

ANNUAL REPORT 2018



Cover photo:

South West TAFE Teacher Wendy Lever-Henderson celebrates with South West TAFE Diploma of Community Services graduate, and proud Peek Woorroong woman, Tanya McDonald.

In 2018 Wendy was awarded VET Teacher/Trainer of the year at the Victorian Training Awards, and was a finalist in the 2018 Australian Training awards.

Wendy was also a finalist in the 2018 Wurreker awards which recognises contributions to Koorie student education.

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Copies of this Annual Report are available from the Office of the CEO by contacting (03) 5564 8920 or may be downloaded from swtafe.edu.au/about-us/publications

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WELCOME

Board Chair's Report

We all have the capacity to evolve, to make things better, more efficient and more effective.

At South West TAFE, we continued to evolve and mature during 2018.

We have focused on continually improving how we operate, our systems and our processes to make sure we are a stronger, better and more innovative TAFE.

During 2018 the Board and senior management reviewed the strategic plan to ensure we find the best way to help all students reach their potential, provide a strong platform that puts skills and education first, and develop stronger ties with industry and other education providers.

Our region's future success depends on being able to retain a well-trained and educated population and South West TAFE aims to be front and centre in providing those opportunities. To achieve that, we must respond to opportunities, identify gaps and ensure our delivery of training meets the expectations and demands of students and employers.

We remain committed to addressing and supporting the social and economic needs of the region.

The Independent Broad-based Anti-Corruption Commission (IBAC) review was a challenging period but I believe we emerged as a stronger organisation.

We continue to be mindful of the need to provide even better training of staff and ensure strong governance procedures are in place.

The adoption of the Speak Up campaign – which gives staff a structure to report any concerns - reflects South West TAFE's approach. We want people to let us know if something is not right so it can be addressed promptly, carefully and in a supportive manner for our staff. We were a leader amongst TAFEs in taking up this program.

One of the highlights of the year was the announcement of funding for the Warrnambool Learning and Library Hub as part of our educational, cultural and arts precinct master plan. This joint project with Warrnambool City Council will be pivotal in opening our Institute to new opportunities in the community.

This Hub will provide a wonderful platform for our ongoing innovation and expansion. The funding commitment by the State Government reflects the high standing South West TAFE has in the eyes of government and the public. I believe this joint project model, which has brought together the local community and our South West TAFE community, is an effective and efficient use of government resources and should be replicated in other regions of Victoria.

The support of the State Government has been significant in ensuring continuity and South West TAFE remaining the leader of public training in our region. Education remains a critical government priority and it was heartening to see TAFE taking a prominent place in the election campaign.

During the year, the Board focused on six key objectives:

- > to provide high quality training and employment advice
- > to work in partnerships to strengthen pathways
- > to continue to support disengaged learners
- > to re-establish training delivery at Glenormiston
- > to deliver the New Work Mindset Workforce Training and Innovation Fund project
- > to continue to have strategies in place to provide integrity to South West TAFE's operations.

An enormous amount of our staff's time has resulted in significant progress of these objectives during 2018. We must ensure our delivery provides for equitable access for everyone across our geographic region, while remaining financially responsible. This is an ongoing challenge in a large and relatively sparsely populated region. Adopting IT and innovation has allowed us to meet demand for training across the region that was historically offered only in Warrnambool.

The prospect of Free TAFE for Priority Courses in 2019 is very exciting. One of our aims for 2018 was to increase student contact hours. That was quite a challenge but the Free TAFE initiative will create great opportunities and further enhance our reputation. At the same time, we must ensure we have the staff to meet this increased demand, a challenge that is being felt across all regional areas in Victoria.

The Board's Innovation and Industry Committee is making sure we as a Board focus on the importance of industry engagement and partnerships and that we're always being innovative in how we operate.

I thank my fellow Board Directors for their continued commitment, professionalism and support during the year and I wish to pay special tribute to CEO Mark Fidge and his executive team and all our management team and staff. I also take this opportunity to thank South West TAFE staff members across the whole of our region including Colac, Glenormiston, Portland, Hamilton and Warrnambool, and to those that extend their travel further East and North to ensure our students in the broader region have access to training. This commitment to training and supporting our students and the organisation is greatly appreciated.

The Board's role in allowing Mark and the staff flexibility, and providing the resources needed to continue the growth of our organisation is critical.

I also wish to thank the State Government and our industry partners for their continued support and we look forward to further strengthening these ties in 2019.

South West TAFE matured during 2018 and we continue to move forward. I end the year full of optimism.



Felicity Melican
Board Chair

19 March 2019

Formal Status

The organisation is governed by a Board of Management (Board). The Board comprises of ten members (including the Board Chair) with diverse skills, knowledge and experience. The membership of the Board comprises of five ministerial appointed Directors, three co-opted Directors, one elected staff member and the organisation's Chief Executive Officer.

The objectives, powers and functions of the Board are set out in the revised Constitution of the Board (2016). The organisation and its Board was established under the Education and Training Report Act 2006.

The relevant Minister is the Hon. Gayle Tierney MP, Minister for Training and Skills and Minister for Higher Education.

CEO's Report (Year in review)

Welcome to the South West TAFE 2018 Annual Report which reflects on a year of challenge, growth and an ongoing commitment to being an innovative leader in education and training.

We end the year with a strong sense of confidence about the future.

We have consolidated a range of quality initiatives, planned for growth, implemented stronger compliance and governance protocols and reviewed our strategic plan. This positive work culminated in a successful 2018 and has prepared us for a positive future.

There has been pressing need to plan for the opportunities and challenges expected when Free TAFE for Priority Courses are introduced in 2019.

During the year, the South West TAFE Board and Institute Management Group reviewed the existing strategic plan to ensure we are prepared for 2019 and beyond.

As part of this review, a new ambition 'Education creates a lifetime of opportunity for all' was adopted, highlighting our goal to be an all-encompassing provider of education and training.

We also adopted a new set of values to ensure they align more closely with those of the State Department of Education and Training.

Our success in the People Matters survey of government organisations proved we are on track in this regard. Run by the Victorian Public Sector Commission, the survey looked at all aspects of our working life and gave staff an opportunity to tell us what we are doing well and where we can improve. The results were extremely positive when benchmarked against other TAFEs. Of the 17 measures, South West TAFE was the number one TAFE in Victoria in 10 categories and recorded positive results in most other categories, identifying some areas where we can improve even further.

This was a tremendous outcome and reflects our concerted effort to improve inductions of new staff, to focus on the health and wellbeing of existing staff and to implement recommendations from the Independent Broad-based Anti-Corruption Commission (IBAC) which investigated allegations identified by South West TAFE of misappropriation of funds.

There have been many positive outcomes from the IBAC review with improved systems, measures, policies and controls now in place to ensure this sort of conduct doesn't happen again.

One initiative to stem from the IBAC review was the introduction of Speak Up, a program that gives staff an opportunity to confidentially report any concerns to an independent external party. It is pleasing that at this stage there has been no need for staff to use the service, but Speak Up gives everyone confidence that such an opportunity exists.

As an organisation we have moved a long way forward and are seen by many local organisations and other TAFEs as a leader in governance and culture.

There were several major announcements and developments during 2018, most notably notification towards the end of the year of \$16.3M from the Department of Education and Training for a Warrnambool Learning and Library Hub.

South West TAFE has lobbied hard for this joint project for several years. It will be an exciting development creating significant economic and social benefits for TAFE and the community.

The Hub is part of our Warrnambool Educational and Cultural Precinct master plan and will lead to a substantial influx of people using our facilities, creating opportunities for more people to engage in learning on our site.

Plans were also finalised for an Entrepreneurial Hub to attract business start-ups, in conjunction with Warrnambool City Council and other local organisations.

These developments are part of an ongoing desire to mould our site as a community asset, beyond just TAFE courses, and to collaborate broadly.

The Skills and Jobs Centre opened in 2017 and evolved during 2018 into a fantastic facility for people to receive guidance on potential careers and study opportunities. The positive data and individual success stories of people finding jobs in high-demand areas show this centre has been a resounding success.

Our Colac, Hamilton and Portland campuses continue to strengthen. At the end of our second year of operating in Colac we moved to a new, bigger location in Bromfield Street in readiness for additional courses and enrolments in 2019 as people enjoy Free TAFE options.

The appointment of campus managers at Portland and Hamilton enabled us to work more closely with local communities, with all courses in Hamilton now being delivered from the Ballarat Road campus.

During the year we rolled out new agriculture and horticulture courses at Glenormiston and hope to expand those courses in 2019.

The introduction of the National Disability Insurance Scheme (NDIS) has also been positive for South West TAFE, with many existing and new clients choosing our services.

Our staff and students continue to be a great source of pride and inspiration.

Health and community services educator Wendy Lever-Henderson was named Victoria's Teacher of the Year, an outstanding and well-deserved achievement that demonstrates great things can come from a regional TAFE institute.

Pure Academy was recognised as one of Australia's best after being named among eight finalists in the Educator Organisation of the Year category of the 2018 Australian Beauty Industry Awards.

Beauty and nail technology teacher, Jade Muller, took out gold, silver and bronze in three different categories at Nailympia Australasia 2018, one of the most prestigious professional nail competitions in the world.

Nursing students Janelle Darcy and Alicia Peach were recognised for excellence at the 2018 First State Super/Australian Nursing and Midwifery Federation student awards.

Many of our current and former students won Victorian and regional awards during the year. For the first time, we announced an outstanding apprentice of the year, with Elijah McLeod from Midfield Meats, taking out this inaugural award.

Diploma of Business and Leadership student Angela Alexander was one of 20 TAFE students from across Victoria selected to take part in a study tour of Chile.

Our students also contributed to their community with VCAL students partnering with Eat Up Australia to make more than 1000 sandwiches for local school children who were going without lunch.

I would like to thank all Board members for their commitment and dedication. The Board is led by Chair Felicity Melican whose passion for education in this region ensures our interests are always well represented.

There was minimal change at the Board level with Jacinta Ermacora replacing former Chair, Mike Weise. We thank Mike for his contribution and welcome Jacinta.

The Board members cover our geographic region and it is worth noting that 70 per cent are female, reflective of our staff and management gender levels.

At a management level, the executive team was expanded from four to five. There are now two Executive Managers of Education which evolved from a strategic approach to seek more opportunities for outside tenders and projects. As a result, we successfully tendered for 12 regional and specialist training fund projects worth about \$3M.

In addition, South West TAFE received \$3.6M from the Workforce Training and Innovation Fund (WTIF) for an aged care research project in collaboration with the Foundation for Young Australians. This involves working closely with Lyndoch Living, Eventide Homes and Western District Health Service to look at how training could be modified to suit different occupations within the aged care sector.

This research project could change the way training is done in Victoria. TAFEs are not traditionally known for research but South West TAFE always strives for innovation and to give all staff opportunities to explore better ways of doing things.

Our organisation continues to set the benchmarks in many areas. For example, in IT we have 'Smart' classrooms which enable us to provide courses across the region, using technology to bring students together. During 2018 the scope of these courses was expanded to include accounting and finance, creating sufficient numbers to retain and return some classes to the regions. South West TAFE will continue to explore opportunities for using technology and smart classrooms to benefit our region and our students in 2019 and beyond.

Although our enrolment numbers were slightly lower in 2018, we again recorded excellent retention rates (National Centre for Vocational Education Research (NCVER) 2018 VET Student Outcomes, South West TAFE graduates). 91.3 percent of our graduates either got a job or went on to further education. These are great outcomes for our region.

The introduction of Free TAFE for Priority Courses in 2019 has already sparked strong interest, predominantly in health-related courses to meet high local demand for jobs in nursing, disability and aged care.

A 10-12 per cent increase in activity is predicted in 2019 and the organisation is planning for this influx. It is exciting to get a new wave of students and staff but retention will be a major challenge and we need to ensure we have an experienced workforce and support systems that can accommodate such growth.

The organisation will end the year with a positive financial result and the continuation of the current Victorian Government means we can consolidate many measures put in place over the past four years.

Two regular programs on the South West TAFE calendar, Very Open Day and Maker Fest, were huge successes, drawing thousands to our Warrnambool campus, and we again had a strong presence at Sheepvention in Hamilton. During NAIDOC Week, a mural painted by Ella Webb was unveiled.

In November it was my great honour to fly to China to help celebrate the 40th anniversary of Yangzhou Polytechnic Institute. We look forward to continuing our collaboration with the organisation.

It has been a rewarding year for South West TAFE as we maintain our commitment to delivering innovative and high-quality education and training.

We believe we enter 2019 as a stronger organisation that is well placed to meet the needs of our region.



Mark Fidge
Chief Executive Officer

19 March 2019



Statement of Performance Management Certificate for 2018

In our opinion, the accompanying Statement of Performance of South West Institute of TAFE, in respect of the 2018 financial year, is presented fairly.

The Statement outlines the performance indicators as determined by the responsible Minister, predetermined 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.



Felicity Melican
Board Chair

19 March 2019



Mark Fidge
Chief Executive Officer

19 March 2019



Jacob Taylor
Chief Finance and
Accounting Officer

19 March 2019

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Independent Auditor's Report

To the Board of South West Institute of TAFE

Opinion	<p>I have audited the financial report of South West Institute of TAFE (the Institute) which comprises the:</p> <ul style="list-style-type: none"> balance sheet as at 31 December 2018 comprehensive operating statement for the year then ended statement of changes in equity for the year then ended cash flow statement for the year then ended notes to the financial statements, including significant accounting policies Declaration by the Board Chair, Chief Executive Officer and Chief Finance and Accounting Officer.
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In my opinion the financial report is in accordance with Part 7 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- presenting fairly, in all material respects, the financial position of the Institute as at 31 December 2018 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p>
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My independence is established by the *Constitution Act 1975*. My staff and I are independent of the Institute in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the financial report	<p>The Board of the Institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
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Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

MELBOURNE
22 March 2019

Statement of Performance

The Statement of Performance below shows the organisation's performance levels against 2018/2019 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 2018.

Indicator title	Description and methodology	2018 Target	2018 Actual	Explanation of variances	Prior year result
Training revenue diversity	Breakdown of training revenue by:				
	> Government Funded (GF)	71%	74.6%	Reduction in student contact hours delivered due to lower demand for training in the South West Region resulting in a shift in the funding composition. SW TAFE has increased its market share within the region during 2018.	67.4%
	> Fee for Service (FFS)	7%	8.1%	Target achieved	9.5%
	> Student Fees and Charges	22%	17.3%	Target achieved	23.1%
Employment costs as a proportion of training revenue	Employment and third party training delivery costs as a proportion of training revenue	117.0%	130.5%	The higher result than targeted was due to a reduction in student contact hours, resulting in less training revenue being received. As a result teachers were utilised on multiple funded projects, of which project funding is not recorded as training revenue. Non teaching employment costs remained consistent to prior year and on budget.	120.5%
	(Employment costs – Workforce reduction expenses + 3rd party training delivery costs) / Training revenue				
Training revenue per teaching FTE*	Training revenue (excl. revenue delivered by third parties) per Teaching FTE*	\$135,000	\$133,492	The lower result than targeted was due to a reduction in student contact hours, resulting in less training revenue being received. As a result teachers were utilised on multiple funded projects, of which project funding is not recorded as training revenue.	\$145,865
	Training revenue (excl. revenue delivered by 3rd parties) / Teaching FTEs*				
Operating margin percentage	Operating margin %	0%	10.90%	Achieved, in 2018 SW TAFE received funding for RSTF and WTIF projects, income has been recorded in 2018 while expenditure will occur over both the 2018 and 2019 calendar years.	0.16%
	EBIT (excl. capital contributions) / Total revenue (excl. capital contributions)				

Training Outcomes

The organisation delivered a total of 1,120,473 Student Contact Hours (SCH) in 2018. The table below provides a detailed breakdown of SCH delivery in 2018.

Student Contact Hours delivered

Outcomes	SCH
VTG Non Apprenticeship/Traineeship	644,646
VTG Apprenticeship/Traineeships	321,494
Full Fee Paying	5,454
Fee For Service	148,879
(Includes TAFE in Schools, Adult Migrant English Program, Skills for Education and Employment, Interstate Apprenticeships and Short Courses)	
Total Delivery	1,120,473

Movement in Student Contact Hours over the past five years

2014	2015	2016	2017	2018
1,792,492	1,323,738	1,262,951	1,297,549	1,120,473

Maintenance Works

Significant projects conducted in 2018 include:

- > D Building Chiller replacement
- > F Building internal gutter replacement
- > Portland Boiler replacement
- > N Building recarpet, repaint and update amenities
- > Florence Collins roof and downpipe upgrades
- > F Building roof air handling duct replacement
- > F Building west level 3 – replace carpet and repaint
- > Forcefield security system upgrade
- > External painting – Buildings E, I, H and N
- > Construction of Gas Appliance test facility in F Building – due for completion in early February 2019
- > D Building level 3 – air conditioning installation
- > Colac Campus relocation and associated works

The organisation continued to fulfil its obligations regarding the maintenance of Essential Safety Measures, and the process continues to be supported by the OHS and Emergency Planning Committee and consultant Stokes Safety. These works were part of the organisation's legal and community obligations under the following regulations:

- > Building Act 1993

- > Building Regulations Act 2006 and the Interim Act 2017
- > Building Code of Australia Essential Safety Measures
- > Occupational Health and Safety Act 2004
- > Disability Discrimination Act 1192
- > Heritage Act 1995 and 2017

Environmental Sustainability

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

We ensure that staff and students work together to reduce the organisation'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.

The following energy performance initiatives and savings were achieved in 2018:

Transportation

South West TAFE had a motor vehicle fleet of 39 vehicles.

Total kilometres travelled decreased to 906,946kms per annum. The vehicle fleet continues to incorporate energy efficient vehicles of two Hybrids. Using the organisation's Transport and Motor Vehicle guidelines, staff are encouraged to participate in alternative methods of transport.

This includes car pooling and train travel, and to consider greater utilisation of video conferencing and other online technologies.

Paper

The organisation endeavours to purchase 100% carbon neutral paper.

Energy Use

The organisation is in line to achieve a reduction of 930tpa of CO₂ as per the Greener Government Building Program.

Waste Management

South West TAFE continues to take all opportunities to explore alternative recycling options regarding waste material and waste contracts.

Water Reduction

The organisation continues to investigate the use of water harvesting initiatives and sustainable practices in refurbishment and new building works. In 2018, a reduction of 4,215 kilolitres of water usage was achieved.

Procurement

South West TAFE aims to achieve procurement activities that are environmentally friendly and support the objectives of the Government's Environmental Procurement Policy.

South West TAFE aims to integrate environmental considerations into procurement decision making and negotiate where possible, sustainability clauses.

