

A new future

20 22



Annual Report



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downloading from [swtafe.edu.au/about-us/publications](https://www.swtafe.edu.au/about-us/publications)

CONTENTS

Welcome

CEO and Chair Report 2022
Formal Status

Performance

Performance Statement Certificate
VAGO Independent Auditor's Report
Statement of Performance
Capital Works
Projects
Environmental Sustainability
Environmental Data
Business and Financial Performance
Summary of Operating Results
Comparative Results 2018-2022
Movement in Net Assets and Working
Capital Ratio
Consultancies
Information Communication Technology
(ICT) Expenditure

Overview

Who we are
What we do
Our history
South West Victoria Map
2022 Strategic Plan
Our ambition
Our purpose
Our values

Governance

4	South West TAFE Institute Board	22
6	Major Achievements of the Board	22
	Review of Annual Financial Statements	22
	Board Committee Structure	22
8	Audit, Risk and Compliance Committee	22
9	Infrastructure Committee	23
11	Innovation and Industry Committee	23
12	Nominations and Remuneration Committee	23
12	Strategic Issues and Innovation	23
12	South West TAFE Board Members	24
13	Board and Committee Membership	28
15	Board Remuneration	28
15	Executive Management Group	29
15	Organisational Structure	32

Innovation and Quality in Education

16	Teaching and Learning Strategy	34
16	Education Partners	34
	Business Development and Industry Connect	35
	People and Organisational Development	35
18	Academic Governance	35
18	Business Data Analytics	35
19	Digital Innovation	35
19	Government Funded Education Projects	36
20	Glenormiston Training facility & Hamilton Campus	36
20	New Projects and Industry Collaborations	36
20	Library and Learning Centre	38
20	F Building Refurbishment	38
20	Local Jobs First Act 2003	38



Acknowledgement of Country

SWTAFE respectfully acknowledges the Traditional Owners of Country throughout Victoria and pays respect to the ongoing living cultures and First Peoples.



Students

Training Outcomes	40
Student Contact Hours Delivered	40
Student Outcomes	40
Student Contact Hours Results	41
Student Feedback	41
VET Delivered to Secondary School Students	42
South West TAFE Skills and Jobs Centre	42
School Based Apprentices and Trainees	42
South West Disability Services (SWDS)	44
Disability Support	44
Learning Support	44
Wellbeing	44
Student Awards and Achievements	45

Our People

Workforce Statistics	48
Our Values	50
People Matters	51
Workforce Development	51
Training and Professional Development	52
Total Distance in Km Travelled by air	52
Traineeships 2022	52
Wellbeing, Wellness and Connection	53
Gender Equality Action Plan and equity initiatives	53
Industrial Relations	53
Recruitment	53
Value Champion Award Nominations 2022	54
Staff Values Award Nominations by Specialist/Teacher	54

Student and Community Experience

Snapshot	56
Student Experience	57
Regional Campuses	57
Pathways	58
WorldSkills South West Region	58

Community

Koorie Engagement	60
VCAL Projects / Partnerships	61
Community Connection	61
Community-based Scholarships Program	62

Compliance

Occupational Health and Safety	64
Performance Indicators	65
Activity Table	66
Financial Management Compliance	
Attestation Statement	68
Freedom of Information	69
Public Interest Disclosure	69
Building and Construction	69
National Competition Policy	69
<i>Compliance with Victorian Carers Recognition Act 2012</i>	69

Financial Position

Declaration by Board Chair	71
Independent Auditor's Report	72
Auditor-General's Independence Declaration	73
Financial Statements	75

Disclosure Index

Compliance with other legislation and subordinate instruments and policies	119
Further information	119

The year in review

Years of planning, construction, review and compliance culminated in significant achievements during 2022, highlighted by our re-registration for the next seven years and the opening of the new \$20.25 million Library and Learning Centre.

The past few years have presented challenges and distractions with construction, compliance and COVID-19; however we are now well positioned to focus firmly on improving the lives of our students.

We've done the necessary background work and can move forward into 2023 well prepared to provide the best possible learning experiences for our students and to support our regional industries.

Awards

All staff and students are to be congratulated for their efforts in often trying circumstances during 2022, and it is timely to recognise several special achievements.

Former nursing student Caitlin Cook became Victorian and Australian Vocational Student of the Year. Caitlin, a mum of five, is now working as a nurse and personal care assistant and has plans to study a Bachelor of Nursing and midwifery at University.

