3. HOW WE EXPENDED OUR FUNDS

#### 3.4 Other operating expenses

	2022 \$'000	2021 \$'000
Audit fees and services	122	119
Equipment below capitalisation threshold	1,003	717
Marketing and promotional expenses	222	423
Staff development	213	282
Travel and motor vehicle expenses	443	193
Utilities	566	524
Variable lease payments not included in the measurement of lease liability	115	95
Expenses relating to short-term leases	3	81
Other	142	137
<b>Total other operating expenses</b>	<b>2,829</b>	<b>2,571</b>

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

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

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

#### 3.5 Finance costs

	2022 \$'000	2021 \$'000
Interest on lease liabilities	218	102
<b>Total finance costs</b>	<b>218</b>	<b>102</b>

#### 3.6 Depreciation and amortisation

	2022 \$'000	2021 \$'000
Depreciation of property, plant and equipment	2,092	1,917
Depreciation of right of use assets	189	239
Amortisation of intangible assets	837	347
<b>Total depreciation and amortisation</b>	<b>3,118</b>	<b>2,503</b>

### 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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Land	3,377	2,736	-	-	3,377	2,736
Buildings	40,602	33,395	-	(3)	40,602	33,392
Construction in progress	3,573	2,076	-	-	3,573	2,076
Plant and equipment	17,076	16,147	(10,437)	(9,638)	6,639	6,509
Motor vehicles	546	500	(363)	(358)	183	142
Land improvements	134	12	(5)	(1)	129	11
Cultural assets	81	81	-	-	81	81
<b>Net carrying amount</b>	<b>65,389</b>	<b>54,947</b>	<b>(10,805)</b>	<b>(10,000)</b>	<b>54,584</b>	<b>44,947</b>

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.

##### 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

Buildings and land were revalued as at 31 December 2022 in accordance with the instructions from the Victorian Valuer-General. The effective date of the valuation is the 31 December 2022. The next scheduled full revaluation will be conducted in 2027.

##### 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
<b>2022</b>								
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)
<b>Net carrying amount</b>	<b>3,377</b>	<b>40,602</b>	<b>3,573</b>	<b>6,639</b>	<b>183</b>	<b>129</b>	<b>81</b>	<b>54,584</b>
<b>Consolidated 2021</b>								
Opening net book amount	2,350	30,277	161	6,067	240	8	81	39,184
Additions	-	34	2,453	1,445	35	4	-	3,971
Revaluations	386	3,696	-	-	-	-	-	4,082
Disposals	-	-	-	(268)	(105)	-	-	(373)
Transfers	-	208	(538)	330	-	-	-	-
Depreciation	-	(823)	-	(1,065)	(28)	(1)	-	(1,917)
<b>Net carrying amount</b>	<b>2,736</b>	<b>33,392</b>	<b>2,076</b>	<b>6,509</b>	<b>142</b>	<b>11</b>	<b>81</b>	<b>44,947</b>

#### 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.

	2022 \$'000	2021 \$'000
<b>Payable</b>		
Within one year	1,970	5,226
Later than one year but not later than five years	-	-
Later than five years	-	-
<b>Total capital expenditure commitments</b>	<b>1,970</b>	<b>5,226</b>
GST payable on the above	179	475
<b>Net capital expenditure commitments</b>	<b>1,791</b>	<b>4,751</b>

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 majority of the spend has been completed during 2022.