Environmental Data

		Wbool City Campus	Wbool Trades Campus (x2)	Hamilton Campus	Portland Campus	Colac Campus	Total
Gross Useable Floor Area		15,938	7,069	2,250	3,860	572	29,689
FTE							241.8
GAS and ELECTRICITY							
E1	Total energy usage segmented by primary sources (including green power)				Megajoules - Gas		10,661,745
					Megajoules - Electricity		5,344,315
E2	Greenhouse gas emissions associated with energy use, segmented by primary source				Tonnes CO ² -e Gas		591
					Tonnes CO ² -e Electricity		1365
E3	Percentage of electricity purchased by Green Power				%		10%
E4	Units of energy per FTE				Megajoules/FTE		66,195
E5	Units of energy per unit office space				Megajoules/m2		539
WASTE PRODUCTION							
Ws1	Total units disposed of by destination				Landfill (kg)		65,630
					Recycled (kg)		35,334
					Greenwaste (kg)		not recorded
Ws2	Units disposed per FTE by destination				Landfill (kg/FTE)		271
					Recycled (kg/FTE)		146
Ws3	Recycling rate (% of total waste by weight)				%		35%
Ws4	Greenhouse gas emissions associated with waste disposal				Tonnes CO ² -e		140
PAPER USE							
P1	Total units of A4 equivalent copy paper used (reams)				Reams		4,060
P2	Reams of A4 equivalent copy paper used per FTE				Reams/FTE		17
P3	Percentage of recycled content in copy paper purchased (%)				%		10%
WATER							
W1	Total units of metered Water consumed by water source				Kilolitres		3,962
W2	Units of metered Water consumed in offices per FTE				Kilolitres/FTE		16
W3	Units of metered Water consumed in offices per area				Kilolitres per m2		0.13
TRANSPORTATION				ULP	Diesel	Hybrid	Total
T1	Total energy consumption by operational vehicles	GJ					not recorded
T2	Total vehicle travel associated with entity operations	km	552,160		339,292	15,194	906,646
T3	Greenhouse gas emissions associated with operational vehicle fleet	Tonnes CO2-e	93		54	3	150
T4	Greenhouse gas emissions from vehicle fleet per 1,000kms	Tonnes CO2-e	0.17		0.16	0.17	0.16
T5	Total distance travelled by air	km					130,056
T6	Employees regularly using public transport, cycling, walking to and from work (%)						5
GREENHOUSE GAS EMISSIONS							
G1	Total Greenhouse gas emissions associated with energy use				Tonnes CO ² -e		1,956
G2	Total Greenhouse gas emissions associated with vehicle fleet				Tonnes CO ² -e		150
G3	Total Greenhouse gas emissions associated with air travel				Tonnes CO ² -e		10
G4	Total Greenhouse gas emissions associated with waste disposal				Tonnes CO ² -e		140
G5	Greenhouse gas emissions offsets purchased				Tonnes CO ² -e		-
G6	Total Greenhouse gas emissions: energy, waste, vehicle				Tonnes CO ² -e		2,256

Business and Financial Performance

Summary of Operating Results

In 2018 South West TAFE returned an Operating Surplus (net result from transactions) of \$4.1M (2017: \$0.5M). Total government grants increased by \$5M to \$32.4M in 2018, these grants incorporated additional funds received as part of Government initiatives. Overall organisation expenditure increased by \$659,000, with salary expenditure decreasing by \$1.1M.

Comparative Results 2014-2018

Item	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000
Total Income from Transactions	25,356	29,893	31,677	33,192	37,451
Total Expenditure from Transactions	28,908	29,808	31,576	32,660	33,319
Net Results from Transactions	-3,552	85	101	532	4,132
Total Other Economic Flows	-4,460	951	19	2	-41
Net Result	-8,012	1,036	120	534	4,091
Current Assets	11,565	12,533	10,715	16,388	19,041
Non Current Assets	55,710	52,576	59,047	54,138	52,629
Current Liabilities	9,559	4,558	4,843	6,611	6,822
Non Current Liabilities	1,937	4,947	4,108	6,150	2,992
Net Assets	55,779	55,604	60,811	57,765	61,856
Working Capital Ratio	1.21	2.75	2.21	2.48	2.79

Movement in Net Assets and Working Capital Ratio

South West TAFE had an increase in its net asset base from \$57.8M to \$61.9M over the past year. This is predominately due to increased cash held at year end. Current assets increased by \$2.7M, with cash deposits increasing by \$2.9M and receivables decreasing by \$411,000. Total organisation liabilities decreased by \$2.9M this was due to the institute making repayments on loans and drawing down on income in advance held for the WTIF project. The reduction in current liabilities and increase in cash has increased the working capital ratio from 2.48:1 in 2017 to 2.79:1 in 2018.

Commercial Activities

South West TAFE undertook no major commercial activities in 2018.

Consultancies

In 2018, 17 consultancies were used with fees payable to each of \$10,000 or more. The combined amount for these services in 2018 was \$2,068,342 (ex. GST). Consultancy details are made available on the organisation's website: <https://swtafe.edu.au/about-us/corporate-information/consultancies>. Nineteen other consultancy services were utilised during the year with respective fees payable of under \$10,000, with the combined total of \$47,933 (ex. GST).

Significant Events Since Balance Date

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

OVERVIEW

2018 at a glance

5,516
students

719
industry representatives
attended TAFE events

87.2%*
of SWTAFE students
were employed after
training

241
effective
full-time staff

38
industry Connect
events

91.3%*
of SWTAFE graduates
were employed or
enrolled in further
study after training

1,272
graduates
(Certificate I to
Advanced Diploma)

151
training products
delivered

9/10
occupations predicted
to have the most job
growth in the next
five years are in
TAFE-trained fields

* NCVER VET Student Outcomes in 2018

Who we are

South West TAFE is the region's biggest and most highly regarded provider of skills training. Our home base and largest campus is in Warrnambool and we have campuses at Sherwood Park (Warrnambool) and in Hamilton, Portland, Colac and further training facilities at Glenormiston.

Our primary aim is to provide high quality, future focused vocational education and training that creates a lifetime of opportunity and employability for people in our region. This focus has led to South West TAFE being recognised as a leading training organisation in Victoria for improved employment outcomes for students.

South West TAFE is governed by a Board of Management and is underpinned by the Education and Training Reform Act 2006.

What we do

In 2018, South West TAFE delivered 151 training packages and courses to more than 5516 students, using a blend of on-campus, off-campus, online, workplace, VET in Schools, traineeships, apprenticeship courses and modules delivered via regional adult learning centres.

We offer a wide range of nationally accredited qualifications, plus short courses and stand-alone units from industry training packages.

We are committed to working with local industry to deliver skills training for in-demand jobs and to help address regional skills shortages. As a result, our graduates have a very high chance of finding employment and excelling in their chosen fields.

South West TAFE offers courses in 9 of the top 10 occupations predicted to have job growth in the next five years.

We deliver training to the Great South Coast region of Victoria, state-wide, interstate and internationally. Our teachers have vast practical industry experience and our state-of-the-art training facilities give students a perfect place to learn practical, hands-on skills. We offer a range of placement and study opportunities for students, both locally and internationally.

Our history

Our predecessors have been providing technical and specialist education since 1863, with links back to the formation of the Mechanic's Institute in 1853.

In 1913, the Warrnambool Technical School was established on our current site and operated within the state education system. It became the Warrnambool Technical College in 1958, including 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 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 to South West College of TAFE, updated in 1995 to the current title South West TAFE. Since then, training facilities were opened at Sherwood Park in east Warrnambool in 2007 and Colac in 2016.



2017–2019 Strategic Plan

We Have Fresh Ambition, Purpose and Values
Stronger. Better. Smarter.

Our Ambition:

Future focused education that creates a lifetime of opportunity and employability.

Our Purpose:

What we do:

We deliver a modern and fresh approach to helping generations develop the skills they need for the futures they aspire to.

Who we do it for:

For the communities and industries of South West Victoria and beyond... in new and emerging markets.

How we do it:

Collaboratively, cleverly, creatively and courageously.

Our Values:

People Focused

We put the customer first. We tailor our approach so every learner is successful and we exceed the expectations of every employer. We invest in our staff to keep them at the cutting edge of best practice.

Quality and Excellence

- > We strive to exceed expectations.
- > We think BOLDLY and find ways of doing things better. Always.
- > We aim to distinguish ourselves and stand out from the rest.
- > We act with integrity.

Innovation

We constantly seek innovation through:

- > A dynamic approach
- > Being responsive to community
- > Collaboration with industry
- > Fresh thinking
- > Flexible and adaptive practices

STRONGER

Stronger Growth

We will become stronger in our vocational education and training through focus, student attraction and employability results.

Our strategies are:

- > Focus – Manage a compact and competitive product portfolio within a set of specialised themes and in line with Government priorities.
- > Growth – Attract and retain more students, and ensure each student attains their stated educational objectives.
- > Results – Invest in and maximise the employability and suitability of our students to meet the needs of industry and community.

BETTER

Better Quality

We will provide a quality service through our education design, student experience and engagement with industry and community.

Our strategies are:

- > Next practice – Ensure all education is future focused in its delivery and content.
- > Modern – Build a contemporary approach to pedagogy which is aligned to industry and community needs. We will be a leader in the TAFE sector.
- > Experience – Create an individualised experience for our students and other stakeholders that exceed their stated educational objectives.

SMARTER

Smarter and More Innovative

We will work smarter and be innovative with our brand, culture and systems.

Our strategies are:

- > Brand – Leverage and deliver on the TAFE Victoria brand attributes – proud, contemporary and diverse – with our own brand refresh.
- > Culture – Live the values and embed them in everything we do.
- > Systems – Systemise our work practices to make them simpler and more efficient. Use technology and data to drive innovation.



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 which provide specialised guidance for different areas of organisational activity. The 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 and Skills Group, the Board also ensures that:

- > appropriate compliance frameworks and controls are established.
- > risks are identified and managed.
- > reporting systems are in place.
- > key policies are operating 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

Key priorities and major decisions during 2018 included:

- > Monitoring the progress on achieving strategic initiatives detailed in the 2017-2019 Strategic Plan.
- > Development of the 2019-2021 Strategic Plan in line with the Minister's Statement of Expectations.
- > Work with government and other key stakeholders for the re-establishment of training delivery at Glenormiston.
- > Progressing the Education and Cultural Precinct Master Plan contributing to the successful announcement of \$16.3M in funding from the State government for the future Learning and Library Hub.
- > Oversight of the planning and implementation of Free TAFE for Priority Courses from 1st January 2019.
- > Closely monitoring the organisation's financial performance and cash flow requirements.
- > Refinement of the organisation's risk management framework and the proactive identification and management of strategic risks.
- > Responding to IBAC with a final report detailing how the organisation has addressed issues raised in Operation Lansdowne, and providing support to the TAFE network by sharing information on fraud awareness and reporting.

Review of Annual Financial Statements

The Board reviewed and approved the organisation's Annual Financial Statements at their meeting on 19th February 2019.

Board Committee Structure

In accordance with its powers, the Board has a number of committees, which draw on the skills, knowledge and experience of Board members and other specialist advisors. These committees assist the Board to meet its legal responsibilities to manage South West TAFE via sound corporate governance practices.

Audit, Risk and Compliance Committee

The main responsibilities of the Audit, Risk and Compliance Committee are to:

- > 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 that it is 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.
- > Monitor South West TAFE's financial compliance, corporate image, legal contracts, other contractual arrangements, and legislative compliance.
- > Review annual financial statements and make a recommendation to the Board for approval.

Committee Chair: Steven Waterhouse

Committee members: Felicity Melican, Mark Fidge, Doreen Power, Steven Waterhouse

Innovation and Industry Committee

The main responsibilities of the Innovation and Industry Committee are to:

- > Provide information and strategic direction to the organisation Board on how it is able to meet the organisation's strategic goals and directions on innovation, industry and community partnerships.
- > Suggest suitable strategies and directions that the organisation should consider to ensure courses and subject areas remain professionally relevant, state-of-the-art, and best able to meet the present and future needs of industry and the community.
- > Offer suggestions for new areas to be explored through informed consideration of new initiatives, potential markets, business development strategies, and program promotion.
- > Provide opportunities for discussion of possible co-operative training or research.
- > Review and endorse major innovation projects for Institute Board approval.
- > Contribute to the Annual Report.

Committee Chair: Susan Brumby

Committee members: Ann Ellis, Felicity Melican, Mark Fidge, Sandy Burgoyne, Sharna Westley

Nominations and Remuneration Committee

The main responsibilities of the Nominations and Remuneration Committee are to:

- > Review Institute Board agendas and the general operation of the Board and its committees.
- > Oversee the governance structure of the organisation Board and its committees.
- > Devise and oversee the recruitment process for co-opting additional, external members onto Institute Board Committees.
- > Devise and oversee the recruitment and advisory process for Board Nominee Director positions, in conjunction with the Board's Ministerial Nominee Directors.
- > Act as the delegated Board representatives for extraordinary decisions that must be made outside of scheduled Board meeting dates, when this authority is delegated to the Committee by the Board.
- > Set the remuneration and related employment benefits to be offered to the CEO, based on available guidelines and directions from the Board and the Minister for Education and Training, and comparative market data.
- > Seek appropriate approval of the remuneration and related benefits available to the CEO.
- > Approve negotiated remuneration and related benefits to be included in the employment contract of the CEO.
- > Provide advice to the Board, as appropriate.

Committee Chair: Felicity Melican

Committee members: Susan Brumby, Mark Fidge, Steve Waterhouse

South West TAFE Board Members



Felicity Melican
BOARD CHAIR

*Bachelor of Business (Accounting),
Graduate Diploma Education
(Secondary), Fellow of the Chartered
Accountants Australia and New
Zealand*

Felicity was initially appointed to the Board on 26th October 2011 and was appointed as Board Chair in August 2016.

Felicity specialises in Accountancy, Self-Managed Superannuation and Auditing, and has been with Sinclair Wilson Accountants and Advisors since 1993, becoming Principal in 2001, and is the Group's Lead Audit Partner.

Felicity's key areas of interest are Audit and Assurance, and the not-for-profit and philanthropy sectors. Felicity currently serves as Director of The A. L. Lane Foundation and the Thomas O'Toole Foundation (philanthropic trusts), and The South West Institute of TAFE Foundation previous roles included Deputy Chair of the Great South Coast Regional Partnership and Director of Mercy Education Limited.

Felicity has a particular passion for education and training and is a strong supporter of the Great South Coast region.



Mark Fidge
DIRECTOR

*Bachelor of Business (Accounting),
Certified Practising Accountant (CPA),
Diploma of Frontline Management,
Graduate Australian Institute of
Company Directors (GAICD)*

Mark commenced on the organisation Board on 1 July 2016.

Mark is currently the Chief Executive Officer of South West TAFE, a position he has held since 2014 after initially joining the organisation as Finance Manager in 2003. He was appointed to the role of Executive Manager of Corporate Services in 2005, incorporating the role of Chief Finance Officer and appointed as the organisation Board Secretary in 2013. Prior to joining South West TAFE, Mark gained experience as a financial manager in a range of sectors in both Australia and the United Kingdom.

Mark is the Chair of the South West Local Learning and Employment Network and represents South West TAFE on several other like-minded community Boards.



Steven Waterhouse
DIRECTOR

*Bachelor of Commerce (Accounting,
Commercial Law and Information
Management Systems), Member
Institute of Chartered Accountants*

Steven commenced on the Board in February 2017. He is Chair of the Audit, Risk and Compliance Committee and a member of the Nominations and Remuneration Committee.

Steven has a background in financial management, corporate services and governance. He is General Manager People and Business Services at Wannon Water, and is an active member of the Corporation's Executive team.

Steven is Wannon Water's Chief Financial Officer and is responsible for leading the financial, people, safety, risk, internal audit, information management and technology functions of the Corporation.

Steven is Deputy Chairman and Treasurer of the Warrnambool Racing Club, holding those offices since 2016 and 2009 respectively. He is a previous Board Member of the South West Academy of Sport.



Sandy Burgoyne
DIRECTOR

*Master of Sustainable Development,
Bachelor of Arts (Geography), Diploma
of Education*

Sandy commenced on the organisation Board on 9 October 2016.

Sandy brings 25 years of education and corporate experience in developing and leading business strategy, marketing, change and business transformation within the telecommunications, information technology, retail and not-for-profit sectors. She was the founding Director of the Future Cities Collaborative at the United States Studies Centre, University of Sydney until 2017 and continues her affiliation with the University of Sydney. She provides consultancy services as the Managing Director, Combined Technology Services and is a board member at Portland District Health.



Susan Brumby
DIRECTOR

PhD, Master of Health Management, Graduate of Australian Institute of Company Directors (GAICD), Graduate Diploma of Women's Studies, Certificate IV Workplace Training and Assessment, General Nursing and Midwifery Training, Fellow Australian Rural Leadership

Sue is committed to promoting positive educational opportunities and economic growth in the South West. As the founding Director of the National Centre for Farmer Health and an executive staff member of Western District Health Service, she brings extensive experience in nursing, agriculture, research and higher education.

She is a Graduate of the Australian Institute of Company Directors, Life Fellow of the Australian Rural Leadership Program and appointed member of the Victorian Agricultural Advisory Council. She has published and presented internationally and been recognised for her work in rural and regional communities. Susan joined the board on 1 September 2013 and Chairs the recently formed Innovation and Industry Committee.



Brian Crook
DIRECTOR

Diploma of Teaching (Primary), Certificate A Teaching (4th Year)

Brian was a Ministerial appointment to the board in December 2017.

Brian's career has largely been with education, local government and small business. He retired from teaching commitments at the end of 2018 at Trinity College, Colac where he introduced the VCAL (Victorian Certificate of Applied Learning) program in 2006 and worked in that program in a part-time capacity until his retirement.

He was instrumental in opening up TAFE opportunities for all students in the VCAL program through the Vet in Schools program and is passionate about access and affordability of skills training for young people.

Brian was instrumental in the delivery of a trade training centre for Colac Otway Shire. He is keen to see the growth of South West TAFE in Colac through better connections with schools, industry and community and believes training delivered to local as well as broader employment related needs is essential for the South West Community. The free access to TAFE courses should remove the financial barriers for many people and is an excellent initiative.



Ann Ellis
DIRECTOR

Master of Business Administration, Bachelor of Special Education, Diploma of Primary Teaching

Ann commenced on the Board on 9 October 2016.

Since starting her career as a primary school teacher, Ann has had a long association with the Vocational Education sector in various teaching and non-teaching roles before moving into further managerial roles in both the government and non-government sectors in Queensland. Most recently, she held the position of Group General Manager with Engineering Education Australia, part of Australia's peak body for professional engineers. Ann is currently the Manager, Rural Programs for Murray City Country Coast GP Training, a position which she has held since 2016.

Ann also owns and runs an accommodation business in regional Victoria.



Sharna Westley
DIRECTOR

Graduate Certificate in Inclusive Education, Graduate Diploma in Health Promotion, Graduate Diploma in Physical Education, Bachelor of Arts (Education), Diploma of Sustainability

Sharna commenced on the organisation Board on 1 July 2016 and serves as the elected staff member for the organisation.

Sharna brings a wealth of teaching industry experience to the board, having initially trained as a primary school teacher and working in this capacity in both Australia and the United Kingdom. Since returning to Australia in 2005, Sharna moved into the Vocational Education sector where she has developed a passion for working with young people and providing learning opportunities to support their skills and talents. She has held a range of teaching and coordination roles within the organisation, focusing on community engagement and developing strong educational links which benefit the young people of our region.



Jacinta Ermacora
DIRECTOR
(commenced July 2018)

Master of Social Science (Policy), Bachelor of Social Work, is a Graduate and Fellow of the Australian Institute of Company Directors and is a qualified Quality Improvement Performance Assessor.

Jacinta has a background in social work and community engagement in the primary health and consumer advocacy sectors and brings to the Board 15 years of public sector corporate governance experience.

Prior to joining South West TAFE, Jacinta served as Chair and Director of a number of regional entities including as Mayor and Councillor of Warrnambool City Council, Glenelg Hopkins Catchment Management Authority, The Great South Coast Group, Regional Cities Victoria and was the founding Chair of the Victorian Women in Water Directors Network.

Jacinta brings a wide range of regional, state and national relationships to any role and is currently Chair of Wannon Water Corporation, Chair of Warrnambool Special Developmental School Wollaston Campus, Committee and member of the Australian Institute of Company Directors and Great South Coast committee member.



Doreen Power
DIRECTOR
(to December 2018)

Master of Business Leadership, Graduate Diploma of Health Administration, Bachelor of Applied Science (Nursing and Midwifery), General Nursing Training, Graduate Australian Institute Company Directors (GAICD)

Doreen commenced on the organisation Board on 12 September 2016.