Agriculture teacher Rebecca Toleman was named Victorian Teacher of the Year and was a finalist and runner-up in the Australian awards. Like most of our staff,

Bec comes from an industry background with experience on sheep and dairy farms. Bec started with South West TAFE in 2018 and always goes the extra mile for her students.

Elana Agnew won the TAFE Services – Specialist Staff Member of the Year Support Leader Award at the TAFE Directors Australia Annual Conference. One of our long-term employees, Elana was recognised for her ground-breaking work in TAFE data analysis.

Accreditation

One of the cornerstones of our operation is the formal registration process. Every seven years, our TAFE is required to undertake re-registration and we were pleased to achieve this milestone again in 2022.

This is an involved and lengthy but vitally important process that is independently assessed by the Australian Skills Quality Authority. The accreditation is an essential part of our operations that allows us to be a registered training organisation. The local coordination team had been working towards this achievement for the past two years, submitting details about our compliance and quality performance.

We congratulate everyone who contributed to this successful process.

Teaching

New courses that started in 2022 included:

- Certificate IV in Business
- Certificate IV in Mental Health
- Certificate III in Health Services Assistance Traineeship
- Customer Service Management Skill Set

- Non-Accredited Micro-credentials Program
- VETDSS – Certificate III in Early Childhood Education & Care
- VETDSS - Certificate III in Visual Arts
- Elements of Shipboard Safety
- Hydraulics and Pneumatics Short Course
- Computer Aided Drawing Short Course
- CPD Program for the Electrical Trade Short Course
- Certificate IV in Meat Processing (Meat Safety)
- Certificate III in Agriculture in Colac
- Certificate II in Horticulture in Colac
- Certificate II in Kitchen Operations (VETDSS) in Portland

Student numbers were down about 10 per cent on 2021 but this decline was below the state average. Enrolments were impacted by the February COVID-19 lockdown, the flooding of our Portland campus, capital works at the Warrnambool campus and our operating environment of low unemployment.

During 2022 we serviced more than 6000 students and retained our status as the region's biggest and most successful provider of education and training.

One area of great success in 2022 was the Construction Industry Skills Sets, a series of trade related shorter courses for compliance programs.

Areas of high job demand, such as nursing, aged care, community services and individual support are likely to pick up in 2023 as we emerge from the pressures of the pandemic and we are well placed to meet this demand.

Some of our models of delivery were changed to focus more on on-the-job training. Students still spend time in the classroom, but there was a stronger emphasis on learning in the field. This means students can earn and learn and at the same time employers have people working when they are struggling to find staff, particularly in the health and community services sector.

There has been a positive response to this shift in emphasis and we hope to expand it to other areas, while ensuring it doesn't negatively impact on the student experience.

The easing of eligibility requirements for students with higher qualifications who want to return to study has been welcomed. People with existing qualifications can now access government-funded places, which will help in-demand areas such as aged care.

With the ending of COVID-19 lockdowns, we were also pleased to return to face-to-face graduations. Recognition of Diploma programs at the Lighthouse Theatre, trades at Deakin University Warrnambool Campus and the Pure Academy awards for Hair and Beauty were highlighted.

In 2023, we hope to introduce new courses;

- Certificate IV in Information Technology
- Diploma of Business
- Certificate III in Health Services Assistance VETDSS
- Victorian Pathway Certificate (VPC) & VCE Vocational Major (VM) replacing VCAL programs
- Certificate IV in Tertiary Preparation
- TAE40122 – Certificate IV in Training & Assessment
- Certificate III in Civil Construction at Glenormiston
- Certificate II in Horticulture in Portland
- Certificate III in Agriculture in Hamilton

Infrastructure

The new Library and Learning Centre has been an exciting and valuable addition for the community and a huge success for South West TAFE.

While the community has appreciated the vastly expanded library service, its location on the Warrnambool campus has effectively opened our facilities to the broader public and given students fresh incentive to use the facilities which adds to their student experience.

We also completed a \$5 million refurbishment of F building, including the PURE Academy, VCAL and general education, creating improved study and recreation spaces and developing an area to complement the Library and Learning Centre.

The opening of South West Central, our enrolment centre and one-stop-shop for students and IT support, provided ongoing student support, making the student experience a welcoming and positive one.

Major restoration works were required at Portland after flooding in January forced the campus to be closed and all programs relocated to hired facilities.

The deluge significantly damaged most rooms but the repairs have been finished and we expect to reopen in February 2023.