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

	2022 \$'000	2021 \$'000
Net gain/(loss) on disposal of property plant and equipment	82	(72)
<b>Net gain/(loss) on disposal of property plant and equipment</b>	<b>82</b>	<b>(72)</b>

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

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



## 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.

	2022 \$'000	2021 \$'000
<b>Software</b>		
<b>Gross carrying amount</b>		
Opening balance	3,468	3,468
<b>Closing balance</b>	<b>3,468</b>	<b>3,468</b>
<b>Gross carrying amount</b>		
Opening balance	(2,424)	(2,077)
Amortisation charge	(837)	(347)
<b>Closing balance</b>	<b>(3,261)</b>	<b>(2,424)</b>
<b>Net carrying amount for software at end of the year</b>	<b>207</b>	<b>1,044</b>

#### 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.

	2022 \$'000	*Restated 2021 \$'000
<b>Water Rights</b>		
<b>Gross carrying amount</b>		
Opening balance	1,350	1,350
Revaluation	310	-
<b>Closing balance</b>	<b>1,660</b>	<b>1,350</b>
<b>Net carrying amount for water rights at end of the year</b>	<b>1,660</b>	<b>1,350</b>
<b>Net carrying amount for intangible assets at end of the year</b>	<b>1,867</b>	<b>2,394</b>

\*Refer to note 9 for detailed information on restatement of comparatives

## 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 the 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 the 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 the 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 with an finite life 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 years (2021: 40 years)	Straight Line
Plant and equipment	3 – 10 years (2021: 3 – 10 years)	Straight Line
Motor vehicles	2 -20 years (2021: 2 - 20 years)	Straight Line
Leasehold improvements	3 – 6 years (2021: 3 – 6 years)	Straight Line
Land improvements	10 – 40 years (2021: 15 – 40 years)	Straight Line
Right of use assets	Lease term (2021: lease term)	Straight Line
Software	9 -10 years (2021: 10 years)	Straight Line

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

### 4.4 Investments and other financial assets

	2022 \$'000	2021 \$'000
<b>Current investments and other financial assets</b>		
Term deposits > three months	41	40
<b>Total investments and other financial assets</b>	<b>41</b>	<b>40</b>

## 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
<b>2022</b>						
Term deposits	41	-	-	-	41	-
Managed investments						
<b>Total</b>	<b>41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41</b>	<b>-</b>
<b>2021</b>						
Term deposits	40	-	-	-	40	-
Managed investments						
<b>Total</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40</b>	<b>-</b>

## 5. BALANCES FROM OPERATIONS

### 5.1 Receivables

	2022 \$'000	2021 \$'000
<b>Current</b>		
Trade receivables	367	124
Loss allowance on trade receivables	(29)	(31)
<b>Total receivables from contracts with customers</b>	<b>338</b>	<b>93</b>
<b>Statutory</b>		
Amount receivable from Victorian Government	263	581
Amount receivable from Commonwealth Government	133	137
GST input tax credit recoverable	170	270
<b>Total current receivables</b>	<b>904</b>	<b>1,081</b>

Receivables consist of:

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

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

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

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

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

	2022 \$'000	2021 \$'000
<b>Balance at the beginning of the year</b>	<b>31</b>	<b>44</b>
Amounts written off	(2)	(13)
<b>Balance at the end of the year</b>	<b>29</b>	<b>31</b>

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

## 5. BALANCES FROM OPERATIONS

### 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
<b>2022</b>						
Trade receivables	338	275	30	33	-	-
<b>Total</b>	<b>338</b>	<b>275</b>	<b>30</b>	<b>33</b>	<b>-</b>	<b>-</b>
<b>2021</b>						
Trade receivables	93	36	37	18	2	-
<b>Total</b>	<b>93</b>	<b>36</b>	<b>37</b>	<b>18</b>	<b>2</b>	<b>-</b>

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

The average credit period on receivables is 26 days.