Doreen brings over 35 years' of experience in the Health Sector to the organisation Board, having held executive management and clinical roles across a range of complex health, aged care and community services in Victoria. Since 2015, Doreen has held the position of Chief Executive Officer of Lyndoch Living. Prior to this appointment, Doreen served as the Chief Executive Officer across a range of health services including rural health and community health services.



Mike Weise
DIRECTOR
(to June 2018)

Bachelor of Science (Hons) (Agriculture), Graduate Certificate in Education,

Mike joined the organisation Board in April 2013 and Chaired the organisation from April 2013 until July 2016. Mike has also served as a member of the Board President's Advisory Group and Audit, Risk and Finance Committee; he was the Chair of the Audit Risk and Compliance Committee.

Mike is the General Manager of Jersey Australia, the peak body for Jersey breeders in Australia, a Director of Central Sires Cooperative and a Principal of Client Victoria Pty Ltd. a consulting company specialising in rural business development.

Board and Committee Membership

The Board met eleven times during the year. Institute Committees met eleven times to review and monitor various aspects of the organisation's operations. During 2018, no Board Directors declared a potential pecuniary interest in an issue discussed during Board or committee meetings.

Committee Membership and Meetings Attended						
Board Director	Position	Term	IB	ARC	I&I	N&R
Felicity Melican	Director Board Chair	1 August 2018 – 31 July 2021	11	5	4	1
Susan Brumby	Director	1 January 2016 – 30 June 2019	10	n/a	4	1
Ann Ellis	Director	1 January 2018 – 30 June 2020	11	1	5	n/a
Sandy Burgoyne	Director	1 January 2019 – 31 December 2021	8	n/a	3	n/a
Sharna Westley	Director	1 July 2016 – 30 June 2019	10	n/a	4	n/a
Steven Waterhouse	Director	23 February 2017 – 30 June 2019	11	5	n/a	1
Brian Crook	Director	15 December 2017 – 31 July 2020	9	n/a	2	n/a
Jacinta Ermacora	Director	1 July 2018 – 31 August, 2021	5	n/a	n/a	n/a
Mark Fidge	Director	1 July 2016 (ex officio)	11	5	5	1
Doreen Power	Director	12 September 2016 – 31 December 2018	8	5	n/a	n/a
Mike Weise	Director	1 July 2016 – 30 June 2018	4	3	n/a	n/a

IB – Institute Board (11 meetings)

ARC – Audit, Risk and Compliance Committee (5 meetings)

I&I – Innovation and Industry Committee (5 meetings)

N&R – Nominations & Remuneration Committee (1 meeting)

Board Remuneration

Director's fees paid in 2018 totalled \$175,483

Executive Management Group

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



Mark Fidge
CHIEF EXECUTIVE OFFICER

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

Mark has been CEO since early 2015. Prior to becoming the CEO, Mark was the Executive Manager – Corporate Services incorporating the role of Board Secretary and Chief Financial Officer.

As CEO, Mark is responsible for implementing the strategic direction of the organisation and ensuring efficiency across the organisation to meet the requirements of Government, enterprises and individuals.



Jason Ernst
EXECUTIVE MANAGER
CORPORATE SERVICES
BOARD SECRETARY

Bachelor of Business (Accounting), Certified Practising Accountant (FCPA), Graduate of the Australian Institute of Company Directors (AICD)

Jason commenced at South West TAFE as the Executive Manager Corporate Services in January 2017. Jason has over 15 years senior management experience in employment services, Australian Disability Enterprises, and disability programs.

Jason is responsible for the leadership of the Corporate Services portfolio that includes finance, digital innovation and information technology, facilities management and master planning, occupational health and safety and student support services. Jason is also the organisation's Board Secretary.



John Flett
EXECUTIVE MANAGER
EDUCATION
(commenced June 2018)

Doctor of Philosophy, Bachelor of Agriculture Science (Hons), Graduate Diploma Education (Sec), Graduate Certificate in Organisational Change, Diploma of Business Management, Diploma of Business Administration

John Flett has over 30 years senior management experience in educational and training design for the vocational and secondary education systems in Australia. He is currently Executive Manager Education at South West TAFE, and prior to that Head of Innovation and Strategy and Head of Education Development at The Gordon TAFE. These roles have been responsible for educational reform, teaching innovation, online learning and educational delivery services.

John's other roles in the TAFE sector include Manager for Teaching Excellence, Centre Manager for Business Skills, and as a Regional Manager.

John has previously managed and led an Enterprise-based Registered Training Organisation in the natural resources sector, and been a member of multiple Industry Skills Councils and Industry Training Board advisory committees. He is a past Board member of the Cohuna-Campaspe and Wynbay Local Learning and Employment Networks, and committee member of several government Technical School initiatives.



Geraldine Lewis
EXECUTIVE MANAGER
STAKEHOLDER ENGAGEMENT
(commenced September 2018)

Masters of Business Administration (MBA) completing, Advanced Diploma of Leadership and Management, Certificate IV in Training and Assessment TAE40116, Certificate IV in Small Business Management

Geraldine Commenced as Executive Manager Stakeholder Engagement in September of 2018, bringing ten years' experience in the VET and Higher Education Sector managing commercial, stakeholder and government relationships. This is underpinned by 10+ years of small to medium enterprise ownership and management.

Geraldine leads the Business Development and Customer Service teams, Industry Connect, Community Engagement, Schools Jobs and Pathways, as well as the Portland, Hamilton and Colac Campuses. Her goal is to support and develop her teams to be recognised as being an example of best practice in client engagement, and growing our business and our people.



Madelyn Lettieri
DEPUTY CEO, ORGANISATIONAL
DEVELOPMENT AND STRATEGIC
PROJECTS
(resigned May 2018)

Diploma of Teaching, Diploma of Frontline Management, Graduate Certificate in Management Development (Education and Training), Certificate IV in Workplace Training and Assessment

Madelyn commenced at the organisation as the Executive Manager Education and Teaching Support in April 2015 and was formally appointed to the position in July 2015. In January 2017 Madelyn was appointed to the position of Deputy CEO. Madelyn brought a wealth of Education and VET experience to the role.

The Deputy CEO, Executive Manager of Organisational Development and Projects portfolio oversaw the organisation wide functions of People and Culture, the Teaching Quality Centre and the Access and Equity Unit. The portfolio was also responsible for South West TAFE strategic projects that focussed on innovation, regional needs leading to growth and diversifying revenue streams.



Jeanette Brown
EXECUTIVE MANAGER
EDUCATION
(resigned December 2018)

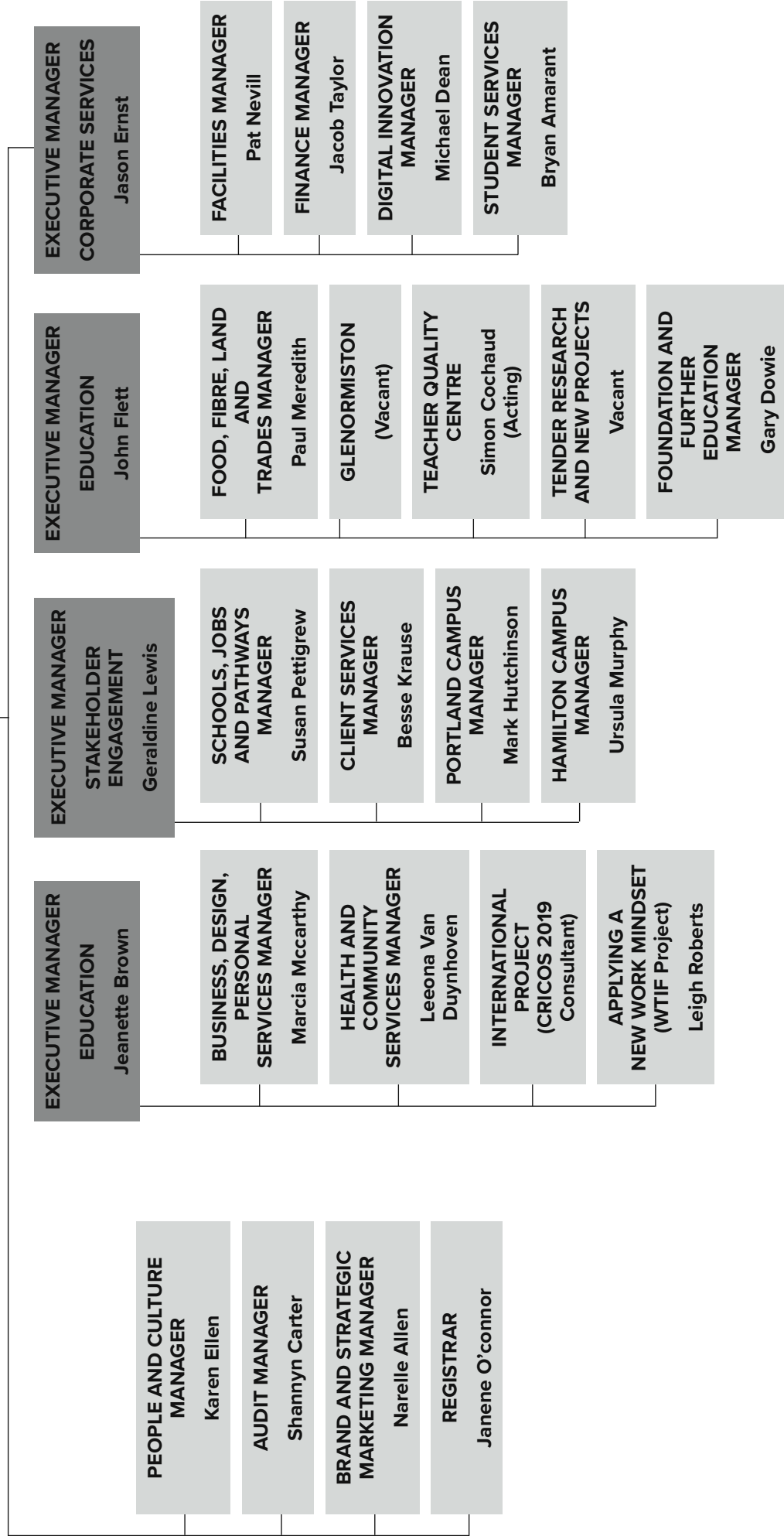
Bachelor of Arts, Diploma in Education, Graduate Certificate in Leadership Development, Cert IV in Training and Assessment, Graduate Certificate in Career Development

Jeanette commenced at the organisation in March 2016 and was in the role of Executive Manager Education since August 2017. Jeanette has extensive experience at the executive and senior management levels in the VET sector. Her portfolio was responsible for the Teaching areas of Business, Design and Personal Services and Primary Healthcare. Jeanette was responsible for the New Work Mindset project, funded by the Workforce Training Innovation Fund (WTIF).

South West TAFE Organisational Structure

SOUTH WEST TAFE BOARD

CHIEF EXECUTIVE OFFICER
Mark Fidge





INNOVATION AND QUALITY IN EDUCATION

Teaching and Learning Strategy

The overarching goals of the South West TAFE Teaching and Learning Strategy are the delivery of quality teaching and learning programs across all programs; and maximising the retention and outcomes for students. The strategy has continued to evolve throughout 2018 and with a new focus on ensuring student success in a rapidly changing digital and global world. Strategic oversight of all teaching and learning programs at the organisation was the responsibility of the Board of Studies which met monthly during 2018, with the implementation of the strategy the responsibility of the Teaching Managers and Teaching Quality Centre.

During 2018 there has been significant planning and work done on identifying student retention factors, in preparation for a larger student engagement strategy that covers the full student life cycle. Other achievements of the Board of Studies include refining the Teaching and Assessment Strategy Panel and Pre-training review processes. Preparatory work for the introduction of Free TAFE for Priority Courses has also been part of a whole of South West TAFE approach to enhancing the student experience and support for students in achieving their vocational and further study goals. Improving the connection between teaching areas and the Skills and Jobs Centre has been a priority to ensure students were placed into the most appropriate and suitable courses for their individual career aspirations and to build their capability in making informed choices about their pathways.

Other activities overseen by the Board of Studies included establishment of the Centre for Teaching Innovation, a new space dedicated to enabling students and teachers to better understand how new technologies can be utilised in business and industry. Monitoring the organisation's validation schedule, the addition of new courses to the scope of registration, and the actioning of outcomes from the 2018 Department of Education Quality Review were other significant activities that took place over the year.

Teaching Quality Centre

This dynamic centre has led the professional development space for our Teaching staff during the 2018 year. Formed in 2016 the Teaching Quality Centre provides Innovation and Quality Senior Educator staff to support and mentor teaching staff across all areas of Innovation in teaching and learning.

The Teaching Quality Centre designed and implemented the Centre for Teaching Innovation (CTI). This specialist learning and teaching space has a number of learning stations using a facilitated teaching methodology including the latest technologies, enriching the learning experiences of our current students and the future students from the Apple Gen. Other initiatives include staff TAE upgrade, New Teacher Induction, TAS Panel review, Graded Assessment and Regional TAFE Alliance Project.

During 2018 the professional development events included a professional development week including topics to improve assessment, assessment validation, trainee and apprentice teaching, using SMS for results and student tracking through course completion.

South West TAFE Online

An integral part of our quality course offering is the South West TAFE online learning platform that is managed by the Teaching Quality Centre through our Instructional Designer, Michelle Lomman. In 2018 we developed 550 courses/units during the year across all the teaching portfolios. Support and builds were for activities, quizzes, assessment submission, video links and high quality new course builds.

South West TAFE online supported our staff with Staff Induction, Corporate Refresher, On-boarding Program, 21st Century Teacher Tools, and Risk Management programs.

There was also continued enhancement of the course look and functions through an upgrade of the Moodle platform. Some of these improvements include provision of student tracking features, student assessment grading and feedback features and student communication features.

Digital Innovation

South West TAFE has delivered 13 programs across 9 areas of study in 2018. Using a combination of technology platforms, 'Smart' classrooms and specially designed programs, South West TAFE has been able to provide programs across our campuses and restore education options to students in our region.

South West TAFE attended the World Federation of Colleges and Polytechnics congress in Melbourne where we presented our Smart Classroom program, and connected with education providers across the country and across the world.

The organisation featured staff in industry innovation showcases and appeared on ICT and Education panels speaking on teaching innovation driving change in ICT.

Maker Fest

In 2018 we held our second Maker Fest for the region. The one-day event saw 1,200 visitors from a number of primary and secondary schools across the South West. There were 30 exhibitors offering interactive activities across the Campus, including a number of workshops by Mat Bowtell focusing on fun and robotics. Rebecca Elmes, Warrnambool City Council, supported the planning and operations of the event.

The opportunity for the younger generation to play with new and emerging technologies and in some cases demonstrate them to us cannot be underestimated. In this constantly changing world such experiences begin to position us as an organisation that is prepared to understand the skills of tomorrow and how we can meet the training expectations that come with these new technologies. The Teaching Quality Centre staff were heavily involved in the coordination, set up and presentation of the day to the schools with other Industry representatives also in attendance. The date for the 2019 Maker Fest has already been set and we look forward to building further on this community engagement initiative.





STUDENTS

Training Outcomes

The organisation delivered a total of 1,120,473 Student Contact Hours (SCH) in 2018. The table below provides a detailed breakdown of SCH delivery in 2018.

Student Contact Hours delivered

Outcomes	SCH
VTG Non Apprenticeship/Traineeship	644,646
VTG Apprenticeship/Traineeships	321,494
Full Fee Paying	5,454
Fee for Service (includes TAFE in Schools, Overseas Students, Interstate Apprenticeships and Short Courses)	148,879
Total Delivery	1,120,473

Movement in student contact hours over the past five years

2014	2015	2016	2017	2018
1,792,491	1,323,738	1,262,951	1,297,549	1,120,473

Student Outcomes

In 2018, South West TAFE delivered training to 5,516 individual enrolments which equated to 1.12 million student contact hours (SCH). Department of Education and Training, along with individual student tuition fee contributions, funded 86% of SCH delivered, with the remainder funded by individuals, industry and non-Victorian governments under User Choice Agreements.

This SCH figure underlines the organisation'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 organisation's strategic intent to continue growth in line with regional demand. There were increased enrolments across three Teaching Divisions, namely Food, Fibre, Land and Trades, Health and Community Services, Business, Design and Personal Services.

In 2018 there were a total of 430 trainees undertaking studies in agriculture, sport and recreation, tourism, automotive, IT, engineering, maritime operations, horticulture, food processing, meat processing, business/business administration, retail cosmetics, beauty services, beauty therapy, early childhood education and care, and education support. There was a total of almost 129,000 Student Contact Hours delivered across the programs.



Student Contact Hours results

By Funding Source	SCH
Government Profile Excludes Trainees/Apprentices	644,646
Government Contracted Apprenticeships/Traineeships	321,494
Full Fee Paying	5,454
Fee for Service	59,176
TAFE in Schools	82,524
Adult Migrant English Program	0
Other (Incl. Interstate Apprenticeships, Short Courses)	7,719
Total	1,120,473
By Campus	
Colac	20,588
Hamilton	125,614
Portland	102,516
Warrnambool	727,587
Sherwood Park Training Facility	117,540
Total	1,120,473
By Department/Centre	
Division of Business Development and Industry Relationships	4,643
Division of Business, Design and Personal Services	311,502
Division of Construction, Engineering and Licensing	279,541
Division of Food, Fibre and Land	194,604
Division of Primary Health Care	185,948
Division of Foundation Further Education	144,255
Total	1,120,473

Student Feedback

All students, staff and South West TAFE clients have an opportunity to provide online feedback, complaints and compliments throughout the year. Students are also surveyed at the end of short courses and throughout the year on a course basis. On an annual basis, South West TAFE participates in a national benchmarking survey of students sent and collated by the National Centre for Vocational Education Research (NCVER) with the outcomes being published in the National VET Student Outcomes Report. We also collect quality indicator data from our students and employers, the outcome of which is published on our website as Learner Engagement and Employer Satisfaction.

During 2018 LOOP was introduced as the main real time platform for obtaining feedback from our students, and where relevant, staff groups.

Youth Programs

VET delivered to Secondary school students (formerly VETiS)

There were 18 secondary schools from across the region that partnered with South West TAFE to provide students with relevant learning subject options covering 12 different industry sectors. It was another really successful year for South West TAFE with 450 secondary students beginning their vocational pathway with the organisation. VETiS allows students in Years 10, 11 and 12 from across the region the opportunity to kick start their future career, learn new skills, and get a taste of industry whilst providing credit into their VCE or VCAL certificates. Each year more students are recognising the value and importance of vocational training and the pathways a qualification can provide post their secondary schooling. A VETiS program is the first opportunity a student has to experience vocational training in an industry-based learning environment and for many the beginning of their vocational journey.

The importance of VET delivered to secondary schools was highlighted by a Victorian Curriculum Assessment Authority 'GET VET' campaign during the year that ran in all secondary schools across the state that promoted the benefits of studying vocational programs.

School Based Apprentices and Trainees

In 2018 the organisation had 28 School Based Apprentices and 46 Trainees spread across all program areas. These students demonstrate diversity in study choices and the industries that are embracing the part time employment model and flexible delivery options. School Based Apprenticeships and Traineeships are a great way for students to engage with industry and understand the world of work. Education Support and Early Childhood offered the most School Based Traineeships in 2017, followed by Meat processing, Electrical and Carpentry for Apprenticeships. A School Based Apprenticeship or Traineeship can be implemented across most program areas, however growth is based on industry awareness and demand.

Brotherhood of St Laurence

The two year Certificate I in Developing Independence program was successfully piloted at South West TAFE in 2017 and 2018. By building and maintaining our relationship with Brophy Family and Youth Services and the Brotherhood of St Laurence we were able to successfully complete the pilot and deliver the program to young people who reside at The Foyer Warrnambool. There was a total of 25 students graduate from the Foyer program during the two year pilot.

Due to the 2017 success of the program, we were able to further strengthen the relationship by extending the Certificate I in Developing Independence into the 'Leaving Care Space'. This saw us working closely with Brophy Family Youth Services to implement the program for young people who were transitioning out of home care.