Master planning has started for Colac, Sherwood and Hamilton campuses, taking into account current and emerging training needs and employer requirements. These plans are expected to be finalised in early 2023 and will be invaluable for future business cases for funding to upgrade our existing infrastructure.

In Colac, we received funding to introduce agricultural programs, which will begin in 2023.

During the year we confirmed the purchase of the Ballarat Road site in Hamilton, a multi-million-dollar project that will open opportunities to expand course offerings and on-site partnerships.

This was a significant decision made by the Board and represents an important investment in skills and training infrastructure in the Hamilton region.

Both Ballarat Road and Hammond Street sites will be used in 2023. The long-term future of the Hammond Street site has not been determined but it is expected both sites will be consolidated at some stage.

Upgrades totalling \$2 million were carried out at Glenormiston, where we now host about 370 students in agriculture and horticulture programs, with civil construction training being introduced in response to employer needs.

Election Commitments

One of the main promises to emerge from the Victorian state election was a new Tech School for south-west Victoria.

This is part of a \$106 million pledge from the re-elected State Government to create six new Tech School sites across Victoria and the regional facility will be located at our Warrnambool campus.

Several years ago, we developed a masterplan for the central Warrnambool site, including a Library and Learning Centre and a one-stop shop for skills and jobs advice. These initiatives have been rolled out and a Tech School would round out our plan. This is not to be confused with a traditional Tech School and will instead focus on non-traditional trades such as robotics, 3D printing and digital graphics, all meeting the training needs of jobs of tomorrow.

Year 7, 8 and 9 students will have an opportunity to attend the Tech School and we hope it will stimulate their interest in post-secondary educational opportunities.

The government also committed \$5 million to deliver a new Building Innovation and Design Centre as part of the TAFE Clean Energy Fund. This will allow additional classrooms and amenities for our staff and students to meet current capacity constraints.



Steven Waterhouse

Chair
March 2023

Mark Fidge

Chief Executive Officer
March 2023

Survey Results

South West TAFE again recorded outstanding results in student, staff and employer surveys.

Government surveys released in late 2022 showed we were number one in the state for student and employer satisfaction and also for the number of students who would recommend South West TAFE as a Registered Training Organisation.

Innovation

The projects below all demonstrate South West TAFE's willingness to work with industry and apply for grants that enable our facilities, resources and student experience to be improved. These grants have come from government and support innovation in line with what industry is doing.

- Agriculture and Horticulture funding for Pound Road Colac - \$300k
- Building construction and smart technologies equipment purchase - \$900k
- Civil construction project - \$800k
- Nursing reinvigoration project - \$1.2m
- South West TAFE e-vehicle project - \$300k

During the year, we hosted the regional network of TAFEs in Warrnambool to explore new and exciting shared services that ensures the TAFE sector continues to provide quality education and training that meets our local industries needs.

Governance

A priority in 2022 was to host Board meetings at each of the campuses after the vast majority of meetings were forced online the previous two years due to the pandemic. This was achieved with the return to face-to-face meetings in Colac, Hamilton and Portland campuses as well as Warrnambool.

There was significant movement on the Board during the year with the departure of four directors.

Susan Brumby finished her term on June 30, ending a nine-year contribution to South West TAFE, and Sandy Burgoyne did not reapply when her term finished on December 31, ending a six-year contribution.

Jacinta Ermacora's election to the Victorian Upper House meant she could no longer hold her TAFE ministerial-appointed Board position.

We thank all departing directors for their excellent contributions over many years. Our organisation is in an excellent position and has significantly benefitted as a result of their skills and expertise.

Kerry Nelson joined the Board in July and has been a great addition. Roland Freyer will join the Board in January 2023. A staff elected Director and a ministerial appointed Director will be appointed in the first half of 2023.

A new Strategic Issues and Innovations committee was formed. This committee, which meets quarterly and involves all directors, takes a more in-depth look at strategic opportunities and openings for closer engagement with stakeholders.

The Strategic Plan was reviewed at the November Board meeting with only minor amendments being made. Our four key pillars remain – Sustainability, Students, Industry and our People – and we continue to recognise the specific challenges faced in rural and regional areas.

A new Equity Strategy was established, bringing together several elements of the work we already do in this field. This is an important document to recognise our commitment to the broader equity space and can be used to support funding applications for courses or facilities.

South West TAFE finishes 2022 in a really strong position and we continue to receive good support from the State Government.

The Board thanks and recognises the work of CEO Mark Fidge, the executive team and all staff for their contribution to our success in 2022.