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

### 5.2 Other non-financial assets

	2022 \$'000	2021 \$'000
<b>Current</b>		
Prepayments	1,515	1,419
Inventories	11	15
<b>Total current other non-financial assets</b>	<b>1,526</b>	<b>1,434</b>
<b>Total other non-financial assets</b>	<b>1,526</b>	<b>1,434</b>

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

	2022 \$'000	2021 \$'000
<b>Current</b>		
<b>Contractual</b>		
Supplies and services	1,760	473
Refund liability	-	14
<b>Total contractual payables</b>	<b>1,760</b>	<b>487</b>
<b>Statutory</b>		
FBT payable	2	-
<b>Total statutory payables</b>	<b>2</b>	<b>-</b>
<b>Total current payables</b>	<b>1,762</b>	<b>487</b>



## 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.

	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
<b>2022</b>						
Supplies and services	1,760	1,760	1,760	-	-	-
<b>Total</b>	<b>1,760</b>	<b>1,760</b>	<b>1,760</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2021</b>						
Supplies and services	473	473	473	-	-	-
Refund liability	14	14	14	-	-	-
<b>Total</b>	<b>487</b>	<b>487</b>	<b>487</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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

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

Due to their short-term nature, the carrying amounts of trade and other payables are 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.

	2022 \$'000	2021 \$'000
<b>Contract liabilities</b>		
Student fees	549	241
<b>Total contract liabilities</b>	<b>549</b>	<b>241</b>

### 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.

	2022 \$'000	2021 \$'000
<b>Other liabilities</b>		
Deferred capital grants	-	2,786
Dr Alan Antcliff Memorial Trust	41	40
Funds held in trust	527	721
<b>Total other liabilities</b>	<b>568</b>	<b>3,547</b>

## 5. BALANCES FROM OPERATIONS

### Deferred capital grants

The TAFE has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

	2022 \$'000	2021 \$'000
<b>Contractual</b>		
Deferred capital grants at beginning of the year	2,786	590
Grant consideration for capital works received during the year	-	3,961
Grant consideration recognised as income under AASB 1058	(2,786)	(1,765)
<b>Closing balance of deferred capital grants</b>	<b>-</b>	<b>2,786</b>

### 5.5 Employee benefits in the balance sheet

	2022 \$'000	2021 \$'000
Annual leave	1,019	1,038
Long service leave	2,149	2,138
<b>Total short-term benefits</b>	<b>3,168</b>	<b>3,176</b>
Long service leave	604	876
<b>Total long-term benefits</b>	<b>604</b>	<b>876</b>
<b>Total employee provisions</b>	<b>3,772</b>	<b>4,052</b>

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.

With the ease of COVID-19 restrictions, staff have been able to take leave. As a result the provisions have decreased by \$280k (2021: \$568k). The impact of COVID-19 is further discussed in Note 1.3.

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

	2022 \$'000	2021 \$'000
Unconditional and expected to settle within 12 months	1,399	1,407
Unconditional and expected to settle after 12 months	1,769	1,769
<b>Total current employee provisions</b>	<b>3,168</b>	<b>3,176</b>

## 6. HOW WE FINANCED OUR OPERATIONS

### 6.1 Cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash at bank and on hand	1,617	977
Deposits at call	8,878	9,541
<b>Total cash and cash equivalents</b>	<b>10,495</b>	<b>10,518</b>

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

	2022 \$'000	2021 \$'000
<b>Net result for the year</b>	<b>8,542</b>	<b>(989)</b>
<b>Non-cash movements</b>		
Depreciation / amortisation of non-financial assets	3,118	2,503
Net (gain) / loss on sale of non-financial assets	(82)	72
Government loan discount	263	89
Impairment and forgiveness of loans and receivables	(3,750)	1
Net gain arising from revaluation of long service leave liability	(237)	10
Net (loss) on revaluation of financial assets	12	(123)
Prior period adjustment	57	(144)
<b>Movements in assets and liabilities</b>		
Decrease in receivables	195	631
Decrease in inventories	4	7
Decrease / (increase) in prepayments	39	(337)
Increase / (decrease) in payables	1,256	(199)
(Decrease) / increase in provisions	(42)	557
(Decrease) / increase in contract liabilities	307	1,911
(Decrease) / increase in other liabilities	(2,979)	638
<b>Net cash flows from / (used in) operating activities</b>	<b>6,703</b>	<b>4,627</b>
<b>Per cash flow statement</b>	<b>6,703</b>	<b>4,627</b>

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

### 6.2 Borrowings

	2022 \$'000	2021 \$'000
<b>Non-current</b>		
Advances from Government	-	3,486
<b>Total borrowings</b>	<b>-</b>	<b>3,486</b>

#### Advances from Government

Advances from Government are initially measured at fair value, being the cost of the interest bearing liabilities, and where applicable, adjusted for transaction costs unless the TAFE designated a financial liability at fair value through profit or loss.