This pilot has allowed young people in our community who were homeless or at risk of homelessness to complete a qualification which focuses on their passions and interests. The qualification provides them recognition for the skills and talents they have and want to grow, benefiting the students and their community.

Due to the success of the program, the partnership will continue for 2019, with the organisation receiving a grant from the Brotherhood for the first six months of the year.

Disability Services

In 2018 South West TAFE Disability Service successfully transitioned out of the Department of Health and Human Services (DHHS) system and into the National Disability Insurance Scheme (NDIS). Through this period of change we have continued to provide quality individual and group support to eligible community members across South West Victoria.

In the second half of the year we were audited by Health Disability Auditing Australia (HDAA) against both the Victorian and National Disability standards and achieved excellent results and we have been re-registered to provide disability services for another three years.

HDAA observations:

- > Participants described our service as being inclusive, fun, enjoyable and sociable.
- > Staff feedback – Staff felt they were well supported during this period of change and enjoyed their work.
- > Our draft policies and guidelines are well considered, will support our further development and endorsed our strategic plan to become South West Disability Services (SWDS).
- > We need to better acknowledge compliments.
- > Our service continues to be sustainable and compliant.

The organisation also delivered support to programs in partnership with other disability services across the regions, to promote greater access and inclusion for their participants to develop relevant skills.

South West TAFE's Disability Services and Support department are looking forward to the prospects of 2019 with continuous growth and learning.

Learning Support

The Learning Support Unit is a part of the Division of Foundation and Further Education and integral in supporting South West TAFE student retention and course completion. The Learning Support Unit has continued to provide literacy, numeracy and study skills support to South West TAFE students across all campuses for 2018.

The Learning Support Unit coordinated the Language Literacy and Numeracy (LLN) Online Quiz process and uploading of these results to relevant departments. As part of the pre-training review process this online literacy and numeracy assessment tool, completed by newly enrolled students, ensures early detection of any students requiring learning support by providing staff with a Skills Analysis report for each student. This data has enabled the learning support staff to create personalised and whole class learning support programs related to core skill and study skill needs for students to remain engaged and support their course completion.

In 2018 there were 4481 students who completed the LLN Online Quiz. Additional literacy and numeracy support was provided to support students with identified low core skills to enable them to successfully undertake their course.

Learning Support Unit staff conducted study workshops in small group and class sessions focusing on specific numeracy and literacy course requirements such as medication maths in Nursing as well as generalist program assistance for students across all Divisions of the organisation. One-to-one support within the class and individual library sessions were provided to students that covered an array of learning skills such as research and referencing and study skills, as well as specific and/or generalist program assistance. Among the teaching departments to access these workshops and one-to-one class support tutors for students were Early Childhood Education, Community Care, Nursing, Hair and Beauty, VCAL, Building and Construction, Automotive and Plumbing.

Student learning support options included: regular 'drop in' library support sessions, timetabled small groups, online study support classes and in-class tutor assistance. Support for apprentice blocks including Carpentry, Automotive, Plumbing and Engineering attending at Sherwood Park, Warrnambool and Portland were also provided. A combination of all these options resulted in a total of 1717 students engaging with the services.

The usage of the online tutorial support program 'Studiosity' decreased in 2018 and was substantially down on our forecast usage, however student feedback highlighted some positive experiences of students using this service with an overall 'excellent' user satisfaction rating.

The Learning Support Unit at South West TAFE provides a valuable service to all teaching departments, with the aim of enhancing student retention and successful course completion so students can progress to meaningful employment and/or further education pathways.

Student Awards and Achievements

2018 South West TAFE Student Awards

Outstanding Student Awards

- > Outstanding Vocational Achiever of the Year – Hannah Poole
- > Outstanding Vocational Student of the Year – Michelle Burley
- > Outstanding Trainee of the Year – Marlee Bourke
- > Deakin Pathways Award – Amy Boxer
- > Outstanding Apprentice of the Year – Daniel Nicholson
- > Youth Student of the Year – Emma Hawkins
- > Koorie Student of the Year – Taliah McGeary

Student of the Year Awards

- > Outstanding Trade Apprentice of the Year – Elijah McLeod

Trades – Third Year Apprentice Awards

- > Carpentry – Daniel Schild
- > Cabinet Making – Nathan Monk
- > Plumbing – Beau James
- > Engineering – Elijah McLeod (Mechanical)
– Connor Fitzgerald (Fabrication)
- > Automotive – Andrea Lurissevich
- > Electrical – James Hayden
- > Mechanical – Andy Kinnear
Commemorative Award – Elijah McLeod

Arts

- > Peter Lucas Memorial Award – Emily Hancy

PURE – Hair Beauty and Wellness Academy

- > VETIS 1st Year Hairdressing Student of the Year – Mikayla Duro
- > VETIS Retail Cosmetics Student of the Year – Gemma Greene
- > VETIS Beauty Student of the Year – Georgia McKenzie
- > Certificate IV in Massage Therapy Student of the Year – Karen Patterson
- > Remedial Massage Therapy Student of the Year – Sasha Gunn
- > Hairdressing Student of the Year – Ryan Bennett
- > Hairdressing Third Year Apprentice of the year – Megan Delaney
- > Beauty Services Student of the Year – Morgan Whiting
- > Make-up Student of the Year – Jaymie-Lee Spillman
- > Beauty Trainee of the Year – Lisa Clark
- > Certificate IV Beauty Therapy Student of the Year – Lily Aitken
- > Diploma of Beauty Student of the Year – Brianna Butler



Workforce Statistics

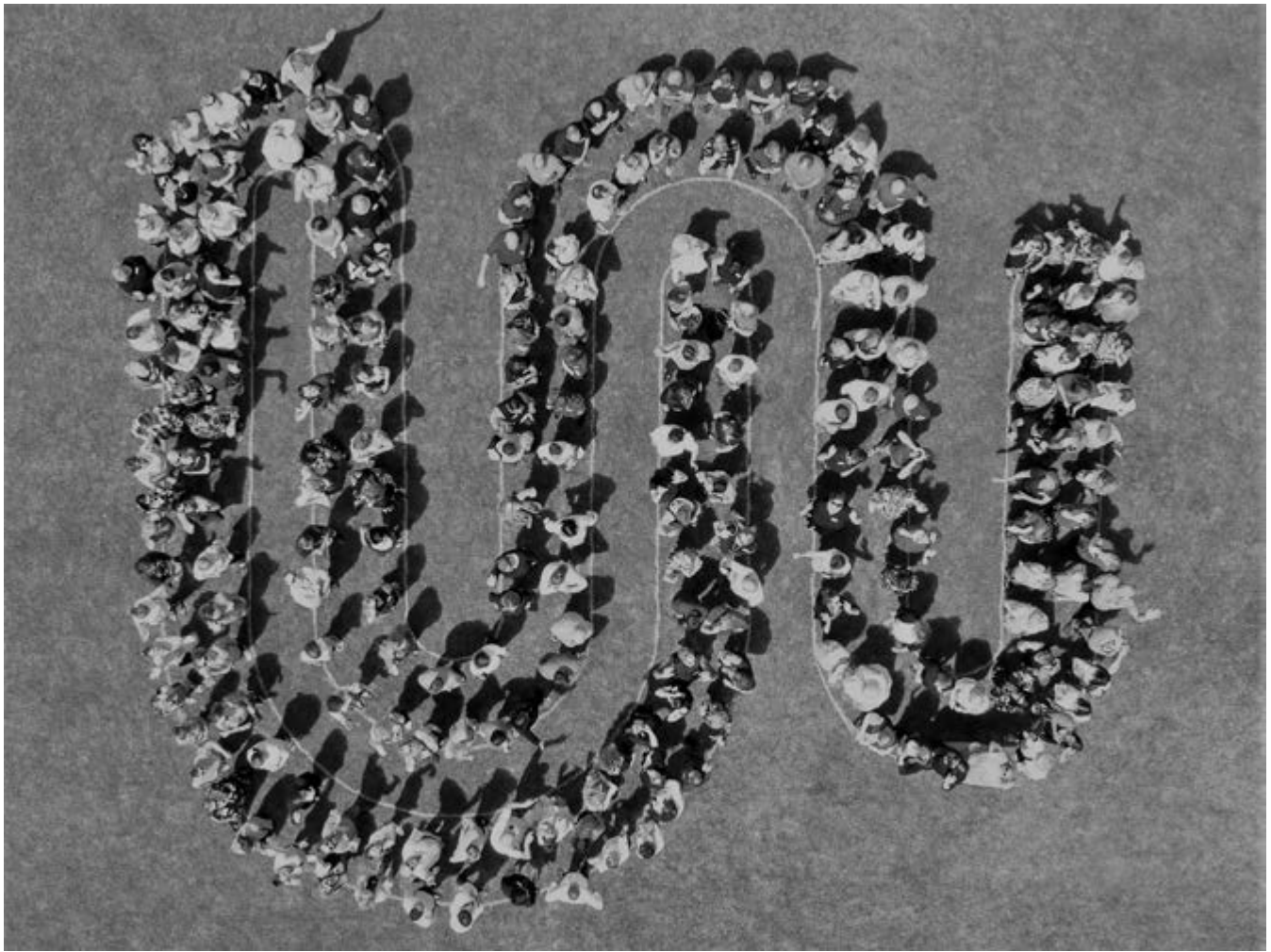
Performance and Accountability Framework FTE Table (December 2017 – December 2018)

	2017					2018				
	Full time		Casual			Full time		Casual		
	Ongoing	Fixed Term	Ongoing	Fixed Term	Other	Ongoing	Fixed Term	Ongoing	Fixed Term	Other
PACCT Staff	59.0	12.0	20.4	8.3	0.0	62.0	17.0	23.7	6.2	NA
Executive	0.0	4.0	0.0	0.0	0.0	0.0	5.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Teacher	51.0	17.0	15.0	8.1	35.6	49.0	21.0	16.0	12.1	21.87
Total	110.0	33.0	35.4	16.4	35.6	111.0	43.0	39.7	18.3	21.87
										8.0
										241.7

Workforce Disclosures (December 2017 – December 2018)

	2017					2018				
	All employees		Ongoing			All employees		Ongoing		
	Number (Head-count)	FTE	Full-time (Head-count)	Part-time (Head-count)	Fixed Term and Casual FTE	Number (Head-count)	FTE	Full-time (Head-count)	Part-time (Head-count)	Fixed Term and Casual FTE
Gender										
Women	2.0	2.0	0.0	0.0	2.0	2.0	2.0	0.0	0.0	2.0
Executives										
Women (total staff)	241.0	156.4	61.0	54.0	93.8	248.0	151.6	62.0	57.0	96.9
Men Executives	2.0	2.0	0.0	0.0	2.0	3.0	3.0	0.0	0.0	3.0
Men (total staff)	135.0	85.3	48.0	5.0	51.6	149.0	90.1	49.0	7.0	53.8
Self-described										
Age										
15-24	18.0	12.8	5.0	0.0	5.0	24.0	13.8	7.0	0.0	7.0
25-34	42.0	31.1	18.0	8.0	22.9	47.0	30.3	15.0	6.0	18.5
35-44	78.0	45.7	16.0	19.0	26.5	73.0	41.5	15.0	21.0	27.3
45-54	125.0	85.5	41.0	22.0	55.2	129.0	83.0	44.0	20.0	55.9
55-64	100.0	60.1	26.0	10.0	32.9	105.0	64.6	28.0	13.0	37.1
Over 64	13.0	6.5	3.0	0.0	3.0	19.0	8.5	2.0	4.0	5.0
Total employees	376.0	241.8	109.0	59.0	145.5	397.0	241.7	111.0	64.0	150.7
										222.0
										91.0

Note: The information above represents staffing information as at 31st December 2018



The Human Resource Information Management System (HRIMS) is the source of information for all staff reporting requirements. Regular staffing statistics are provided to appropriate internal committees and serve to inform the decision making process necessary to enhance quality service provision to students and other clients of the organisation. Reports, as required, are provided to relevant external authorities.

Payroll staff investigated and tested providers for Single Touch Payroll. After configuring our Chris21 Production environment, the first STP data file was submitted via SuperChoice's live portal on 5 December 2018, and continues to be submitted each fortnightly pay day. Additionally the HRIMS was upgraded including addition of a new performance module and mobile payroll app to be implemented in 2019.

Our staff are employed in new and existing positions in line with our guidelines on recruitment and remuneration. All new positions are graded by staff trained in the grading of public sector positions. Declarations of conflict of interest are part of pre and post recruitment processes to ensure the appropriately qualified and suitable applicant is secured in line with the principles of conduct and employment. South West TAFE staffing committee ensures all positions are moderated and approved by the CEO to ensure transparency and appropriate staff procurement has been followed.

Staffing figures for 2018, including an analysis by employment status, age and classifications are represented in the tables provided above. The organisation believes employees have been correctly classified in the workforce data collections.

Other Disclosures

The organisation made one ex-gratia payment during 2018 totalling \$29,036.65.

People and Culture

We do this by:

- > Leading our staff purpose and values;
- > Developing strategies designed to attract, retain and engage our workforce;
- > Providing expert consulting advice to staff;
- > Maintaining up-to-date knowledge of employee relations and human resources practices, issues and trends; and
- > Promoting and delivering an organisational development approach to our workforce through staff capability building and increased leadership capability for Managers.

2018 People and Culture initiatives included:

- > A bi-monthly Organisational Development newsletter to all staff, keeping staff updated on the various initiatives from People and Culture and the Teaching Quality Centre and keeping them abreast of Workforce Development and Professional Development opportunities.
- > People Finder Project - improving the way staff identify and connect with each other by ensuring the Intranet People Finder function is current and accurate. Discrepant information has been removed and staff have been encouraged to update their own details and ensure they have photos up.
- > New Staff Inductions – development and delivery of an induction program for all new staff, to ensure a seamless and welcoming onboarding experience. In 2018 there were 118 new contract and casual staff who through the induction program.
- > Corporate Induction program – all Campuses. P&C and Audit Risk and Compliance Managers delivered an update on the organisation's priorities and workforce development initiatives to campus staff.

- > A far greater focus on digitalisation of South West TAFE job advertisements to online social media platforms including Facebook and LinkedIn to ensure greater attraction of suitable candidates and reduced costs associated with advertising in traditional print media.
- > Design of interview guides, questions and interview support processes.
- > Introduction of new Wellbeing online portal – Healthy workplaces.
- > Supporting the creation of new values for 2019.
- > Successful project grant to support increased Leadership Capability.

Staff Morale and Connection

A Casual Friday event - every month raising money for a worthwhile cause and giving our staff the chance to work out of uniform for a day.

Table Tennis Tournament at Warrnambool Campus - 18 staff of all levels across the organisation, male and female, connecting with each other and playing table tennis with visible finals held at the final Casual Friday Morning tea of the year. Two tournaments, semester 1 and 2 are planned for 2019.

Ride 2 Work Day and Breast Cancer Awareness Day - 17th October.

As part of the Healthy Workplaces program, promoting and managing this large event at all campuses, tying in with Ride 2 Work Day on the 17th October, and October's Breast Cancer Awareness Month. All staff wearing pink at all campuses as part of Casual Day, over 60 staff keeping the pedals turning on two stationary bikes in Warrnambool campus all day, with healthy work events being held in Hamilton, Portland and Colac as well, raising \$1500 for Breast Cancer research in total.

Movember - throughout November 10 brave male staff grew their MOs and raised almost \$2500 for men's health initiatives. This was tied up with a visit from the Mates on the Road organisation on their motorbikes to discuss issues around stress, resilience and suicide awareness.

Bring your Pet to work day – a fantastic day where staff bond and feel the positive effects of bringing their animals to work.

Christmas Decorating Contest – seven departments competed to win the prestigious South West TAFE Christmas Cup for decorating their areas, and made South West TAFE an extremely jolly place to be.

Monthly staff awards – presented at the staff monthly meetings facilitated by The Executive team.

Organisational Development

The 2018 year continued to focus on the quality and improvement of People and Culture response to the needs of the Managers and staff support. Training and implementation of any new processes, systems and programs remains a key deliverable to ensure staff embrace and adapt to the changing workforce, support being led by People and Culture staff. The major projects supported by People and Culture were Leadership training, the new Victorian TAFE Teaching Multi-Enterprise Agreement (MEA) agreement implementation, and a Teacher recruitment campaign to support additional teaching staff to cope with the 2019 Free TAFE course campaign.

South West TAFE staff additionally participated in strategic forums including the TAFE Regional Alliance, HR capability initiatives and TAFE Community of Practice for Applied Research and Innovation VET working group to increase our knowledge, performance and capability in 2018.

Workforce Capability

- > People and Culture Advisors and new Managers in 2018 participated in the "Coaching for Performance" all day workshop. Managers and staff involved in any projects participated in Project Management training due to the significant number of new projects that were successfully gained in 2018.
- > Continued investment in our staff through participation in the Great South Coast Leadership Program, Wayne Smith Teaching Fellowship, VET Development Centre projects and key conferences and professional development activities.

- > Delivery of the Create Conference; a workforce professional development three day event where all staff were energised, motivated and inspired to deliver our strategic objectives. Teaching staff were provided the opportunity to collectively explore, learn, discuss and transform ideas to plan for a successful year.
- > Corporate inductions are held weekly for all new staff. New teaching staff are also provided with an additional teacher induction session tailored to their needs.

A large leadership and capability project was successfully submitted to, and funded by, the Department of Education and Training titled "Leading Our New Work Mindset – A sustainable leadership capability program for Dynamic and Emerging Leaders of South West TAFE".

The continued focus of staff to remain engaged in their own professional development is producing excellent outcomes for our students.

The 2018 Workforce Development Plan was reviewed in November with a new Workforce Solutions and Staff Development Plan 2019 – 2020 created for 2019 implementation.

Training and Development

The 2018 budget allocated across a range of programs has produced significant workforce development.

Exec Portfolio	Applications Submitted	Applications Approved	Cost
Education and Teaching Support	89	87	\$143,776
CEO	21	21	\$16,068
Student and Industry Engagement	3	3	\$9,873
Corporate Services	60	58	\$20,249
Total	173	169	\$189,966

Note: These figures do not include the participation of teaching staff in the Learning and Development Week or the 300 staff who attended the Create Conference in January or specific project funded professional development allocated through projects.

Traineeship Program

South West TAFE's traineeship program has continued throughout 2018 and is an opportunity to support community members to gain work experience whilst achieving a qualifications. Working with West Vic Staffing Solutions, we employed seven current trainees to undertake their traineeships in 2018, with some continuing their careers within South West TAFE. A new group of five trainees were interviewed and appointed at the end of 2018 to commence in 2019.

People Matter Survey

The sixth year of participation in our people matters survey produced a positive result for the organisation. Key highlights include;

- > 59% of all South West TAFE staff completed the survey. In many areas the organisation rated the highest of the 12 TAFEs who participated.

During 2018 activity to improve our responses in areas included:

- > Role clarity and feedback, strategic direction, reviewing the values and understanding governance, communication and further leadership development.
- > Appointment of a Communications Advisor to assist communication to staff.

There will be increased focus on improving our results and performance for our staff as we look to increase our staff participation and satisfaction of this annual survey.

The Workforce Development and Wellbeing committee are working to increase staff participation in the future surveys through discussion, communication and promotion of the value the results offer to improve staff satisfaction and feedback.

Health, Safety and Wellbeing

Ongoing review and improvements to our Health, Safety and Wellbeing (HSW) Management systems included relevant HSW training for managers, team leaders and Health and Safety Representatives throughout the organisation, to support a proactive, preventive approach to safety and wellbeing.