FORMAL STATUS

South West Institute of TAFE 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 CEO. The objectives, powers and functions of the Board are set out in the revised Constitution of the Board (2019). The organisation and its Board was established under the Education and Training Reform Act 2006.

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



Performance

South West Institute of TAFE
STATEMENT OF PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2022

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

In our opinion, the accompanying Statement of Performance of the South West Institute of TAFE, in respect of the year ended 31 December 2022, is presented fairly.

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

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



Steven Waterhouse, Board Chair

Date: 08/03/2023

Warrnambool



Mark Fidge, Chief Executive Officer

Date: 08/03/2023

Warrnambool



Robert Van Duynhoven, Chief Finance
and Accounting Officer

Date: 08/03/2023

Warrnambool

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Independent Auditor's Report

To the Board of South West Institute of TAFE

Opinion	<p>I have audited the accompanying performance statement of South West Institute of TAFE (the institute) which comprises the:</p> <ul style="list-style-type: none"> • performance statement for the year ended 31 December 2022 • declaration by Board Chair, Chief Executive Officer and Chief Finance and Accounting Officer. <p>In my opinion, the performance statement of South West Institute of TAFE in respect of the year ended 31 December 2022 presents fairly, in all material respects, in line with the reporting requirements outlined by the Minister in the statement of priorities.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the performance statement	<p>The Board is responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</p> <p>Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.</p>

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

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

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

MELBOURNE
20 March 2023



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Statement of performance

The Statement of Performance below shows the Institute's performance levels against 2022 Strategic Plan targets (page 20). 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 2022.

Indicator title	Description and methodology	Measure	2022 Target	2022 Actual	Explanation of variances	Prior year result
Training revenue diversity	Breakdown of training revenue by:				Consistent with the prior year, COVID-19 continued to have an impact on the operations of the South West TAFE and as a consequence has resulted in lower than budgeted levels of activity. It has also had a direct impact on the way classes have been conducted by South West TAFE and as a consequence affected student enrolments and completions in various courses.	
	• Government Funded (GF)	%	81.3%	81.5%		83.5%
	• Fee for Service (FFS)	%	8.6%	9.1%		7.1%
	• Student Fees and Charges	%	10.1%	9.4%		9.4%
Employment costs as a proportion of training revenue	Employment and third party training delivery costs as a proportion of training revenue				As mentioned above, COVID-19 continued to have an impact on levels of training activity which resulted in less than budgeted training revenue. An additional contributing factor was the recognition of historical overpayment of training subsidies which were paid previously reduced training revenue by \$1.95 million. Also previously a number of grants were recognised as training revenue and this was reflected in the budget \$0.76 million, however these are now being recorded as support grants. In 2022 employment costs rose by \$0.5 million (1.87%). The combination of reduced training revenue and increased employment costs has resulted in the current variance.	137.6%
	(Employment costs – Workforce reduction expenses + 3 rd party training delivery costs) / Training revenue	%	139.8%	166.4%		
Training revenue per teaching FTE*	Training revenue (excl. revenue delivered by third parties) per Teaching FTE*	\$	\$166,872.72	\$121,860.00	Decreased performance due to an increase in teaching FTE and a reduction in training as detailed above.	\$175,608.00
	Training revenue (excl. revenue delivered by 3 rd parties) / Teaching FTEs*					
Operating margin percentage	Operating margin %				In 2022, South West TAFE received \$5.2 million in project funding which offset the less than budgeted training revenue. South West TAFE's operating expenses were also \$1.2 million less than budget. This resulted in a favourable result compared to target.	8.0%
	EBIT (excl. capital contributions) / Total revenue (excl. capital contributions)	%	(8.1%)	(3.5%)		

Capital Works

Significant capital works conducted in 2022 included:

- Sherwood Park – Civil and Drainage works
- Warrnambool Campus precinct upgrades to complement the new Library and Learning Centre
- Fire protection upgrades, servicing and maintenance
- Essential Safety Measures (ESM) requirements and audits delivered
- Replacement of a significant area of floor coverings and surfaces no longer fit for purpose and at end of life.

SWTAFE continued to fulfil its obligations regarding the maintenance of ESM, and the process continues to be supported by the OHS & 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*

Projects

Significant projects in 2022 included:

- Learning and Library Hub Project \$20M+ – completion and opening of facility.
- Asset Maintenance \$4.9M – F Building Refurbishment Project completed with all staff and students relocated to the refurbished facility.
- Glenormiston Site Reactivation Project \$2M – completion of refurbishment works and significant ESM upgrades.
- Stronger TAFE \$1.33M – 15 separate improvement projects with multiple work items within each.
- Portland Flood Remediation Works – remediation works to the full campus after a significant flood occurred in January 2022.
- Art Facility, Timor Street Warrnambool – successful relocation of the Art Department to a new facility on Timor Street Warrnambool.

