



SOUTH
WEST
TAFE
**ANNUAL
REPORT**
2013

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WELCOME & YEAR HIGHLIGHTS

South West TAFE has an enduring reputation as Victoria's leading vocational education and training provider in the great south coast region of south-west Victoria and is proud to be a significant employer in the region.

South West TAFE's core business is teaching and learning. We work in partnership with all levels of government, higher education institutions, regional secondary colleges, industries, employers, service providers and our local communities. These relationships enable us to create a highly trained workforce and a pool of work-ready graduates capable of achieving career success.

Our mission is to contribute to our region by providing flexible education and training opportunities that support students, employers and industry. In so doing we support the economic, cultural and social development of our region.

The services we deliver will continue to respond to the challenges faced by south-west industries and employers. This will help our Institute achieve long-term, sustainable growth. We acknowledge the region's diverse population, and aim to provide equal opportunities for all south-west Victorians. South West TAFE's point of difference is the quality and relevance of its vocational education, across a range of professional and trade areas.

In 2013, South West TAFE received 11,679 individual enrolments, which although a lower amount than budgeted for, equated to 2.98 million student contact hours (SCH). This result showed on average, that individual students enrolled completed more training hours, resulting in South West TAFE recording its highest level of delivered student contact hours to date - maintaining our title as the largest vocational training provider in south-west Victoria.

To encourage more regional students to obtain a higher education qualification in the area of health, the \$1.28 million Great South Coast Health Articulation Project was also launched in July at South West TAFE by Premier Denis Napthine and Minister for Higher Education and Skills and the Minister Responsible for the Teaching Profession, Peter Hall.

With South West TAFE as the lead institute the project aims to provide articulated health pathways from VCAL/ VCE/ VET level into a Bachelor of Health Sciences and encourage young people and health professionals to continue their studies. It will produce graduates at all qualification levels and enable them to obtain a bachelor level qualification.

In July, South West TAFE was announced as a project partner in the Southern Grampians Co-operative Learning and Business Incubator which will encourage more rural and regional Victorians to consider vocational pathways into higher education qualifications in the region.



Another valuable partnership formed in 2013 was the Regional Tertiary Education Pathway for Foods, Tourism and Hospitality industries. Its purpose is to strengthen the foods, tourism and hospitality education on offer to regional students through flexible delivery models. It provides South West TAFE students with access to specific William Angliss hospitality qualifications.

Further evidence of a local community partnership was the innovative and inaugural South West TAFE and Brophy Family and Youth Services scholarship which was introduced in March. The ongoing scholarship provides two committed South West TAFE Diploma of Community Services Work students who excel in their studies, with 12 months employment at Brophy upon successful completion of their diploma.

Our contract with Melbourne-based Craigcare Aged Care facilities in Melbourne was re-confirmed for 2013 and has been a highly successful workplace training model for Community Services students.

The Deakin at Your Doorstep Bachelor of Early Childhood Education program continued strong associations between Early Childhood degree program staff and managers from Deakin and TAFE. This enables students a clear career pathway and many employment options.

The Centre for Education exceeded expectations in all areas across the areas of VCAL/VCE, Disability Programs, ESL, and Literacy and Numeracy support. The staff were creative and adaptable, ensuring great quality student experiences that achieved the required outcomes.

Our disability programs saw us partner with Western District Employment Access to run programs in Hamilton and Warrnambool, and Cooinda Terang in the Corangamite Shire.

In 2013, our students were represented in various awards across a range of fields.

South West TAFE Certificate III in Horticulture (Parks and Gardens) student Tristan Krepp as part of his Australian Institute of Horticulture scholarship embarked on a 10 week UK study trip. While overseas, Tristan and 17 Australian horticulturists completed an award winning exhibit at the Chelsea Flower Show. The exhibit won 'Best in Show' and was the first Australian entry to win in the flower show's long history. Tristan was also a finalist in the 2013 Victorian Training Awards' Apprentice of the Year.

Certificate III Cabinet Making student Phil Emeny qualified for the 2013 Victorian Furnishing Industry Training Awards. Phil won the Cabinet Maker of the Year award and the People's Choice award for a computer desk made using recycled timbers.

Certificate III in Carpentry student Lee Mugavin won the 2013 Master Builders Association Apprentice of the Year for the Western Region.

Another highlight was the relocation of the Art Department from the Sherwood Park Campus to the Warrnambool CBD campus. The move to the architecturally designed space re-energised the department and its members. The return to the city centre also made the department more visible and accessible to community members.

Through an E Learning Project our retail butchering and bakery trainers developed a project to pilot software and hardware to assist in remote collection of student information and assessment using electronic tablets. The project streamlined training processes enabling internal hard copy documents and training resources to be transferred to electronic formats.

In April the Minister appointed an interim ministerial board including; board chair Mike Weise and members Bill Hewett, Wayne Krause, Felicity Melican, Toni Jenkins and John Verhoeven, who were named as interim directors.

In September they were joined by Greg Walcott, Bill Hannah, Ron Page, Samantha Sharp and Susan Brumby to make up the 11 member board who will lead the institute for the next term.

In 2013, South West TAFE undertook a significant piece of work to review every aspect of our business, with a view to developing a Business Transition Plan. This plan was to form the basis of South West TAFE's transformation into a more nimble, agile and commercially-resilient entity, capable of thriving in the newly competitive training market. At the centre of the business transformation analysis work undertaken is a new target operating model.

In this model, each function of South West TAFE's business is aligned to benefits, and a collective suite of improvement initiatives has been developed to cover all functions. In some cases, applications for State Government funding support to assist South West TAFE implement these improvement initiatives have been sought through the State Government's TAFE Structural Adjustment Fund (TSAF). The outcome of these applications will be known in 2014. In other cases, the adaptations required to better position South West TAFE to capitalise on the market-driven system were implemented in 2013.

In 2013 we significantly restructured our organisation to finalise our moves towards being the region's pre-eminent education and training provider.

The fully competitive training market currently operating across Victoria means that South West TAFE must be in tune with, and responsive to, local, regional and national employment trends and training needs. As a result, in 2013, South West TAFE invested in a comprehensive regional training needs analysis.

A key deliverable was a training 'Road Map' that critically examined every course South West TAFE offered, and needed to offer. This critical piece of work has formed the basis for the 2014 South West TAFE course profile.

The South West TAFE Executive and Board chose to cease operations and farm industry courses from the Glenormiston campus by March 2014. This decision was due to a decrease in demand for residential and on-site training which had dropped significantly due to flexible learning models offered in recent years.

In 2013 we continued to foster vital relationships and established partnerships with local and national industries, while also encouraging other diverse entities to partner with South West TAFE.

South West TAFE continued its proven track record of mutually-beneficial commercial training relationships and developed a suite of new partnerships. Notable amongst these were partnerships with Metro Trains Melbourne, the city's metropolitan rail service and the Zinfra Group, a leading national service provider to the utility infrastructure sectors.

South West TAFE's own specialist brand, Meat Training Australia, delivered quality innovative programs to the meat processing and retail sectors. Meat Processing programs were delivered onsite to major meat processing clients across Victoria and South Australia including Geelong, Colac, Stawell, Melton and Bordertown.

We take this opportunity to sincerely thank the South West TAFE Board Members who provided continued support, while maintaining all appropriate governance and compliance responsibilities during the year.

We thank and acknowledge all our staff for their commitment to education in an ever-changing and fast-paced learning environment. These energetic and passionate people are an essential part of our success, our role in the region and our proud tradition.

We look forward to continuing to provide essential education and vocational training services in the south-west in 2014 and into the future.



Mike Weise
Board Chair



Peter Heilbuth
Chief Executive Officer

PERFORMANCE

PERFORMANCE STATEMENT CERTIFICATE



STATEMENT OF PERFORMANCE MANAGEMENT CERTIFICATE FOR 2013

In our opinion, the accompanying Statement of Performance of South West Institute of TAFE, in respect of the 2013 financial year, is presented fairly in accordance with the Financial Management Act 1994.

The Statement outlines the performance indicators as determined by the responsible Minister, pre-determined targets and the actual results for the year against those 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 circumstances which would render any particulars in the Statement to be misleading or inaccurate.

A handwritten signature in black ink, appearing to be "M. Lee".

Board Chair
26 March 2014

A handwritten signature in black ink, appearing to be "Peter Heilbrunn".

Chief Executive Officer
26 March 2014

A handwritten signature in black ink, appearing to be "A. Smith".

Chief Finance and Accounting Officer
26 March 2014

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Portland Campus
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AUDITOR-GENERAL'S REPORT

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, South West Institute of Technical and Further Education

The Statement of Performance

The accompanying statement of performance for the year ended 31 December 2013 of South West Institute of Technical and Further Education comprises the statement, the related notes and the Declaration by the Board Chair, Chief Executive Officer and Chief Finance and Accounting Officer has been audited.

The Board members' Responsibility for the Statement of Performance

The Board Members of South West Institute of Technical and Further Education are responsible for the preparation and fair presentation of the statement of performance in accordance with the *Financial Management Act 1994* and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the statement of performance based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the statement of performance is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of performance. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the statement of performance, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the statement of performance 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 entity's internal control. An audit also includes evaluating the overall presentation of the statement of performance.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the statement of performance of the South West Institute of Technical and Further Education in respect of the 31 December 2013 financial year presents fairly, in all material respects, and in accordance with the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the statement of performance of the South West Institute of Technical and Further Education for the year ended 31 December 2013 included both in the South West Institute of Technical and Further Education's annual report and on the website. The Board Members of the South West Institute of Technical and Further Education are responsible for the integrity of the South West Institute of Technical and Further Education's website. I have not been engaged to report on the integrity of the South West Institute of Technical and Further Education's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the statement of performance are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited statement of performance to confirm the information contained in the website version of the statement of performance.

MELBOURNE
26 March 2014


John Doyle
Auditor-General

Auditing in the Public Interest

STATEMENT OF PERFORMANCE

The Statement of Performance below shows the Institute's performance levels against Performance Agreement targets.

The Statement of Performance complements the financial audit and provides an opportunity for stakeholders to assess the Board and the Executive Management Group's performance in achieving their defined targets in 2013.

2013 KEY PERFORMANCE INDICATORS

STRATEGIC ALIGNMENT	2013 TARGET	2013 ACTUAL	VARIANCE	COMMENT
PARTICIPATION OF 15-24 YEAR OLDS	4,976	4,222	(754)	In 2013 there were a lower number of student enrolments than budgeted for mainly due to changes in subsidy rates and increased competitive market. However on average, individual students enrolled completed more training hours, resulting in South West TAFE recording its highest level of delivered student contact hours.
PARTICIPATION OF 25 - 64 YEAR OLDS	6,457	5,904	(553)	As above
TRAINING OUTCOMES				
MODULE LOAD COMPLETION RATE	90%	88.9%	(1.1%)	This result is within the acceptable limit of variance.
STUDENT SATISFACTION (INTERNAL)	93%	94%	1%	This result is within the acceptable limit of variance.
TOTAL COST PER SCH	\$13.78	\$11.85	(\$1.93)	In 2013 the Institute created significant savings in its salary and non-salary expenditure. When combining this with an increase in student contact hours it has resulted in a favourable variance to target.
WORKING CAPITAL RATIO	1.52	1.45	(.07)	A minor adjustment to the Working capital ratio is largely due to a \$3 million reduction in cash and deposits and an \$800k decrease in leave entitlements compared with 2012.
NET OPERATING MARGIN	(.06)	(.02)	.04	The improved net operating margin is due to the 2013 funded deficit being less than budget as a result of full year revenue and expenditure being better than forecast.
FEE FOR SERVICE REVENUE	\$4,351,917	\$3,395,000	(\$956,917)	Fee for Service revenue is \$1m down on its original budget due to a reduction in fee for service government and other activity during 2013. This is a reflection of reduced spending by industry across all areas as well as employers seeking government funded places as opposed to fee for service.
ORGANISATIONAL MANAGEMENT				
REVENUE PER EFT STAFF	\$110,503	\$130,300	\$19,797	This rose by 18% due to a reduction in staffing numbers while maintaining a consistent or small decrease in revenue over the previous year.
STUDENT CONTACT HOURS	2,344,098	2,983,939	639,841	In 2013 our Student Contact Hours increased by 10% mainly in the non- apprenticeship / traineeship area. This area of growth was largely in the teaching department of the Centre for Trades, Food and Land.
ENVIRONMENT				
ENERGY CONSUMPTION (% increase in natural gas usage since 1999)	(20%)	(46%)	-	Gas usage has increased significantly since 1999 and in particular in the past year as a result of the implementation of a Cogeneration plant. However this increase is outweighed by the increase in sqm. of facilities resulting in an overall reduction in energy consumption.
ENERGY CONSUMPTION (% increase in electricity usage since 1999)	(20%)	(44%)	-	The implementation of the Greener Government Buildings initiative has seen significant savings over the past year resulting in savings of energy utilisation.

TRAINING OUTCOMES

The Institute delivered a total of 2,983,939 Student Contact Hours (SCH) in 2013. The table below provides a detailed breakdown of SCH delivery in 2013.

STUDENT CONTACT HOURS DELIVERED

OUTCOMES	SCH
VTG NON APPRENTICESHIP/TRAINEESHIP	1,794,595
VTG APPRENTICESHIP/TRAINEESHIPS	698,756
FULL FEE PAYING	34,358
FEE FOR SERVICE (includes TAFE in Schools, Overseas Students, Interstate Apprenticeships and Short Courses)	456,230
TOTAL DELIVERY	2,983,939

GROWTH IN STUDENT CONTACT HOURS OVER THE PAST FIVE YEARS

2009	2010	2011	2012	2013
2,487,971	2,437,583	2,610,650	2,700,757	2,983,939

CAPITAL WORKS

BUILDING CODE OF AUSTRALIA (BCA) WORKS

The Institute continued to focus on its obligation to develop an annual Essential Safety Measures report for each occupied building. This process was supported by the Essential Safety Measures Committee—a subcommittee of the Board Infrastructure Committee. These works were part of the Institute's legal and community obligations under the following regulations:

- Building Act 1993
- Building Regulations 2006
- Building Code of Australia 2010
- Essential Safety Measures i.e. fire protection and evacuation systems
- Occupational Health and Safety Act 2004
- Disability Discrimination Act 1992
- Heritage Act 2004.

ENVIRONMENTAL SUSTAINABILITY

South West Institute of TAFE remains committed to reducing its impact on the environment.

We ensure that staff and students work together to reduce the Institute's environmental impacts, develop pro-active responses to environmental best practices and achieve innovative solutions in line with our strategic objective to be a leader in our approach to environmental sustainability.

In 2013 the Institute continued to embrace the Greener Government Buildings initiative that was completed in 2012.

In 2013 the Institute set the following targets:

- Energy reduction 20%
- Water reduction 20%
- Gas reduction 20%
- Electricity reduction 20%
- Paper usage reduction 10%

The Institute reports the results of its energy usage to the Infrastructure Committee on a monthly basis. Further information regarding actuals against target is reported in the Statement of Performance.

BUSINESS AND FINANCIAL PERFORMANCE

In 2013 the Institute returned a better than forecast result reporting an operating deficit of \$712,000 before government capital contributions and depreciation and a net operating deficit of \$4,364,000. This performance is largely due to a \$2.8 million reduction in revenue as a result of the decrease in government funded contributions in 2013. In addition to this expenditure was higher than budgeted due to several large one off adjustments including a \$911,000 write down of capital and equipment as a result of exiting Glenormiston and an increase in salary payments due to an adjustment in staffing numbers resulting in redundancies during the year.

COMPARATIVE RESULTS 2009– 2013					
	2009	2010	2011	2012	2013
ITEM	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE	31,496	33,679	35,921	36,575	33,774
EXPENDITURE	(31,219)	(32,730)	(34,207)	(33,789)	(34,486)
OPERATING RESULT	277	949	1,714	2,786	(712)
GOVERNMENT CAPITAL	8,738	7,957	4,131	1,244	875
DEPRECIATION AND AMORTISATION	(2,381)	(3,310)	(3,503)	(3,689)	(2,711)
EXP. ON GOVERNMENT CONTRIBUTIONS	(690)	(650)	(522)	(628)	(875)
GAINS/(LOSSES) ON DISPOSAL OF ASSETS	(89)	76	(155)	(366)	(941)
OPERATING RESULT NET	5,855	5,022	1,665	(653)	(4,364)
ASSETS	70,486	75,894	78,372	74,685	75,689
LIABILITIES	6,489	6,875	7,688	12,273	11,898

FEE FOR SERVICE PROGRAMS

Fee for service income remained steady at 27% of total funding in 2013 with a 9% decreased in external funding over the same period.

SUMMARY OF RESULTS 2009–2013					
	2009	2010	2011	2012	2013
ITEM	\$m	\$m	\$m	\$m	\$m
GOVERNMENT RECURRENT*	23.2	23.9	26.7	26.9	24.6
EXTERNAL FUNDING**	8.3	9.8	9.2	9.6	9.2
TOTAL FUNDING	31.5	33.7	35.9	36.5	33.8
% NON-GOVERNMENT FUNDING	26%	30%	26%	26%	27%

WORKING CAPITAL RATIO

The Institutes working capital ratio decreased from 1.86:1 to 1.43:1 mainly due to a 31% reduction in current assets.

WORKING CAPITAL RATIO 2009 -2013				
2009	2010	2011	2012	2013
1.62	1.76	1.65	1.86	1.43

GROWTH IN NET ASSETS

The Institute decreased its net asset base from \$62.4 million to \$63.8 million over the past year. During 2013 the Institute recognised the completion of the new SMS Systems at a total cost of \$7.3m. Implementation started in June 2013 with full implementation completed by December. The Institute also recognised the loan for the purchase of the Trade Centre at Raglan Parade Warrnambool and this \$3.15m was treated as a prior period adjustment to the accounts.

NET ASSETS 2009–2013				
2009	2010	2011	2012	2013
\$m	\$m	\$m	\$m	\$m
64.0	69.0	70.6	65.5	63.8

CONSULTANCIES

The Institute engaged consultants to provide specialist services and advice when required. During 2013, 27 consultants were engaged for building and construction works (architecture and building design, engineering, ICT and fire services), human resources, and teaching and training requirements.

CONSULTANCIES OVER \$10,000				
Consultant	PROJECT	TOTAL APPROVED PROJECT FEE (EX GST)	2013 EXPENDITURE (EX GST)	FUTURE COMMITMENTS
Birru Consultancy	Capital Woks Submissions	\$54,110	\$54,110	-
Brian Smith Consultancy	Education and training advice	\$43,400	\$43,400	-
Department of Education	SMS Project	\$29,187	\$29,187	-
Judy Nichols Consultancy	Funding submissions	\$11,870	\$11,870	-
Nanjing Su Wei	International Consultancy	\$15,000	\$15,000	-
Nous Group	TSAF review and submissions	\$150,000	\$178,813	-
Shane Storer Counselling	Counselling consultancy	\$18,900	\$18,900	-
Taytell Change	Consultancy	\$13,600	\$13,600	-
Technology One	Software Consultancy	\$14,605	\$14,605	-
Vincent Crisp Architects	Master Planning	\$23,645	\$23,645	-
Westvic Staffing	Outdoor Recreation Consultancy	\$19,656	\$19,656	-
Whalesong Services	TSAF Consultancy	\$16,970	\$16,970	-
TOTAL (ex. GST)		\$410,943	\$439,756	\$0
CONSULTANCIES UNDER \$10,000				
Consultant	PROJECT	TOTAL APPROVED PROJECT FEE (EX GST)	2013 EXPENDITURE (EX GST)	FUTURE COMMITMENTS
15 consultants engaged	N/A	\$53,236	\$53,236	\$0
TOTAL (ex. GST)		\$53,236	\$53,236	\$0

OVERVIEW

PROGRAMS AND SERVICES

In line with the Education and Training Reform Act 2006, South West TAFE commits to the provision of quality vocational education and training, adult, community, and further education programs and services which:

- promote the competitiveness of industry;
- enhance the opportunities of individuals; and
- serve the needs of the general community.