Other HSW initiatives included:

- > Wellbeing activities – Staff conference, casual clothes morning teas, Community Chest gift giving program, employee of the month luncheons, vibrant Social Club, Open Day, Standing Tall mentoring, Food Share and community service volunteering – all provided employees with opportunities for personal development, team bonding, recognition and overall organisational cohesion.
- > Initiation of the Healthy Workplaces Program, as a framework to build a holistic approach to all staff wellbeing activities. This has been tied to the development of the Healthy Workplaces portal, available on the Intranet. The framework for Healthy workplaces will allow South West TAFE to work towards improving in five broad metrics including Physical Activity, Healthy Eating, Mental Health and Wellbeing, Smoking and Alcohol. The Healthy Workplaces Working group identified Physical Activity and Mental Health and Wellbeing as priorities to focus on in 2019.

Industrial Relations

The Victorian TAFE Teaching Staff Multi-Enterprise Agreement (MEA) was voted in by South West TAFE Teaching Staff. The new MEA came into effect from 1 January 2019 with staff pay increases backdated to 1 May 2018.

The new Victorian TAFE Teaching Staff Agreement was supported by the Victorian TAFE Association in gaining approval by the Fair Work Commission and subsequent support to Human Resource staff to implement.

South West TAFE has comprehensive dispute resolution procedures in its policies and industrial Agreements to ensure issues that may arise are addressed appropriately and in a timely manner.

There were no days lost at South West TAFE due to industrial action in 2018.

The Future

A revised 'Workforce Solutions and Development Plan 2019 – 2020' will continue the future capability of our workforce development to meet the regional needs of our Industries, students and stakeholders.

Six streams have been developed from 8 in the previous plan to consolidate and focus our activities. These are:

Stream 1 Leadership and Change Management Capability

Stream 2 Digital Literacy

Stream 3 Resilience and Wellbeing

Stream 4 Ethics and Values

Stream 5 Stakeholder Engagement

Stream 6 Educational Innovation

A large focus on Educational Leadership in 2019 across our workforce will set the tone for a high performing and responsive future workforce. This focus coupled with our new Values for the organisation will create a culture that exemplifies the values of the Victorian Public Sector.



STAKEHOLDER ENGAGEMENT

Introduction

The Stakeholder Engagement Portfolio is made up of the Business development team, Customer Services Division, Community Engagement, Industry Connect, Hamilton, Portland and Colac Campus Managers, Co-ordinators and their support staff, in addition to the Schools Jobs and Pathways Division incorporating the Skills and Jobs Centre.

Our ambition is to provide future focused education that creates a lifetime of opportunity and employability.

Our ambition is to appropriately and professionally represent the organisation purpose and values. Delivering a modern and fresh approach to helping generations develop the skills they need for the futures they aspire to. Working collaboratively, cleverly, creatively and courageously with the communities and industries of South West Victoria and beyond in exciting new and emerging markets, embedding our Values of Integrity, Impartiality, Respect, Leadership, Accountability and Responsiveness in every client engagement.

We are continuing to develop strategic and mutually rewarding partnerships and engagement internally and with communities, industry and government through a strong commitment to developing and broadening commercial training and consultancy services, to deliver real outcomes to commerce, community, industry and governments.

Stakeholder Engagement (SE) is one of South West TAFE's pivotal agencies for marketing its professional capabilities and is the principal point of contact when seeking partnerships, consultancy or training services from the organisation.

Operating within a strong business model, SE places a high value on finding flexible, responsive and innovative solutions to deliver quality outcomes for the client. South West TAFE treats all projects, whether consultancy, partnering or contracted training, with the utmost level of professionalism, honesty and integrity.

Stakeholder Engagement personnel maintain links with all South West TAFE stakeholders and are able to bring together expertise from across all divisions in its endeavour to provide solutions to private and public sector organisations.

Industry Connect

South West TAFE continued to expand the Industry Connect Program in 2018, with numerous events, both large and small held across all campuses, including offsite and within industry.

Deeper levels of engagement and discussion were achieved by partnering with community and industry groups, with increased levels of student participation at many events. Teaching divisions see great value in partnering with industry and community. This ongoing collaboration with industry will continue to be a valuable tool in assessing the currency and validity of our training and teaching methods.

Industry Connect provides a crucial link to industry for our teaching departments, which influences our delivery and most importantly ensures our students are work ready.

Pathways

Engaging events in 2018 were a focus to encourage students to consider pathways in education. To quote Robert Browning 'Our Aspirations are our possibilities'. Our primary school 'Aspirations Program' invites students to experience TAFE. The aim is to demystify and create excitement about the educational opportunities in this region. In 2018, we welcomed Grassmere Primary School grade 2 and 3 students into our commercial kitchen to make scones and milkshakes as part of their 'Paddock to Plate' project. Visiting our teaching areas created great excitement for these students.

Maker Fest is a unique event that brings local primary and secondary school exhibitors to South West TAFE to showcase their broad range of STEAM (science, technology, engineering, arts and maths) activities and inventions. 1200 people attended in 2018 ensuring this event is embedded into school curriculum to showcase experimental designs.

Melbourne-based engineer, Mat Bowtell (Victorian Local Hero 2018) was an inspirational presenter. Mat volunteers his spare time and funds to design and make open-source prosthetic devices for those who cannot afford them. An additional advantage of having Mat in the region allowed a few schools to have personal visits from Mat.

2018 began with “Innovate, Educate and Inspire”, a week of educational events. The 2018 Australian of the year local hero (Mat Bowtell) and inspirational mathematician (Eddie Woo), one of the top 10 teachers worldwide, brought over 2000 school students (both primary and secondary) to the lighthouse theatre on behalf of South West TAFE for presentations on how to learn and be innovative.

South West TAFE is a supportive sponsor of the “Student Leaders Congress” that showcases 30 school students’ short videos on ideas about how to make a difference to people’s lives.

Through our Industry Connect team we were able to offer PD for the Education support staff in our primary and secondary schools. In 2018 over 150 staff attended 6 forums and a full day conference participating in workshops and enjoying guest speakers across a range of topics including anxiety, art therapy, continuum of need, dieticians and Koorie cultural awareness. This was a great linkage and collaboration for our staff, industry and students.

School Engagement Programs

In 2018 South West TAFE delivered vocational training to 450 secondary school students as part of their VCE or VCAL secondary school qualification. 16 secondary schools partnered with South West TAFE across all campuses to be their RTO and/or offer delivery to their students. Popular courses included Building Construction, Automotive and Hospitality.

South West TAFE staff have enjoyed another year providing mentors and hosting the ‘Standing Tall’ school-based mentoring program in Warrnambool. Standing Tall offers secondary students at risk of disengagement the support they need to stay in school and enjoy happy and healthy outcomes.

West Vic Group Training partnered with South West TAFE to offer a Multi-Industry Trade taster program to year 10 secondary school students across the local region. A group of students from various secondary schools attended a 4 hour industry hands on workshop across each of our teaching areas for one day a week over a term. This provided a hands on experience and conversation about each industry sector.

South West TAFE hosted and supported the seven week “Passport 2 Employment” program in partnership with SWLLEN. The students developed skills in finding employment and further education, such as communication, presentation, participating in practice interviews, accessing support services and building social skills. Year 10 students attended from local secondary schools and enjoyed widespread support from local businesses, community, support agencies, councils and schools.

The Warrnambool WAVE school celebrated 40 years of alternative education in March with an event hosted by South West TAFE. Students interviewed past students and staff about their memories and experiences which were screened at the event, alongside documents and an artefact display. WAVES school is a sub school of Warrnambool College and has a close relationship with South West TAFE as a pathway to further education.

Pathways to Higher Education

In 2018 South West TAFE promoted pathways to higher education at both Metropolitan and Regional Universities. Deakin University released their new pathways program which recognises South West TAFE students completing Diploma or above level programs, identifying that TAFE graduates do very well in their higher education studies.

This flexibility enables South West TAFE students to continue studying in any number of degree programs. In 2019 all our Diploma and Advanced Diploma programs can be used as an entry point into Deakin University within 5 years of completion.

Graded assessment at Diploma and above was introduced in 2018. The majority of South West TAFE Diploma students will have access to a graded assessment for future university entry. This provides an opportunity for our students who in future would like to continue their study at their university of choice. In 2017 and up until May 2018, 93 students enrolled at Deakin had indicated they had previously studied at South West TAFE - 62 of these were at the Deakin Warrnambool campus.

Through a strong partnership with Deakin Warrnambool many TAFE and Deakin joint presentations have been conducted at secondary school information nights throughout the year. In 2018 six times through-out the year Deakin Warrnambool and South West TAFE were requested by three local secondary schools to host a day with the two education sectors as part of week-long camp for year 10’s and 12’s. This brought over 200 students into the TAFE and highlighted local pathways and opportunities for students in this region to study locally.

South West TAFE attends the Deakin Open Day through our pathway programs and are an invited guest by Deakin to attend the local TIS (Tertiary Information Session) hosted on their campus of which year 11 and 12 students across the region attend.

The South West TAFE Skills and Jobs Centre provides advice for all our students on pathways to all higher education sectors.

International Operations

In 2018 the organisation’s international activity predominantly was based onshore. In January South West TAFE hosted 23 students along with two of their teachers from Jiangsu College of Agriculture and Forestry (Faculty of Garden Design) on a three week study tour. With a focus on Garden Design, the students participated in construction of an ornamental garden, demonstrating their exceptional skills.

In October at the conclusion of the World Federation of Colleges and Polytechnics Convention in Melbourne, the organisation received a delegation from the National Council of Institutions of the Federal Network of Vocational, Scientific and Technological Education, Brazil. The delegates represented leaders in education in Brazil and were impressed with the organisation’s vocational capacity and strong links with industry. Continued communication with members of the delegation continue to explore possible future partnerships.

Total income relating to onshore only international activity for 2018 was \$70,675.00.

Overseas Travel

Overseas travel was undertaken by the CEO and Business Development staff to China in June and November undertaking partnership development activities and as invited guests to Yangzhou Polytechnic Institute as part of their 40 years celebration.

International Development

Partnership development is progressing in China with Guangdong Vocational College of Hotel Management, Guangdong and Changzhou Institute of Technology, Jiangsu and Shandong Agricultural Engineering University, Shandong.

The organisation through its industry relationships continues to provide advice to regional food and fibre producers with respect to market penetration in China. Through a current staff member the relationships and understanding of the Warrnambool City Sister City, Changchun, hold opportunity to realise this ambition and the organisation continues to advise local businesses on this process.

Student Mobility

As part of the Victorian TAFE International network the organisation took advantage of the Lopez-Lochert Scholarship offer which enabled local TAFE students the opportunity to complete a course in business or hospitality in Santiago, Chile. It is offered by the Victorian Government in partnership with Victorian TAFE institutes and South West TAFE was successful in their application for a student from the Diploma of Leadership and Management to undertake this 2 week educational opportunity in January, 2019.

Networks

The organisation was an active member of the Warrnambool City Council International Relations Advisory Committee which aims to promote Warrnambool as a location for international cultural exchange, business, trade and tourism partnerships.

South West TAFE has also joined the Victorian TAFE International network to explore international delivery opportunities as part of the broader TAFE network.

Skills and Jobs Centre

In 2018 the South West TAFE Skills and Jobs Centre (SJC) known as 'Pathfinders' had the launch of its new look premises and services. A centre that can offer independent course and career advice with no eligibility requirements is great value to the community.

The new appointment of a careers practitioner, course advisor and client engagement officer gave the centre great resources to engage with the community, schools, industry and South West TAFE students. In 2018 the SJC saw 3,811 individual clients looking for career advice on how get work and/or further study. Support was given 1,256 times to help construct a resume and cover letter and 1,578 for independent course advice. 95 workshops and seminars were held on a range of topics. 30 of these workshops were to classes of South West TAFE students. Of those clients making contact with the SJC, 1,360 of them were secondary school students. Contact was made with over 70 businesses around recruitment, positions vacant, use of premises etc. and the staff had 108 Community Engagements where they were invited to talk about the SJC. The SJC is for everyone and this is demonstrated with an even split of users coming from youth under 20 years (1,134), 20-49 years (1,270) and 50+ years (1,407).

As an integral part of the 2019 enquiries regarding enrolment process students of South West TAFE can be referred to a careers counsellor at the initial step, ensuring students select the right course to meet their full potential.

The Industry Award Winners in 2018

Recognise Industry support and collaboration in a number of areas.

Trades Awards Night

Middy's Data and Electrical

South West TAFE first partnered with Middendorp Electrical in 2010. The partnership was established as a way of creating opportunities for electrical contractors and electricians all over Australia to gain the skills and knowledge required in the renewable energy industry. Training has been focused on the area of Grid Connected Solar Systems and now also includes Battery Storage Systems.

One of the projects Middendorp and South West TAFE have worked on together was to build a trailer to carry out Solar Grid Connect accredited training. Making this mobile has given South West TAFE the ability to take the training to the students. Training sites have included Bridgewater, Melbourne, Launceston, Darwin and Wodonga. This has created a niche model for delivery and certainly has been well received by all participants. Without this important partnership with Middendorp, students would be forced to travel vast distances and be away from their small businesses.

Pure Hair Beauty and Wellness Academy Awards

Wella

In conjunction with Clairol, Wella have supported Pure Academy for the last 10 years through their ongoing commitment to quality education for our students. They provide fantastic industry connections, consistent technical support, free workshops and training to ensure our students and staff are up-to-date with emerging industry trends and techniques.

Graduation Ceremony

Frew Group

For more than 30 years the Frew Group has been providing quality lamb and mutton products. They're a family owned business based in Stawell, employing more than 500 staff and are the largest single lamb processing line in the world.

The Frew Group supplies products around Australia and to major international markets. They are a multi-million dollar global enterprise, processing 1.4M herd of stock per year. South West TAFE started on-site training in Stawell about 17 years ago and is currently training 120 employees, with numbers increasing as the plant expands. Our training is focused on the Certificate II and III in Meat Processing Food Services and Certificate IV in Meat Safety and Meat Inspection as well as some short courses.

Government Funded Education Projects

Regional and Specialist Training Fund (RSTF)

In 2018 the organisation was successful in obtaining approval for 13 new Regional and Specialist Training Fund (RSTF) projects, while continuing to deliver a further three projects that carried over from 2017. These projects have typically targeted niche or thin markets where it is difficult to provide sustainable training programs and have a collective value of over \$3.68M was paid to South West TAFE in 2018.

The funding has included specialist grants which have seen the purchase of a substantial amount of new or specialised equipment, as well as subsidy increases to enable delivery to smaller group sizes. The specialist grants have allowed the organisation to purchase and install contemporary machinery and equipment that meets industry standards, and builds long-term capability.

RSTF grants require industry support and input and sectors that have been targeted for this funding were: horticulture, agriculture (general and dairy), aged care, engineering (mechanical and fabrication), automotive, tourism and travel, cabinet making, maritime, business management, and horse racing. Courses from Certificate II to Certificate IV have been run, and a mix of delivery models used ranging from workshops, classroom, work place-based and traineeships. Program locations have included Warrnambool, Colac, Hamilton, Portland, Stawell and Glenormiston.

Workforce Training Innovation Fund (WTIF)

Applying the New Work Mindset in South West Victoria is an 18-month \$3.6M project funded by the Victorian Government Workforce Training Innovation Fund (WTIF) that will take into account the changing nature of the workforce in South West Victoria.

WTIF is part of the Victorian Government *Skills First* training reform for the training and TAFE sector. It provides grant funding for industry and training provider partnerships to develop and deliver innovative strategies for improving training outcomes and the relevance of training to industry.

A key focus of the fund is to strengthen partnerships between industry and the Victorian training and TAFE system to better respond to the skills needs for existing, new and emerging industries and the Victorian Government's priority sectors.

The project is a collaboration between South West TAFE, Foundation for Young Australians (FYA), and industry partners Lyndoch Living, Western District Health Service and Eventide Homes. Using FYA's New Work Mindset research localised to South West Victoria and applied to services and training products within the health and community services sector, the project will develop, test and trial new career development and management processes and tools for South West TAFE students and the industry partners. The project will demonstrate and showcase a new learning model and develop a series of tools that can be used across industry and vocational education to provide evidence for training package design and delivery. This model will focus on helping students develop a portfolio of transferable skills, rather than the current practice of job-specific training and enable future-focused workforce planning.

The project aims to deliver:

- > A localised research report on work clusters in South West Victoria.
- > A prototype digital career management tool to cluster jobs, skills and related TAFE courses.
- > A series of micro-credentials (skills set) to sit alongside TAFE qualifications and enable a new training model based on the enterprise skills local industry needs.
- > A new entrepreneurial space at South West TAFE for students and non-students to build their global work readiness skills and network with local entrepreneurs to develop ideas for micro-businesses in the aged care and social assistance sector, and beyond.





COMMUNITY

South West TAFE has made a strong and genuine commitment to the South West region, to support our community, collaborating with community groups and becoming involved in various projects, supporting local events and opening our facilities and expertise to our community wherever possible.

During 2018 we made significant progress on our commitment to build even stronger relationships with the community, industry and students. Working collaboratively and being a fundamental part of the community is core to the success of South West TAFE.

We develop community partnerships to support growth and sustainability in our communities, working closely with industry to ensure we are responsive and relevant to their needs.

In 2018 we celebrated many examples of South West TAFE's close community connections, working with many groups across the region.

One event that really enthralled:

- > South West TAFE Education Week was launched on Monday 21st May and hosted our 'free' INNOVATE, EDUCATE & INSPIRE events.

There were more than 39 Industry Connect events held at South West TAFE in 2018, with over 500 industry representatives attending TAFE events. These events allowed us to listen to current and emerging industry needs and tailor our training accordingly to assist with the future success of employers and our students.

We also celebrated our students' success, with well-attended graduation nights in hair and beauty, trades and diploma and advanced diploma students.

In 2018 we opened our facilities to over 200 meetings and events for community groups in our region, across all campuses, at no cost to not-for-profit groups.

Examples of community involvement in 2018 included, but was not limited to:

- > VCAL school lunches program
- > Student Leadership Congress
- > St Patricks Day fires assistance
- > NAIDOC Week celebrations
- > Life4Life Glenelg
- > Warrnambool WAVE School 40th Anniversary
- > Standing Tall in Warrnambool mentoring program
- > Warrnambool Foodshare
- > Lions Voice of Youth 2018
- > Donate for the Kids

- > Police Remembrance Day annual event
- > All-abilities Advocacy regional meetings
- > Portland Upwelling Festival
- > Hosted a successful site at Sheepvention in Hamilton
- > Hosted Connect Warrnambool Volunteer Expo
- > VCAL students community garden
- > Sponsor of the Regional Achievement & Community Awards

Key partners working to achieve educational goals include, but not limited to:

- > Beyond the Bell Great South West
- > Brophy Family and Youth Services
- > Glenelg Southern Grampians LLEN
- > South West LLEN
- > Ice Challenge group
- > Deakin University Advisory Group
- > Warrnambool Special Development School
- > Schools and careers networks
- > Westvic Staffing Solutions 200 Jobs in 100 Days

Community Engagement is an integral part of who we are, a Community Leader, employing leaders in our community to respond to the growth and sustainability of our community.





COMPLIANCE

Occupational Health and Safety

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

The Occupational Health Safety and Emergency Planning Committee (OHS and EPC) membership includes the Chief Executive Officer ex officio, four management representatives, Chief Fire Warden, OHS and Facilities Compliance Officer, Disability Services Coordinator and 18 Health and Safety Representatives (HSRs) representing 397 employees in 16 Designated Work Groups (DWGs) across South West TAFE's six campuses.

The HSR roles included:

- > Attending the 5-day initial HSR training or one day refresher course, as required.
- > 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 with OHS risk assessments.
- > Receiving information from Executive and external sources to assist with their OHS role.
- > Attending interviews, when required, between employees and Executive regarding OHS matters.
- > Attending meetings of the OHS and EPC.