Environmental Sustainability

SWTAFE 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 proactive 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 number of new initiatives was limited by resources being predominantly focused on the completion of key capital projects. The following energy performance initiatives and savings were achieved in 2022:

- SWTAFE is continuing to progress replacement of old halogen and mercury lighting across our campuses under the VEET Scheme (installation received a 60% rebate meaning cost of installation return estimated at 0.7 years) saving an average of 172 Watts per fitting.
- Capital works implemented throughout the year take into consideration environmental impact and where possible, new plant installations have been selected based on efficiency. This included a new VRF HVAC system within the \$4.9m F Building Refurbishment Project.

Further campuses are scheduled for environmental sustainability measures during 2023 including SWTAFE's waste disposal tender to incorporate comprehensive environmental sustainability assessment criteria.

Transportation

SWTAFE has a motor vehicle fleet of 43 vehicles. Total kilometres travelled for the year increased to 851,898km due to increased travel activities following more stringent lockdown restrictions in 2021. This was a reduction though from a standard year's activities outside pandemic restrictions.

The vehicle fleet continues to incorporate four Hybrids which are energy-efficient vehicles. Using the organisation's Transport and Motor Vehicle guidelines, staff are encouraged to participate in alternative methods of transport, including car pooling and train travel, and to consider greater utilisation of video conferencing and other online technologies.

Paper

Our organisation endeavours to purchase 100% carbon neutral paper.

Energy Use

SWTAFE's energy use was lower in 2022 compared to 2021 due to decreased utilisation and presence at the Portland Campus for the full duration of the year while flood remediation and insurance works were undertaken. Replacement of high energy use of light fittings with LED under VEET energy scheme in late 2021 also contributed to energy efficiencies and cost savings as anticipated. Ten percent (10%) of all SWTAFE's energy usage is sourced from Green Power.

Waste Management

We continue to take all opportunities to explore alternative recycling options regarding waste material and waste contracts. Green waste was successfully implemented in 2021 across SWTAFE sites delivering Horticulture courses, diverting 1 tonne of green waste from the Sherwood Park campus from landfill.

Water Reduction

In refurbishment and new building works, SWTAFE continued to investigate the use of water harvesting initiatives and sustainable practices.

Procurement

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

The organisation aims to integrate environmental considerations into procurement decision-making and negotiate, where possible, sustainability clauses.



Environmental Data

INDICATORS							
		Wbool City Campus	Sherwood Park Campus	Hamilton Campus	Portland Campus	Colac Campus	Total
Gross Useable Floor Area		17,240	7,069	2,250	3,860	572	30,991
FTE							288
GAS & ELECTRICITY							
E1	Total energy useage segmented by primary sources (including green power)				Megajoules - Gas		7,224,927
					Megajoules - Electricity		1,419,591
E2	Greenhouse gas emissions associated with energy use, segmented by primary source				Tonnes CO2-e Gas		434
					Tonnes CO2-e Electricity		1445
E3	Percentage of electricity purchased by Green Power					%	10%
E4	Units of energy per FTE				Megajoules/FTE		30,067
E5	Units of energy per unit office/ teching space				Megajoules/m2		279
WASTE PRODUCTION							
Ws1	Total units disposed of by destination				Landfill (kg)		66,967
					Recycled (kg)		31,400
					Greenwaste (kg)		1,350
Ws2	Units disposed per FTE by destination				Landfill (kg/FTE)		233
					Recycled (kg/FTE)		109
Ws3	Recycling rate (% of total waste by weight)					%	32%
Ws4	Greenhouse gas emissions associated with waste disposal				Tonnes CO ² -e		80.36
PAPER USE							
P1	Total units of A4 equivalent carbon neutral copy paper used (reams)					Reams	1,600
P3	Percentage of recycled content in copy paper purchased (%)					%	10