In 2013, the Institute delivered accredited courses to over 11,600 students, retaining its status as the largest provider of vocational education and training services in south-west Victoria.

The Institute continued to align its training products with industry needs, offering hundreds of nationally accredited qualifications, industry-specific short courses, workshops and training programs.

Each industry served has vastly different training requirements and the Institute used a blend of delivery options including workplace, on-campus, off-campus, online, VET in Schools, Traineeships, Apprenticeship courses and modules delivered via regional adult learning centres. The Institute also offered international and interstate programs.

FORMAL STATUS

The Institute is governed by a Board of Management (Board). The Board comprises of 11 members (including the Board Chair) with diverse skills, knowledge and experience. The objectives, powers and functions of the Board are set out in the revised Constitution of the Board (2013). The Board was established under the Education and Training Reform Act 2006.

In 2013, the Institute reported to the Victorian Parliament through the Hon. Peter Hall, MLC, Minister for Higher Education and Skills and Minister Responsible for the Teaching Profession.

The Higher Education and Skills Group, a division of the Department of Education and Early Childhood Development, managed the Institute's Performance Agreement with the Victorian Government.

HISTORY

The Institute has a long and proud history of providing technical and specialist education, with links back to the formation of the Mechanic's Institute in 1853.

In 1913, the Warrnambool Technical School was established on the site and operated within the state education system. It became the Warrnambool Technical College in 1958, with the commencement of full diploma courses.

In 1969, the tertiary section of the Warrnambool Technical College became affiliated with the Victorian Institute of Colleges and became the Warrnambool Institute of Advanced Education (WIAE).

The TAFE section separated from the WIAE in 1984 and became the Warrnambool College of Technical and Further Education (TAFE). The establishment of campuses at Hamilton and Portland prompted a name change in 1992, when it became known as the South West College of TAFE. Three years later (in 1995) the name by which the Institute is now known was adopted—South West Institute of TAFE. Since then, training facilities at Glenormiston (2006) and Sherwood Park (2007) have been established.

CAMPUSES

South West TAFE is a multi-campus Institute with campuses located at Glenormiston, Hamilton, Portland, Warrnambool and Sherwood Park (adjacent to Deakin University in Warrnambool). We also cater specifically for secondary school students completing School-based Apprenticeships, at the Warrnambool and District Trade Training Facility.

In 2013 South West TAFE announced it would be ceasing its tenancy with the State Government of Glenormiston College in early 2014.

PUBLIC RELATIONS AND MARKETING

The Institute continued to build a strong community presence through its strategic public relations and marketing of programs and services. Throughout 2013, the Institute's marketing campaigns focused on enrolment outcomes. Features included:

- Tristan Krepp's nomination in the Victorian Apprentice of the Year at the 2013 Victorian Training Awards. Tristan was one of four finalists presented at the awards evening held in September.
- Maintaining relationships with regional higher education partners, through joint attendance at secondary schools, career expos, and promotional events, and reconfirming Advanced Standing arrangements for pathway courses.
- 'Try A Career Days' run throughout the region, enabling students to experience a 'taste' of vocational training offered at the Institute. Students engaged with hands-on activities under the guidance and mentorship of staff.
- Celebrating the achievements of our graduating Diploma and Advanced Diploma students and Outstanding Students in specialist categories at the Institute's annual Graduation and Awards Ceremony. The ceremony received praise from industry peers and continued to be well received by students.
- 'Good News Stories' campaign where the 'education journey' of individual students, employers, organisations and community partners of South West TAFE were told across various communication platforms.
- Maintaining a strong presence at numerous community events, festivals and field days, with the support of staff and students.

STRATEGIC DIRECTION

In 2012, the Institute Board created the road map for South West TAFE by establishing a clear vision—to be a leader for our region. The 2012–2015 Strategic Plan was developed to be the driving force behind our decisions and actions during the next three years.

Our vision is to be a leader for our region.

Our mission is to contribute to our region by:

- Delivering the right skills and flexible pathways that support students, employers and industry.
- Supporting the economic, cultural and social development of our region.
- Providing opportunities for all.

Our values are:

Customer Focus: Delivering the right experience and skills.

Equality: Treating all with fairness and respect.

Integrity: Honesty and transparency in everything we do.

Excellence: Everyday continuous improvement, maintaining the highest possible standards.

Achievement and Enjoyment: Creating a great place to work and learn.

Our difference is:

South West TAFE is committed to delivering quality programs and services. This will be achieved by delivering a student journey which exceeds stakeholder expectations.

STRATEGIC GOALS

STUDENTS	STUDENTS
Delivering programs and services that exceed expectations We aim to create and maintain an environment that delivers innovative, flexible, student-centred learning. This environment will encourage individual learning styles and support lifelong learning. It will also foster excellence in customer service to all who engage with the Institute.	<ul style="list-style-type: none">• Improve regional pathways with schools, VET providers and universities• Improve the competency and work-readiness of our students• Deliver a learning environment that acknowledges and supports individual learning needs• Deliver support services that ensure access for all
STAFF	STAFF
Attracting, developing and retaining a great workforce We aim to create and maintain a positive, safe and healthy workplace environment. This environment will support the Institute's values and foster staff who are committed to achieving excellence in service delivery. It will also encourage strong engagement with industry.	<ul style="list-style-type: none">• Become an employer of choice• Ensure our workforce has the right capabilities, skills and qualifications• Maintain a safe, supportive work environment for all
BUSINESS	BUSINESS
Providing high quality systems, processes and facilities We aim to provide state-of-the-art facilities, processes and facilities. In all projects, we will focus on the 'triple bottom line': economic, social and environmental sustainability. The Institute will also implement effective risk management procedures, while maintaining a high level of accountability and transparency in financial operations.	<ul style="list-style-type: none">• Improve our key business systems and processes• Generate annual operational surpluses that will enable investment for future growth• Develop facilities to meet future needs• Ensure sound governance and accountability
REGION	REGION
Supporting current and future needs The services we deliver will continue to respond to the challenges faced by industries and employers within our region. This will help achieve long-term, sustainable growth. We acknowledge the region's diverse population, and aim to provide equal opportunities for all south-west Victorians.	<ul style="list-style-type: none">• Ensure our programs and services reflect the required skills and workforce• Improve awareness of and engagement with the Victorian Training Guarantee• Support community activities and events• Reduce our environmental footprint and support our region's sustainability initiatives

GOVERNANCE

INSTITUTE BOARD

South West TAFE is governed by a Board of Directors. The Board is responsible for overseeing and governing South West TAFE's strategic direction and associated corporate plans.

The Board is established in accordance with an Order in Council made under section 3.1.11(2)(c) of the Education and Training Reform Act 2006, to oversee and govern South West TAFE.

The Board is guided by a Code of Conduct and consists of a number of committees and sub-committees, which provide specialised guidance for different areas of organisational activity. The Chief Executive Officer (CEO) and the Executive Team operate under a reporting and accountability framework. This framework monitors progress against targets established in the Board's strategic plans.

In line with our contract with the Higher Education Skills Group, the Board also ensures that:

- appropriate compliance frameworks and controls are in place
- risks are identified and managed
- reporting systems are in place
- key policies are in place and reviewed regularly
- an appropriate corporate culture is developed and maintained
- the Board's performance is monitored and evaluated
- the CEO's performance is evaluated against predetermined criteria.

MAJOR ACHIEVEMENTS OF THE BOARD

During April 2013, the Board was reconstituted under a new Constitution, commencing with the appointment of a new Board Chair by the Minister for Higher Education and Skills and the Minister Responsible for the Teaching Profession, Peter Hall. Six interim Board Directors were selected by the Minister to form an interim South West TAFE Board and these Directors commenced the process of recruiting new Board Directors through advertisements and interviews. The new South West TAFE Board commenced on 1 September 2013 and consists of 11 members, including the Board Chair.

Key actions of the Board and its committees during 2013 included:

- endorsing the new South West TAFE Constitution
- overseeing and guiding the 2013 Business Transition Plan process
- overseeing and guiding South West TAFE's applications to the TAFE Structural Adjustment Fund
- approving our contract with the Higher Education and Skills Group
- reviewing and endorsing key internal policies
- endorsing the 2014 Institute Strategic Plan

BOARD DEVELOPMENT ACTIVITIES

The Board committee met 10 times during 2013, excluding the Annual Meeting, for briefing sessions on various topics including major regional planning initiatives, corporate governance, committee agenda and performance monitoring, new Constitution, strategic and commercial guidelines, and business transition planning.

Post April 2013, the Board Chair Mike Weise attended the Victorian TAFE Association's state conference and presidents' network meetings, as well as several strategic dialogue meetings with the Minister for Higher Education and Skills.

The Board assisted to develop South West TAFE's 2013 Business Transition Plan and 2014 Strategic Plan. During this process, the Board was instrumental in aligning our direction with south-west Victoria's regional planning strategies.

BOARD COMMITTEE STRUCTURE

The Board comprises a number of committees, which draw together the skills, knowledge and experience of Board members. These committees assist the Board to meet its legal responsibilities to manage South West TAFE via sound corporate governance practices.

AUDIT COMMITTEE

The main responsibilities of the Audit Committee are to:

- review and report independently to the CEO on the Annual Report and all other published financial information
- assist the CEO and the Board to monitor the effectiveness of various internal controls such as general operations, financial reporting and legal compliance
- determine the scope of the internal audit function, and ensure its resources are adequately resourced and effectively used, including coordination with external auditors
- oversee the effective operation of South West TAFE's risk management framework
- review management processes associated with identifying business risks and exposures, and review and assess the adequacy of management information and internal control structures
- review the integrity of South West TAFE's financial and external reporting mechanisms
- assist the Board to comply with South West TAFE's statutory and fiduciary duties in relation to financial and other requirements.

Members - Wayne Krause (Chair), Mike Weise (Board Chair), John Verhoeven (Chair of Infrastructure Committee), Bill Hewett (Deputy Board Chair), Felicity Melican (Chair of Finance Committee)

BOARD CHAIR'S ADVISORY COMMITTEE

The main responsibilities of the Board Chair's Advisory Committee are to:

- oversee the process of recruitment of new Board Directors and new Committee members
- oversee the Board's and individual Board Directors' performance reviews
- set and approve the remuneration and employment-related benefits offered to the CEO, based on guidelines and directions from the Board and the State Services Authority.

Members - Mike Weise (Board Chair), Wayne Krause (Chair of Audit Committee), John Verhoeven (Chair of Infrastructure Committee), Bill Hewett (Deputy Board Chair), Felicity Melican (Chair of Finance Committee)

EDUCATION AND TRAINING COMMITTEE

The main responsibilities of the Education and Training Committee are to:

- approve the issuing of qualifications, internal accreditation of educational programs, and South West TAFE's scope of registration, educational policies and procedures
- make recommendations to the Board and the CEO regarding (but not limited to) educational planning, new teaching and learning initiatives, quality control of educational programs, and risk management
- receive reports on a range of educational and training matters such as enrolments, key performance indicators, accreditation processes, specific education initiatives, international projects, campus activities, quality assurance, traineeships, apprenticeships, VET in Schools programs, academic awards, and certification.

Members - Mike Weise (Chair), Paul Oprean, Di Hutchins, Lu Butler, Janene O'Connor, Maurice Molan, John Cook, Peter Heilbuth, Scott Alderson, Jenny Madden, Pat Varley, (Co-opted community member), Robert Bain (Co-opted community member), Dr. Bill Vistarini (Co-opted community member), Trudy Thorp, Portland Campus, Caroline Bakker, Hamilton Campus

FINANCE COMMITTEE

The main responsibilities of the Finance Committee are to:

- ensure that South West TAFE's financial systems are appropriately managed and that our financial position is accurately reported to the Board
- monitor South West TAFE's investments, corporate image, legal contracts, other contractual arrangements, and legislative compliance
- provide timely advice on the financial impact of recommendations from other Board committees.

Members - Felicity Melican (Chair), Bill Hewett, Mike Weise (ex officio Board Chair), Wayne Krause, Peter Heilbuth

INFRASTRUCTURE COMMITTEE

The main responsibilities of the Infrastructure Committee are to:

- ensure that South West TAFE's infrastructure is adequate to support growth and development
- identify plant and equipment requirements
- provide guidance in property management, maintaining all buildings and infrastructure, purchasing property, and lease and licence agreements
- ensure appropriateness of occupational health and safety risk management strategies
- ensure information technology strategies are adequate in terms of service requirements and resource implications.

For specific projects approved by the Board, the Infrastructure Committee also has delegated authority to make decisions, establish committees and monitor specific progress regarding:

- appointment of campus planners, architects, and other consultants as required
- plans and specifications, tenders and contracts for approved capital works and consultancies within the financial guidelines as agreed by the Board
- plans and specifications, tenders and contracts for approved ICT projects, services and consultancies within the financial guidelines as agreed by the Board
- Information and Communications Technology (ICT) governance, ensuring effective and efficient use of information and communications technology that will enable South West TAFE to achieve its ICT strategy.

Members - John Verhoeven (Chair), Mike Weise (ex officio Board Chair), Bryan Amarant, Julie Amor (Co-opted community member), Mark Fidge, Peter Heilbuth, Josh Hill, Chris How (Co-opted community member), Robert Rutter, Kevin Safe (Co-opted community member), Greg Walcott

INSTITUTE BOARD MEMBERS (as at 31 December 2013)

Mike Weise

BOARD CHAIR

Mike is the Principal of Client Victoria Pty Ltd. a regional development business consulting company, working with peak bodies, universities, not for profits and statutory authorities. Prior to setting up Client Victoria, Mike was the CEO of the Dairy Development agency, WestVic Dairy, and before that in a variety of roles for fifteen years in Further and Higher Education and Farm workforce development.

Mike joined the Board in April 2013 and sits on the Audit Committee, Finance Committee and Infrastructure Committee.

Bill Hewett

BOARD PRESIDENT (from 1 July 2012 - 15 April 2013) DEPUTY BOARD CHAIR

Diploma of Business Studies, Graduate Diploma in Management (Information Systems Management), Master of Business (Management Systems)

Before retiring from the workforce in 2008, Bill was Associate Dean in the Faculty of Business and Law at Deakin University. Bill's areas of expertise are ICT management systems and finance. After serving on the Board for 2 terms as a Co-opted Member, Bill was appointed as a Ministerial member on 21 December 2011 for a period of 3 years. As a result of the Board's reconstitution in April 2013, Bill served on the interim board and was reappointed for a further 2 years on 1 September, with his term completing on 30 April 2015.

Julie Amor

DIRECTOR

Bachelor of Behavioural Sciences, Diploma Community Services (Welfare), Certificate IV Disability, Certificate IV Aged Care, Certificate IV Training and Assessment

Julie joined the Board in November 2008 as a Ministerial appointee, representing the Glenelg Shire. Julie has a background in disability services and small business management, and is currently the Day Programs Manager at Kyeema Support Services Inc. in Portland. She was re-appointed on 21 December 2011 for a further 3 years but concluded her term on 15th April 2013 due to the board's reconstitution. She continued as a member of the Institute's Infrastructure Committee.

Wayne Krause

DIRECTOR

Bachelor of Science, Master of Business Administration (MBA)

Wayne is a retired Chief Executive Officer of South West Credit Union. His areas of expertise include business and financial management. Wayne was re-appointed on 21 December 2011 for a further 3 years, following an interim 3-month term. Following the Board's reconstitution in April, he was appointed for a further 3-year term, completing on 30 April 2016.

John Verhoeven

DIRECTOR

John has a wealth of experience in the engineering area, having worked in the industry for over 32 years, managing the company K.C. Errey Engineering in Cobden. His other areas of expertise include business, community engagement and primary production. John has been on the board since 1990, with his terms extended several times. He was part of the interim board after the board was reconstituted in April 2013, and was reappointed for one term on 1 September 2013, concluding on 30 April 2014. John is currently the Chair of the Infrastructure Committee and is also a member of the Audit Committee and Board Chair's Advisory Group.

William Hannah

DIRECTOR

MBA – Deakin University, Diploma of Sports Science, Bachelor of Commerce (Accounting) – Wollongong University

Bill commenced a 3-year term on the SWTAFE Board on 1 September 2013. Bill has a background in Finance and is currently the Chief Financial Officer at Warrnambool Cheese and Butter Factory. He also has broad experience as a Financial Accountant and, since 1968, has worked in various companies including Denehurst Limited, Newcrest Mining Ltd, Kembla Coal & Coke P/L, Illawarra Meat Company, Airfast Services and Tip Top Bakeries. Bill's term on the board concludes on 30 April 2016.

Susan Brumby

DIRECTOR

Master of Health Management, PhD in Behaviour, Health and Safety Practices across agricultural industries in Victoria, South Australia, Queensland, New South Wales, NT and WA.

Susan's background is in the Health industry and since 1977 has worked in a wide variety of occupations including general nursing, midwifery, large animal and parasitology practice in a veterinary clinic, and as an opinion column writer for Rural Press, Stock and Land Newspaper. Since 2009, Sue has held the position of Clinical Associate Professor at the School of Medicine, Deakin University and Course Director, Graduate Certificate in Agricultural Health and Medicine. She has also been a Founding Director for the National Centre for Farmer Health and is an Executive Board Member since 2008. Susan is also a member of the National Rural Advisory Council, DAFF, Canberra. Susan joined the board on 1 September 2013, with her term concluding on 30 April 2015.

CEO, Student and Staff Representative

Under the new Constitution, no provision was made for a student or staff representative, or for the CEO to be an ex officio member of the board.

Toni Jenkins

DIRECTOR

Masters Degree International Education Policy, Bachelor of Arts 1989, Advanced Diploma in Business, Certificate in Workplace Leadership, Advanced Certificate in Management Skills, Certificate in Accounting, Certificate IV in Business Facilitation

Toni joined the board on 3 August 2012 for 3 years, but after the reconstitution of the board in April 2013, served on the interim board and was reappointed for a further 3 years on 1 September. Toni is currently the CEO of South West Local Learning and Employment Network (SWLLEN), a position she has held since 2003. Toni has also worked in a number of other roles since training as a registered nurse in 1980, including office management, financial management, A/ Executive Officer and Project Facilitator of the Greater Green Triangle Area Consultative Committee, Co-ordinator of the New Enterprise Incentive Scheme, Employment Consultant and Case Manager. Toni's term on the board concludes on 30 April 2016.

Felicity Melican

DIRECTOR

Bachelor of Business (Accounting), Graduate Diploma Education (Secondary), Member, Institute of Chartered Accountants

Felicity was initially appointed to the Board by the Minister for a 3 month interim period on 26th October 2011, before being appointed for a 3-year period on 21 December 2011. She was part of the interim board appointed after the reconstitution of the Board in April 2013, and was reappointed for a further two year term commencing on 1 September 2013. Felicity specialises in finance, superannuation and auditing, and is currently a Partner in Sinclair Wilson Accountants and Advisors. She was elected Chair of the Board's Finance Committee on 1 July 2012, a position she currently holds. Felicity's term on the board concludes on 30 April 2015.

Ronald Page

DIRECTOR

Masters of Sustainable Agriculture, Diploma of Company Directors, Bachelor of Applied Science (Agriculture), Professional Wool Classing Certificate, Associate Diploma in Agricultural Business Management

Ron was appointed to the Board on 1 September 2013 for a 3-year term. Ron has had 9 years of executive management experience providing fiscal, strategic and operational leadership in uniquely challenging primary industry roles for WestVic Dairy, South West Climate Change Forum, Fonterra Australia and Dairy Farmers Milk Cooperative. Ron's term on the board concludes on 30 April 2016.