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

For advances at amortised cost, any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

For advances at fair value through profit or loss, any changes in its fair value and if applicable, any interest related charges are reported in profit or loss.

During 2022 the TAFE received a deed from the Department of Education and Training which agreed to forgive, discharge and release in full the debt relating to its historical loans.

#### Changes in liabilities arising from financing activities

	Advances from Government \$'000	Total \$'000
Balance at 1 January 2021	3,827	3,827
Lease additions/remeasurements/modifications	(341)	(341)
<b>Balance as at 31 December 2021</b>	<b>3,486</b>	<b>3,486</b>
Loan forgiveness	(3,486)	(3,486)
<b>Balance as at 31 December 2022</b>	<b>-</b>	<b>-</b>

**Maturity analysis of borrowings**

	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
<b>2022</b>						
Advances from Government	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
<b>2021</b>						
Advances from Government	3,486	3,750	-	-	-	3,750
<b>Total</b>	<b>3,486</b>	<b>3,750</b>	-	-	-	<b>3,750</b>

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

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

**6.3 Contributed capital**

	2022 \$'000	2021 \$'000
Balance at 1 January	6,997	6,997
<b>Balance at 31 December</b>	<b>6,997</b>	<b>6,997</b>

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

**6.4 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 liability.

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

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

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

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

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

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



Right of use assets	Property \$'000	Vehicles \$'000	Other \$'000	Total \$'000
<b>2022</b>				
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)
<b>Balance as at 31 December 2022</b>	<b>2,050</b>	<b>762</b>	<b>-</b>	<b>2,812</b>

<b>2021</b>				
Balance as at 1 January 2021	2,556	416	177	3,149
Additions	-	448	-	448
Remeasurements arising from reassessments	126	-	-	126
Disposals	(70)	(114)	(127)	(311)
Amortisation	(82)	(107)	(50)	(239)
<b>Balance as at 31 December 2021</b>	<b>2,530</b>	<b>643</b>	<b>-</b>	<b>3,173</b>

#### Lease liabilities

	2022 \$'000	2021 \$'000
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Within one year	170	117
Later than one year but not later than five years	1,157	807
Later than five years	3,375	3,375
<b>Total undiscounted lease liabilities as at 31 December</b>	<b>4,702</b>	<b>4,299</b>
Future finance charges	(1,856)	(1,278)
<b>Total discounted lease liabilities as at 31 December</b>	<b>2,846</b>	<b>3,021</b>
Current	192	194
Non-current	2,654	2,827
<b>Total lease liabilities</b>	<b>2,846</b>	<b>3,021</b>

## 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

	2022 \$'000	2021 \$'000
<b>Contractual financial assets</b>		
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	10,495	10,518
Trade receivables	367	124
Term deposits	41	40
<b>Total contractual financial assets</b>	<b>10,903</b>	<b>10,682</b>
<b>Contractual financial liabilities</b>		
<b>Loans and payables</b>		
Supplies and services	1,760	473
Refund liability	-	14
Other liabilities	568	761
<b>At amortised cost</b>		
Lease liabilities	2,846	3,021
Borrowings (Advances from Government)	-	3,486
<b>Total contractual financial liabilities</b>	<b>5,174</b>	<b>7,755</b>

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

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

## 7. MANAGING RISKS AND UNCERTAINTIES

### 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 the TAFE on behalf of the Board.

### 7.1.2 Credit risk

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

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

- all potential customers are rated for credit worthiness taking into account their size and financial standing; and
- customers that do not meet the TAFE's strict credit policies may only pay at point of sale.