	Glenormiston	Wool City Campus	Colac Campus	Portland Campus	Total
WATER CONSUMPTION					
Total units of metered water consumed (kilolitres)	145	4453	69	121	4788
Units of metered water consumed per FTE (kilolitres/FTE)					16.7
Units of metered water consumed per Office area (GFA)					0.15
WATER					
W1 Total units of metered Water consumed by water source			Kilolitres		3,680
W2 Units of metered Water consumed in offices per FTE			Kilolitres/FTE		13
W3 Units of metered Water consumed in offices per area			Kilolitres per m ²		0.12
TRANSPORTATION					
		ULP	Diesel	Hybrid	Total
T1 Total energy consumption by operational vehicles	GJ				
T2 Total vehicle travel associated with entity operations	km	583,027	190,652	78,219	851,898
T3 Greenhouse gas emissions associated with operational vehicle fleet	Tonnes CO ² -e	101	32	9	142
T4 Greenhouse gas emissions from vehicle fleet per 1,000kms	Tonnes CO ² -e	0.17	0.17	0.11	0.17
T5 Total distance travelled by air	km				44,295
T6 Employees regularly using public transport, cycling, walking to and from work (%)					10
GREENHOUSE GAS EMISSIONS					
G1 Total Greenhouse gas emissions associated with energy use			Tonnes CO ² -e		1,879
G2 Total Greenhouse gas emissions associated with vehicle fleet			Tonnes CO ² -e		142
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		80
G5 Greenhouse gas emissions offsets purchased			Tonnes CO ² -e		-
G6 Total Greenhouse gas emissions: energy, waste, vehicle			Tonnes CO ² -e		2,102

Business and financial performance

Summary of Operating Results

In 2022 South West TAFE returned a surplus of \$25.7 million (comprehensive result). This was predominately due additional revenue. Total government contributions increased by \$20.9 million to \$60.9 million in 2022, these grants incorporated additional funds received for projects and the TAFE services fund (public provider service delivery funding). They also included a capital contribution to the Warrnambool Learning & Library Hub \$21.9 million. Overall Institute expenditure increased by \$2.9 million, with non salary expenditure increasing by \$2.4 million and salary expenditure increasing by \$0.5 million.

COMPARATIVE RESULTS 2018– 2022	2018	2019	2020	2021	2022
ITEM	\$'000	\$'000	\$'000	\$'000	\$'000
TOTAL INCOME FROM TRANSACTIONS	37,493	33,530	29,573	43,917	64,655
TOTAL EXPENDITURE FROM TRANSACTIONS	33,361	38,628	35,850	37,463	40,413
NET RESULTS FROM TRANSACTIONS	4,132	-5,098	-6,277	6,454	24,242
TOTAL OTHER ECONOMIC FLOWS	-42	147	-435	-542	-175
NET RESULT	4,090	-4,951	-6,712	5,912	24,067
CURRENT ASSETS	19,041	13,046	9,943	13,795	14,053
NON CURRENT ASSETS	52,629	52,993	50,728	62,406	85,336
CURRENT LIABILITIES	6,822	5,308	6,295	10,277	7,491
NON CURRENT LIABILITIES	2,992	3,827	4,241	4,409	4,704
NET ASSETS	61,855	56,904	50,135	61,515	87,194
WORKING CAPITAL RATIO	2.79	2.46	1.58	1.34	1.88
Net result	10.92%	-14.77%	-22.70%	13.46%	37.22%
Liquidity	2.79	2.46	1.58	1.34	1.88
Capital replacement	0.47	1.27	0.19	1.80	2.78
depreciation	2,188	2,293	2,276	2,341	2,298
cash outflows for PP&E	1,026	2,911	426	4,219	6,387
Internal financing	380%	-132%	-660%	208%	35%
purchase of assets	1,026	2,911	426	4,219	6,387
net operating cash flow	3,901	-3,835	-2,811	8,759	2,226

Business and Financial Performance

cont.

Movement in net assets & working capital ratio

South West TAFE had an increase in its net asset base from \$61.5 million to \$87.2 million over the past year. This was predominately due to the development of the Warrnambool Learning and Library Hub \$21.9 million. A revaluation was also conducted with the result being a net increase of \$1.6 million. Cash deposits held decreased from \$11.5 million to \$7.0 million, this decrease was offset by the transfer of Glenormiston land and buildings from non current assets to current assets (non financial - assets held for sale). This resulted in an increase in current assets of \$0.3 million. A decline in funds being held to finalise capital projects of \$3.3 million and an increase in payables led to a net decrease in current liabilities of \$2.7 million. These movements have positively affected the working capital ratio with an increase from 1.34:1 in 2021 to 1.88:1 in 2022.