Samantha Sharp

DIRECTOR

Graduate Certificate in Management, Bachelor of Social Work, Bachelor Arts Education (for teaching VCE Geography, Environmental Studies and Social Education)

Sam was appointed to the board on 1 September 2013 for one term. Sam's specialist skills are in team and project management and coordination, community consultation, research analysis and health issues. Since 2009, Sam has worked as the Acting Children's Services Coordinator/ Aged and Disability Services Manager/Municipal Recovery Manager with the Glenelg Shire Council. Prior to 2009, Sam was the Community Development Officer with the Glenelg Shire. Sam's term on the board concludes on 30 April 2014.

Bill Vistarini

DIRECTOR

Bachelor of Arts, Diploma of Education, Master of Letters, Doctor of Philosophy

Bill is a Research Associate/Senior Lecturer at RMIT University. Bill's areas of expertise are education and international education projects. Bill's term on the board finished on 15 April 2013 as a result of the board's reconstitution, but he continued to attend Business Transition Plan Project Control Group meetings and Education & Training Committee meetings until the end of the year.

Greg Walcott

DIRECTOR

Attended Melbourne Grammar School and Monash University

Greg commenced on the Board as a Ministerial appointee on 1 October 2012 for a three year period, representing the Shire of Southern Grampians. Greg's area of expertise is in mining and agriculture. He manages his own property near Kanagulk and is the Director of GW Consulting Services. Greg Chairs the Hamilton Campus Committee and is a strong advocate of the Hamilton Campus. Greg's term on the board concluded in April 2013 due to reconstitution of the board, but he was reappointed on 1 September until 30 April 2014.

BOARD AND COMMITTEE MEMBERSHIP

The Board met 10 times during the year, excluding the Annual Meeting, which was held on 30 September 2013. Meetings were scheduled bi-monthly; however, the board held extraordinary meetings in January, May and December.

Institute Committees met 24 times to review and monitor various aspects of the Institute's operations.

During 2013, three Board Directors declared a potential pecuniary interest in an issue discussed during Board meetings. A record of this declaration is maintained.

MEMBER ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

COMMITTEE MEMBERSHIP AND MEETINGS ATTENDED						
BOARD DIRECTOR	POSITION	BM	ED&T	IC	FC	AC
Mike Weise	Board Chair (post April 2013)	8	4	2	6	3
Bill Hewett	President (pre April 2013) Deputy Chair (post April 2013)	10	1	NA	6	3
Julie Amor	Director (pre April 2013)	2	NA	3	NA	NA
Susan Brumby	Director (appointed 1/9/13)	2	NA	NA	NA	NA
William Hannah	Director (appointed 1/9/13)	3	NA	NA	NA	NA
Peter Heilbuth	CEO (membership expired with board reconstitution - April 2013)	2	5	5	8	3
Toni Jenkins	Director	8	NA	NA	NA	NA
Wayne Krause	Director	9	NA	NA	7	3
Jennifer Lowe	Director (term expired Feb 2013)	1	NA	NA	2	NA
Felicity Melican	Director	8	NA	NA	6	2
Ron Page	Director (appointed 1/9/13)	3	NA	NA	NA	NA
Samantha Sharp	Director (appointed 1/9/13)	3	NA	NA	NA	NA
John Verhoeven	Director	9	NA	5	1	4
Bill Vistarini	Director (pre April 2013)	4	5	NA	NA	3
Greg Walcott	Director	5	NA	2	NA	NA

BM = Board Meetings (10 meetings)

AC = Audit Committee (4 meetings)

ED&T = Education & Training Committee (6 meetings)

FC = Finance Committee (9 meetings)

IC = Infrastructure Committee (5 meetings)

Board remuneration

Director's fees paid in 2013 totalled \$104,000

EXECUTIVE MANAGEMENT GROUP

Day-to-day management of the Institute continued to be delegated to the CEO and Executive Management Group. The CEO and Executive Management Group operated under a reporting and accountability framework.

Peter Heilbuth

CHIEF EXECUTIVE OFFICER

Masters in Philosophy (Education), Honours Degree in Social Science, Bachelor of Arts

Peter was responsible for implementing the strategic direction of the Institute and ensuring efficiency across the institute to meet the requirements of government, enterprises and individuals.

Maurice Molan

INTERIM CEO (Jan 2013)

EXECUTIVE MANAGER BUSINESS AND STUDENT SERVICES (Feb – Sept 2013)

EXECUTIVE MANAGER EDUCATION

Bachelor of Arts, Graduate Diploma of Education, Diploma of Frontline Management

Maurice provided leadership in the areas of Human Resources, Student Management, Client Services and also worked closely with our Koorie Liaison Officer to explore and expand opportunities for our indigenous students.

In September, the Executive Team underwent a restructure and Maurice was appointed as Executive Manager, Education. This portfolio involved Maurice providing strategic direction to all Institute Teaching Centres, and overseeing the Data Management and VETIS departments.

Maurice also served as our Interim CEO for most of January 2013, until the arrival of our new CEO Mr Peter Heilbuth.

Mark Fidge

EXECUTIVE MANAGER CORPORATE SERVICES, CHIEF FINANCIAL OFFICER, BOARD SECRETARY

Bachelor of Business (Accounting), Certified Practising Accountant (CPA), Graduate of the Australian Institute of Company Directors (AICD), Diploma of Frontline Management.

Mark was responsible for providing and maintaining the Institutes corporate services portfolio, including facilities master planning, information technology, finance, occupational health and safety, risk management, audit and compliance requirements. Mark was also responsible for the Portland campus. During 2013 Mark was appointed the Institutes Board Secretary and also carried the responsibility of Chief Finance Officer.

Jenny Madden

EXECUTIVE MANAGER TEACHING AND LEARNING

(Jan – Sept 2013)

EXECUTIVE MANAGER STUDENT EXPERIENCE & INNOVATION

Bachelor of Arts in Education, Graduate Diploma in Special Education, Certificate IV in Workplace Training (Category 2), Advanced Certificate in Management Skills; Masters in Education.

From January – May 2013, Jenny Madden was Executive Manager, Education and Training responsible for the areas of Education and Early Childhood; Health and Community Services; Business, Hospitality and Service Skills; Arts and Teacher Training and Skills Development. Jenny also had strategic oversight for the Hamilton Campus and Southern Grampians region.

In May, this portfolio was extended to all Institute Teaching and Learning Centres including the new focus of Innovation and Educational Development. In September, the Executive Team underwent a restructure and Jenny was appointed as Executive Manager, Student Experience and Innovation. This portfolio involved Jenny overseeing Student support and student management teams, and two new centres: Learning Technologies, Innovation & ICT, and Business Process Improvement, whilst continuing to manage the strategic oversight of the Hamilton campus and Southern Grampians region.

Paul Oprean

EXECUTIVE MANAGER TEACHING AND LEARNING

(Jan – Sept 2013)

Trade Certificate Electrical Fitter Mechanic; Post Trade Certificate Industrial Electronics; Diploma of Business (Frontline Management); Diploma of Teaching (Technical); Graduate Certificate in Management.

Paul was responsible for Glenormiston College; Trade Training facility at Caramut Road; Sherwood Park Training Facility and the Centres for Trade and Technology Skills, Meat Training Australia and Food and Primary Industries.

Due to the restructure of the Institute's Executive Team, Paul finished up in this position in September 2013.



STUDENTS

STUDENT OUTCOMES

In 2013, South West TAFE received 11,679 individual enrolments which equated to 2.98 million student contact hours (SCH). This result showed, on average, individual students completed more training hours, resulting in South West TAFE recording its highest level of delivered student contact hours. The Higher Education Skills Group, along with individual student tuition fee contribution, funded 84% of SCH delivered, with the remainder funded by individuals, industry and non-Victorian governments under User Choice Agreements.

This SCH figure underlines the Institute's dedication to delivering high quality training programs, in a year of complex changes to the vocational education and training industry. This also reflects the Institute's strategic intent to continue growth inline with regional demand.

The Institute continued to experience strong growth in our VCAL, Children's Services, Health and Community Services programs. Apprenticeships and Traineeships continued to be a significant part of delivery, with 23.4% of SCH delivered to these students.

The 2013 NCVER Student Outcomes Survey showed the following outcomes for South West TAFE graduates:

- 78.2% of graduates were employed after training
- 80.7% of graduates found that the training was relevant to their current job
- 88.1% of graduates were employed or in further study after training
- 87.3% of graduates were satisfied with the overall quality of their training

STUDENT FEEDBACK

Student feedback is collected in a variety of ways. All students, staff and Institute clients have an opportunity to provide online feedback, complaints and compliments at any time.

Students are also surveyed at the end of short courses and regularly through the year on a subject-by-subject basis. South West TAFE participates in an annual "Student Satisfaction Survey" survey sent to all students, and collated by the Australian Council of Education Research (ACER).

STUDENT CONTACT HOURS RESULTS

BY FUNDING SOURCE	SCH
GOVERNMENT PROFILE EXCLUDES TRAINEES/APPRENTICES	1,794,595
GOVERNMENT CONTRACTED APPRENTICESHIPS/TRAINEESHIPS	698,756
FULL FEE PAYING	34,358
FEE FOR SERVICE	103,109
TAFE IN SCHOOLS	154,132
OVERSEAS STUDENTS	37,322
OTHER (INCL. INTERSTATE APPRENTICESHIPS, SHORT COURSES)	161,667
TOTAL	2,983,939
BY CAMPUS	SCH
GLENORMISTON	170,429
HAMILTON	183,267
PORTLAND	252,298
WARRNAMBOOL	2,229,950
SHERWOOD PARK TRAINING FACILITY	123,950
WARRNAMBOOL & DISTRICT TRADE TRAINING FACILITY (CARAMUT ROAD)	14,343
RMIT HAMILTON	10,238
TOTAL	2,983,939
BY DEPARTMENT/CENTRE	SCH
INDUSTRY SKILLS AND SHORT COURSES	44,601
CENTRE FOR HOSPITALITY, TOURISM & SERVICE SKILLS	58,477
CENTRE FOR HEALTH, ARTS, COMMUNITY & PERSONAL SERVICES	572,325
CENTRE FOR TRADES, FOOD & LAND	1,703,513
CENTRE FOR EDUCATION AND OFF CAMPUS	605,023
TOTAL	2,983,939

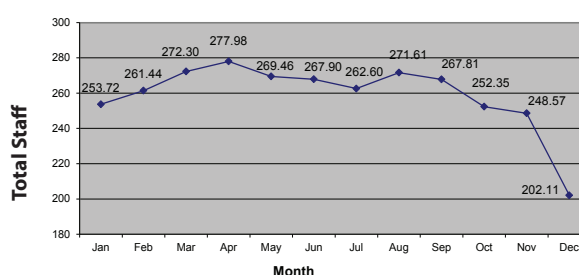
STAFF

WORKFORCE STATISTICS

Through the use of its Human Resource Information Management System the Institute continues to improve its ability to report on relevant staffing information. Regular staffing statistics are provided to appropriate internal committees which inform the decision making process, thereby enhancing service provision to students and other Institute clients. Reports, as required, are also provided to relevant external authorities.

Based on monthly staffing reports, the Institute employed the equivalent of 259.2 full-time staff during the 2013 calendar year. Fluctuations in staffing evident in the graphical representation of the monthly staffing statistics have resulted from routine staff turnover including new appointments, retirement, resignations and casual assignments. A number of positions were also made redundant in 2013 which contributed to the overall reduction in effective full-time staffing.

ALL STAFF 2013 (EFT)



		2013				2012			
TEACHING STAFF		ACTUAL F/T	ACTUAL P/T	TOTAL	EFT	ACTUAL F/T	ACTUAL P/T	TOTAL	EFT
ONGOING	FEMALE	23	27	50	39	28	23	51	42
	MALE	54	5	59	57	62	7	69	66
FIXED TERM CONTRACTS	FEMALE	5	10	15	11	10	15	25	19
	MALE	11	2	13	12	16	3	19	18
SESSIONAL	FEMALE	-	75	75	9	-	93	93	11
	MALE	-	48	48	6	-	65	65	9
TOTAL TEACHING STAFF		93	167	260	134	116	206	322	165
NON TEACHING STAFF		ACTUAL F/T	ACTUAL P/T	TOTAL	EFT	ACTUAL F/T	ACTUAL P/T	TOTAL	EFT
TAFE EXECUTIVE OFFICERS	FEMALE	1	-	1	1	1	-	1	1
	MALE	4	-	4	4	4	-	4	4
GENERAL STAFF - ONGOING	FEMALE	35	33	68	56	39	33	72	59
	MALE	25	2	27	27	33	4	37	36
GENERAL STAFF - FIXED TERM CONTRACT	FEMALE	9	5	14	12	9	9	18	15
	MALE	11	-	11	11	11	-	11	11
GENERAL STAFF - CASUAL	FEMALE	-	67	67	11	-	85	85	12
	MALE	-	18	18	4	-	22	22	5
TOTAL NON TEACHING STAFF		85	125	210	125	97	153	250	143
TOTAL ALL STAFF		178	292	470	259	213	359	572	308



STAFF DEVELOPMENT

Throughout 2013 the Institute continued to deliver a range of personal and professional development opportunities for staff, including qualification upgrades, management and leadership development programs, fellowships and research tours. Staff development activities and expenditure were monitored and approved by the Institute Executive Team.

LEARNING AND DEVELOPMENT WEEK

The Institute's Learning and Development Week 2013 was focussed on providing high level training for all staff for the newly implemented Student Management System (SMS).

With a mixture of structured workshops, followed by interactive training sessions, the week long program allowed staff to engage with their colleagues and learn together in a positive environment.

Attended by 92% of staff, feedback stated that it was a valuable opportunity to come together and discuss the challenges the new system was creating, while working towards creating solutions for issues arising and developing a common understanding of the processes and guidelines required.

STAFF FEEDBACK

The People Matter Survey is an organisation climate survey designed to collect data on employee perceptions of the values and principles which underpin the workplace's culture. It is run annually by the State Services Authority (SSA) and is specifically designed for the Victorian public sector. Whilst public sector organisations were encouraged to participate in the survey a minimum of once every two years South West Institute of TAFE is committed to, and values staff feedback, and again participated in the People Matter Survey for a third consecutive year.

The survey provides a forum for staff to inform the Institute of their beliefs and perceptions about the environment in which they work. It provides an insight into what is valued in the workplace, the organisation's culture and levels of satisfaction. In pursuing a strong values-based culture, information from the survey assists the Institute to improve its performance, to build a greater capacity for risk management, to enhance staff morale and, ultimately, to ensure staff retention.

Highlights of the 2013 People Matter Survey identify that:

- 97% of staff strive to achieve customer service (public sector value of Responsiveness and Institute value of Customer Service)
- 96% of staff believe that earning and sustaining a high level of public trust is important (Integrity)
- 96% of staff believe that they make a contribution to achieving the Institute's objectives (Workplace Wellbeing and Institute value of Achievement and Enjoyment)

Of importance, awareness of the Institute's values and code of conduct was rated at 94% and equal employment opportunity, diversity and cultural awareness were seen as key employment principles operating effectively within the Institute.

HUMAN RESOURCES

POLICIES AND PROCEDURES

To achieve its vision “to be a leader for our region”, South West Institute of TAFE strives to create and maintain a positive workplace environment which attracts, develops, retains and fosters a workforce which:

- supports the Institute’s values
- is committed to the achievement of excellence in Vocational Education and Training
- is committed to engaging with industry to develop specialist training which will contribute to business and economic development in the South West region and across Victoria.

Through its Human Resources department the Institute aims to support its vision, mission and values through:

- the development, implementation and regular review of human resource policies and procedures which are compliant with legislative and industrial requirements and which ensure that decision making is fair, consistent and impartial (value of “Integrity”)
- the application of a best practice approach in all circumstances, where required changes are communicated and implemented through a detailed and structured approach (value of “Excellence”)
- a staff recruitment, selection and appointment process which is based solely on merit and follows sound human resource management principles (value of “Equality”)
- maintaining a work environment where staff are appropriately supported to ensure the provision of high quality services to Institute students, clients and the community it serves (value of “Customer Focus”)
- promoting a safe and healthy working and learning environment, where the rights of others are recognised and where behaviour enhances the Institute’s reputation and image (value of “Achievement and Enjoyment”)

The Institute remains committed to its objective of becoming an Employer of Choice and has implemented key policies and processes which demonstrates a commitment to attracting, developing and retaining a great workforce with the necessary capabilities, skills and qualifications to deliver quality programs and services. In this context, the Institute’s human resource processes and practices have their foundations in the application of the principles of merit and equity, compliance with relevant award and statutory requirements and best practice public sector employment principles.

Amongst the achievements for 2013 are:

- a revitalisation of the Institute’s Code of Conduct for staff
- a renewed focus on staff induction
- the introduction of the Equality and Fairness in the Workplace policy and procedure
- formalisation of a Voluntary Workers policy and procedure
- supporting the development, introduction and implementation of a new organisational structure.

The Institute’s workplace health and safety strategy seeks to meet its legal and ethical obligations and to create a harmonious and productive learning and working environment. The Human Resources department has been instrumental in contributing to Workplace Health and Safety through:

- an Institute wide staff flu vaccination program
- continued and active promotion of the Institute Employee Assistance Program
- the provision of health checks for staff in conjunction with WorkHealth.

and, with the Compliance Officer:

- audiometric testing for staff in work areas with potential high noise levels
- the continued testing and enhancement of the Institute’s emergency management systems.

INFORMATION MANAGEMENT SYSTEMS

The Institute’s human resources information management system (Chris21) remains the authoritative source of human resource information within the Institute. The application of a number of system upgrades, and internal enhancements, has enabled the Institute to meet necessary compliance requirements and to improve our capacity to capture, accurately record and securely maintain and report on human resource information.

To further support the integrity of human resource data, the Institute has upgraded its Employee Self Service Kiosk providing increased functionality and a more intuitive and user-friendly platform for staff to readily access and regularly update relevant information. This initiative has encouraged greater use of the staff kiosk reducing reliance on manual intervention and face to face enquiry. Appropriate training was rolled out across the Institute in 2013 to familiarise staff with the improved features of the new staff kiosk.



INDUSTRIAL RELATIONS

Throughout what has been a testing year for industrial relations, the Institute has maintained a positive working relationship with staff representatives and has worked closely with both local and centrally based union officials toward the achievement of necessary outcomes. Management and union representatives have worked cohesively to ensure compliance with respective Enterprise Bargaining Agreements and the effective and efficient application of appropriate entitlements and terms and conditions of employment.

ENTERPRISE AGREEMENTS

Following Victorian State Government approval late in December, 2012 the Fair Work Commission (FWC) approved the establishment and implementation of a new Enterprise Agreement governing the terms and conditions of the Institute's Professional, Administrative, Clerical, Computing and Technical (PACCT) staff. The agreement, approved by the FWC in April, 2013 benefits both the PACCT staff and the Institute through the application of a new salary scale and classification system as well as more contemporary terms and conditions and employment arrangements.

The Victorian TAFE Teaching Staff Multi-Business Agreement 2009, which governs the terms and conditions of the Institute's teaching staff, has nominally expired. Discussions with the Victorian government toward establishing the parameters of a new Enterprise Agreement for teachers were initiated in 2013.

INSTITUTE CONSULTATIVE COMMITTEES

South West Institute of TAFE is committed to maintaining a positive and harmonious work environment and, to this end, continues to support the operation of two Institute Consultative Committees with representative unions. Regular consultative meetings were held throughout 2013 to consider matters relevant to represented staff groups.