The trade receivables balances at 31 December 2022 and 31 December 2021 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 institutions (AA-rating) \$'000	Government agencies (AAA-rating) \$'000	Other counterparty \$'000	Total \$'000
<b>2022</b>				
Cash and cash equivalents	1,617	8,878	-	10,495
Receivables	-	-	338	338
Investments and other financial assets	41	-	-	41
<b>Total contractual financial assets</b>	<b>1,658</b>	<b>8,878</b>	<b>338</b>	<b>10,874</b>
<b>2021</b>				
Cash and deposits	977	9,541	-	10,518
Receivables	-	-	93	93
Investments and other financial assets	40	-	-	40
<b>Total contractual financial assets</b>	<b>1,017</b>	<b>9,541</b>	<b>93</b>	<b>10,651</b>

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

## 7. MANAGING RISKS AND UNCERTAINTIES

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.

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 2022 and the past 48 months before 31 December 2021, 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 TAFE.

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

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

## 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

There were no contingent assets or contingent liabilities as at 31 December 2022 (31 December 2021: 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 2022.

#### **(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.

## 7. MANAGING RISKS AND UNCERTAINTIES

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

	Carrying amount at 31 December \$'000	Fair value hierarchy		
		Level 1 Quoted prices \$'000	Level 2 Observable price inputs \$'000	Level 3 Unobservable inputs \$'000
<b>2022</b>				
Specialised land	3,377	-	-	3,377
<b>Total land at fair value</b>	<b>3,377</b>	<b>-</b>	<b>-</b>	<b>3,377</b>
Specialised buildings	40,602	-	-	40,602
<b>Total buildings at fair value</b>	<b>40,602</b>	<b>-</b>	<b>-</b>	<b>40,602</b>
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
<b>Total other assets at fair value</b>	<b>9,844</b>	<b>-</b>	<b>-</b>	<b>9,844</b>
<b>2021</b>				
Specialised land	2,736	-	-	2,736
<b>Total land at fair value</b>	<b>2,736</b>	<b>-</b>	<b>-</b>	<b>2,736</b>
Specialised buildings	33,392	-	-	33,392
<b>Total buildings at fair value</b>	<b>33,392</b>	<b>-</b>	<b>-</b>	<b>33,392</b>
Plant and equipment	6,509	-	-	6,509
Vehicles	142	-	-	142
Land improvements	11	-	-	11
Cultural assets	81	-	-	81
Right of use assets	3,173	-	-	3,173
<b>Total other assets at fair value</b>	<b>9,916</b>	<b>-</b>	<b>-</b>	<b>9,916</b>



## 7. MANAGING RISKS AND UNCERTAINTIES

### 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.

### (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.

## 7. MANAGING RISKS AND UNCERTAINTIES

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

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

**Land 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 2022.

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

## 7. MANAGING RISKS AND UNCERTAINTIES

### Reconciliation of level 3 items for the periods ended 31 December 2021 and 31 December 2022

	Specialised land and buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Cultural assets \$'000	Land improvements \$'000	Right of use assets \$'000
<b>Level 3 Fair value measurements 2021</b>						
As at 1 January 2021	32,627	6,067	240	81	8	3,149
Additions	34	1,445	35	-	4	448
Disposals	-	(268)	(105)	-	-	(311)
Depreciation	(823)	(1,065)	(28)	-	(1)	(239)
Revaluation	4,082	-	-	-	-	126
Write-ups/transfers/(write-offs)	208	330	-	-	-	-
<b>Balance as at 31 December 2021</b>	<b>36,128</b>	<b>6,509</b>	<b>142</b>	<b>81</b>	<b>11</b>	<b>3,173</b>
<b>Level 3 Fair value measurements 2022</b>						
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	-
<b>Balance as at 31 December 2022</b>	<b>43,979</b>	<b>6,639</b>	<b>183</b>	<b>81</b>	<b>129</b>	<b>2,812</b>