Consultancies

In 2022, twenty consultancies were used with fees payable to each of \$10,000 or more. The combined amount for these services in 2022 was \$745,235 (ex. GST). Consultancy details are made available on the Institute's website: <https://swtafe.edu.au/about-us/corporate-information/consultancies>. Twenty two other consultancy services were utilised during the year with respective fees payable of under \$10,000, with the combined total of \$81,067 (ex. GST).

ICT Expenditure

For the 2022 reporting period, SWTAFE had total ICT expenditure of \$3,023,156 made up of the following:

Business As Usual (BAU) ICT expenditure (Total)	Non-Business As Usual (BAU) ICT expenditure (Total = Operational Expenditure and Capital Expenditure)	Operational Expenditure	Capital Expenditure
\$2,827,809	\$195,347	-	\$195,347

ICT expenditure refers to the costs in providing business-enabling ICT services. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.



Overview

overview

Who We Are

As the largest provider of education and training in south-west Victoria, and recognised as one of Australia's best large training providers, South West TAFE plays a crucial role in our region's future. Our focus is on providing accessible and equitable training for individuals, communities and industry partners and delivering quality learning experiences that equip them with the skills needed for the jobs of today and tomorrow.

In keeping with the State and Commonwealth Governments' long-term vision for improved educational standards for those living in regional and outer-regional areas, we have been committed to providing improved learning options to isolated, vulnerable and disadvantaged persons, as well as supporting the needs of the region's major industry sectors.

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

What We Do

In 2022, South West TAFE delivered 128 different accredited training products and short courses (to more than 6000 students), using various delivery models including on-campus, off-campus, online, workplace, VET delivered in Secondary Schools (VET DSS), traineeships and apprenticeships.

In response to the COVID-19 pandemic and other economic priorities, job creation has been at the heart of the Victorian Government's "Skills First" and "Jobs Victoria" policies, which is in turn dependent on the quality training provided by TAFE. At SWTAFE we have worked hard to support the government implement its "Working for Victoria" program with a range of targeted initiatives in the health, tourism/hospitality, and building and construction sectors, as well as delivering or supporting a number of new Jobs Victoria services.

SWTAFE has continued to strive to be an employer of choice and expand and modernise its delivery options to enable our students the option of virtual and/or face to face training to continue their studies throughout 2022. We have sought to better understand and meet our students and clients' needs, and have monitored this through student, staff and industry surveys.

Our 2022 program delivery was based around four key pillars: Sustainability, Skills, Students and Our People. Employment opportunities are changing rapidly in response to market forces, new technologies, changing demographics and emerging industries, so it is pleasing to report that 82% of our students believe that they achieve their main reason for training at SWTAFE and our role is vital to them securing a job.

SWTAFE has responded quickly to the region's challenges and opportunities by investing in industry engagement, identifying gaps between jobs and a skilled workforce, and evolving ways of effective, applied learning.

Financial sustainability is critical for us to maintain our role as the leading public provider in the region and to meet government and local community expectations. In 2022 we continued to look for new ways to achieve greater sustainability, and developed new opportunities that led to collaborative arrangements with key stakeholders across our region and other regional TAFEs. We believe that collaboration and partnering are essential if we are to establish best practice, provide public value, and implement improved systems and practices that enhance our long-term sustainability.

South West TAFE has made a strong and genuine commitment to the south west region by collaborating in community group projects, supporting local events, and opening our learning spaces and expertise to the community. We worked closely with the region's primary and secondary schools, Deakin University, Federation University and other training providers, the Skills and Jobs Centre, and our region's Local Learning and Employment Networks (LLENs), to build new and stronger pathways for all people in the region.

With State Government support three major infrastructure projects commenced in 2021. The new \$20M+ Learning and Library Hub and a \$5M refurbishment of F-Block were completed, and a \$2M upgrade of Glenormiston College was undertaken. These projects demonstrate the State Government's and region's confidence in SWTAFE being able to create learning environments that will stimulate our creative thinkers, inspire our future generations, embed a love of learning, as well as support our students, industry and community partners. These projects will be followed by a number of new and exciting projects to further improve our students learning experiences.

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, providing 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.

2022 AT A GLANCE

- **6,072** students
- **404** total number of staff employed across south west Victoria
- **1,063** graduates (Certificate1 to Diploma)
- **142** accredited training products delivered
- **#1** for Employer Satisfaction in Victoria
- **#2** for Student Satisfaction in Victoria
- **#1** for Staff Satisfaction in Victoria



2022 strategic plan

Our Ambition, Purpose, Values + Approach

OUR AMBITION

Education that
creates a lifetime of
opportunity for all.