The effectiveness of the Institute Consultative Committees is reflected in the fact that no days were lost to industrial action in 2013.

Other Disclosures

The Institute made a total of six ex gratia payments to Institute employees during 2013, all of which related to contract terminations. This included two gratuity payments and four in lieu of notice payments totalling \$34,174.

BUSINESS

REGIONAL PROJECTS

South West TAFE was excited to be leading and supporting a number of Regional Partnership Facilitation Fund (RPFF) projects with a range of industry and higher education partners in 2013. These projects were developed specifically to address critical workforce issues in the Great South Coast.

GREAT SOUTH COAST (GSC) HEALTH ARTICULATION PROJECT (GSCHAP)

The Great South Coast (GSC) Health Articulation Project is an industry-led initiative that has been designed to respond to the region's growing needs for skilled professionals in acute, respite and allied health settings in the Great South Coast, in particular the Glenelg and Southern Grampians Shire regions. It represents a strategic partnership between our region's key education agencies in close consultation with local health providers, aimed at delivering complimentary health qualifications at all levels from VCAL/VET through to Tertiary qualifications. South West TAFE are proud to be the lead Institute in partnership with Deakin University, Glenelg / Southern Grampians LLEN, South West LLEN, Glenelg / Southern Grampians Primary Care Partnership and South West Primary Care Partnership.

The \$1.2Mil project will utilise existing partnership arrangements, expertise, skills and infrastructure from previous Federal Government Structural Investment funding, to deliver the qualification pathways throughout the GSC region with emphasis in Portland, Hamilton and Warrnambool. This will target young people and the existing health workforce, encouraging them to undertake accredited health qualifications that provide articulated pathways to the Bachelor of Health Sciences. The project is strongly aligned with many Great South Coast, State and Federal health priorities.

REGIONAL TERTIARY EDUCATION PATHWAYS FOR FOODS, TOURISM AND HOSPITALITY INDUSTRIES

William Angliss Institute (lead Institute) is partnering with Sunraysia Institute of TAFE, South West Institute of TAFE and Gipps TAFE - to create a seamless pathway to support the transition for regional students to higher education, with at least two additional higher education (degree) programs to be established through the funding. This two year project will enable each project partner to contribute to the development of the program to ensure it meets regional industry needs with the goal to attract and retain regional Victorian's seeking to further their skills within the foods, tourism and hospitality industries.

Scholarships for regional students will also be offered.

COOPERATIVE LEARNING AND BUSINESS INCUBATOR (CLABI)

RMIT Hamilton (lead Institute) with South West TAFE, the Southern Grampians Shire and the Glenelg and Southern Grampians Local Learning and Employment Network, received a \$500,000 RPFF grant for a project aiming to deepen educational partnerships in the region. The two-year project aims to establish a Southern Grampians Co-operative Learning and Business Incubator (CLABI), in order to develop and deepen long-lasting educational partnerships, providing pathways and boosting qualifications and attainment in the region.

The project will deliver self-sustaining strategies to address the needs of the labour market and of disengaged learners in a rural environment. Initiatives will include the development of new study modes in health, education, logistics and multi-media that match the local economy and workforce.

THE INTEGRATED LAND MANAGEMENT CURRICULUM FOR VICTORIA (ILMCV)

Melbourne University (lead partner) is partnering together with South West TAFE, Federation University Australia, Bendigo Regional Institute of TAFE, Sunraysia Institute of TAFE, and Timber Training Creswick to enhance opportunities for approximately 500 rural and remote students to participate in higher education by providing flexible study options and increased pathways in conservation and land management. Its innovative design will allow students to 'fast-track' and receive credit in subsequent studies with Consortium partners.

The \$2.25 Mil project will align closely with the Regional Strategic Plans and will involve industry consultation in order to meet regional needs and employment markets.

BACHELOR OF EARLY CHILDHOOD EDUCATION (BECE)

The BECE project, led by Deakin University and partnered by South West TAFE, Chisholm TAFE, and Sunraysia TAFE, is establishing seamless pathways into early childhood education courses. The project allows students who complete the Diploma of Children's Services at a partner TAFE, to gain credit that enables them to progress to the BECE with Deakin University. BECE is delivered through the Deakin at Your Doorstep program, at SWTAFE's Portland Campus and supports regional students to study without travelling outside of their home town.

An important outcome achieved in 2013 was the accreditation of the BECE by the Victorian Institute of Teaching. This will enable students completing the Deakin program to gain teaching registration in lower primary positions, allowing them to remain in their local communities rather than having to move to obtain a separate teaching qualification.

HIGHER EDUCATION PARTNERS

In response to both national and state strategic directions, and in order to maximise the availability of training programs and pathways in the region, the Institute continued its involvement in numerous partnerships with other education providers. By continuing to foster working partnerships with higher education providers, South West TAFE was able to increase a range of articulated vocational pathways to higher level qualifications. During 2013, these partnerships were:

DEAKIN UNIVERSITY

The Deakin - South West TAFE Strategic Alliance involves a joint delivery partnership between South West TAFE and Deakin University, and provides the south-west community with a number of VET and higher education initiatives that benefit regional, rural and remote students. South West TAFE continued to have a number of programs with direct pathways and direct credit into Deakin University courses. In 2013, there were eleven confirmed articulated credit arrangements with Deakin University. Work is currently underway to create additional pathways to the Bachelor of Health Science through the Great South Coast Health Articulation Project

The Deakin at Your Doorstep (DAYD) program continued to grow in 2013. This program offers TAFE diploma students the opportunity to obtain an Associate Degree of Arts, Business and Science by completing two years of full-time study at our Portland campus. The associate degree provides a pathway to a range of bachelor degrees at Deakin University, including Commerce and Primary Education. The BECE project is also delivered through the DAYD program and provides regional students access to tertiary qualifications without leaving their home town.

RMIT

South West TAFE have continued to foster its partnership with RMIT, and have commenced a number of projects to provide education opportunities designed to meet the emerging challenges and opportunities of the region's industry and community. In 2013, a joint submission with RMIT, Southern Grampians Shire, and Glenelg and Southern Grampians LLEN, secured funding from the State Government's Putting Locals First Initiative. The Hamilton Education Precinct Development Plan aims to deliver a number of initiatives designed to move the education sector into a dynamic future, through:

- An audit showing utilisation of, and how to maximise, existing facilities and other physical assets to support enhanced, viable education provision
- Actively addressing existing student/industry demand or stimulating additional demand

- Development of new study modes and higher education delivery options
- Initiatives designed to support education pathways and establish alliances to improve attainment
- Extension of existing partnerships/course delivery to new locations/partners – a virtual and geographic learning precinct.

This plan will compliment the CLaBI RPFF project.

Following a finalised agreement between South West TAFE and RMIT, delivery of the Institute's nursing and aged care programs commenced at RMIT's Hamilton Campus in 2013, enabling students to utilise state-of-the-art facilities.

XUZHOU UNIVERSITY

The continued partnership with Xuzhou University in China resulted in students travelling to Australia to study at the Institute's Warrnambool Campus, and accessing articulation arrangements with Deakin University to gain entry to degree courses.

UNIVERSITY OF MELBOURNE

Glenormiston College again hosted a group of veterinary science students from the University of Melbourne, who completed a week-long animal handling course.

UNIVERSITY OF MELBOURNE AND FEDERATION UNIVERSITY AUSTRALIA

The RPFF ILMCV Project aims to create clear pathways from SWTAFE's Diploma of Conservation and Land Management into potentially five undergraduate programs and four post graduate programs offered at either University of Melbourne or Federation University Australia.

WILLIAM ANGLISS INSTITUTE

Through the tertiary education pathways for the foods, tourism and hospitality industry, this new partnership will deliver enhanced course articulation pathways extending from SWTAFE's relevant Diploma programs into bachelor degrees and new graduate certificates.

YOUTH PROGRAMS

VET IN SCHOOLS

Approximately 740 students across the region used the VET in Schools program to obtain their Victorian Certificate of Education (VCE) or Victorian Certificate of Applied Learning (VCAL). In partnership with all the local secondary colleges in the region, students in years 10, 11 and 12 chose building, hospitality, media, community services, engineering, make-up, hairdressing, equine, automotive, furnishings and CISCO to kick start their career, gain a qualification and contribute towards their senior secondary school results.

The Institute is continuously trying to move towards a more flexible delivery model of delivery to cater for the changing market of skill shortage areas, smaller cohorts of students, and the tyranny of distance and transport restrictions all regional students face when accessing education outside the school setting.

SCHOOL BASED APPRENTICESHIPS

In 2013 SWTAFE had 190 School Based Apprentices (SBAs) and 74 Trainees. They were spread across all program areas showing diversity in student choices and the industries that are embracing the part time employment model. In order to accommodate the conflicting educational timetables and delivery styles, 2013 saw the introduction of 4 common week block release dates for first year apprentices across all the major trade programs. This enabled schools to better accommodate timetabled classes with the majority of SBAs within their school leaving the class over the same period of time throughout the year.

VICTORIAN CERTIFICATE OF APPLIED LEARNING (VCAL)

In 2013, South West TAFE continued to deliver youth programs across its five campuses. South West TAFE's team of dedicated VCAL teachers continue to develop and deliver innovative programs, and meet the training needs of youth in south west Victoria.

Programs included traditional Year 11 and 12 VCE subjects, and full time VCAL programs aimed at Year 10,11 and 12 students.

Courses also allowed for students to enter study in a more streamlined way, regardless of the time of year.

An Adult VCAL program supported by Western District Employment Access (WDEA) also continues to meet the needs of job seekers requiring additional work readiness skills.

Our Young Parents VCAL allows students with young children to study in an environment where their children are also supported.

South West TAFE VCAL students continue to involve themselves in Community Projects such as:

- Bean Drinkin' Again Café
- Warni Kidz Fest
- Hamilton VCAL Creative Arts Showcase
- Camperdown Junior Highland Games as part of the Robert Burns Festival
- Portland Bonney Upwelling Festival
- Combined VCAL Camp to Cape Bridgewater
- ABC Open Film Projects.

DISABILITY PROGRAMS

In 2013 our disability programs were delivered across the Warrnambool, Hamilton and Portland campuses. Students enjoyed increased days of attendance and work placement opportunities within the Certificate I in Work education course. Opportunities for increased access to education also arose via individualised programs for students accessing 'one on one' DHS funding.

LEARNING SUPPORT

Through the Centre of Education, the online literacy and numeracy support tool continued to be used by students, and supported by teachers to ensure early detection of students requiring literacy and numeracy support. The online tool assisted the record number of students being assisted since it was introduced and perfected from the initial pilot of 2008. Teacher requests for Learning Support staff to run Orientation to Study programs were the highest across all campuses since the unit was introduced in 2012 and included focus on specific literacies such as Research, Medication Maths for Nursing and generalist program assistance. Teaching Centres using these programs included Children's Services, Aged Care, Nursing and Hairdressing & Beauty.

Student support programs included 'drop into library' timetabled small groups, online study support classes, in-class teacher assistance with course work focusing on literacy and numeracy, as well as support for every apprentice block attending at Sherwood, Warrnambool and Portland. Strongly supportive feedback from students and teachers confirmed how essential additional support in Literacy and Numeracy was to support student completions.

A late change in HESG guidelines for Literacy and Numeracy in November 2013, will most likely impact in 2014 on both eligibility and access by students to this support. The Learning Support Unit will continue to provide teaching support to as many students and teachers as possible within the new guidelines in the future.

INTERNATIONAL OPERATIONS

In 2013, the Institute's International operations included onshore and offshore education programs.

International activities continued to provide positive experiences for staff and students and enhance the cultural richness and diversity of south-west Victoria. Visits from overseas delegates, plus friends and relatives of international students, have supported business and tourism growth in the region.

PARTNERSHIPS

The Institute's partnership with Yangzhou Polytechnic Institute (YPI) to deliver the Diploma of Accounting continued in 2013, with various teachers travelling to China to deliver training.

The long-term partnership with Xuzhou Normal University (XNU) now known as Jiangsu Normal University (JNU) reached its conclusion with the final South West Institute of TAFE teacher, Chris West, delivering the final units in June.

Many students from this partnership in China have travelled to Australia for further study at South West Institute of TAFE over the duration of this relationship. The Institute received students to study at Warrnambool Campus, and some have used the articulation arrangements with Deakin University to enter degree courses. Many of these young Chinese students have since settled in Warrnambool, or other parts of Australia, to pursue their careers.

NETWORKS

The Institute was an active member of the Warrnambool City Council International Relations Advisory Committee, with John Cook continuing his membership of this committee.

OVERSEAS TRAVEL

John Cook, Industry Relationship Manager attended the graduation ceremony of the Diploma of Accounting students at YPI.

ONSHORE DELIVERY

Fourteen international student visa holders were enrolled in onshore programs with the Institute in 2013. Countries represented included China, Sri Lanka, Thailand, Malaysia and the Philippines. These students participated in English language, accounting, equine, agriculture, hospitality and tourism study programs.

OFFSHORE DELIVERY

During the year the Institute continued to deliver training onsite at JNU and YPI in China. One hundred and eight students graduated from offshore programs delivered to JNU and YPI.

INTERNATIONAL PROGRAMS INCOME

Offshore programs	\$180,750
Onshore programs	\$128,983
Total	\$309,733

DELEGATIONS

Delegates from China (YPI) visited the Institute during 2013 to participate in partnership development at the Warrnambool Campus.

QUALITY AND RISK MANAGEMENT

During the year, the Institute continued to comply with all requirements from the 2009 Education Services for Overseas Students Act 2000 compliance audit, which extended the Institute's registration to deliver qualifications to international students until 2015.

COMMUNITY

In 2013, the Institute sponsored many local events and festivals, and actively sought to strengthen community partnerships. Both staff and students gave generously of their time to help promote and run these events. Through staff activities, the Institute was represented on more than 200 forums, reference groups and committees in the region.

COMMUNITY INVOLVEMENT

The Institute's strong community involvement enabled teachers to secure a wide variety of practical work experience opportunities for students. Teachers worked with various community partners, ensuring student learning was developed through organised programs, and partner organisation requirements were met. Student opportunities ranged from work placements to volunteering at world-renowned festivals and small community events or activities.

The Institute continued to place great value on its involvement with Warrnambool City Council's multi award-winning Fun4Kids Festival. Since the event began in 1998, the Institute has played a pivotal role in its success and the partnership has provided valuable workplace experiences for many students.

Additional student workplace experiences in the community included:

- Warni Kids Fest
- Close the Gap Event
- Get Amongst It
- Are U OK? Day
- Day in the Gardens
- Portland Upwelling Festival
- Koroit Irish Festival
- Port Fairy Folk Festival
- Camperdown Cruise
- Seniors Week Festival
- Ararat Jailhouse Rock Festival
- Grampians Grape Escape.

The Institute also supported community fund-raising events such as:

- Warrnambool East Rotary Hole in One Competition
- Biggest Morning Tea
- Murray to Moyne
- Relay for Life
- Sleep Well Tonight
- F Project.

COMMUNITY PARTNERS

In 2013 the Institute enjoyed partnerships with the following community organisations:

- South West Local Learning & Employment Network (LLEN)
- Glenelg and Southern Grampians LLEN
- South West Sustainability Partnership
- South West Academy of Sport
- South West Disability Network.

COMMUNITY MEMBERSHIP

During 2013 representatives from Executive and the Institute Management Group were active members of a range of community groups including:

- South West LLEN Board
- Glenelg and Southern Grampians LLEN Board
- Great South Coast Workforce Action Group
- Hamilton and District Skills Centre
- Hamilton Education Precinct Group
- South West Healthcare Ethics Committee
- Committee for Portland
- South West Academy of Sport Board
- RMIT Community Advisory Group
- Horizon 21
- Australian Institute of Company Directors
- South West Sport Board
- WAVE Advisory Committee
- Arts and Education Warrnambool Partnerships Network (Sponsored by Deakin University, Faculty of Arts and Education)
- Corangamite Pathfinders – Advisory and Focus Groups
- South West Academy of Sport.

COMPLIANCE

OCCUPATIONAL HEALTH AND SAFETY

The Institute maintained a proactive approach to its OHS legislative compliance and duty of care obligations by providing safe and healthy work and learning environments for our students, staff, contractors and visitors.

The Institute's OHS & Emergency Planning Committee membership included 9 Management representatives, Chief Fire Warden, Compliance Officer and 18 Health & Safety Representatives (HSRs) representing 18 Designated Work Groups (DWGs) across the 6 Institute campuses.

The HSR roles included:

- Participation in the 2013 Worksafe Project, (outlined in the final paragraph)
- Carrying out workplace OHS inspections and providing reports of issues identified
- Assisting with investigation of health and safety issues
- Consulting with management on health and safety matters
- Assisting managers and team leaders with OHS risk assessments
- Assisting managers and team leaders with drafting and review of Safe Operating Procedures (SOPs)
- Receiving information from management and external sources to assist with their OHS role
- Attending interviews, when required, between employees and management regarding OHS matters
- Attending meetings of the OHS Committee

The OHS & Emergency Planning Committee met six times during the year. Minutes of these meetings were forwarded to the Risk Management Committee and the Institute continued to administer OHS issues within the context of its risk management framework.

The following notable initiatives were implemented:

- Purchase and distribution of 5 new Automatic External Defibrillators (AEDs) for each of the campuses, plus staff training to increase the chance of saving a life in the event of a cardiac arrest
- New Bushfire Plan for Glenormiston College
- New Children in the Workplace Policy
- Review of relevant Institute OHS policies, procedures and guidelines
- Improved OHS inductions for new staff members

- Emergency/Fire evacuation drills conducted six monthly
- Training for OHS representatives
- First aid training
- Audiometric hearing tests for all relevant staff members
- Noise testing of powered equipment in trade training workshops at Sherwood Park
- Influenza vaccinations
- Staff health checks
- Staff wellbeing pilot program – 'Officise Made Easy'
- Promotion of the Employee Assistance program
- Promotion of the Equality and Fairness in the Workplace Policy

In June 2013 Worksafe initiated a Project involving a series of planned inspections of the Institute's trade and workshop areas, targeting OHS compliance associated with Manual Handling and Powered/Mobile Plant. The consultation process of pre-visit staff briefings, Worksafe inspections, post-visit debriefings and corrective actions in response to hazards identified, had a noticeable effect on staff attitudes to OHS compliance, promoting a positive workplace safety culture.

A total of 67 OHS incidents were reported for 2013, 26 less than 2012. 39 of the incidents involved students resulting in one back injury, 23 minor injuries and 15 near misses. 26 reports involved staff members, resulting in 18 relatively minor injuries or illnesses, three damaged vehicles and one non-work related illness. The other 2 incidents were reported by Institute visitors. Although the reporting of near misses and minor first aid injuries increases the statistics, they are a vital source of data to improve the Institute's preventive approach to hazard identification and OHS risk control strategies.

Six notifiable incidents were reported to Worksafe during 2013, none of which resulted in the issuing of Worksafe notices. By comparison there were 10 reportable incidents for 2012.

21 Improvement Notices (14 in 2012) were issued by Worksafe during 2013 at the Warrnambool campus, as part of the current Manual Handling and Plant Project. Corrective action has been successfully completed for all notices. No Prohibition Notices issued in 2013.

More than 200 specialist contractors were routinely engaged across the campuses to undertake maintenance and project work, however there were no contractor related incidents during 2013, a testament to the effectiveness of the Institute's Contractor Management System and diligent supervision by Facilities Department staff.