The OHS and EPC met six times during the year. Minutes of these meetings were forwarded to the Audit, Risk and Compliance Committee and the organisation continued to administer OHS issues within the context of its risk management framework.

The following notable Health and Safety initiatives were implemented:

- > Portland campus – Fume extraction systems upgrade, and installation of new E-stops.
- > Warrnambool campus – Installation of non-slip, high visibility stair tread nosings.
- > Warrnambool campus Plant Rooms – safer access ladders, walkways and manual handling.
- > Warrnambool campus – new Pit lids for Trade Waste Interceptor Pits, Building D.
- > Sherwood Park campus – Installation of a new Public Address (PA) system for emergencies.
- > Upgrade of the new online Incident Reporting System.
- > Completion of OHS Action items including Test and Tagging of Electrical Appliances.
- > Review of relevant OHS policies, procedures, guidelines and forms.
- > Hosted Warrnambool Area Safety and Health (WASH) Group breakfast seminars.
- > Maintained a professional relationship with the local region Worksafe office.
- > Emergency/Fire evacuation drills.
- > Training for OHS representatives.
- > Training for Emergency Wardens and Chief Wardens.
- > First aid training for nominated First Aid Officers.

- > Office ergonomic assessments and installation of reasonable adjustments for affected staff.
- > Hazardous Manual Handling risk assessments and safe manual handling guidance.
- > Influenza vaccinations.

A total of 72 OHS incident reports were received for 2018, summarised as follows:

- > 45 incidents involved students. One was reportable to Worksafe and no Notices were issued. By comparison there were two reportable incidents for 2017, with no Worksafe Notices issued.
- > 21 incidents for South West TAFE employees. Two were reportable to Worksafe (and resulted in two Workcover claims). Two Worksafe Entry Reports were received and no Notices issued. In 2017 there was one Worksafe reportable employee incident, and again no Notices issued.
- > 4 incidents involved visitors, none reportable to Worksafe.
- > 2 contractor incidents, one was reported to Worksafe. This compares with no contractor incidents in 2017.
- > OHS incident investigations were conducted and corrective/preventive actions implemented, involving relevant Health and Safety Representatives where possible.
- > There were no Worksafe Improvement Notices received during 2018, and none in 2017.
- > There were no Worksafe Prohibition Notices for 2018. One was received in 2017 requiring removal of asbestos.

Performance Indicators

Statistics for reported hazards and incidents are listed below:

Hazards and Incidents	2018	2017	2016
Total full-time equivalent staff numbers at the last pay in December	242	242	260
Total Hazards Reported	21	26	42
Total Incidents Reported	72	56	85
Hazards per 100 full-time equivalent staff numbers	8.7	10.7	16
Incidents per 100 full-time equivalent staff numbers	29.8	23	32.7
Number of time lost standard claims per 100 full-time equivalent staff numbers	1.6	0	1.15
Time lost (hours)	326.8	0	334.80
Number of claims (standard and minor)	4	5	7
Number of fatalities	0	0	0

Claims	2018	2017	2016
Average cost per claim for the year	\$12,198	\$2,651	\$91,710
Payments to date	\$18,322	\$2,479	\$234,393
Estimate of outstanding claim costs	\$18,272	\$2,823	\$224,155

The result for 2016 is significantly different due to one claim which represented a substantial portion of the 2016 costs. Excluding this claim would align the 2016 claims costs more closely to other years.

Activity Table

For the year ended 31 December 2018

	Note	2017 \$'000	2016 \$'000
NOTE A1 - OPERATING STATEMENT			
Total Operating Expenses			
Delivery provision and support activity	A2	20,218	18,952
Administration and general services activity	A3	6,541	7,448
Property plant and equipment services activity	A4	5,402	5,214
Student and other services activity	A5	1,158	1,046
Total Operating Expenses		33,319	32,660

NOTE A2 - OPERATING STATEMENT			
Salaries, wages, overtime & allowances		13,434	14,019
Superannuation		1,289	1,301
Payroll Tax		422	613
Other salary related costs		57	36
Consumables		1,064	1,165
Fees [541-553]		2,108	357
Contract Services [571 - 583]		-	-
Travel and motor vehicle expenses		275	216
Depreciation		438	498
Other direct delivery expenses		1,131	747
Total expenses from transactions		20,218	18,952

	Note	2017 \$'000	2016 \$'000
NOTE A3 - OPERATING STATEMENT			
Salaries, wages, overtime & allowances		3,486	3,949
Superannuation		343	396
Payroll Tax		107	184
Other salary related costs		170	103
Consumables		360	422
Communication expenses [471-483]		770	811
Fees [541-553]		286	342
Travel and motor vehicle expenses		163	197
Depreciation		22	25
Other expenses		834	1,019
Total expenses from transactions		6,541	7,448

NOTE A4 - OPERATING STATEMENT

Salaries, wages, overtime & allowances		998	854
Superannuation		100	83
Payroll Tax		35	40
Other salary related costs		4	1
Consumables		29	45
Equipment [521 -523]		145	150
Energy costs [511 - 515]		452	402
Contract Services [571 - 583]		1,214	1,133
Rent / leasing charges [621 - 627]		42	30
Repairs & maintenance [641 - 665]		532	434
Depreciation		1,728	1,968
Other expenses		123	74
Total expenses from transactions		5,402	5,214

NOTE A5 - OPERATING STATEMENT

Salaries, wages, overtime & allowances		893	739
Superannuation		91	81
Payroll Tax		28	35
Other salary related costs		1	5
Travel and motor vehicle expenses		26	28
Other expenses		119	158
Total expenses from transactions		1,158	1,046

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.

	2018	2017
<i>Student fees and charges income</i>	221,977	227,807
Student Amenities Fees		
	221,977	227,807
Total Income		
<i>Student fees and charges expenditure</i>		
Student services salaries and on-costs	273,142	262,142
Provision of student activities	9,167	7,785
Contribution towards student services	7,783	22,982
Contribution towards student facilities	5,313	396
Total Expenditure	295,405	293,305
Surplus/(Deficit) for year ended 31 December 2018	(73,428)	(65,498)

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.

Jacob Taylor
Chief Finance and
Accounting Officer

19 March 2019

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FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

1st January to 31st December 2018

I Felicity Melican, on behalf of the Responsible Body, certify that the South West Institute of TAFE has complied with the applicable Standing Directions made under the Financial Management Act 1994 and Instructions.

A handwritten signature in black ink, appearing to read 'F. Melican', written over a horizontal line.

**Felicity Melican
Board Chair**

19 March 2019

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Freedom of Information

South West TAFE 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.

There was one request for release of information under the Act, during the 2018 reporting period.

Protected Disclosure

South West TAFE retained its policy in relation to the Protected Disclosure Act 2012, which covered the procedures staff may use to disclose any concerns in relation to the Act. The organisation provided staff with a contact officer to assist with confidential disclosures. No disclosures were made under the Act during the 2018 reporting period.

Building and Construction

South West TAFE continued to provide and maintain high-quality facilities that:

- > Complied with the Building Act 1993, Building Regulations 2008 and the Disability Discrimination Act 1992.
- > Met the applicable Occupation Health and Safety standards.

- > Exceeded the expectations set by students and staff.
- > Respected the heritage of occupied sites in accordance with Local and State heritage laws.

The organisation continued to employ a Compliance Officer to maintain compliance with the Building Act 1993, Building Regulations 2018 and the Building Code of Australia. The Compliance Officer was responsible for compliance issues for buildings across all Institute campuses, including fire protection and evacuation systems in accordance with Essential Safety Measures (ESM) maintenance standards.

South West TAFE Facilities Department continued to engage Stokes Safety to conduct quarterly reviews of the ESM maintenance schedules and produce the mandatory annual EMS reports for all buildings.

National Competition Policy

South West TAFE has adopted the Competitive Neutrality Policy under the guidelines of the Victorian Government's Guide to Implementing Competitive Neutrality and associated documents.

The organisation 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 organisation 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.

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

Compliance with Carers Recognition Act 2012

South West TAFE recognises and values the role and contribution of carers and the importance of people in carer relationships within our community. The organisation ensures that its policies and procedures are in line with the requirements of the Carers Recognition Act 2012 and National Employment Standards (NES) contained in the Fair Work Act 2009.

In 2018, 55 staff utilised carers leave at South West TAFE.

Information Communication Technology (ICT) Expenditure

ICT expenditure represents the organisation's costs in providing business-enabling ICT services. This expenditure is broken up into two categories:

- > Business As Usual (BAU) expenditure – includes all remaining ICT expenditure other than Non-BAU ICT expenditure and typically relates to ongoing activities to operate and maintain the current ICT capability; and
- > Non-Business As Usual (Non-BAU) expenditure – is a subset of ICT expenditure that relates to extending or enhancing current ICT capabilities. There were no Non-BAU expenses in 2018.

\$'000	\$'000	\$'000	\$'000
BAU ICT expenditure	Non-BAU ICT expenditure	Operational expenditure	Capital expenditure
Total	Total = A + B	A	B
3,283	-	-	-

FINANCIAL POSITION



FINANCIAL REPORT FOR YEAR ENDED 31 DECEMBER, 2018

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

We certify that the attached financial statements for the South West Institute of TAFE has been prepared in accordance with Standing Direction 5.2.1(a) of the Financial Management Act 1994, applicable Financial Reporting Directions issued under that legislation, Australian Charities and Non-for-profits Commission Act 2012, Australian Accounting Standards and other mandatory professional reporting requirements. The Institute has implemented and maintains processes to ensure the Institute's Annual Report is prepared in accordance with the FMA, these Directions. The Instructions, applicable Australia Accounting Standards and Financial Reporting Directions.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2018 and financial position of the Institute as at 31 December 2018.

At the date of signing this financial report, we are not aware of any circumstance 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 became due and payable.

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



Felicity Melican
Board Chair

19 March 2019



Mark Fidge
Chief Executive Officer

19 March 2019



Jacob Taylor
Chief Finance and
Accounting Officer

19 March 2019

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Independent Auditor's Report

To the Board of South West Institute of TAFE

Opinion

I have audited the accompanying statement of performance of South West Institute of TAFE (the Institute) which comprises the:

- statement of performance for the year ended 31 December 2018
- statement of performance management certificate for 2018.

In my opinion, the statement of performance of South West Institute of TAFE in respect of the year ended 31 December 2018 presents fairly, in all material respects.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the audit of the statement of performance* section of my report.

My independence is established by the *Constitution Act 1975*. I and my staff are independent of the Institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement of performance in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the statement of performance

The Board is responsible for the preparation and fair presentation of the statement of performance and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the statement of performance

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

Auditor's responsibilities for the audit of the statement of performance (continued)

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

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

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

MELBOURNE
22 March 2019


Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Board, South West Institute of TAFE

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for South West Institute of TAFE for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
22 March 2019



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

South West TAFE - FINANCIAL STATEMENTS

How this report is structured

The TAFE institute has presented its audited general purpose financial statements for the financial year ended 31 December 2018 in the following structure to provide users with the information about the TAFE's stewardship of resources entrusted to it.

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South West TAFE - FINANCIAL STATEMENTS

1. *The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result. The net result is equivalent to profit or loss derived in accordance with AASs.*
2. *Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.*

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non-current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provisions of employee benefits, which are classified as current liabilities if the TAFE does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

3. *Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.*
4. *The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.*

FINANCIAL STATEMENTS

COMPREHENSIVE OPERATING STATEMENT

For the year ended 31 December 2018

	Note	2018 \$'000	2017 \$'000
Continuing operations			
Income from transactions			
Government contributions	2.1	32,402	27,434
Sale of goods and services	2.2	4,399	5,187
Interest income	6.1.2	254	75
Other income	2.3	396	496
Total income from transactions		37,451	33,192
Expenses from transactions			
Employee benefits	3.1.1	21,227	22,292
Depreciation and amortisation	4.1.2	2,188	2,490
Supplies and services	3.3	7,554	5,560
Other operating expenses	3.5	2,350	2,318
Total expenses from transactions		33,319	32,660
Net result from transactions		4,132	532
Other economic flows included in net result			
Net gain/(loss) on disposal of non-financial assets	4.1.1	4	7
Net gain/(loss) on invest property revaluation	4.3	(48)	-
Other gains/(losses) from other economic flows	9.1	2	(5)
Total other economic flows included in net result		(42)	2
Net result from continuing operations		4,090	534
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.2	-	(3,580)
Comprehensive result		4,090	(3,046)

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

FINANCIAL STATEMENTS

BALANCE SHEET

As at 31 December 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	17,500	14,551
Receivables	5.1	960	1,371
Investments and other financial assets	4.3	-	-
Total financial assets		18,460	15,922
Non-financial assets			
Inventories		39	85
Discontinued operations and non-current assets held for sale	9.3	-	-
Prepayments	5.2	542	380
Property, plant and equipment	4.1	47,231	50,974
Intangible assets	4.2	2,662	3,165
Investment property	4.3	2,735	-
Total non-financial assets		53,209	54,604
Total assets		71,669	70,526
Liabilities			
Payables	5.3	3,273	6,095
Employee provisions	3.1.2	2,927	2,820
Other provisions	5.6	-	-
Borrowings	6.2	3,614	3,846
Other liabilities	5.5	-	-
Total liabilities		9,814	12,761
Net assets		61,855	57,765
Equity			
Contributed capital	6.3	9,361	9,361
Accumulated surplus		28,444	24,354
Reserves	9.2	24,050	24,050
Net worth		61,855	57,765

The balance sheet should be read in conjunction with the notes to the financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Physical assets revaluation surplus \$'000	Accumulated surplus \$'000	Contributions by owner \$'000	Total \$'000
At 1 January 2017	27,630	23,820	9,361	60,811
Net result for the year	-	534	-	534
Other economic flows - other comprehensive income	(3,580)	-	-	(3,580)
Year ended 31 December 2017	24,050	24,354	9,361	57,765
Net result for the year	-	4,090	-	4,090
Other economic flows - other comprehensive income	-	-	-	-
Year ended 31 December 2018	24,050	28,444	9,361	61,855

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

CASH FLOW STATEMENT

Property, plant and equipment

	Note	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Receipts			
Government contributions		30,577	33,250
User fees and charges received		5,322	4,840
Goods and services tax recovered		1,613	838
Interest received		197	84
Dividends received		-	-
Other receipts		774	903
Total receipts		38,483	39,915
Payments			
Payments to suppliers and employees		(32,211)	(31,247)
Other payments		(47)	(56)
Goods and services tax paid		(2,324)	(1,497)
Total payments		(34,582)	(32,800)
Net cash flows from/(used in) operating activities	6.1.1	3,901	7,115
Cash flows from investing activities			
Purchase of investments		-	-
Proceeds from sale of investments		-	-
Purchase of non-financial assets		(1,026)	(1,203)
Proceeds from sales of non-financial assets		306	45
Net cash provided by/(used in) investing activities		(720)	(1,158)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(232)	(232)
Net cash flows from/(used in) financing activities		(232)	(232)
Net (decrease)/increase in cash and cash equivalents		2,949	5,725
Cash and cash equivalents at the beginning of financial year		14,551	8,826
Effect of foreign currency transactions		-	-
Cash and cash equivalents at the end of the financial year	9.1	17,500	14,551

The above cash flow statement should be read in conjunction with the notes to the financial statements.

1. ABOUT THIS REPORT

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

Its registered office and principal address is:

South West Institute of TAFE
197 - 205 Timor Street,
Warrnambool, Victoria 3280

1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of South West TAFE (SWTAFE), and have been prepared in accordance with the historical cost convention unless a different measurement basis is specifically disclosed in notes associated with the item measured on that different basis. Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about 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 Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 7.3); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to note 3.1).

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 which 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.

Funding risk

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

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

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

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

1. ABOUT THIS REPORT

1.2 Compliance information

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

For the purposes of preparing financial statements, the TAFE is classed as a not-for-profit entity. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. These financial statements are prepared to comply with the *Australian Charities and Not-for-profits Commission Act 2012*.

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

2. HOW WE EARNED OUR FUNDS

2.1 Government contributions

	2018	2017
	\$'000	\$'000
Grants and other transfers		
State government - contestable	11,310	12,766
State government - contestable recoup	(42)	(2,182)
State government - other contributions	20,394	16,370
Commonwealth Government - other contributions	740	-
Total Government contributions - operating	32,402	26,954
State-capital	-	480
Total Government contributions - capital	-	480
Total Government contributions	32,402	27,434

Government contributions are recognised as revenue in the period when the following conditions are met: SWTAFE obtains control of the contributions or the right to receive the contribution, the economic benefits comprising the contribution will flow to SWTAFE and the amount of the contribution can be measured reliably.

Contestable recoup recognises that the institute has been advised that it must repay income received in relation to subcontracted training delivery, claimed in 2014. This is repayable over the 2017 -2019 years.

2. HOW WE EARNED OUR FUNDS

2.2 Sale of goods and services

	2018 \$'000	2017 \$'000
Student fees and charges	2,712	3,277
Fee for service - government	349	481
Fee for service - international operations - offshore	-	100
Fee for service - other	945	991
<i>Other non-course fees and charges</i>		
Sale of goods	393	338
Total fees and charges	4,399	5,187

Student fees and charges

Student fees and charges revenue is recognised by reference to the percentage completion of education and training 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 are treated as revenue in the year of receipt and the balance as revenue in advance.

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.

Revenue from sale of goods

Revenue from sale of goods is recognised by SWTAFE when:

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

2. HOW WE EARNED OUR FUNDS

2.3 Other income

	2018 \$'000	2017 \$'000
Rental income	170	162
Donations, bequests and contributions	1	13
Other revenue	225	321
Total other income	396	496

SWTAFE receives rental income for certain land and buildings leased out to community organisations and the general public. This includes when the buildings are excess to the current requirement.

Rental income

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

Operating leases receivable

	2018 \$'000	2017 \$'000
Receivable:		
Within one year	107	122
Later than one year but not later five years	312	293
Total lease receivables	419	415
GST payable on the above	(38)	(38)
Net operating lease receivables	381	377

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

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives are given to the lessee, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term, on a straight-line basis unless another systematic basis is more representative of the time pattern over which the economic benefit of the leased asset is diminished.

Fair value of assets 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 received as a donation.

Donations bequests and contribution

Donations, bequests and contributions are recognised when received and the amount can be measured reliably.

Other revenue

Other revenue comprises of Expense Recoveries (salary and insurance), Miscellaneous and Event Hosting income.

3. HOW WE EXPENDED OUR FUNDS

3.1 Employee benefits

Significant judgement and estimates: Provision for employee benefits. The present value of employee benefit obligations including annual leave, long service leave and on-costs are determined using the model prescribed by the Department of Treasury and Finance. All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

	2018 \$'000	2017 \$'000
Expense		
Salaries, wages, overtime and allowances	18,384	19,234
Superannuation	1,644	1,716
Payroll tax	593	873
Worker's compensation	146	117
Long service leave	(31)	(45)
Annual leave	137	183
Termination benefits	320	185
Other	34	29
Total employee benefits	21,227	22,292

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

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. SWTAFE recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

3.1.2. Employee benefits in the balance sheet

	2018 \$'000	2017 \$'000
Current provisions		
Employee benefits - Annual leave		
Unconditional and expected to wholly settle within 12 months	848	747
Unconditional and expected to wholly settle after 12 months	107	79
Employee benefits - Long service leave		
Unconditional and expected to wholly settle within 12 months	816	810
Unconditional and expected to wholly settle after 12 months	608	596
Provisions for on-costs		
Unconditional and expected to wholly settle within 12 months	215	220
Unconditional and expected to wholly settle after 12 months	93	96
Total current provisions for employee benefits	2,687	2,548
Non-current provisions		
Employee benefits	212	238
Employee benefits on-costs	28	34
Total non-current provisions	240	272
Total employee provisions	2,927	2,820

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Reconciliation of movements in on-cost provision

	2018 \$'000	2017 \$'000
Carrying amount at the start of the year	350	358
Reduction in provisions recognised	(14)	(8)
Reductions resulting from re measurement or settlement without cost	-	-
Carrying amount at the end of the year	336	350

3. HOW WE EXPENDED OUR FUNDS

3.1 Employee benefits (continued)

Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits annual leave are all recognised in the provision for employee benefits as 'current liabilities', because the TAFE does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- undiscounted value – if the TAFE expects to wholly settle within 12 months; or
- present value – if the TAFE does not expect to wholly settle within 12 months.