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

2022 and 2021	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)
Land improvements	Current replacement cost	Useful life of lease	A change in the useful life may have an impact on the fair value (higher / lower)
Right of use assets	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 Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MLC	1 January 2022 to 31 December 2022
Director and Chief Executive Officer (Accountable Officer)	Geoff Dea	1 January 2022 to 31 December 2022
Board Member	Kay Martin	1 January 2022 to 30 June 2022
Board Member	Rod Markwell	1 January 2022 to 30 June 2022
Board Member	Amanda Phillips	1 January 2022 to 31 December 2022
Board Member	Justin Lachal	1 January 2022 to 31 December 2022
Board Member	Terry Jennings	1 January 2022 to 31 December 2022
Board Member	Greg Hutchison	1 January 2022 to 30 June 2022
Board Member	David Cofield	1 January 2022 to 31 December 2022
Board Member	Neth Hinton	1 January 2022 to 31 December 2022
Board Member	Tania Chapman	1 January 2022 to 31 December 2022
Board Member	Katherine Hughes	1 January 2022 to 31 December 2022
Board Member	Dennis Mitchell	17 October 2022 to 31 December 2022
Board Member	Stelvio Vido	10 October 2022 to 31 December 2022

### 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: \$340,000 – \$349,999 (2021: \$290,000 – \$299,999).

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

Income range	2022	2021
Less than \$10,000	2	1
\$10,000 – \$19,999	2	4
\$20,000 – \$29,999	6	3
\$30,000 – \$39,999	1	-
\$40,000 – \$49,999	-	1
\$130,000 - \$139,999	1	1
<b>Total number</b>	<b>12</b>	<b>10</b>
<b>Total remuneration (\$'000)</b>	<b>330</b>	<b>328</b>

Remuneration of the Responsible Minister is included in the State's Annual Financial Report.

## 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.

	2022 \$'000	2021 \$'000
<b>Remuneration</b>		
Short-term employee benefits	611	486
Post-employment benefits	63	47
Other long-term benefits	17	15
<b>Total remuneration</b>	<b>691</b>	<b>548</b>
<b>Total number of executives</b>	<b>3</b>	<b>3</b>
<b>Total annualised employee equivalents (i)</b>	<b>3</b>	<b>3</b>

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

### 8.3 Related parties

Related parties of the TAFE and its consolidated 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 2022, further information can be found in note 2.1, note 2.3 and note 6.2.

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

## 8. GOVERNANCE DISCLOSURES

### Related party transactions

Related party transactions	Transaction values for year ended 31 December		Balances outstanding as at 31 December	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Debtor – TAFE Kids Inc.	47	57	6	-
<b>Total</b>	<b>47</b>	<b>57</b>	<b>6</b>	<b>-</b>

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

Key management personnel	Position title
Geoff Dea	Chief Executive Officer
David Harris	General Manager - Operations
Diane Schmidt	General Manager - Corporate Services
Chelsea Diana	Senior Manager - Compliance & Risk

### Compensation of key management personnel

Remuneration	2022 \$'000	2021 \$'000
Short-term employee benefits	1,211	1,034
Post-employment benefits	117	100
Other long-term benefits	39	28
<b>Total remuneration</b>	<b>1,367</b>	<b>1,162</b>

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
Kay Martin	Board Chair
Neth Hinton	Board Chair
Geoff Dea	Chief Executive Officer
Amanda Phillips	Board Member
Katherine Hughes	Board Member
Diane Schmidt	Treasurer
Amie Johnson	Centre Director
David Harris	Secretary

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

The TAFE had no related party transactions for the period ending 31 December 2022.