	'08/'09	'09/'10	'10/'11	'11/'12	'12/'13	'13/'14
Institute premium	0.74%	0.68%	0.81%	0.961%	1.0477%	0.726%
Weighted average TAFE sector premium	0.93%	0.99%	0.97%	1.005%	0.89%	0.95%
Total standard claims	3	5	3	4	2	4

ACTIVITY TABLE

		2013 \$'000	2012 \$'000
NOTE A1 - OPERATING STATEMENT			
Total Operating Expenses	Note		
Delivery provision and support activity	A2	25,355	22,974
Administration and general services activity	A3	5,717	6,666
Property plant and equipment services activity	A4	5,821	7,172
Student and other services activity	A5	1,179	1,294
Total Operating Expenses		38,072	38,106
NOTE A2 - OPERATING STATEMENT			
Delivery provision and support activity			
Salaries, wages, overtime & allowances		20,340	16,932
Superannuation		1,133	1,357
Payroll Tax		690	830
Other salary related costs		121	185
Consumables		1,235	1,323
Travel and motor vehicle expenses		503	700
Depreciation		850	1,124
Other direct delivery expenses		483	525
		25,355	22,974
NOTE A3 - OPERATING STATEMENT			
Administration and general services activity			
Salaries, wages, overtime & allowances		3,109	3,865
Superannuation		254	264
Payroll Tax		155	171
Other salary related costs		28	47
Consumables		314	436
Communication expenses		688	638
Fees		368	314
Travel and motor vehicle expenses		144	229
Depreciation		24	43
Other expenses		633	658
		5,717	6,666

NOTE A4 - OPERATING STATEMENT**Property plant and equipment services activity**

	2013 \$'000	2012 \$'000
Salaries, wages, overtime & allowances	1,361	1,552
Superannuation	95	125
Payroll Tax	64	79
Other salary related costs	10	17
Consumables	106	247
Equipment	419	117
Energy costs	677	715
Contract services	411	470
Rent / leasing charges	199	426
Repairs & maintenance	382	584
Depreciation	1,837	2,520
Other expenses	260	320
	5,821	7,172

NOTE A5 - OPERATING STATEMENT**Student and other services activity**

Salaries, wages, overtime & allowances	572	642
Superannuation	44	57
Payroll Tax	28	33
Other salary related costs	5	7
Consumables	28	67
Depreciation	1	2
Other expenses	501	486
	1,179	1,294

STATEMENT OF COMPULSORY NON-ACADEMIC FEES



STATEMENT OF COMPULSORY NON-ACADEMIC FEES

The following compulsory non-academic fees and charges were levied in accordance with the Ministerial Directions on Fees and Charges.

	2013	2012
Student fees and charges income		
Student Amenities Fees	344,124	276,885
TOTAL INCOME	344,124	276,885
Student fees and charges expenditure		
Student services salaries and on-costs	304,701	288,028
Provision of student activities	6,517	11,134
Contribution towards student services	42,055	58,822
Contribution towards student facilities	555	1,045
TOTAL EXPENDITURE	353,828	359,029
Surplus/Deficit for year ended 31 December 2013	(9,704)	(82,144)

Certification

I certify that the information contained in this statement has been extracted from the accounting records of the Institute and that expenditure of funds is in accordance with the Ministerial Direction on Fees and Charges.

Chief Finance and Accounting Officer
26 March 2014

ABN: 76 750 969 979

CRICOS Provider Code: 01575G

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Hamilton Campus
39 Hammond Street
Hamilton
Victoria, 3300

Portland Campus
154 Hurd Street
Portland
Victoria, 3305

Sherwood Park Training Facility
Princes Highway
Warrnambool
Victoria, 3280

Warrnambool Campus
Timor Street
Warrnambool
Victoria, 3280

Postal Address
PO Box 674
Warrnambool
Australia

RISK MANAGEMENT COMPLIANCE



RISK MANAGEMENT COMPLIANCE

The Institute has in place risk management policies and procedures that are consistent with Australian/New Zealand Risk Management Standard AS/NZ ISO31000:2009.

A Risk Management Register is maintained by the CEO's office and monitored by the Institute's Audit Committee, which met 4 times in 2013. In addition, nominated relevant risks are considered and monitored by the other Board Committees.

Attestation of compliance

We certify that the Institute has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the Executive to understand, manage and satisfactory control risk exposures. The Audit Committee verifies this assurance and that the risk profile of the Institute has been critically reviewed within the last twelve months.

Handwritten signature of Peter Heilbrunn in black ink.

Chief Executive Officer
26 March 2014

Handwritten signature of the Chief Finance and Accounting Officer in black ink.

Chief Finance and Accounting Officer
26 March 2014

ABN: 76 750 969 979

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FREEDOM OF INFORMATION

The Institute was subject to the provisions of the Freedom of Information Act 1982 and employed a Freedom of Information Officer to ensure that the information it provided complied with the Act, and was provided in a timely and effective manner.

No requests for release of information was received under the Act, during the 2013 reporting period.

WHISTLEBLOWERS PROTECTION ACT 2001 (Up to February 9, 2013) and PROTECTED DISCLOSURE ACT 2012 (from February 10, 2013)

The Institute retained its policy in relation to the Whistleblowers Protection Act 2001 (up to February 9, 2013), and the replacement Protected Disclosure Act 2012 (from February 10, 2013) which covered the procedures staff may use to disclose any concerns in relation to the Act. The Institute provided staff with a contact officer to assist with confidential disclosures.

No disclosures were made under the Whistleblowers Protection Act 2001 (up to February 9, 2013), or the replacement Protected Disclosure Act 2012 (from February 10, 2013) during the 2013 reporting period.

BUILDING AND CONSTRUCTION

The Institute continued to provide and maintain high-quality facilities that:

- complied with the Building Act 1993 and the Disability Act 2006
- met acceptable occupational health and safety standards
- exceeded the expectations set by students and staff
- and respected the heritage of occupied sites.

The Institute continued to employ a Compliance Officer to maintain compliance with the Building Act 1993, Building Regulations 2006 and Building Code of Australia 2008. The Compliance Officer was responsible for compliance issues in more than 100 buildings across all campuses, plus nine satellite campuses between Melbourne and Adelaide and worked on fire protection and evacuation systems in accordance with Essential Safety Measures.

A detailed Asset Management Strategy was provided under the auspices of the State Government's Asset Management Framework. This contained a detailed service strategy within the context of the Victorian Government's Securing Jobs for Your Future: Skills for Victoria reforms, providing an overview of our existing service delivery needs and projected areas of growth across industry, training location, delivery models and student cohort.

The Institute implemented a review of the utilisation of all assets in 2013 creating an asset rationalisation strategy that considered all current and future lease and ownership options for all buildings.

In 2013 \$406,000 was spent on building compliance and maintenance works. Other significant projects included:

ART LIBRARY PROJECT

In November 2012 the Institute Board committed \$1.1m from Institute reserves to relocate the Art Department from its leased facilities at Deakin University back to the CBD campus in Warrnambool. To make this project a success the Library was relocated into D Building of the main campus into an area that was originally 3 classrooms. The library location was refurbished to accommodate art programs such as textiles, painting and drawing, screen printing, sculpturing and staff offices and workshop facilities.

The project was completed in March 2013 and was officially opened by the Premier, The Hon. Dr. Denis Napthine in June 2013.

GLENORMISTON

In October 2013 the Institute informed Higher Education and Skills Group (HESG) that on the 6 March 2014 it would cease to continue to operate out of the Glenormiston campus. In November and December of 2013 the Institute transferred any remaining programs to suitable alternative locations and worked closely with HESG to ensure that the exit from the site and the transition to any new operator would be as smooth as possible.

NATIONAL COMPETITION POLICY

The Institute has adopted the Competitive Neutrality Policy under the guidelines of the Victorian Government's Guide to Implementing Competitive Neutrality Pricing Principles, and associated documents.

The Institute has also developed and maintained a pricing model that ensures prices charged for business activities reflect all costs incurred, and that all advantages and disadvantages of government ownership be taken into account.

The Institute's pricing regime continued to meet the requirements of:

- National Competition Policy
- Victorian Government policies on competitive neutrality
- Ministerial Directions on Fees and Charges
- legislation and guidelines relating to the Goods and Services Tax (GST)
- guidelines, rulings and interpretations made by the Australian Competition and Consumer Commission (ACCC) on the National Competition Policy, fair trading and the implementation of GST

VICTORIAN PARTICIPATION POLICY

We met the Victorian Participation Policy by maintaining a list of suppliers of goods and, wherever possible, encouraging local businesses to apply for contract and work in the organisation.

FINANCIAL POSITION

DECLARATION BY RESPONSIBLE OFFICERS



FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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

We certify that the attached Financial Report for South West Institute of TAFE has been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions issued under that legislation, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive income, balance sheet, statement of charges in equity, cash flow statement, and notes to and forming part of the financial report presents fairly the financial transactions during the year ended 31 December 2013 and financial position of the Institute as at 31 December 2013.

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. There are reasonable grounds to believe that the Institute will be able to pay its debts as and when they become due and payable.

The Chair of the Board and the Chief Executive Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of South West Institute of TAFE.

A handwritten signature in black ink, appearing to be "M. Lee".

Board Chair
26 March 2014

A handwritten signature in black ink, appearing to be "Peter Heilbrunn".

Chief Executive Officer
26 March 2014

A handwritten signature in black ink, appearing to be "A. Smith".

Chief Finance and Accounting Officer
26 March 2014

ABN: 76 750 969 979

CRICOS Provider Code: 01575G

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Victoria, 3264

Hamilton Campus
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Hamilton
Victoria, 3300

Portland Campus
154 Hurd Street
Portland
Victoria, 3305

Sherwood Park Training Facility
Princes Highway
Warrnambool
Victoria, 3280

Warrnambool Campus
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AUDITOR-GENERAL'S REPORT

VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, South West Institute of Technical and Further Education

The Financial Report

The accompanying financial report for the year ended 31 December 2013 of the South West Institute of Technical and Further Education which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Declaration by the Board Chair, Chief Executive Officer and Chief Finance and Accounting Officer has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the South West Institute of Technical and Further Education are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the South West Institute of Technical and Further Education as at 31 December 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the South West Institute of Technical and Further Education for the year ended 31 December 2013 included both in the South West Institute of Technical and Further Education's annual report and on the website. The Board Members of the South West Institute of Technical and Further Education are responsible for the integrity of the South West Institute of Technical and Further Education's website. I have not been engaged to report on the integrity of the South West Institute of Technical and Further Education's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
26 March 2014


John Doyle
Auditor-General

Auditing in the Public Interest

FINANCIAL STATEMENTS

Comprehensive Operating Statement for the financial year ended 31 December 2013

		INSTITUTE	
		2013	2012
	Note	\$'000	\$'000
Continuing operations			
Income from transactions			
Government contributions - operating	2(a)(i)	24,598	26,935
Government contributions - capital	2(a)(ii)	875	1,244
Sale of goods and services	2(b)	8,330	8,451
Interest	2(c)	261	363
Other income	2(d)	585	826
Total income from transactions		34,649	37,819
Expenses from transactions			
Employee expenses	3(a)	28,010	26,151
Depreciation and amortisation	3(b)	2,711	3,689
Grants and other transfers	3(c)	314	298
Supplies and services	3(d)	4,941	5,424
Other operating expenses	3(e)	2,096	2,544
Total expenses from transactions		38,072	38,106
Net result from transactions (net operating balance)		(3,423)	(287)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	4(a)	(961)	(357)
Other gains/(losses) from other economic flows	4(b)	20	(9)
Total other economic flows included in net result		(941)	(366)
Net result from continuing operations		(4,364)	(653)
Other economic flows - other comprehensive income			
Changes in physical asset revaluation surplus	14	-	(4,469)
Total other economic flows - other than comprehensive income		-	(4,469)
Comprehensive result		(4,364)	(5,122)

The comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance Sheet for the financial year ended 31 December 2013

		INSTITUTE	
	Note	2013 \$'000	2012 \$'000
Assets			
Financial assets			
Cash and deposits	5	6,757	9,760
Receivables	6	2,365	2,202
Investments, loans and other financial assets	7	31	31
Total financial assets		9,153	11,993
Non-financial assets			
Inventories	9	265	208
Property, plant and equipment	11	66,088	62,247
Biological assets	8	14	39
Other non-financial assets	10	169	198
Total non-financial assets		66,536	62,692
Total assets		75,689	74,685
Liabilities			
Payables	12	4,199	3,478
Provisions	13	2,926	3,790
Borrowings	18	4,773	5,005
Total liabilities		11,898	12,273
Net assets		63,791	62,412
Equity			
Accumulated surplus/(deficit)	14(b)	30,676	35,040
Physical asset revaluation surplus	14(c)	23,754	23,754
Contributed capital	14(a)	9,361	3,618
Net worth		63,791	62,412
Commitments for expenditure	16(a)	-	835

The above balance sheet should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Statement of Changes in Equity for the financial year ended 31 December 2013

		CHANGES DUE TO			
		Equity at 1 Jan 2013	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 31 Dec 2013
	Note	\$'000	\$'000	\$'000	\$'000
Accumulated surplus/(deficit)	14	35,040	(4,364)	-	30,676
Accumulated surplus/(deficit) at the end of the year		35,040	(4,364)	-	30,676
Contributed capital		3,618	5,743	-	9,361
Contribution by owners at the end of the year		3,618	5,743	-	9,361
Physical assets revaluation reserve		23,754	-	-	23,754
		23,754	-	-	23,754
Total equity at the end of the year		62,412	1,379	-	63,791

		CHANGES DUE TO			
		Equity at 1 Jan 2012	Total comprehensive result	Transactions with owners in their capacity as owners	Equity at 31 Dec 2012
	Note	\$'000	\$'000	\$'000	\$'000
Accumulated surplus/(deficit)	14, 1.17	35,693	(653)	-	35,040
Accumulated surplus/(deficit) at the end of the year		35,693	(653)	-	35,040
Contributions by owners		3,618	-	-	3,618
Contribution by owners at the end of the year		3,618	-	-	3,618
Physical assets revaluation reserve		28,223	(4,469)	-	23,754
		28,223	(4,469)	-	23,754
Total equity at the end of the year		67,534	(5,122)	-	62,412

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash Flow Statement for the financial year ended 31 December 2013

		INSTITUTE	
		2013	2012
	Note	\$'000	\$'000
Cash flows from operating activities			
Receipts			
	Government contributions - operating	26,217	29,973
	Government contributions - capital	875	1,244
	User fees and charges received	7,726	6,805
	Goods and services tax recovered from the ATO	1,224	1,903
	Interest received	276	354
	Dividends received	2	2
	Other receipts	1,710	1,583
	Total receipts	38,030	41,865
Payments			
	Payments to suppliers and employees	(36,179)	(36,761)
	Goods and services tax paid to the ATO	(2,562)	(2,260)
	Other payments	(314)	(298)
	Total payments	(39,055)	(39,319)
Net cash flows from/(used in) operating activities	15 (a)	(1,025)	2,546
Cash flows from investing activities			
	Purchases of non-financial assets	(1,809)	(3,596)
	Sales of non-financial assets	63	351
Net cash provided by/(used in) investing activities		(1,746)	(3,245)
Cash flows from financing activities			
	Proceeds from borrowings	-	1,855
	Repayments of borrowings	(232)	
Net cash provided by/used in financing activities		(232)	1,855
Net increase (decrease) in cash and cash equivalents			
		(3,003)	1,156
	Cash and cash equivalents at the beginning of the financial year	9,760	8,604
Cash and cash equivalents at the end of the financial year	5	6,757	9,760

The above cash flow statement should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Notes to the Financial Statements for the year ended 31 December 2013

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NOTE 1: Statement of significant accounting policies

This financial report includes financial statements and notes of South West Institute of TAFE. The Institute has no controlled entities.

1.01 Statement of compliance

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

For the purposes of preparing financial statements, the Institute 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 ensure 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.

1.02 Basis of accounting preparation and measurement

Going Concern

During the year, South West Institute of TAFE reported a loss in continuing operations of \$4.4m. However, this was after costs relating to one-off items such as the write down of Glenormiston plant and equipment for \$911,000 as part of our preparations to exit Glenormiston and redundancy costs totalling \$1.1m. The Institute also experienced a decline in cash flows from operations of \$2.4m in Government contributions as outlined in the Comprehensive Operating Statement.

During 2013, the Institute continually reviewed its operations and implemented a range of business transformation initiatives with ongoing benefits to continue into 2014. In addition to these initiatives, the Institute continues to take actions to maximise revenues, minimise costs and realise assets. The Institute has identified non-core assets that have been deemed to be excess to requirements and will realise these assets when required.

Other Basis of Preparation and Measurement

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.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Institute.

In the application of AAS, judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and also in future periods that are affected by the revision. Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the next year, are disclosed throughout the notes to the financial statements.

These financial statements have been prepared in accordance with the historical cost convention. Historical cost is based on the fair values of the consideration given in exchange for assets.

Exceptions to the historical cost convention include:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- the fair value of an asset other than land is generally based on its depreciated replacement value;

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2013 and the comparative information presented for the year ended 31 December 2012.

Notes to the Financial Statements for the year ended 31 December 2013

The following is a summary of the material accounting policies adopted by the Institute in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

1.03 Reporting entity

The financial statements cover the South West Institute of TAFE as an individual reporting entity. The Institute is a statutory body corporate, established pursuant to an act/order made by the Victorian Government under the Enacted Act 2006.

Its principal address is:
South West Institute of TAFE
197 -205 Timor Street
Warrnambool, Victoria 3280

1.04 Basis of consolidation

The financial statements include all the activities of the South West Institute of TAFE.

The Institute has no controlled entities.

1.05 Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Institute and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting date, and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note: disclosure is made about events between the reporting date and the date the statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

1.06 Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense. 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. 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 is classified as operating cash flows. Commitments and contingent assets or liabilities are presented on a gross basis.

1.07 Income from transactions

Amounts disclosed as income are, where applicable, net of returns, allowances and duties and taxes. Revenue is recognised for each of the Institute's major activities as follows:

Government contributions

Government contributions are recognised as revenue in the period when the Institute gains control of the contributions. Control is recognised upon receipt or notification by relevant authorities of the right to receive a contribution for the current period.

Sale of goods and services

(i) Student fees and charges

Student fees and charges revenue is recognised by reference to the percentage of services provided. Where student fees and charges revenue has been clearly received in respect of courses or programs to be delivered in the following year, any non-refundable portion of the fees is treated as revenue in the year of receipt and the balance as Revenue in Advance.

(ii) Fee for Service

Fee for service revenue is recognised by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. Where fee for service revenue of a reciprocal nature has been clearly received in respect of programs or services to be delivered in the following year, such amounts are disclosed as Revenue in Advance.

(iii) Revenue from sale of goods

Revenue from sale of goods is recognised by the Institute when:

- (a) the significant risks and rewards of ownership of the goods have transferred to the buyer;
- (b) the Institute retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be reliably measured;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Institute and;
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest

Interest from cash, short-term deposits and investments is brought to account on a time proportional basis taking into account interest rates applicable to the financial assets.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains and losses taken direct to equity, forming part of the total change in net worth in the comprehensive result.

Other income

(i) Dividend revenue

Dividend revenue is recognised when the right to receive payment is established.

(ii) Rental income

Rental income is recognised on a time proportional basis and is brought to account when the Institute's right to receive the rental is established.

Fair value of assets and services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

1.08 Expenses from transactions

Employee benefits

Expenses for employee benefits are recognised when incurred, except for contributions in respect of defined benefit plans.

Retirement benefit obligations

(i) Defined contribution plan

Contributions to defined contribution plans are expensed when they become payable.

(ii) Defined benefit plans

The amount charged to the statement of comprehensive income in respect of superannuation represents the contributions made by the South West Institute of TAFE to the superannuation plan in respect of current services of current Institute staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The South West Institute of TAFE does not recognise any deferred liability in respect of the plan(s) because it has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as and when they fall due. The Department of Treasury and Finance recognises and discloses the State's defined benefit liabilities in its finance report.