Unconditional LSL is disclosed as a current liability, even where the TAFE does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of the current LSL liability are measured at:

- nominal value (undiscounted value) – component that is expected to be wholly settled within 12 months; and
- present value (discounted value) – component that is not expected to be wholly settled within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest for which it is then recognised as an other economic flow. The discount rate applied is as advised by the Minister of Finance.

Provision for on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision of employee benefits.

3.2 Superannuation

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

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of SWTAFE. The name and details of the major employee superannuation funds and contributions made by South West TAFE are as follows:

3. HOW WE EXPENDED OUR FUNDS

3.2 Superannuation (continued)

	2018 \$'000	2017 \$'000
Paid Contribution for the Year		
Defined benefit plans:		
State Superannuation Fund - revised and new	61	62
Defined contribution plans:		
VicSuper	810	820
Other	773	711
Total paid contribution for the year	1,644	1,593
Contribution outstanding at year end		
Defined benefit plans:		
State Superannuation Fund - revised and new	5	5
Defined contribution plans:		
VicSuper	66	66
Other	67	52
Total contribution outstanding at year end	138	123

Defined contribution plans

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

Defined benefit plans

The expenses recognised represents the contributions made by South West TAFE to the superannuation plan in respect of current services of current TAFE staff which are based on the relevant rules of each plan.

3.3 Supplies and services

	2018 \$'000	2019 \$'000
Purchase of supplies and consumables	1,437	1,658
Communication expenses	509	537
Contract and other services	1,798	1,594
Cost of goods sold/distributed (ancillary trading)	180	169
Building repairs and maintenance	599	539
Minor Equipment	704	398
Fees and charges	2,327	665
Total supplies and services	7,554	5,560

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

Other expenditure commitments

Commitments for future services in existence at reporting date but not recognised as liabilities.

	2018 \$'000	2019 \$'000
Payable:		
Within one year	419	407
Later than one year but not later than five years	-	419
Total other expenditure commitments	419	826
GST reclaimable on the above	(38)	(75)
Net commitments	381	751

There are no other commitments for future services in existence at reporting date.

Fees and Charges

Fees and Charges relates to the provision of services by external parties for consultancy work related to projects undertaken in 2018. The variance between years is predominately associated with the New Work Mindset Project.

3. HOW WE EXPENDED OUR FUNDS

3.4 Operating lease payments

	2018 \$'000	2019 \$'000
Operating lease rental expenses	18	13

Non-cancellable operating lease commitments payable

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Payable:

Within one year	27	13
Later than one year but not later than five years	56	-
Total operating lease commitments	83	13
GST reclaimable on the above	(8)	(1)
Net operating lease commitments	75	12

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. The leased asset is not recognised in the balance sheet.

3.5 Other operating expenses

	2018 \$'000	2017 \$'000
General expenses		
Marketing and promotional expenses	644	646
Utilities	633	706
Audit fees and services	125	63
Staff development	232	139
Travel and motor vehicle expenses	497	474
Bad debts from transactions	39	54
Grants and subsidies	47	56
Other expenses	133	180
Total other operating expenses	2,350	2,318

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debt expense from transactions that are mutually agreed.

Other operating expenses are recognised as when they are incurred and reported in the financial year to which they relate to.

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment

Fair value measurement

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

In accordance with government purpose classifications, SWTAFE's property, plant and equipment are assets used for the purpose of education. Property, plant & equipment includes all operational assets.

	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
Land	6,984	7,301	-	-	6,984	7,301
Buildings	36,391	38,865	(754)	-	35,637	38,865
Construction in Progress	188	3	-	-	188	3
Plant and equipment	11,814	11,935	(8,547)	(8,051)	3,267	3,884
Motor vehicles	1,213	1,097	(280)	(384)	933	713
Library	525	918	(303)	(710)	222	208
Net carrying amount	57,115	60,119	(9,884)	(9,145)	47,231	50,974

Initial recognition

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

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

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

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement

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

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

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

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

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

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

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment (continued)

Revaluations of non-financial physical assets

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

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

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method.

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

Class of assets	Method	Rates
Buildings	S/L	1% - 20%
Plant and Equipment	S/L	5% - 33%
Motor Vehicles	S/L	20%
Internal use software	S/L	7% - 20%
Furniture and Fittings	D/V	7.5%
Library Collections	S/L	10% - 20%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. Depreciation method and rates as laid out above remain consistent with prior year.

Impairment

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

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

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

The recoverable amount for most assets is measured at the higher of its fair value less costs to sell and its value in use. Recoverable amount for assets held primarily to generate net cash inflows is measured at its fair value less costs to sell.

4.1.1 Gain/loss on property, plant and equipment

	2018 \$'000	2019 \$'000
Net gain/(loss) on disposal of property, plant and equipment	4	7

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.

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

Reference to the Minister for Finance within this report should be Assistant Treasurer, effective 29 November 2018.

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment (continued)

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

	Land		Buildings		Construction in Progress		Plant and equipment		Motor vehicles		Library		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Opening balance	7,301	7,975	38,865	42,899	5	251	3,884	3,732	713	721	208	254	50,974	55,842
Additions	-	-	-	-	188	7	167	848	641	170	34	50	1,025	1,071
Revaluations	-	(674)	-	(2,905)	-	-	-	-	-	-	-	-	-	(3,579)
Disposals	-	-	(8)	-	-	-	(33)	(1)	(260)	(39)	-	(10)	(301)	(80)
Transfer in/out of Construction In Progress	-	-	-	-	(3)	(251)	-	-	-	-	3	-	-	(251)
Transfer between categories	-	-	-	-	-	-	-	-	-	-	39	-	39	-
Transfer to Investment properties	(317)	-	(2,466)	-	-	-	-	-	-	-	-	-	(2,783)	-
Depreciation	-	-	(754)	(1,129)	-	-	(747)	(695)	(161)	(139)	(62)	(66)	(1,724)	(2,029)
Closing balance	6,984	7,301	35,637	38,865	188	8	3,767	3,884	933	713	222	208	47,231	50,974

Depreciation cross check

	2018 \$'000	2017 \$'000
Buildings	754	1,129
Plant and equipment	747	695
Motor vehicles	161	139
Library Collections	62	66
Total depreciation	1,724	2,029
Amortisation of non-financial physical and intangible assets		
Software	464	461
Total depreciation and amortisation	2,188	2,490

4.1.3. Capital commitments

	2018 \$'000	2017 \$'000
Payable:		
Within one year	654	-
Later than one year but not later than five years	-	-
Total capital expenditure commitments	654	-
GST reclaimable on the above	59	-
Net capital expenditure commitments	595	-

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

4. THE ASSETS WE INVESTED IN

4.2 Intangible assets

	2018 \$'000	2017 \$'000
Software		
Gross carrying amount		
Opening balance	5,043	4,660
Additions	-	383
Closing balance	5,043	5,043
Accumulated amortisation and impairment		
Opening balance	1,878	1,417
Amortisation charge	464	461
Transfer between categories	39	-
Closing balance	2,381	1,878
Net carrying amount at end of the year	2,662	3,165

Initial recognition

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

Subsequent measurement

Intangible assets with finite lives are amortised on a straight basis over their useful lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period.

Impairment

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

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the Comprehensive Operating Statement.

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 asset's 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.

4. THE ASSETS WE INVESTED IN

4.3 Investment properties

	2018 \$'000	2017 \$'000
Opening balance	-	-
Transfer from Property, Plant and Equipment	2,783	-
Revaluations	(48)	-
Closing balance	2,735	-

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 Department. 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 Department.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as other economic flows in the comprehensive operating statement in the period that they arise. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. These properties are neither depreciated nor tested for impairment.

5. BALANCES FROM OPERATIONS

5.1 Receivables

	2018 \$'000	2017 \$'000
Contractual		
Sale of goods and services	558	1,109
Impairment loss on trade receivables	(32)	(66)
Other receivables	59	2
Total contractual receivables	585	1,045
Statutory		
Amounts receivable from Victorian Government	257	257
GST input tax credit recoverable	118	69
Other receivables	-	-
Total receivables	960	1,371
Represented by		
Current receivables	960	1,371
Non-current 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 mainly debtors in relation to goods and services, loans to third parties and accrued investment income.

Receivables are stated inclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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

5. BALANCES FROM OPERATIONS

5.1 Receivables (Continued)

Impairment

TAFE measures loss allowances at an amount equal to lifetime Expected Credit Losses (ECLs). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. ECLs are a probability-weighted estimate of credit-losses. Credit losses are measured as the present value of all cash shortfalls. The movement in the allowance for impairment in respect of trade receivables during the year was as follows. Comparative amounts for 2017 represent the allowance amount for impairment losses under AASB 139.

	2018 \$'000	2017 \$'000
Movement in the provision for doubtful contractual receivables		
Balance at the beginning of the year under AASB 139	66	107
Adjustment on initial application of AASB 9	(5)	-
Balance at the beginning of the year under AASB 9	61	107
Amounts written off	39	-
Net remeasurement of loss allowance	(68)	(41)
Balance at the end of the year	32	66

Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months – 1 year	1-5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2018						
Trade receivables	558	220	13	91	234	-
Other receivables	59	59	-	-	-	-
Total	617	279	13	91	234	-
2017						
Trade receivables	1,109	498	35	228	348	-
Other receivables	2	2	-	-	-	-
Total	1,111	500	35	228	348	-

Note: The disclosures above excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes)

The average credit period on sales of goods is 31 days. No interest is charged on receivables.

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

5.2 Prepayments

	2018 \$'000	2017 \$'000
Current		
Prepayments	542	380

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

5. BALANCES FROM OPERATIONS

5.3 Payables

	2018 \$'000	2017 \$'000
Contractual		
Supplies and services	863	487
Revenue received in Advance	47	2,128
Other payables	2,010	3,120
Statutory		
GST payable	199	238
FBT Payable	29	10
Other taxes payable	125	112
Total payables	3,273	6,095
Represented by		
Current payables	3,273	3,831
Non-current payables	-	2,264

Payables consist of:

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

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost.

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

Revenue received in Advance

Any fees received by SWTAFE during the current financial year in respect of services to be provided in the following financial year are classified as liabilities and recognised as revenue received in advance.

Other Payable

Other payables include a balance repayable to Government. The institute was advised that it must repay \$2.4m of income received in relation to subcontracted training delivery, claimed in 2014. This is repayable over the 2017 -2019 years. \$1.2m remains payable at the end of 2018. The remaining balance consists of Employee Salary Accruals, including oncosts.

Maturity Analysis of Contractual Payables

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000	5+ years \$'000
2018							
Supplies and services	863	863	843	-	20	-	-
Other payables	2,057	2,057	833	306	918	-	-
Total	2,920	2,920	1,676	306	938	-	-
2017							
Supplies and services	487	487	485	2	-	-	-
Other payables	5,248	5,248	1,050	-	2,287	1,911	-
Total	5,735	5,735	1,535	2	2,287	1,911	-

Note: The disclosures above excludes statutory payables (e.g., amounts arising to Victorian Government and GST taxes payable).

Notes: The average credit period is 30 days. No interest is charged on the other payables. Terms and conditions of amounts payable to other government agencies vary according to a particular agreement with that agency.

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash and deposits

Cash at bank and on hand

Total cash and deposits

2018	2017
\$'000	\$'000
17,500	14,551
17,500	14,551

Cash received by SWTAFE from the generation of income is always paid into SWTAFE's bank accounts. Similarly, any Institute expenditure, including those in the form of cheques drawn by SWTAFE for the payment of goods and services to its suppliers and creditors are made via SWTAFE's bank accounts.

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.

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

Net result for the year

Non cash movements

Depreciation & amortisation of non-financial assets

Net (gain)/loss on sale of non-financial assets

Other (gains)/losses from other economic flows

Net gain/(loss) on invest property revaluation

Allowance to recoverable amounts

Write-off of obsolete stock

2018	2017
\$'000	\$'000
4,090	534
2,188	2,490
(4)	(7)
(2)	5
48	-
(34)	(41)
7	24

Movements in assets and liabilities

Decrease/(increase) in receivables

Decrease/(increase) in inventories

Decrease/(increase) in other assets

Increase/(decrease) in payables

Increase/(decrease) in provisions

Net cash flows from/(used in) operating activities

445	(85)
39	41
(162)	114
(2,820)	3,899
106	141
3,901	7,115

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

6.1.2 Interest income

Interest on bank deposits

Total interest income

2018	2017
\$'000	\$'000
254	75
254	75

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

6. HOW WE FINANCED OUR OPERATIONS

6.2 Borrowings

	2018 \$'000	2017 \$'000
Current		
Advances from Government	862	232
Non-Current		
Advances from Government	2,752	3,614
Total borrowings	3,614	3,846

Borrowings

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

The measurement basis subsequent to initial recognition depends on whether SWTAFE has classified its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. The classification depends on the nature and purpose of the interest bearing liabilities. SWTAFE determines the classification of its interest bearing liabilities at initial recognition.

Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method. These loans do not attract interest.

Maturity Analysis of borrowings

	Carrying amount	Nominal amount \$'000	3 months – 1 year \$'000	1-5 years \$'000	+5 years \$'000
2018					
Advances from Government	3,614	3,614	862	2,752	-
Total	3,614	3,614	862	2,752	-
2017					
Advances from Government	3,846	3,846	232	3,614	-
Total	3,846	3,846	232	3,614	-

6.3 Contributed equity

	2018 \$'000	2017 \$'000
Contributed capital		
Balance at 1 January	9,361	9,361
Issued for cash	-	-
Balance at 31 December	9,361	9,361

Contributed capital

Funding that are in the nature of contributions by the Victorian State government are treated as contributed capital when designated in accordance with UIG Interpretation 1038 Contribution by Owners Made to Wholly-Owned Public Sector Entities. Commonwealth capital funds are not affected and are treated as income.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Categories of financial instruments

	2018 \$'000	2017 \$'000
Contractual Financial assets		
Financial Assets at armortised cost		
Cash and deposits	17,500	14,551
Trade receivables	526	1,043
Revenue receivable	59	2
Total contractual financial assets	18,085	15,596
Contractual Financial liabilities		
Payables and cash		
Supplies and services	863	487
Revenue received in Advance	47	2,128
Other payables	2,010	3,120
Advances from Government	3,614	3,846
Total contractual financial liabilities	6,534	9,581

Categories of financial instruments

Receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method less any impairment. SWTAFE recognises the following assets in this category:

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

Held to maturity financial assets: If SWTAFE has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held to maturity. These are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. The TAFE makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held to maturity investments not close to their maturity, would result in the whole category being reclassified as available-for-sale. The held to maturity category includes certain term deposits and debt securities for which SWTAFE intends to hold to maturity.

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

- payables (excluding statutory payables); and
- advances.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139. The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, revenue receivable and term deposits.

Under AASB 9, loss allowances are measured on either of the following bases:

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

TAFE measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

The net holding gains or losses disclosed are determined as follows:

- for cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result;
- for financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense, plus or minus foreign exchange gains or losses arising from the revaluation of financial liabilities measured at amortised cost;
- and for financial asset and liabilities that are held for trading or designated at fair value through profit or loss, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Financial risk management objectives and policies

SWTAFE is exposed to a variety of financial risks, market risk, credit risk and liquidity risk.

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

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

Risk management is carried out by Financial Services under policies approved by the Board. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk. There has been no significant change in SWTAFE's exposure, or its objectives, policies and processes for managing SWTAFE's financial risks or the methods used to measure the risk from the previous reporting period.

Credit risk

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

Credit risk is measured at fair value and is monitored on a regular basis by the Audit and Risk Management Committee. The Audit, Risk and Compliance Committee monitors credit risk by actively assessing the rating quality and liquidity of counterparties:

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

The trade receivables balance at 31 December 2018 and 31 December 2017 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

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

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

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

	Financial Institutions (AA- rating)	Government agencies (AAA rating)	Other counterparty	Total
	\$'000	\$'000	\$'000	\$'000
2018				
Cash and deposits	17,500	-	-	17,500
Receivables ¹	-	-	585	585
Total contractual financial assets	17,500	-	585	18,085
2017				
Cash and deposits	14,551	-	-	14,551
Receivables ¹	-	-	1,045	1,045
Total contractual financial assets	14,551	-	1,045	15,596

Notes:

1. The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to/from Victorian Government, GST input tax credit recoverable and taxes payable).

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 1 January 2018.

	Estimated gross carrying amount	Weighted average loss rate	Estimated loss allowance	Credit impaired
	\$'000		\$'000	
Current (not past due)	279	0.01	1	No
1–30 days past due	13	0.01	0	Yes
31–60 days past due	38	0.06	2	Yes
61–90 days past due	53	0.07	4	Yes
More than 90 days past due	234	0.11	25	Yes
	617		32	

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Liquidity risk

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

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

South West TAFE's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet.

The TAFE manages liquidity risk by:

- maintaining an adequate short term reserves and banking facilities that can be drawn at short notice to meet its short-term obligations; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The TAFE's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Market risk

South West 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 effect on the operating result and /or net worth of South West TAFE. These market risks primarily relate to interest rate risk. South West TAFE has no significant foreign exchange risk.

There has been no significant change in TAFE'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.

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, or cause a fluctuation in the fair value of the financial instruments.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The TAFE does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The TAFE has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

The TAFE manages cash flow interest rate risk through a mixture of short term and longer term investments, and undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management monitors movement in interest rate on a monthly basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the TAFE's sensitivity to interest rate risk are set out over page.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

Interest rate exposure of financial instruments

	Weighted average effective rate		Total carrying amount per balance sheet		Floating interest rate		Fixed interest rate		Non-interest bearing	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and deposits	1.9	1.9	17,500	14,551	17,500	11,551	-	3,000	-	-
Receivables										
Trade receivables			526	1,043	-	-	-	-	-	-
Revenue receivable			59	2	-	-	-	-	-	2
Other receivables					-	-	-	-	-	-
Term deposits							-	-	-	-
Total financial assets			18,085	15,596	17,500	11,551	-	3,000	-	2
Supplies and services/Other payables			2,920	5,847	-	-	-	-	-	-
Borrowings										
Advances from Government			3,614	3,846	-	-	-	-	-	-
Total contractual financial liabilities			6,534	9,693	-	-	-	-	-	-

Interest rate risk sensitivity

A reasonably possible change of 100 basis points (2017: 100 basis points) in interest rates at the reporting date would have increased (decreased) equity and results by the amount shown below. This analysis assumes that all other variables remain constant.

	-100 basis points						+100 basis points			
	Carrying amount		Result		Equity		Result		Equity	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and deposits	17,500	11,551	(175)	(116)	(175)	(116)	175	116	175	116
Term deposits	-	3,000	-	(30)	-	(30)	-	30	-	30
Total impact	17,500	14,551	(175)	(146)	(175)	(146)	175	146	175	146

7.2 Contingent assets and contingent liabilities

There were no contingent Assets or Contingent Liabilities at 31 December 2018. Nil (2017)

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination

Significant judgement: Fair value measurement of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

- land, buildings, plant and equipment, vehicles, lease hold improvements.

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

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

Fair value estimation

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

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

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

Fair value determination of non-financial assets

SWTAFE holds property, plant and equipment for which fair values are determined. Over page are the relevant fair value information relating to those assets.