### 8.4 Remuneration of auditors

	2022 \$'000	2021 \$'000
<b>Remuneration of the Victorian Auditor-General's Office</b>		
Audit of the financial statements	76	57
<b>Total remuneration of the Victorian Auditor-General's Office</b>	<b>76</b>	<b>57</b>
<b>Remuneration of other auditors</b>		
Internal audit services	45	62
<b>Total remuneration of other auditors</b>	<b>45</b>	<b>62</b>
<b>Total</b>	<b>121</b>	<b>119</b>

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

	2022 \$'000	2021 \$'000
<b>(a) Net gain/(loss) on financial instruments</b>		
Government loan discount	(263)	(89)
Impairment of loans and receivables	5	(1)
Net gain/(loss) on revaluation of financial assets	(12)	123
<b>Total net gain/(loss) on financial instruments</b>	<b>(270)</b>	<b>33</b>
<b>(b) Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service leave liability	237	(10)
<b>Total other gains/(losses) from other economic flows</b>	<b>237</b>	<b>(10)</b>
<b>Total other economic flows included in net result</b>	<b>(33)</b>	<b>23</b>

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

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

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

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

### 9.2 Other equity reserves

	2022 \$'000	2021 \$'000
<b>Physical asset revaluation surplus</b>		
Balance at 1 January	27,178	23,096
Revaluation increment on physical non-current assets	5,070	4,082
<b>Balance at 31 December</b>	<b>32,248</b>	<b>27,178</b>

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

	2022 \$'000	*Restated 2021 \$'000
<b>Intangible asset revaluation surplus</b>		
Balance at 1 January*	1,350	1,350
Revaluation increment on intangible asset	310	-
<b>Balance at 31 December</b>	<b>1,660</b>	<b>1,350</b>

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

\*Refer to note 9 for detailed information on restatement of comparatives

### 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	2022 %	2021 %
TAFE Kids Incorporated	Australia	Ordinary	100	100

#### TAFE Kids Incorporated

TAFE Kids Incorporated provides community child care services.

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

All subsidiaries have the same year-end as the TAFE.

## 9. OTHER DISCLOSURES

### 9.4 Correction of prior period error

The TAFE has identified a prior period error. This is explained below and the impact of the adjustment and the restatement for the 2021 financial year is shown in the table below.

#### Intangible Asset not recognised

The TAFE holds water rights, however had not recognised the water rights as an intangible asset. The TAFE has elected to recognise and account for the indefinite life intangible asset at fair value. The fair value is determined by the value advised by the Victorian Water Register. This error had the effect of understating intangible assets and revaluation reserve for the year ended 31 December 2021 by \$1.35m.

#### Impact of correction of an error on the consolidated balance sheet

	2022 \$'000	Restated 2021 \$'000	Previously Reported 2021 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	10,495	10,518	10,518
Receivables	904	1,081	1,081
Investments and other financial assets	41	40	40
<b>Total financial assets</b>	<b>11,440</b>	<b>11,639</b>	<b>11,639</b>
<b>Total financial assets</b>			
Property, plant and equipment	54,584	44,947	44,947
Right of use assets	2,812	3,173	3,173
Intangible assets	1,866	2,394	1,044
Other non-financial assets	1,526	1,434	1,434
<b>Total non-financial assets</b>	<b>60,788</b>	<b>51,948</b>	<b>50,598</b>
<b>Total assets</b>	<b>72,228</b>	<b>63,587</b>	<b>62,237</b>
<b>LIABILITIES</b>			
Payables	1,761	487	487
Contract liabilities	549	241	241
Other Liabilities	568	3,547	3,547
Employee provisions	3,772	4,052	4,052
Borrowings	-	3,486	3,486
Lease liabilities	2,846	3,021	3,021
<b>Total liabilities</b>	<b>9,496</b>	<b>14,834</b>	<b>14,834</b>
<b>Net assets</b>	<b>62,732</b>	<b>48,753</b>	<b>47,403</b>
<b>EQUITY</b>			
Accumulated surplus	21,827	13,228	13,228
Contributed capital	6,997	6,997	6,997
Reserves	33,908	28,528	27,178
<b>Net worth</b>	<b>62,732</b>	<b>48,753</b>	<b>47,403</b>