Notes to the Financial Statements for the year ended 31 December 2013

Depreciation and amortisation

Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings, but excluding land. Depreciation is generally calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

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

Class of asset	Method	Rate/Rates
Buildings	Straight	1%-20%
Plant & equipment	Straight	5%-33%
Motor vehicles	Straight	20.0%
Library collections	Straight	10-20%
Furniture & Fittings	Diminishing	7.5%

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis.

Interest Expense

Interest expense is recognised as expenses in the period in which they are incurred. Interest expense includes interest on bank overdrafts and short term and long term borrowings, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and finance lease charges.

Grants and other transfers

Grants and other transfers to third parties are recognised as an expense in the reporting period in which they are paid or payable.

Other operating expenses

Supplies and services

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

Fair value of assets and services provided free of charge or for nominal consideration

Resources provided free of charge or for nominal consideration are recognised at their fair value.

1.09 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets

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

Disposal of non-financial assets

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

Gain/(loss) arising from fair value changes of biological assets

Biological assets are measured at fair value, and the resultant gain/(loss) is reported as an other economic flow.

Impairment of assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write downs).

All other assets are assessed annually for indications of impairment.

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 statement of comprehensive income, except to the extent that the write down can be debited to an asset revaluation reserve amount applicable to that class of asset.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash flows 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. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments that are designated at fair value through profit or loss or held-for-trading, impairment and reversal of impairment for financial instruments at amortised cost, and disposals of financial assets.

Revaluations of financial instruments at fair value

The revaluation gain/(loss) on financial instruments at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

Impairment of financial assets

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as 'other economic flows'.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

1.10 Financial assets

Cash and deposits

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

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

Receivables

Receivables consist of:

- statutory receivables, which include predominantly amounts owing from the Victorian Government and GST input tax credits recoverable; and
- contractual receivables, which include debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables

Notes to the Financial Statements for the year ended 31 December 2013

Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Investments and other financial assets

Investments are classified in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables, and
- available for sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition. Any dividend or interest earned on the financial asset is recognised in the consolidated comprehensive operating statement as a transaction.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Institute retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Institute has transferred its rights to receive cash flows from the asset and either:

(a) has transferred substantially all the risks and rewards of the asset, or

(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Institute has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Institute's continuing involvement in the asset.

Impairment of financial assets

At the end of each reporting period, the Institute assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as 'other economic flows' in the net result.

The amount of the allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

1.11 Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Operating leases

Institute as lessor

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

Institute as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

1.12 Non-Financial Assets

Inventories

Inventories include goods and other property held either for sale or for distribution at zero or nominal cost in the ordinary course of business operations. It includes land held-for-sale and excludes depreciable assets.

Inventories held-for-distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value.

The basis used in assessing loss of service potential for inventories held-for-distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

Cost is assigned to land for sale (undeveloped, under development and developed) and 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. Inventories acquired for no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

Non-current physical assets classified as held-for-sale, including disposal group assets

Non-financial physical assets (including disposal group assets) are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

This condition is regarded as met only when:

- the asset is available for immediate use in the current condition; and
- the sale is highly probable and the assets sale is expected to be completed within twelve months from the date of classification.

These non-financial physical assets, related liabilities and financial assets are measured at the lower of carrying amount and fair value less costs to sell, and are not subject to depreciation or amortisation.

Property, plant and equipment

All non-financial physical assets, 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 assets fair value at the date of acquisition.

Non-financial physical assets such as national parks, other Crown land and heritage assets are measured at fair value with regard to the properties highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

The fair value of cultural assets and collections, heritage assets and other non-financial physical assets that the State intends to preserve because of their unique historical, cultural or environmental attributes, is measured at the replacement cost of the asset less, where applicable, accumulated depreciation (calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset) and any accumulated impairment. These policies and any legislative limitations and restrictions imposed on their use and/or disposal may impact their fair value.

Notes to the Financial Statements for the year ended 31 December 2013

The fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the assets depreciated replacement cost, or where the infrastructure is held by a for profit entity, the fair value may be derived from estimates of the present value of future cash flows. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

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.

Where an asset is received for no or nominal consideration, the cost is the assets fair value at the date of acquisition.

For the accounting policy on impairment of non-financial physical assets refer to Note on Impairment of non-financial assets.

Library collections

Library collections are valued at fair value.

Leasehold improvements

The cost of a leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

Restrictive nature of cultural and heritage assets, Crown land and infrastructures

Certain agencies hold cultural assets, heritage assets, Crown land and infrastructure, which are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. Consequently, there are certain limitations and restrictions imposed on their use and/or disposal.

Non financial physical assets constructed by the Institute

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

Revaluations of non-current physical assets

Non-current physical assets measured at fair value are revalued in accordance with FRDs issued by the Minister for Finance. This revaluation process normally occurs every five years, based upon the assets' Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Revaluation increases or decreases arise from differences between an assets carrying value and fair value.

Revaluation increases are credited directly to equity in the revaluation reserve, except to the extent that an increase reverses a revaluation decrease in respect of that class of property, plant and equipment, previously recognised as an expense (other economic flows) in the net result, the increase is recognised as income (other economic flows) in determining the net result.

Revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except to the extent that a credit balance exists in the revaluation reserve in respect of the same class of property, plant and equipment, they are debited to the revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

When revalued assets are sold, it is Institute policy to transfer the amounts included in other reserves in respect of these assets to accumulated funds.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Non-current physical assets constructed by the Institute

The cost of non-current assets constructed by South West Institute of TAFE includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

Biological assets

Bloodstock

Bloodstock is measured at fair value less estimated point of sale costs.

Bloodstock refers to all horses, cows, heifers, bulls and calves at the Glenormiston College.

This valuation took into account the condition, quality, age of stock, current projected market value and seasonal conditions taken into consideration in calculating their net market value.

Investment properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the South West Institute of TAFE.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Institute.

Subsequent to initial recognition at cost, investment properties are re-valued to fair value with changes in the fair value recognised as income or expenses in the period in which they arise. The properties are not depreciated.

Rental income from the leasing of investment properties is recognised in the statement of comprehensive income on a straight-line basis, over the lease term.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only 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 and use or sell it;
- the ability to use or sell the asset;
- how 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.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as follows:

	2013	2012
Capitalised software development cost (years)	3-5	3-5

Goodwill

Goodwill and goodwill on acquisition is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested at least annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

1.13 Liabilities

Payables

Payables consist of:

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

Notes to the Financial Statements for the year ended 31 December 2013

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

Provisions

Provisions are recognised when the Institute has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

Employee benefits

The calculation of employee benefits includes all relevant on-costs and are calculated as follows at reporting date.

(i) Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL representing 7 years is disclosed as a current liability even when the Institute does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

- present value - component that is not expected to be settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

Non-current liability - conditional LSL representing less than 7 years is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow (refer to Note 4(b)).

(iii) Termination benefits

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

Employee benefits on-costs

Employee benefits on-costs (payroll tax, workers compensation, superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

Performance Payments

Performance payments for TAFE Executive Officers are based on a percentage of the annual salary package provided under the contract of employment. A liability is provided for this under the term of the contracts at reporting date and paid out in the next financial year.

Borrowings

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

Notes to the Financial Statements for the year ended 31 December 2013

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the statement of comprehensive income over the period of the borrowing using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Onerous contracts

An onerous contract is considered to exist where the South West Institute of TAFE has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

1.14 Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value and inclusive of the GST payable.

1.15 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer note 19) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of the GST receivable or payable respectively.

1.16 Equity

Contributed capital

Funding, that are in the nature of contributions by the 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. Commonwealth capital funds are not affected and are treated as income.

1.17 Prior Period Error

During the financial year ended 31st December 2011, the Institute received an amount of \$3,150,000 for the purchase of the site for the proposed Trade Training Centre, which was initially recognised as Revenue (Government contribution - capital). Subsequently it has been identified as an Advance Payment and now has been recognised as Liabilities - Borrowings.

	Borrowings	Accumulated Surplus
	AUD '000	AUD '000
Unadjusted balance as at 30 December 2011	-	38,843
Effect of Correction	3,150	(3,150)
Adjusted balance as at 30 June 2011	3,150	35,693

Statement of Financial Position	2012		
	Previously Stated	Adjustment	Restated
	AUD '000	AUD '000	AUD '000
Borrowings	1,855	3,150	5,005
Accumulated Surplus	38,190	(3,150)	35,040

The correction of the prior period error had no material impact on the entity's financial statements.

Notes to the Financial Statements for the year ended 31 December 2013

1.18 Foreign currency translations

Functional and presentation currency

The functional currency of each group entity is measured using the currency of the primary economic environment in which that entity operates. The Institute's financial statements are presented in Australian dollars which is the parent entity is functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

1.19 Materiality

In accordance with Accounting Standard AASB1031 'Materiality', accounting policies need only be identified in the summary of accounting policies where they are considered 'material'. Accounting policies will be considered material if their omission, misstatement or non-disclosure has the potential, individually or collectively, to:

- (a) influence the economic decisions of users taken on the basis of the financial report; and
- (b) affect the discharge of accountability by the management or governing body of the entity.

1.20 Rounding of amounts

Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

1.21 Comparative information

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.22 Change in accounting policy

AASB 13 Fair Value Measurement

The Institute has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Institute has not made any new disclosures required by AASB 13 for the 2012 comparative period (please see note 8 and 11 disclosures). Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

AASB 119 Employee benefits

In the current year, the Institute has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time.

AASB 119 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. This change has no impact on the Institute 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.

In addition, AASB 119 also changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by the Institute as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered the Institute's measurement of the annual leave provision.

1.22 New and revised AASBs in issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2013 reporting period.

As at 31 December 2013, the following standards and interpretations (applicable to the Institute), had been issued but were not mandatory for the financial year ending 31 December 2013. The Institute has not, and does not intend to, adopt these standards early.

Notes to the Financial Statements for the year ended 31 December 2013

Standard/Interpretation	Summary	Application date of standard	Impact on entity financial statements
AASB 9 Financial Instruments.	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.	1 January 2015.	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 10 Consolidated Financial Statements	<p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p> <p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p>	1 January 2014.	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, the entity will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1 January 2014.	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, the entity will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.
AASB 12 Disclosure of Interests in Other Entities	This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures. The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.	1 January 2014.	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements	1 January 2014.	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1 January 2014.	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	These standards set out the tiers of financial reporting and the reduced disclosure framework.	1 January 2014.	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities, and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 1055 Budgetary	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to NFP entities within the GGS, provided that these entities present separate budget to the parliament.	1 January 2014.	<p>[If separate budget is presented to the parliament]:</p> <ul style="list-style-type: none"> The entity will be required to restate in the financial statements the budgetary information in accordance with the presentation format prescribed in Australian Accounting Standards and explain the significant variances from the original budget. <p>[If separate budget is not presented to the parliament]:</p> <ul style="list-style-type: none"> This Standard is not applicable as no budget disclosure is required.

1.23 New and revised AASBs in issue but not yet effective (cont.)

In addition to the new standards above, the AASB has issued a list of amending standards that are not effective for the 2013 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. The two AASB Interpretations in the list below are also not effective for the 2013 reporting period and considered to have insignificant impacts on public sector reporting.

- AASB 2011-13 Amendments to Australian Accounting Standard - Improvements to AASB 1049
- AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters
- AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements
- AASB 2011-3 Amendments to Australian Accounting Standards - Orderly adoption of Changes to the ABS GFS Manual and Related Amendments
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements
- AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
- AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039, 1049]
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
- AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements
- AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20
- 2012-1 Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements
- 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities
- 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
- 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle
- 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
- 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements
- 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non Financial Assets
- Interpretation 21 Levies

Notes to the Financial Statements for the year ended 31 December 2013

1.24 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Institutes accounting policies, judgements, estimates and assumption about the carrying amounts of assets and liabilities must be made. The estimates and associated assumptions are based on [historical experience and other factors that are considered to be relevant]. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurements and valuation processes

Some of the Institutes assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability the Institute uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Institute engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is summarised below:

In addition, the following table provides an analysis of assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets / Liabilities measured at fair value	Fair Value as at		Fair Value Hierarchy	Valuation Technique(s) and key assumptions	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
1	Assets- \$AUD Liabilities - \$AUD	Assets- \$AUD Liabilities - \$AUD	Level 1	Quoted bid prices (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date.	NA	NA
2	Assets- \$AUD Liabilities - \$AUD	Assets- \$AUD Liabilities - \$AUD	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. Depreciated replacement cost as applied to non specialised assets.	NA	NA
3	Assets- \$AUD Liabilities - \$AUD	Assets- \$AUD Liabilities - \$AUD	Level 3	Depreciated replacement cost.	Specialised assets, estimates made on replacement cost of asset	The higher the construction cost, the higher the fair value
TOTAL	-	-				

Critical judgements in applying accounting policies

The following are the critical judgement apart from those involved estimations that the Institute has made in the process of applying the accounting policies and that have the most significant effect of the amounts recognised in the consolidated financial statements.

There are no critical judgements which apply in accounting policies of the Institute.

NOTE 2: Income from Transactions

	INSTITUTE	
	2013 \$'000	2012 \$'000
2 Income from transactions		
(a) Grants and other transfers (other than contributions by owners)		
Government financial assistance		
(i) Government contributions - operating		
Commonwealth government recurrent	-	438
State government recurrent	24,598	26,497
Total government contributions - operating	24,598	26,935
(ii) Government contributions - capital		
Commonwealth capital	-	688
State capital	875	556
Total government contributions - capital	875	1,244
Total government financial assistance	25,473	28,179
(b) Sales of goods and services		
Student fees and charges	5,227	4,034
Rendering of services		
Fee for service - Government	565	926
Fee for service - International operations - onshore	129	347
Fee for service - International operations - offshore	181	242
Fee for service - other	1,284	1,908
Total rendering of services	2,159	3,423
Other non-course fees and charges		
Sale of goods	944	994
Total other fees and charges	944	994
Total revenue from sale of goods and services	8,330	8,451
(c) Interest		
Interest from financial assets not at fair value through P/L:		
Interest on bank deposits	261	363
Total interest revenue from financial assets not at fair value through P/L	261	363
Net interest income	261	363
(d) Other income		
Rental revenue:		
Rental from Institute property	292	422
Total rental revenue	292	422
Dividends from investments:		
Other entities	2	2
Total Dividends	2	2
Donations, bequests and contributions	15	4
Other revenue	276	398
Total other income	585	826

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 3: Expenses from Transactions

		INSTITUTE	
		2013	2012
		\$'000	\$'000
3 Expenses from transactions			
(a)	Employee expenses		
	Salaries, wages, overtime and allowances	24,671	22,538
	Superannuation	1,526	1,803
	Payroll tax	936	1,113
	Worker's compensation	164	235
	Long service leave	(599)	(431)
	Annual leave	(149)	(134)
	Termination benefits	1,424	1,009
	Other	37	18
	Total employee expenses	28,010	26,151
(b)	Depreciation and amortisation		
	Depreciation of non-current assets		
	Buildings	1,534	2,199
	Plant and equipment	945	1,270
	Motor vehicles	163	150
	Library collections	69	70
	Total depreciation	2,711	3,689
	Total depreciation and amortisation	2,711	3,689
(c)	Grants and other transfers (other than contributions by owners)		
	Grants and subsidies apprentices and trainees	314	298
	Total grants and other transfers	314	298
(d)	Supplies and Services		
	Purchase of supplies and consumables	1,682	2,073
	Communication expenses	758	744
	Contract and other services	749	741
	Cost of goods sold/distributed (ancillary trading)	408	466
	Building repairs and maintenance	382	587
	Minor equipment	411	409
	Fees and charges	551	404
	Total supplies and services	4,941	5,424
(e)	Other Expenses		
	General Expenses		
	Marketing and promotional expenses	348	302
	Occupancy expenses	872	1,100
	Audit fees and services	38	29
	Staff development	161	247
	Travel and motor vehicle expenses	396	557
	Bad debts from transactions	31	23
	Other expenses	250	286
	Total other expenses	2,096	2,544
	Total other operating expenses	2,096	2,544

NOTE 4: Other economic flows included in net result

		INSTITUTE	
		2013	2012
		\$'000	\$'000
4 Other economic flows included in net result			
(a) Net gain/(loss) on non-financial assets (including PPE and intangible assets)			
Impairment of non-financial assets		(912)	-
Net gain/(loss) arising from changes in fair value		(17)	(254)
Net gain/(loss) on disposal of physical assets		(32)	(103)
Total net gain/(loss) on non-financial assets and liabilities		(961)	(357)
(b) Other gains/(losses) from other economic flows			
Net gain/(loss) arising from revaluation of long service leave liability		20	(9)
Total other gains/(losses) from other economic flows		20	(9)

NOTE 5: Cash and cash equivalents

		INSTITUTE	
		2013	2012
		\$'000	\$'000
5 Cash and deposits			
Cash at bank and on hand		2,757	4,342
Australian currency Deposits - at call		4,000	200
Deposits - at call with TCV		-	5,218
Total cash and cash equivalents		6,757	9,760

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

		INSTITUTE	
		2013	2012
		\$'000	\$'000
(a) Reconciliation to cash at the end of the year			
Balances as above		6,757	9,760
Balance as per cashflow statement		6,757	9,760

(b) Deposits at call

The deposits are bearing floating interest rates between 3% and 4% (2012 - 3% and 4%)

These deposits have an average maturity of 81 days.

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 6: Receivables

	INSTITUTE	
	2013 \$'000	2012 \$'000
6 Receivables		
Current receivables		
Contractual		
Trade receivables ¹	792	775
Provision for doubtful contractual receivables(a) (See also Note 6(a) below)	(101)	(41)
Revenue receivable	92	185
Total contractual	783	919
Statutory		
Amounts owing from Victorian Government ²	1,269	1,090
GST receivable from ATO	313	193
Total statutory	1,582	1,283
Total current receivables	2,365	2,202
Total receivables	2,365	2,202

- 1 The average credit period on sales of goods is 30 days. No interest is charged on other receivables for the first 30 days from the date of the invoice. Thereafter, interest is charged at 0% on the outstanding balance. A provision has been made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. The \$59,140 reduction was recognised in the operating result for the current financial year.
- 2 The amounts recognised from Victorian Government represent funding for all commitments incurred through the appropriations and are drawn from the Consolidated Fund as the commitments fall due.

	INSTITUTE	
	2013 \$'000	2012 \$'000
(a) Movement in the provision for doubtful contractual receivables		
Balance at beginning of the year	41	36
Increase in provision recognised in the net result	60	5
Balance at end of the year	101	41

(b) Ageing analysis of contractual receivables

Please refer to Note 28 for the ageing analysis of contractual receivables.

(c) Nature and extent of risk arising from contractual receivables

Please refer to Note 28 for the nature and extent of credit risk arising from contractual receivables.

NOTE 7: Investments, loans and other financial assets

	INSTITUTE	
	2013 \$'000	2012 \$'000
7 Investments, loans and other financial assets		
Current investments, loans and other financial assets		
Equities and managed investment schemes:		
Investments in Share/Equities	31	31
Total equities and managed investments schemes	31	31
Total investments, loans and other financial assets	31	31

(a) Ageing analysis of investments, loans and other financial assets

Please refer Table (iv) Ageing Analysis of financial assets in Note 28.3.

(b) Nature and extent of risk arising from investments, loans and other financial assets

Please refer to Note 28 for the nature and extent of risks arising from investments, loans and other financial assets.