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

Fair value measurement hierarchy

	Carrying amount at 31 December	Level 1 Quoted prices	Level 2 Observable price inputs	Level 3 Unobservable inputs
	\$'000	\$'000	\$'000	\$'000
2018				
Specialised land	6,984	-	-	6,984
Total land at fair value	6,984	-	-	6,984
Specialised buildings	35,637	-	-	35,637
Total buildings at fair value	35,637	-	-	35,637
Plant and equipment	3,267			3,267
Vehicles	933	-	-	933
Library	222	-	-	222
Total other assets at fair value	4,422	-	-	4,422
2017				
Specialised land	7,301	-	-	7,301
Total land at fair value	7,301	-	-	7,301
Specialised buildings	38,865	-	-	38,865
Total buildings at fair value	38,865	-	-	38,865
Plant and equipment	3,884	-	-	3,884
Vehicles	713	-	-	713
Leasehold improvements	208	-	-	208
Total other assets at fair value	4,805	-	-	4,805

Valuations of property, plant and equipment

Fair value assessments have been performed at 31 December 2018 for all classes of assets. The Fair Value was materially similar to the carrying value. The next scheduled full revaluation will be completed in 2022.

Specialised land and specialised buildings

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

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

For SWTAFE's majority of specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

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

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

Motor vehicles are valued using the depreciated replacement cost method. SWTAFE acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the Institute who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

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

There were no changes in valuation techniques throughout the period to 31 December 2018. For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of level 3 fair value movements

	Specialised land		Specialised building		Plant and equipment		Motor vehicles		Library	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	7,301	7,975	38,865	42,899	3,884	3,732	713	721	208	264
Purchases (sales)	-	-	(8)	-	130	847	381	131	34	10
Transfer in (out) of level 3	(317)	-	(2,466)	-	-	-	-	-	42	-
Depreciation	-	-	(754)	(1,129)	(747)	(695)	(161)	(139)	(62)	(66)
Revaluation	-	(674)	-	(2,905)	-	-	-	-	-	-
Closing Balance	6,984	7,301	35,637	38,865	3,267	3,884	933	713	222	208

Description of significant unobservable inputs to Level 3 valuations

2018 and 2017	Valuation technique	Significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre
Motor Vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment

8. GOVERNANCE DISCLOSURES

8.1 Responsible persons

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

The persons who held the positions of Ministers and Accountable Officers in SWTAFE are as follows:

Position	Name	Dates of appointment
Minister for Training and Skills and Minister for Higher Education	The Hon. Gayle Tierney MP	1 January 2018 – 31 December 2018
Board Member and Chief Executive Officer (Accountable Officer)	Mark Fidge	1 January 2018 – 31 December 2018
Board Member	Felicity Melican	1 January 2018 – 31 December 2018
Board Member	Susan Brumby	1 January 2018 – 31 December 2018
Board Member	Brian Crook	1 January 2018 – 31 December 2018
Board Member	Steven Waterhouse	1 January 2018 – 31 December 2018
Board Member	Sandy Burgoyne	1 January 2018 – 31 December 2018
Board Member	Ann Ellis	1 January 2018 – 31 December 2018
Board Member	Doreen Power	1 January 2018 – 31 December 2018
Board Member	Sharna Westley	1 January 2018 – 31 December 2018
Board Member	Mike Weise	1 January 2018 – 30 June 2018
Board Member	Jacinta Ermacora	1 July 2018 – 31 December 2018
Deputy CEO, Executive Manager, Organisation Development and Projects	Madelyn Lettieri	1 January 2018 – 1 May 2018
Executive Manager, Corporate Services	Jason Ernst	1 January 2018 – 31 December 2018
Executive Manager, Education	Jeanette Brown	1 January 2018 – 21 December 2018
Executive Manager, Education	John Flett	18 June 2018 – 31 December 2018
Executive Manager, Stakeholder Engagement	Geraldine Lewis	17 September 2018 – 31 December 2018

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of South West TAFE during the reporting period was in the range: \$240,000 – \$249,000 (\$240,000 – \$249,000 in 2017).

Income range - Board Members

The number of board members whose total remuneration from the Institute was within the specified income bands are as follows:

	Total remuneration	
	2018	2017
Less than \$10,000	2	2
\$10,000 - \$19,999	5	7
\$20,000 - \$29,999	2	-
\$30,000 - \$39,999	-	1
\$40,000 - \$49,000	1	-
Total number of members	10	2,027
Total remuneration of board members (\$'000)	175	161

Compensation of Board Members

	Total remuneration	
	2018	2017
	\$'000	\$'000
Remuneration		
Short-term employee benefits	175	161
Total remuneration	175	161

8. GOVERNANCE DISCLOSURES

8.2 Remuneration of executives

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

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

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

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

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

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

Remuneration	Total remuneration	
	2018 \$'000	2017 \$'000
Short-term employee benefits	516	503
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	12	53
Total remuneration	528	556
Total number of executives	6	4
Total annualised employee equivalents ⁽ⁱ⁾	4.13	3.94

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

8. GOVERNANCE DISCLOSURES

8.3 Related parties

Related parties of SWTAFE include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members.

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

Key management personnel of SWTAFE includes the Minister for Training and Skills and Minister for Higher Education, the Hon. Gayle Tierney MP, the CEO Mark Fidge, and members of the Executive Team, which includes:

- Deputy CEO, Executive Manager, Organisation Development and Projects, Madelyn Lettieri;
- Executive Manager, Corporate Services, Jason Ernst;
- Executive Manager, Education, Jeanette Brown;
- Executive Manager, Education, John Flett;
- Executive Manager, Stakeholder Engagement, Geraldine Lewis;

Key management personnel also include:

Entity	Key management personnel	Position title
South West TAFE	Felicity Melican	Board Member
South West TAFE	Susan Brumby	Board Member
South West TAFE	Brian Crook	Board Member
South West TAFE	Steven Waterhouse	Board Member
South West TAFE	Sandy Burgoyne	Board Member
South West TAFE	Ann Ellis	Board Member
South West TAFE	Doreen Power	Board Member
South West TAFE	Sharna Westley	Board Member
South West TAFE	Mike Weise	Board Member
South West TAFE	Jacinta Ermacora	Board Member

Transactions and balances with key management personnel and other related parties

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

Remuneration of Key Management Personnel is recorded in Note 8.1 and Note 8.2

8.4 Auditors remuneration

	2018 \$'000	2017 \$'000
Remuneration of the Victorian Auditor-Generals Office for:		
Audit of the financial statements	17	17
Remuneration of Internal Auditors		
Internal Audit Services	108	46
Total remuneration of auditors	125	63

The Victorian Auditor-Generals Office is not allowed to provide non-audit services.

9. OTHER DISCLOSURES

9.1 Other economic flows included in net result

	2018 \$'000	2017 \$'000
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	2	(5)
Total other gains/(losses) from other economic flows	2	(5)

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

9.2 Other equity reserves

	2018 \$'000	2017 \$'000
Physical asset revaluation surplus ¹		
Balance at 1 January	24,050	27,630
Revaluation increment on non-current assets	-	(3,580)
Balance at 31 December	24,050	24,050

Note:

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

9.3 Ex-gratia expenses

	2018 \$'000	2017 \$'000
In-Lieu-of-notice and gratuity payments	29	176
Total ex-gratia payments	29	176

All ex-gratia payments made during 2018 related to departing employees.

9.4 Events after reporting date

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

Where events occur between the end of the reporting period and the date when the financial statements are authorised for issue:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions which existed at the reporting date; and/or
- disclosure is made where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between SWTAFE 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 are considered to be of material interest.

9. OTHER DISCLOSURES

9.5 Application of standards issued but not yet effective

A. AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 18 Revenue, AASB 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

i. Rendering of services

SWTAFE is a training provider, as well as performing related services. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Revenue is currently recognised using the stage-of-completion method. Under AASB 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which SWTAFE sells the services in separate transactions.

Based on SWTAFE's assessment, the fair value and the stand-alone selling prices of the services are broadly similar. Therefore, SWTAFE does not expect the application of AASB 15 to result in significant differences in the timing of revenue recognition for these services.

ii. Transition

SWTAFE plans to adopt AASB 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 January 2018). As a result, TAFE will not apply the requirements of AASB 15 to the comparative period presented.

B. AASB 16 Leases

AASB 16 replaces existing leases guidance, including AASB 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply AASB 15 at or before the date of initial application of AASB 16.

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

SWTAFE has completed an initial assessment of the potential impact on its financial statements and does not expect material change. SWTAFE does not currently have any leases to which this new standard will impact. The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend on future economic conditions, including SWTAFE's borrowing rate at 1 January 2019, the composition of TAFE's lease portfolio at that date, TAFE's latest assessment of whether it will exercise any new leases and the extent to which SWTAFE chooses to use practical expedients and recognition exemptions.

No significant impact is expected for TAFE's finance leases.

9. OTHER DISCLOSURES

9.5 Application of standards issued but not yet effective (continued)

C. AASB 1058 Income of Not-for-Profit Entities

The Australian Accounting Standards Board has issued the new Australian accounting standard and implementation guidance on the recognition and measurement of income for NFP entities. AASB 1058 Income for Not-for-Profit Entities is the new Australian accounting standard that establishes principles for NFP entities that apply specifically to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a NFP entity to further its objectives; and to volunteer services received.

Where such a transaction meets the requirements of AASB 15 *Revenue from Contracts with Customers*, revenue will be recognised in accordance with the requirements of this standard.

Where a transaction does not meet the requirements to be accounted for under AASB 15 as it is either not an enforceable contract or the performance obligations are not sufficiently specific (refer below), SWTAFE needs to assess whether the transaction should be accounted for under AASB 1058.

i. Volunteer services

An accounting policy choice is provided in relation to volunteer services.

- Where volunteer services can be reliably measured, an entity can elect to recognise the fair value of these services as an asset or expense.
- Local governments, government departments, general government sectors (GGS) and whole of government are required to recognise volunteer services if they would have been purchased had they not been donated and the fair value can be reliably measured.

ii. Transition

There are three main ways to transition to AASB 1058 and a number of practical expedients to ease the burden of applying the standard.

- retrospective approach with no practical expedients; or
- Partial retrospective approach with optional practical expedients; or
- Cumulative effect

To reduce the initial adoption burden, a number of practical expedients are available. These include:

- For completed contracts, no restatement is required of contracts that begin and complete in same annual reporting period.
- For completed contracts at the beginning of earliest period presented, there is an exemption from applying AASB 1058 retrospectively.
- No matter which transition option is elected, an asset, other than lease assets (refer below), acquired for consideration that was significantly less than fair value principally to enable the entity to further its objectives that was previously measured at significantly less than fair value is not required to be remeasured at fair value.

A completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004.

TAFE plans to apply AASB 1058 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 1058 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

9. OTHER DISCLOSURES

9.5 Application of standards issued but not yet effective (continued)

D. AASB 1059 Service Concession Arrangements: Grantors

The Australian Accounting Standards Board (AASB) has issued AASB 1059 Service Concession Arrangements: Grantor (AASB 1059) which provides accounting guidance for public sector entities (grantors) who enter into service concession arrangements with private sector operators.

The standard is applicable to public sector entities (both for-profit and not-for-profit) for years beginning on or after 1 January 2019.

Under AASB 1059, the grantor recognises a service concession asset in a service concession arrangement where it controls the asset.

Where the asset is provided by the operator, or is an upgrade to or a major component replacement of an existing asset of the grantor, the asset is recognised at current replacement cost based on AASB 13 Fair Value Measurement principles.

Where the asset is an existing asset of the grantor, the asset is reclassified as a service concession asset and remeasured at current replacement cost at the date of reclassification.

Subsequent to initial recognition or reclassification, the grantor accounts for the asset under either AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, with any impairment recognised in accordance with AASB 136 Impairment of Assets.

SWTAFE has completed an initial assessment of the potential impact on its financial statements and does not expect material impact. SWTAFE holds no arrangements that will fall under this standard.

E. AASB 17 Insurance Contracts

AASB 17 requires all insurance contracts to be accounted for in a consistent manner and requires insurance obligations to be accounted for using current values. It has an effective date of 1 January 2021. SWTAFE does not expect this standard to have a material impact on its financial statements.

F. Other standards

The following amended standards and interpretations are not expected to have a significant impact on TAFE's consolidated financial statements.

- Annual Improvements to IFRSs 2014-2016 Cycle – Amendments to AASB 101 and AASB 128.
- Classification and Measurement of Share-based Payment Transactions (Amendments to AASB 102).
- Transfers of Investment Property (Amendments to AASB 140).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to AASB 110 and AASB 128).
- IFRIC 22 Foreign Currency Transactions and Advance Consideration.
- IFRIC 23 Uncertainty over Income Tax Treatments.
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-17 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced disclosure requirements
- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors



DISCLOSURE INDEX

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2	FRD 22H	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements	4-7, 14-15 25-30, 36-40
3	FRD 22H	Nature and range of services provided including communities served	15, 36-40
MANAGEMENT AND STRUCTURE			
4	FRD 22H	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities	17- 24
FINANCIAL AND OTHER INFORMATION			
5	FRD 03A	Accounting for Dividends	N/A
6	FRD 07B	Early adoption of authoritative accounting pronouncements	86-88
7	FRD 10A	Disclosure Index	89-92
8	FRD 17B	Long Service leave and annual leave for employees	60-61
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10	FRD 22H	Operational and budgetary objectives, performance against objectives and achievements	4-7, 10-11, 13-14, 16
11	FRD 22H	Occupational health and safety statement including performance indicators, performance against those indicators.	42-43
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13	FRD 22H	Summary of the financial results, with comparative information for the preceding four reporting periods	13
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17	FRD 22H	Summary of application and operation of the Freedom of Information Act 1982	47
18	FRD 22H	The report of operations shall provide a discussion and analysis of the entity's operating results and financial position and include details about significant factors that affect the entity's performance	10-13, 27-28, 36-39
19	FRD 22H	TAFE workforce inclusion policy (where a TAFE has one), including a measurable target and report on the progress towards the target	N/A
20	FRD 22H	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST).	N/A

Item No.	Source	Summary of Reporting Requirement	Page Number
21	FRD 22H	Statement, where applicable, on the implementation and compliance with the National Competition Policy, including compliance with the requirements of <u>Victoria's Competitive Neutrality Policy</u> and any subsequent reform	47
22	FRD 22H	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act	47
23	FRD 22H	Summary of application and operation of the Protected Disclosure Act 2012 including disclosures required by the Act	47
24	FRD 22H & FRD 24D	Summary of Environmental Performance.	11-12
25	FRD 22H	Consultants: Report of Operations must include a statement disclosing each of the following: 1. Total number of consultancies of \$10,000 or more (excluding GST) 2. Location (e.g. website) of where the schedule with the below details of the consultancies over \$10,000 has been made publicly available <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project 3. Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period	13
26	FRD 22H	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer	93
27	FRD 22H	An entity shall disclose the following in the report of operations: a) Total entity ICT Business As Usual (BAU) expenditure for the full 12 month reporting period; and b) Total entity ICT Non-Business As Usual expenditure for the full 12 month reporting period; and provide a breakdown for: (i) Operational expenditure (OPEX); and (ii) Capital expenditure (CAPEX).	47
28	FRD 25C	Victorian Industry Participation Policy Disclosures	47
29	FRD 26B	Accounting for VicFleet motor vehicle lease arrangements on or after 1 February 2004	N/A
30	SD 5.1.4	Financial management compliance attestation The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions of the Minister for Finance and the Instructions, and disclose all Material Compliance Deficiencies.	46
31	FRD 119A	Transfers through contributed capital	54, 72
32	SD 5.2.1(a)	The Accountable Officer must implement and maintain a process to ensure the Agency's Annual Report is prepared in accordance with the FMA, the Standing Directions, the Instructions, applicable Australian Accounting Standards and Financial Reporting Directions.	48
33	SD 5.2.3	The report of operations must be signed and dated by the Responsible Body or a member of the Responsible Body.	5, 7
34	CG 10 (clause 27)	Summary of Major Commercial Activities	13
35	CG 12 (clause 33)	TAFE Institute Controlled Entities.	N/A

FINANCIAL REPORT

FINANCIAL STATEMENTS REQUIRED UNDER PART 7 OF THE FINANCIAL MANAGEMENT ACT 1984

36	SD 5.2.2(b)	The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons: > the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and > the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards.	48
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Item No.	Source	Summary of Reporting Requirement	Page Number
OTHER REQUIREMENTS UNDER STANDING DIRECTION / FINANCIAL MANAGEMENT ACT 1994			
37	SD 5.2.2(a) and FMA s49	An Agency's financial statements must include a signed and dated declaration by: <ul style="list-style-type: none"> > the Accountable Officer; > subject to Direction 5.2.2(c), the CFO; and > for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. 	48
38	FRD 30D	Rounding of amounts	56
39	SD 3.2.1.1(c)	The Responsible Body must establish an Audit Committee to: <ul style="list-style-type: none"> > review annual financial statements and make a recommendation to the Responsible Body as to whether to authorise the statements before they are released to Parliament by the Responsible Minister 	17-18
OTHER REQUIREMENTS AS PER FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
40	FRD 11A	Disclosure of ex-gratia payments	32, 85
41	FRD 21C	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	82-84
42	FRD 102A	Inventories	54
43	FRD 103G	Non-financial physical assets	54, 64-66, 81
44	FRD 105B	Borrowing costs <ul style="list-style-type: none"> > FRD 105B requires borrowing expenses to be expensed in the period in which they are incurred, please mark the page reference as N/A if your Institute does not have interest-bearing borrowings. 	72
45	FRD 106B	Impairment of assets	64-69
46	FRD 107B	Investment properties	54, 68
47	FRD 109A	Intangible assets	67
48	FRD 110A	Cash flow statements	55, 71, 76
49	FRD 112D	Defined benefit superannuation obligations	61-62
50	FRD 113A	Investment in subsidiaries, jointly controlled entities and associates	N/A
51	FRD 114B	Financial instruments – general government entities and public non-financial corporations	73-78
52	FRD 120L	Accounting and reporting pronouncements applicable to the reporting period	51-88
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
53	Legislation	The TAFE institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following: <ul style="list-style-type: none"> > Education and Training Reform Act 2006 (ETRA) > TAFE institute constitution > Directions of the Minister for Training and Skills (or predecessors) > TAFE institute Commercial Guidelines > TAFE institute Strategic Planning Guidelines > Public Administration Act 2004 > Financial Management Act 1994 > Freedom of Information Act 1982 > Building Act 1993 > Protected Disclosure Act 2012 > Victorian Industry Participation Policy Act 2003 	93
54	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2018	45
55	Policy	Statement that the TAFE institute complies with the <u>Victorian Public Sector Travel Policy</u>	93

Item No.	Source	Summary of Reporting Requirement	Page Number
56	Key Performance Indicators	Institutes to report against: <ul style="list-style-type: none"> > Employment costs as a proportion of training revenue; > Training revenue per teaching FTE; > Operating margin percentage; > Training revenue diversity. 	10
OVERSEAS OPERATIONS OF VICTORIAN TAFE INSTITUTES			
57	PAEC and VAGO <u>(June 2003 Special Review - Recommendation 11)</u>	<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. 	37-38

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 Training and Skills (or predecessors)
- > TAFE institute Commercial Guidelines
- > TAFE institute Strategic Planning Guidelines
- > *Public Administration Act 2004*
- > *Financial Management Act 1994*
- > *Freedom of Information Act 1982*
- > *Building Act 1993*
- > *Protected Disclosure Act 2012*
- > *Victorian Industry Participation Policy Act 2003*
- > *Victorian Privacy and data protection Act 2014*
- > *Privacy Act 1988*
- > *Victorian Public Sector Travel Principles*

Further information

Consistent with the requirements of the *Financial Management Act 1994*, information is available on request from the Accountable Officer,

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

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