## 9. OTHER DISCLOSURES

### 9.5 Events after reporting date

On 5 December 2022, the Government issued an administrative order restructuring some of its activities via machinery of government, effective 1 January 2023. As part of the machinery of government restructure, overall administrative responsibility for the TAFE was transferred from the Department of Education and Training, to the Department of Jobs, Skills, Industry and Regions. This change is not anticipated to have any significant impacts on the overall operations or financial position of the TAFE moving forward, as the Responsible Ministers have not changed.

### 9.6 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 2022 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 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 is not expected to impact the TAFE and the TAFE will not early adopt the standard.

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

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

- AASB 7 - *Financial Instruments*;
- AASB 7 - *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 2021 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 is not expected to impact the TAFE and the TAFE will not early adopt the standard.

**AASB 2021-7c - Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections** is the first of a three part 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 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018. The amendment is not expected to impact the TAFE and the TAFE will not early adopt the standard.

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

The TAFE has adopted AASB 2021-7a - Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections from 1 January 2022. The amendment, which is the first of a three part series of amendments, makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The amendment has not had a material 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:

	2022 \$'000	*Restated 2021 \$'000
<b>Balance sheet</b>		
Total current assets	12,502	12,630
Total non-current assets*	58,396	49,231
<b>Total assets*</b>	<b>70,898</b>	<b>61,861</b>
Total current liabilities	6,074	7,474
Total non-current liabilities	3,239	7,148
<b>Total liabilities</b>	<b>9,313</b>	<b>14,622</b>
Accumulated surplus	21,078	12,492
Contributed capital	6,997	6,997
Reserves*	33,510	27,750
<b>Total equity*</b>	<b>61,585</b>	<b>47,239</b>
<b>Comprehensive operating</b>		
Net result	8,530	(972)
Other comprehensive income	5,759	3,951
<b>Comprehensive result</b>	<b>14,289</b>	<b>2,979</b>

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 2022 (2021: Nil). The parent entity had no contractual commitments as at 31 December 2022 (2021: Nil).

\*Refer to note 9 for detailed information on restatement of comparatives

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## Key to abbreviations

CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
COVID-19	Coronavirus
CRICOS	Commonwealth Register of Institutions and Courses for Overseas Students
DET	Department of Education and Training
EBIT	Earnings before interest and tax
FFS	Fee for Service
FMA	Financial Management Association
FOI	Freedom of Information
FRD	Financial Reporting Directions
FTE	Full Time Equivalent
GEAP	Gender Equity Action Plan
GF	Government Funded
GST	Goods and Services Tax
HALT	Hope Assistance Local Trades
HSM	Health and Safety Month
KPI	Key Performance Indicator
MRIC	Mallee Regional Innovation Centre
NAIDOC	National Aborigines and Islanders Day Observance Committee
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
RTO	Registered Training Organisation
SaJC	Skills and Jobs Centre
SALT	Supporting and Linking Tradeswomen
SBAT	School Based Apprenticeship Traineeship
SMS	Student Management System
STEM	Science, Technology, Engineering, Mathematics
SuniTAFE	Sunraysia Institute of TAFE
TAFE	Technical and Further Education
ULP	Unleaded Petrol
VAEAI	Victorian Aboriginal Education Association
VAGO	Victorian Auditor-General's Office
VET	Vocational Education and Training
VETDSS	Vocational Education and Training Delivered to Secondary Schools
VCAL	Victorian Certificate of Applied Learning
VPSC	Victorian Public Sector Commission
VSA	Victorian Skills Authority
VTA	Victorian TAFE Association



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