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 8: Biological assets

Biological assets - animals		
8 Biological assets		
Nature		
Dairy cattle, horses		
Activities		
Equine & Agriculture Studies		
	INSTITUTE	
	2013	2012
	\$'000	\$'000
Consumable assets		
Mature assets		
Biologically transformed and marketable assets		
Dairy Cattle	13	13
Horses	1	26
Total consumable assets	14	39
	QTY	QTY
Quantities		
Dairy cattle	20	19
Horses	3	26
Total quantity of consumable assets	23	45

Biological assets - reconciliation		
	INSTITUTE	
	2013	2012
	\$'000	\$'000
8 Biological assets		
Reconciliation of changes in carrying amount of biological assets		
Carrying amount at 1 January	39	440
Increases due to:		
Purchases	8	15
Births	1	5
Decreases attributable to:		
Sales	(35)	(213)
Deaths	-	(36)
Revaluation to fair value at 31 December	1	(172)
Carrying amount at 31 December	14	39

a) Valuations of biological assets

The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar biological assets. In estimating the fair value of the assets, the highest and best use of the assets in their current use. There has been no change to the valuation technique during the year. Details of the Institute's biological assets and information about the fair value hierarchy as at 31 December 2013 are as follows:

	Level 3	Fair Value as at 31/12/13
	AUD '000	AUD '000
Biological Assets that include:		
Dairy Cattle	13	13
Horses	1	1

NOTE 9: Inventories

	INSTITUTE	
	2013	2012
	\$'000	\$'000
9 Inventories		
Current		
Cafeteria, Bookshop, Cabins		
Supplies and consumables - at cost	-	3
Inventories held-for-sale:		
at cost	265	205
Total current inventories	265	208

NOTE 10: Other non-financial assets

	INSTITUTE	
	2013	2012
	\$'000	\$'000
10 Other non-financial assets		
Current other non-financial assets		
Prepayments	169	198
Total current other non-financial assets	169	198

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 11: Property, plant and equipment

	Land	Buildings	Construction in progress	Plant & Equipment	Motor Vehicles	Library	Total
Institute	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2012							
Cost	2,428	25,305	628	11,972	1,282	856	42,471
Valuation	11,814	26,848	-	-	-	-	38,662
Accumulated depreciation	-	(6,518)	-	(6,889)	(330)	(529)	(14,266)
Net book amount	14,242	45,635	628	5,083	952	327	66,867
Year ended 31 December 2012							
Opening net book amount	14,242	45,635	628	5,083	952	327	66,867
Additions	-	2,276	2,518	927	437	62	6,220
Disposals	-	-	(2,336)	-	(345)	(2)	(2,683)
Net revaluation increments/decrements	(2,628)	(1,841)	-	-	-	-	(4,469)
Depreciation expense ¹	-	(2,199)	-	(1,270)	(149)	(70)	(3,688)
Closing net book amount	11,614	43,871	810	4,740	895	317	62,247
At 31 December 2012							
Cost	2,428	2,142	810	12,569	1,241	806	19,996
Valuation	9,186	41,876	-	-	-	-	51,062
Accumulated depreciation	-	(147)	-	(7,829)	(346)	(489)	(8,811)
Net book amount	11,614	43,871	810	4,740	895	317	62,247
Year ended 31 December 2013							
Opening net book amount	11,614	43,871	810	4,740	895	317	62,247
Additions	-	973	1,631	7,275	36	50	9,965
Disposals	-	-	(2,441)	(1)	(58)	(1)	(2,501)
Net revaluation increments/decrements	-	(912)	-	-	-	-	(912)
Depreciation expense	-	(1,534)	-	(945)	(163)	(69)	(2,711)
Closing net book amount	11,614	42,398	-	11,069	710	297	66,088
At 31 December 2013							
Cost	-	2,078	-	13,922	1,202	830	18,032
Valuation	2,428	41,876	-	5,743	-	-	50,047
Accumulated depreciation	9,186	(1,556)	-	(8,596)	(492)	(533)	(1,991)
Net book value at the end of the financial year	11,614	42,398	-	11,069	710	297	66,088

Footnote

¹ The useful lives of assets as stated in Note 1 are used in the calculation of depreciation as shown in note 3.

² Property, plant & equipment includes all operational assets and non operational assets.

NOTE 11: Property, plant and equipment

(a) Valuations of Property, plant and equipment

Land and buildings

The Institute's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Institute's freehold land and buildings as at 31 December 2012 were performed by the Valuer General of Victoria, independent valuers not related to the Institute. The Valuer General of Victoria has the appropriate qualifications and experience in the fair value measurement of properties in Australia.

Plant and Equipment, Motor Vehicles & Library

The valuation of Plant and Equipment, Motor Vehicles & Library assets was assessed by the Executive Manager - Corporate Services and was determined by reference to the amounts for which the assets could be exchanged between knowledgeable, willing parties in an arm's length transaction. The depreciated cost was used as a basis for fair value.

Fair value assessments have been performed at 31 December 2013 for all classes of assets. This assessment demonstrated that fair value was materially similar to carrying value, and therefore a full revaluation was not required this year. The next scheduled full revaluation for this purpose will be conducted in 2017.

Details of the Institute's land and buildings and information about the fair value hierarchy as at 31 December 2013 are as follows:

	Level 1	Level 2	Level 3	Fair Value as at 31/12/13
	AUD '000	AUD '000	AUD '000	AUD '000
A school building in [region] that contains:				
- freehold land	-	11,614	-	11,614
- buildings used solely for educational purposes	-	42,398	-	42,398
- plant & equipment	-	11,069	-	11,069
- motor vehicles	-	710	-	710
- library	-	297	-	297

There were no transfers between Level 1 and Level 2 during the year.

The Institute holds \$3,325,790 worth of properties listed as heritage assets. These heritage assets cannot be modified or disposed of without Ministerial approval.

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 12: Payables

	INSTITUTE	
	2013 \$'000	2012 \$'000
12 Payables		
Current		
Contractual		
Supplies and services	2,598	1,113
Amounts payable to government and agencies	467	797
Other	748	1,387
	3,813	3,297
Statutory		
GST Payable	372	168
FBT Payable	14	13
Total current payables	4,199	3,478
Total payables	4,199	3,478

The carrying amounts of payables are denominated in the following currencies:

	INSTITUTE	
	2013 \$'000	2012 \$'000
Australian Dollars	4,199	3,478
	4,199	3,478

Notes

1 For an analysis of the sensitivity of payables to foreign currency risk refer to note 28.

Maturity analysis of contractual payables

Refer to Note 28 for maturity analysis of contractual payables.

NOTE 13: Provisions

	INSTITUTE	
	2013	2012
	\$'000	\$'000
13 Provisions		
Current provisions expected to be settled within 12 months		
Employee benefits		
Annual leave	640	808
Long service leave	150	128
Total current provisions expected to be settled within 12 months	790	936
Current provisions expected to be settled after 12 months		
Employee benefits		
Annual leave	42	45
Long service leave	1,359	1,997
Total current provisions expected to be settled after 12 months	1,401	2,042
Total current provisions	2,191	2,978
Non-current		
Employee benefits:		
Long service leave	416	512
Restoration Provisions:		
Land, Deakin University Sherwood Park, Warrnambool	319	300
Total non-current provisions	735	812
Total Provisions	2,926	3,790

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 14: Equity

		INSTITUTE	
		2013	2012
		\$'000	\$'000
14 Equity			
(a) Contributed Capital			
Balance at 1 January		3,618	3,618
Capital Contributions		5,743	-
Balance at 31 December		9,361	3,618
(b) Accumulated surplus / (deficit)			
Balance at 1 January		35,040	35,693
Net result for the year		(4,364)	(653)
Balance at 31 December		30,676	35,040
(c) Reserves			
Composition of Reserves			
Physical asset revaluation surplus		23,754	23,754
Balance at 31 December		23,754	23,754
Total equity		63,791	62,412

		INSTITUTE	
		2013	2012
		\$'000	\$'000
14 Movements in Reserves			
Asset Revaluation Reserve - Land			
Balance at 1 January		8,178	10,806
Revaluation (decrement) on non-current assets		-	(2,628)
Balance at 31 December		8,178	8,178
Asset Revaluation Surplus - Buildings			
Balance at 1 January		15,576	17,417
Revaluation (decrement) on non-current assets		-	(1,841)
Balance at 31 December		15,576	15,576

Nature and purpose of reserves

The reserve arises on the revaluation of Land

The reserve arises on the revaluation of Buildings

Nature and purpose of reserves

The reserve arises on the revaluation of Buildings

NOTE 15: Cash flow information

		INSTITUTE	
		2013	2012
		\$'000	\$'000
15 Cash flow information			
(a) Reconciliation of operating result after income tax to net cash flows from operating activities			
Net result for the year		(4,364)	(653)
Non-cash flows in operating result			
Depreciation and amortisation of non-current assets		2,711	3,689
Net (gain) / loss on sale of non-current assets		49	103
Write-off of obsolete stock		5	11
Impairment of non-current assets		912	
Allowance to recoverable amounts		60	5
Total non-cash flows in operating result		3,737	3,808
Total movements included in investing and financing activities		-	-
Movements in operating assets and liabilities			
Decrease / (increase) in trade receivables		(222)	(225)
Decrease / (increase) in inventories		(62)	(21)
Decrease / (increase) in other non-financial assets		29	412
Decrease / (increase) in other debtors		-	(54)
Increase / (decrease) in payables		721	(82)
Increase/(decrease) in provisions		(864)	(639)
Total movement in operating assets and liabilities		(398)	(609)
Net cash flows provided by/(used in) operating activities		(1,025)	2,546
(b) Loan Facilities			
Amount Utilised		4,773	5,005
Total Loan facilities		4,773	5,005

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 16: Commitments for expenditure

Commitments		
	INSTITUTE	
	2013	2012
	\$'000	\$'000
16 Commitments for expenditure		
(a) Capital commitments		
Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:		
Property, Plant and Equipment		
Payable:		
Within one year	-	835
Total capital expenditure commitments	-	835

Lease Commitments		
	INSTITUTE	
	2013	2012
	\$'000	\$'000
16 Commitments		
(b) Lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	52	177
Later than one year but not later than five years	46	145
Total lease commitments	98	322
Representing:		
Non-cancellable operating leases	98	322
Total lease commitments	98	322

(i) Operating leases

Operating lease 1 - Adelaide office, Suite 17, 283-287 Sir Donald Bradman Drive, Brockly Park

Operating lease 2 - RMIT Hamilton

Operating lease 3 - Land, Deakin University, Sherwood Park, Warrnambool

Operating lease 4 - Portland, 73-75 (Bay 1 & 3) Beverley Street, Portland

Operating lease 5 - Storage Sheds, 27 Dickson Street, Warrnambool

Operating lease 6 - Glenormiston College, Glenormiston

Operating lease 7 - Warrnambool & District Trade Training Centre, Caramut Road

NOTE 16: Commitments for expenditure (cont.)

Lease Commitments (cont.)		
	INSTITUTE	
	2013 \$'000	2012 \$'000
16 Commitments (cont.)		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	52	177
Later than one year but not later than five years	46	145
Total minimum lease payments in relation to non-cancellable operating leases	98	322

As at the reporting date leased property centrally managed and paid on behalf of the Institute by the Department of Innovation, Industry and Regional Development:

There were no centrally managed property leases as at 31 December 2013.

(ii) Finance leases

There were no Finance leases as at 31 December 2013.

(c) Other expenditure commitments

There were no expenditure commitments as at 31 December 2013.

(d) Remuneration commitments

There were no remuneration commitments as at 31 December 2013.

NOTE 17: Leased assets

	INSTITUTE	
	2013 \$'000	2012 \$'000
17 Leased assets		
As at the reporting date the Institute leased out the following assets:		
Buildings	750	1,166
Land	499	520
Written down value of leased assets	1,249	1,686
Non-cancellable operating lease receivables		
Payments due		
Within one year	148	261
Later than one year but not later than five years	271	212
Total operating lease receivables	419	473

South West Institute of TAFE leases out certain land, buildings and equipment, which are excess to current requirements, at current market rates.

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 18: Borrowings

		INSTITUTE	
		2013	2012
		\$'000	\$'000
18 Borrowings			
Unsecured			
Current			
	Other loans	232	232
	Total current unsecured borrowings	232	232
Non-current			
	Other loans	4,541	4,773
	Total non-current secured borrowings	4,541	4,773
	Total unsecured borrowings	4,773	5,005
	Total borrowings	4,773	5,005

		INSTITUTE	
		2013	2012
		\$'000	\$'000
(a) Unsecured - Other Loans			
Advance Payments from Higher Education and Skills Group:			
for the completion of the Victorian Government's Greener Government Buildings Program.		1,623	1,855
for the purchase of the site for the proposed Trade Training Centre		3,150	3,150
Total		4,773	5,005

		INSTITUTE	
		2013	2012
		\$'000	\$'000
(b) Foreign Currency Risk			
The carrying amounts of the Group's borrowings are denominated in the following currencies:			
Australian Dollar		4,773	5,005
Total carrying amounts		4,773	5,005

For an analysis of the sensitivity of borrowings to foreign currency risk refer to note 28.

Maturity analysis of contractual payables

Refer to Note 28 for maturity analysis of borrowings.

Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.

NOTE 19: Trust account balances

		INSTITUTE	
		2013	2012
		\$'000	\$'000
19	Trust account balances		
Trust account balances relating to Trust Accounts controlled and/or administered by the Institute:			
Administered trusts			
South West Institute of TAFE Foundation Limited		311	303
Total administered trusts		311	303
Total cash and cash equivalents and investments		311	303

Trust accounts opened and closed by the Institute during 2013

Trust accounts opened during 2013

Nil

Trust accounts closed during 2013

Nil

NOTE 20: Contingent Assets and Contingent Liabilities

There were no contingent assets or contingent liabilities at 31 December 2013.

NOTE 21: Economic dependency

Other than Higher Education and Skills Group funding, which is separately disclosed, South West Institute of TAFE is not dependent on another entity for a significant volume of revenue or financial support.

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 22: Subsequent Events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of South West Institute of TAFE, the results of those operations, or the state of affairs of the Institute in future financial years.

NOTE 23: Remuneration of auditors

		INSTITUTE	
		2013	2012
		\$'000	\$'000
23	Remuneration of auditors		
	Remuneration of Victorian Auditor General's Office for:		
	Audit or review of the financial statements	15	16
	Total remuneration of Victoria Auditor General's Office	15	16
	Remuneration of other auditors		
	Other Audits	23	13
	Total remuneration of other auditors	23	13
	Total Remuneration of auditors	38	29

NOTE 24: Superannuation

Superannuation

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

South West Institute of 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 Operating Statement of the Institute.

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

		INSTITUTE	
		2013	2012
		\$'000	\$'000
23 Superannuation			
Paid Contribution for the Year			
Defined benefit plans :			
State Superannuation Fund – revised and new		125	182
Total defined benefit plans		125	182
Defined contribution plans:			
VicSuper		933	1,039
Other		489	507
Total defined contribution plans		1,422	1,546
Total paid contribution for the year		1,547	1,728
Contribution Outstanding at Year End			
Defined benefit plans:			
State Superannuation Fund – revised and new		10	11
Total defined benefit plans		10	11
Defined contribution plans:			
VicSuper		76	83
Other		39	39
Total defined contribution plans		115	122
Total		125	133

- 1 South West Institute of TAFE does not have any loans to/from the funds. The bases for contributions are determined by the various schemes.
- 2 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.

NOTE 25: Key Management Personnel Disclosures (Part 1)

Responsible persons related disclosures

In accordance with the directions of the Minister for Finance under the Financial Management Act 1994, the following disclosures are made for the responsible Ministers and responsible Members of Council.

(i) Minister

The relevant Minister is The Hon Peter Hall MLC, Minister for Higher Education and Skills and the Minister Responsible for the Teaching Profession. Remuneration of the Ministers is disclosed in the financial report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Members interests, which is completed by each member of the Parliament.

(ii) South West Institute of TAFE Board Members

- Mike Weise (Chair, commenced 16 April 2013)
- Bill Hewett (President, concluded 15 April 2013, Vice Chair Interim board, commenced 16 April 2013, Ministerial member commenced 1 September 2013)
- Julie Amor (Ministerial Member, completed term 15 April 2013)
- Susan Brumby (Ministerial member, commenced 1 September 2013)
- William Hannah (Ministerial member, commenced 1 September 2013)
- Peter Heilbuth (CEO, commenced 15 January 2013, Board member concluded 15 April 2013)
- Toni Jenkins (Ministerial Member, concluded 15 April 2013, Interim board commenced 16 April 2013, Ministerial member commenced 1 September 2013)
- Wayne Krause (Vice President concluded 15 April 2013, Interim board commenced 16 April 2013, Ministerial member commenced 1 September 2013)
- Jennifer Lowe (Co-opted member, concluded 15 April 2013)
- Felicity Melican (Ministerial Member, concluded 15 April 2013, Interim board commenced 16 April 2013, Ministerial member commenced 1 September 2013)
- Ronald Page (Ministerial member, commenced 1 September 2013)
- Samantha Sharp (Ministerial member, commenced 1 September 2013)
- John Verhoeven (Co-opted member concluded 15 April 2013, Interim board 16 April 2013, Ministerial member commenced 1 September 2013)
- Bill Vistarini (Co-opted member, concluded 15 April 2013)
- Greg Walcott (Ministerial Member, concluded 15 April 2013, Ministerial member commenced 1 September 2013).

(iii) Executive Officers

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Institute during the financial year:

- Peter Heilbuth (Chief Executive Officer - commenced 15 January 2013)
- Mark Fidge, (Executive Manager - Corporate Services)
- Maurice Molan (Interim CEO (January 2013), Executive Manager - Business Student & Support Services (until September 2013), Executive Manager - Education)
- Jenny Madden (Executive Manager - Teaching & Learning (until September 2013), Executive Manager - Student Experience & Innovation)
- Paul Oprean (Executive Manager - Teaching & Learning from January to September 2013)

NOTE 25: Key management personnel disclosures (Part I) (cont.)

All of the above persons were also key management persons during the year ended 31 December 2013

Responsible persons		
	INSTITUTE	
	2013 \$'000	2012 \$'000
25 Key management personnel disclosures		
Remuneration of Board members		
Remuneration received, or due and receivable from the Institute in connection with the management of the Institute. Includes termination payments and bonuses paid at end of contracts.	165	273
Income range		
The number of Board members whose remuneration from the Institute was within the specified bands are as follows:		
\$0 - 9,999	7	13
\$10,000 - \$19,999	4	-
\$60,000 - \$69,999	1	-
\$210,000 - \$219,999	-	1
Total number of Responsible Persons	12	14

Executive officers		
	INSTITUTE	
	2013 \$'000	2012 \$'000
25 Key management personnel disclosures		
Executive Officers' Remuneration		
The number of executive officers whose total remuneration exceeded \$100,000 during the financial year are shown in their relevant income bands. The base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.		
Base remuneration of executive officers	604	561
Total remuneration of executive officers	604	605
Income range		
The number of executive officers whose remuneration from the Institute was within the specified bands are as follows:		
\$50,000 - \$59,999	1	-
\$120,000 - \$129,999	1	-
\$130,000 - \$139,999	1	3
\$140,000 - \$149,999	2	1
Total executive officers	5	4

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 25: Key management personnel disclosures (Part II)

Loans to key management personnel

There were no loans in existence at reporting date that have been made, guaranteed, or secured by South West Institute of TAFE or any related party to any key management personnel.

Other transactions with key management personnel

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

NOTE 26: Related parties

Key management personnel

Disclosures relating to directors and specified executives are set out in note 25.

Transactions with related parties

There were no transactions between any one related person and South West Institute of TAFE.

NOTE 27: Institute Details

Institute details

The registered office of the Institute is:

South West Institute of TAFE

197 - 205 Timor Street , Warrnambool, Victoria 3280

The principal place of business is:

South West Institute of TAFE

197 - 205 Timor Street , Warrnambool, Victoria 3280

NOTE 28: Financial instruments (Part I)

Financial risk management

(i) Financial risk management objectives

The South West Institute of TAFE's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), and credit risk and liquidity risk. The Institute's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Institute. The Institute 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, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by a central treasury unit within the Finance function of the Institute under policies approved by the Board. The Treasury Unit identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in note 1 of the financial statements.

(ii) Financial risk exposures and management

The South West Institute of TAFE's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivables and payables and leases.

The main risks the Institute is exposed to through its financial instruments are market risk, foreign currency risk, price risk, funding risk, interest rate risk, credit risk and liquidity risk.

(iii) Categorisation of financial instruments

Carrying amount of financial instruments by category:

Financial Assets	Note	Category
Cash and Deposits	5	Cash
Receivables ^(a)	6	Receivables
Investments and other financial assets	7	Other
Financial liabilities		
Payables ^(a)	12	Payables
Borrowings	18	Financial liabilities

INSTITUTE	
2013 \$'000	2012 \$'000
6,757	9,760
783	919
31	31
7,571	10,710
3,346	2,500
4,773	5,005
8,119	7,505

Note:

(a) Receivables and payables disclosed in this note exclude statutory receivables and statutory payables.

Market risk

The South West Institute of TAFE in its daily operations 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 affect on the operating result and /or net worth of the Institute. e.g. an adverse movement in interest rates or foreign currency exchange rates.

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

There has been no significant change in the Institute'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.

NOTE 28: Financial instruments (Part I) (cont.)

Foreign currency risk

The South West Institute of TAFE is exposed to fluctuations in foreign currencies arising from the delivery of services in currencies other than AUD\$. This risk is managed by natural hedging where possible.

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

Price risk

The South West Institute of TAFE is exposed to price risk in respect of changes to the market price of investments.

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

Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to change the expected net interest earnings in the current reporting period and in future years. Similarly, interest rate risk also arises from the potential for a change in interest rates to cause a fluctuation in the fair value of the financial instruments.

The objective is to manage the rate risk to achieve stable and sustainable net interest earnings in the long term. This is managed predominately through a mixture of short term and longer term investments.

Funding risk

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

The South West Institute of TAFE manages funding risk by continuing to diversify and increase funding from commercial activities, both domestically and off shore.

There has been no significant change in the Institute'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.

Concentrations of credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 31 December 2013.

Credit risk is managed on a group basis and reviewed regularly by the Finance Committee. It arises from exposures to customers as well as through certain derivative financial instruments and deposits with financial institutions.

The finance committee monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

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

The South West Institute of TAFE does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Institute.

The trade receivables balance at 31 December 2013 and 31 December 2012 do not include any counter parties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

The Institute minimises credit risk in relation to student loans receivable by employing Educational Pathway Officers. These officers managed the day to day establishment and ongoing monitoring of debt collection.

There has been no significant change in the Institute'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.

NOTE 28: Financial instruments (Part I) (cont.)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the South West Institute of TAFE's governing body, which has built an appropriate liquidity risk management framework for the management of the short, medium and long-term funding and liquidity requirements. The institute manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Institute has also established a standby facility of \$100,000 to provide short-term cash.

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

NOTE 28.2: Financial instruments (Part II)

(ii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Institutes's financial assets and financial liabilities to interest rate risk.

	Carrying amount \$'000	Interest rate risk			
		-1%		1%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2013					
Financial assets					
Cash and deposits	6,757	(68)	(68)	68	68
Receivables ¹	783	-	-	-	-
Shares	31	-	-	-	-
Total increase/ (decrease) in financial assets	7,571	(68)	(68)	68	68
Financial liabilities					
Payables ¹	3,346	(33)	(33)	33	33
Borrowings	4,773	(48)	(48)	48	48
Total increase/ (decrease) in financial liabilities	8,119	(81)	(81)	81	81
Total increase/ (decrease)	15,690	(149)	(149)	149	149

	Carrying amount \$'000	Interest rate risk			
		-1%		1%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2012					
Financial assets					
Cash and deposits	9,760	(98)	(98)	98	98
Receivables	919	-	-	-	-
Shares	31	-	-	-	-
Total increase/ (decrease) in financial assets	10,710	(98)	(98)	98	98
Financial liabilities					
Payables ¹	2,500	(25)	(25)	25	25
Borrowings	5,005	(50)	(50)	50	50
Total increase/ (decrease) in financial liabilities	7,505	(75)	(75)	75	75
Total increase/ (decrease)	18,215	(173)	(173)	173	173

Note

¹ Receivables and payables disclosed here as financial instruments exclude statutory receivables and statutory payables.

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 28.3: Financial instruments (Part III)

(iii) Financial instrument composition and interest rate exposure

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the Balance Sheet.

	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Floating interest rate	Fixed interest rate	Non-interest bearing
Institute 2013	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits					
Cash at bank and on hand	2.7%	2,757	2,757	-	-
Deposits at call	3.8%	4,000	-	4,000	-
Contractual receivables					
Trade receivables	-	691	-	-	691
Revenue receivables	-	92	-	-	92
Investment, loans and other financial assets					
Shares	-	31	-	-	31
Total financial assets		7,571	2,757	4,000	814
Financial Liabilities					
Trade and other payables	-	3,346	-	-	3,346
Borrowings					
Other Loans	-	4,773	-	-	4,773
Total financial liabilities		8,119	-	-	8,119

	Weighted average effective rate	Total Carrying Amount per Balance Sheet	Floating interest rate	Fixed interest rate	Non-interest bearing
Institute 2012	%	\$'000	\$'000	\$'000	\$'000
Financial assets					
Cash and deposits					
Cash at bank and on hand	3.1%	4,342	4,342	-	-
Deposits at call	3.3%	5,418	-	5,418	-
Contractual receivables					
Trade receivables	-	734	-	-	734
Revenue receivables	-	185	-	-	185
Investment, loans and other financial assets					
Shares	-	31	-	-	31
Total financial assets		10,710	4,342	5,418	950
Financial liabilities					
Trade and other payables	-	2,500	-	-	2,500
Borrowings					
Other Loans	-	5,005	-	-	5,005
Total Financial liabilities		7,505	-	-	7,505

NOTE 28.3: Financial instruments (Part III) (cont.)

(iv) Ageing analysis of financial assets

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the contractual maturity analysis for the Institute's financial assets and financial liabilities.

	Carrying amount	Not past due and not impaired	Maturity dates				Impaired financial assets
			Less than 1 month	1-3 month	3 months - 1 year	1-5 years	
2013 Financial assets							
Contractual receivables							
Trade receivables	691	202	174	217	98	-	-
Revenue receivables	92	89	3	-	-	-	-
Total 2011 financial assets	783	291	177	217	98	-	-
2013 Financial liabilities							
Financial liabilities							
Trade and other payables	3,346	2,646	700	-	-	-	-
Borrowings							
Other Loans	4,773	4,773	-	-	-	-	-
Total 2013 financial liabilities	8,119	7,419	700	-	-	-	-
2012 Financial assets							
Contractual receivables							
Trade receivables	734	249	196	277	12	-	-
Revenue receivables	185	185	-	-	-	-	-
Total 2011 financial assets	919	434	196	277	12	-	-
2012 Financial liabilities							
Financial liabilities							
Trade and other payables	2,500	1,636	863	1	-	-	-
Borrowings							
Other Loans	5,005	5,005	-	-	-	-	-
Total 2012 financial liabilities	7,505	6,641	863	1	-	-	-

Note

¹ Receivables and payables disclosed here as financial instruments exclude statutory receivables and statutory payables.

Notes to the Financial Statements for the year ended 31 December 2013

NOTE 28.4: Financial instruments (Part IV)

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value, and based on credit history, it is expected that the receivables that are neither past due nor impaired will be received when due.

For other assets and other liabilities the fair value approximates their carrying value. Financial assets where the carrying amount exceeds fair values have not been written down as the Institute intends to hold these assets to maturity.

The carrying amounts and aggregate net fair values of financial assets and liabilities at balance date are:

	2013		2012	
	Carrying amount	Net Fair Value	Carrying amount	Net Fair Value
	\$'000	\$'000	\$'000	\$'000
28 Financial instruments				
Financial assets				
Cash and cash equivalents				
Cash at bank and on hand	2,757	2,757	4,342	4,342
Deposits at call	4,000	4,000	5,418	5,418
Contractual receivables				
Trade receivables	691	691	734	734
Revenue receivables	92	92	185	185
Investments, loans and other financial assets				
Shares	31	31	31	31
Total financial assets	7,571	7,571	10,710	10,710
Financial liabilities				
Payables	3,346	3,346	2,500	2,500
Borrowings	4,773	4,773	5,005	5,005
Total financial liabilities	8,119	8,119	7,505	7,505

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTE 28.4: Financial instruments (Part IV)

Fair value measurements recognised in the balance sheet are categorised into the following levels:

		Level 1	Level 2	Level 3
	2013	Quoted Prices	Observable Price Inputs	Un-observable inputs
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and Deposits	6,757	6,757	-	-
Receivables ⁽¹⁾	783	783	-	-
Investment and other financial assets	31	31	-	-
Total financial assets	7,571	7,571	-	-
Financial liabilities				
Payables ⁽¹⁾	3,346	3,346	-	-
Borrowings	4,773	4,773	-	-
Total liabilities	8,119	8,119	-	-

		Level 1	Level 2	Level 3
	2012	Quoted Prices	Observable Price Inputs	Un-observable inputs
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and Deposits	9,760	9,760	-	-
Receivables ⁽¹⁾	919	919	-	-
Investment and other financial assets	31	31	-	-
Total financial assets	10,710	10,710	-	-
Financial liabilities				
Payables ⁽¹⁾	2,500	2,500	-	-
Borrowings	5,005	5,005	-	-
Total liabilities	7,505	7,505	-	-

Note:

⁽¹⁾ Receivables and payables disclosed here exclude statutory receivables and statutory payables.

DISCLOSURE INDEX

The Institute's 2013 Annual Report has been prepared in accordance with the Financial Management Act 1994 and the Directions of the Minister of Finance. This index has been prepared to demonstrate that the Institute has complied with statutory disclosure requirements.

	Source Reference	Summary of Reporting requirement	
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
[1]	FRD 22D	Manner of establishment and the relevant Minister	12
[2]	FRD 22D	Objectives, functions, powers and duties	12,13
[3]	FRD 22D	Nature and range of services provided including communities served	12
MANAGEMENT AND STRUCTURE			
[4]	FRD 22D	Organisational structure and Chart, including accountabilities	20
[5]	FRD 22D	Names of Board Members	16,17
FINANCIAL AND OTHER INFORMATION			
[6]	FRD 03A	Accounting for Dividends	NA
[7]	FRD 07A	Early adoption of authoritative accounting pronouncements	57
[8]	FRD 10	Disclosure Index	90
[9]	FRD 15B	Executive officer disclosures	NA
[10]	FRD 17A	Long Service leave wage inflation and discount rates	54
[11]	FRD 19	Private provision of public infrastructure	NA
[12]	FRD 20A	Accounting for State motor vehicle lease arrangements prior to 1 Feb 2004	NA
[13]	FRD 22 & SD 4.2 (k)	Operational and budgetary objectives, performance against objectives and achievements	4-11
[14]	FRD 22D	Occupational health and safety statement including performance indicator and performance against those indicators	31
[15]	FRD 22D	Workforce data for current and previous reporting period including a statement on employment and conduct principles	22
[16]	FRD 22D	Summary of the financial results for the year including previous 4 year comparisons	10
[17]	FRD 22D	Significant changes in financial position during the year	10
[18]	FRD 22D	Major changes or factors affecting performance	8
[19]	FRD 22D	Post-balance sheet date events likely to significantly affect subsequent reporting periods	78
[20]	FRD 22D	Summary of application and operation of the Freedom of Information Act 1982	36
[21]	FRD 22D	Statement of compliance with building and maintenance provisions of the Building Act 1993	36
[22]	FRD 22D	Statement on National Competition Policy	36
[23]	FRD 22D	Summary of application and operation of the Protected Disclosure Act 2012	36
[24]	FRD 22D	Summary of Environmental Performance	8
[25]	FRD 22C	Details of consultancies over \$10,000 (refer to FRD for information required)	11
[26]	FRD 22C	Details of consultancies under \$10,000 (refer to FRD for information required)	11
[27]	FRD 22D	List of certain other information available on request (as specified in the FRD)	93
[28]	FRD 24C	Reporting of office based environmental impacts	8,9
[29]	FRD 25A	Victorian Industry Participation Policy Disclosures	36
[30]	FRD 26A	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004	NA
[31]	FRD 29	Workforce Data Disclosures on the public service employee workforce	22
[32]	FRD 30A	Standard requirements for the design and print of annual reports	1-94
[33]	SD 4.5.5	Risk Management compliance attestation	35

	Source Reference	Summary of Reporting requirement	
[34]	SD 4.2 (g)	Qualitative and Quantitative information to be included	4-30
[35]	SD 4.2 (h)	Statement that Report prepared in accordance with Financial Reporting Directions	38
[36]	SD 4.2 (j)	Sign-off by member of Responsible Body	4-6
[37]	CG 10 (clause 27)	Major Commercial Activities	NA
[38]	CG 12 (clause 33)	Controlled Entities	45, 46
FINANCIAL REPORT			
FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE FINANCIAL MANAGEMENT ACT 1984			
[39]	SD 4.2 (a)	The Financial Statements must be prepared in accordance with: <ul style="list-style-type: none"> Australian Accounting Standards (AAS and AASB) and other mandatory professional reporting requirements (including Urgent Issues Group Consensus Views and Statements of Accounting Concepts). Financial Report Directions. Business rules. 	38,45 57,58
[40]	SD 4.2 (b)	The financial statements are to comprise the following: <ul style="list-style-type: none"> income statement; balance sheet; statement of recognised income and expense; and cash flows statement; and notes to the financial statements. 	40-89
OTHER REQUIREMENTS UNDERSTANDING DIRECTION 4.2			
[41]	SD 4.2 (c)	The financial statements must where applicable be signed and dated by the Accountable Officer, CFAO and a member of the Responsible Body, stating whether, in their opinion: <ul style="list-style-type: none"> the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of the period; the financial statements are prepared in accordance with this direction and applicable Financial Reporting Directions; and the financial statements comply with applicable Australian accounting standards (AAS and AASB standards) and other mandatory professional reporting requirements (including urgent issues group consensus views). 	38
[42]	SD 4.2 (d)	Rounding of amounts	56
[43]	SD 4.2 (e)	Review and sign off by Audit Committee or responsible body	38
[44]	SD 4.2 (f)	Compliance with DTF Model Financial report	31-89
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
[45]	FRD 9A	Disclosure of administered assets and liabilities	NA
[46]	FRD 11	Disclosure of ex-gratia payments	25
[47]	FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report	80-82
[48]	FRD 101	First time adoption	56 - 57
[49]	FRD 102	Inventories	51,67
[50]	FRD 103D	Non-current physical assets	51,52, 68
[51]	FRD 104	Foreign currency	45,56 76
[52]	FRD 105A	Borrowing costs	48,54, 55,76
[53]	FRD 106	Impairment of assets	48-50
[54]	FRD 109	Intangible assets	NA
[55]	FRD 107	Investment properties	53
[56]	FRD 110	Cash flow statements	43
[57]	FRD 112C	Defined benefit superannuation obligations	79
[58]	FRD 113	Investment in subsidiaries, jointly controlled entities and associates	NA

	Source Reference	Summary of Reporting requirement	
[59]	FRD 114A	Financial instruments – general government entities and public non-financial corporations	49, 50,55
[60]	FRD 115	Non-current physical assets – first time adoption	NA
[61]	FRD 119	Contributions by owners	55
[62]	FRD 119A	Transfers through contributed capital	55,72
[63]	FRD 120G	Accounting and reporting pronouncements applicable to the reporting period	56
[64]	FRD 121	Infrastructure assets	NA
PART 7 OF THE FINANCIAL MANAGEMENT ACT 1994 (FMA)			
[65]	FRD 49 (a)	Must contain such information as required by the Minister	37
[66]	FRD 49 (b)	Must be prepared in a manner and form approved by the Minister	37
[67]	FRD 49 (c)	Must present fairly the financial transactions of an institute during the financial year to which they relate	37
[68]	FRD 49 (d)	Must present fairly the financial position of an institute as at the end of the year	37
[69]	FRD 49 (e)	Must be certified by the Accountable Officer for an institute in the manner approved by the Minister	38
COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS			
[70]	Legislation	<p>The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation and subordinate instruments, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • Education and Training Reform Act 2006 (ETRA) • TAFE institute constitution • Directions of the Minister for Higher Education and Skills (or predecessors) • TAFE institute Commercial Guidelines • TAFE institute Strategic Planning Guidelines • Public Administration Act 2004 • Freedom of Information Act 1982 • Building Act 1983 • Protected Disclosure Act 2012 • Victorian Industry Participation Policy Act 2003 	93
[71]	ETRA s 3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2013.	34
PRESENTATION OF REPORTING AND PERFORMANCE INFORMATION			
Audited Statements of Key Performance Measures (KPIs) must include an audited statement of performance for certain KPIs.			
[72]	FRD 27B	<p>Reporting and performance should be presented using KPIs and a signed Performance Management Certificate should also be completed.</p> <p>(The following 11 are the mandatory KPIs)</p> <ol style="list-style-type: none"> 1. Participation of 15-24 year olds 2. Participation of 25-64 year olds 3. Module Load Completion Rate 4. Student satisfaction 5. Total Cost per Student Contact Hour (SCH) 6. Working Capital Ratio 7. Net Operating Margin 8. Fee for Service Revenue 9. Revenue per EFT Staff 10. Student Contact Hours (SCH) 11. Energy Consumption 	6-8
OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES			
[73]	PAEC and VAGO (June 2003 Special review Item)	<ul style="list-style-type: none"> • financial and other information on initiatives taken or strategies relating to the institute's overseas operations. • nature of strategic and operational risks for overseas operations; • strategies established to manage such risks of overseas operations; • performance measures and targets formulated for overseas operations; • the extent to which expected outcomes for overseas operations have been achieved. 	29



COMPLIANCE WITH OTHER LEGISLATION AND SUBORDINATE INSTRUMENTS

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

- Education and Training Reform Act 2006 (ETRA)
- TAFE institute constitution
- Directions of the Minister for Higher Education and Skills (or predecessors)
- TAFE institute Commercial Guidelines
- TAFE institute Strategic Planning Guidelines
- Public Administration Act 2004
- Freedom of Information Act 1982
- Building Act 1983
- Protected Disclosure Act 2012
- Victorian Industry Participation Policy Act 2003.

FURTHER INFORMATION

Consistent with the requirements of the Financial Management Act 1994, the following information is available on request:

- Statements regarding declarations of pecuniary interests by relevant officers
- Details of shares held by senior officers
- Publications produced by South West Institute of TAFE and where they can be obtained
- Details of major promotional public relations and marketing activities undertaken to develop community awareness
- Fees, charges, rates and levies charged by South West Institute of TAFE
- Details of audits involving internal affairs
- Major external reviews
- Major research and development activities
- Major committees sponsored by South West Institute of TAFE
- Details of overseas visits undertaken
- Industrial relations issues and details of time lost through industrial accidents and disputes.

Enquiries regarding this information should be directed to:

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Copies of this Annual Report are available from the Office of the CEO by contacting (03) 5564 8921, or may be downloaded from www.swtafe.vic.edu.au/publications

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