OUR PURPOSE

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

We do it for the communities and
industries of south-west Victoria and
beyond.

We do it collaboratively, cleverly,
creatively and courageously.

OUR APPROACH

South West TAFE's Board has established a governance
structure that ensures we deliver a Strategic Plan that
supports our key focus areas. Our Strategic Plan cascades
into everyone's work plans:

- **Strategic Plan** every 3 years
- **Business Plans** annually
- **Department Plans** annually
- **Individual Work Plans** every 6 months

A simple, clear and coordinated set of business plans
expand our strategic priorities and include, but are not
limited to:

- **Education + Training Plan**
- **Financial Plan**
- **Asset Management Plan**
- **Our People Plan**

OUR VALUES



Integrity + Impartiality

We are transparent + ethical
in all that we do, every day



Respect + Human Rights

We demonstrate trust,
understanding and embrace
diversity



Leadership

We will be forward
thinking, collaborative and
inspirational



Accountability

We take ownership of our
actions and deliver on our
promises



Responsiveness

We will deliver and
respond with care



SOUTH WEST TAFE

Governance



FREE TAFE &
LOW FEE PLACES
AVAILABLE

#1 in the
South West
for graduates
who get jobs

Apply now for 2022

JOIN OUR NEXT
INFO SESSION:
MID-YEAR COURSES
TUESDAY 7TH JUNE

South West TAFE Board

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

The Board is established in accordance with an Order in Council made under section 3.11(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 Plan.

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 actions during 2022 included:

- Successfully completed re-registration for training at South West TAFE.
- Development of the 2023 Strategic Plan.

- Completion and opening of the Library and Learning Centre.
- Completion of the re-development of F Building project.
- Oversight of key infrastructure projects, including upgrade of key ICT infrastructure and remediation of the Portland Campus.
- Closely monitoring the organisation's financial performance and cash flow requirements.
- Continued oversight of COVID-19 risk mitigation strategies and safety plans.
- Attested to compliance with the Minister of Finance's Standing Directions.
- Completion of major upgrade to the Glenormiston training facility resulting in increased training on the site.
- Completion of the purchase of the RMIT site, Hamilton Campus and development of the campus Master Plan.
- Participation in the 2022 Observership Program which provided training and practical experience in board leadership for an 'Observer' paired with South West TAFE.

Review of Annual Financial Statements

The Board reviewed and approved the Institute's Annual 2022 Financial Statements at their meeting on the 22 February 2023.

Board Committee Structure

In accordance with its powers, the Board has several 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:

- Address issues relating to the Australian Quality Training Framework (AQTF).
- Endorse and seek approval from the Board for the appointment of Internal Auditors.
- Independently review and assess the effectiveness of South West TAFE's systems and controls for financial management, information and communication technology, performance and sustainability, including risk management review and approve the internal audit charter.
- Review and approve the strategic internal audit plan.
- Review and approve the annual audit work program prepared by the internal auditors.
- Review the effectiveness and efficiency of the internal auditors.
- Review external audit reports, responses from Management and related matters from all external auditors.
- Review annual financial statements and make a recommendation to the Board for approval.
- Oversee the implementation of the organisation's compliance plan and receive reports of the effectiveness of the plan from management.
- Review reports on SWTAFE's corporate governance matters, at the Board's request.
- Oversee the process to appoint an independent person as a member of the Committee, when required.
- Other matters referred to the Committee by the Board or by the Chief Executive Officer.

Committee Chair: Brian Crook

Committee members: Brian Crook, Steven Waterhouse, Jacinta Ermacora (ceased 14 December 2022), Eva Tshuridu, James Downing (Independent external member)

Infrastructure Committee

The main responsibilities of the Infrastructure Committee are to:

- Oversee the development of an Asset Management Plan(s) prior to recommending it to the Board for approval, based on the current Asset Management Strategy.
- Oversee the implementation of the Asset Management Plan approved by the Board.
- Oversee SWTAFE's compliance against the Asset Management Accountability Framework on an annual basis.
- Review and provide recommendations to the Board, in line with the Asset Management Strategy.
- Oversee the management and monitor progress of approved Capital Works (building) programs for all projects of value greater than \$500,000, unless otherwise directed by the Board.
- Review and provide recommendations to the Board for significant ICT projects, within the financial guidelines agreed by the Board.
- Oversee the management and monitor progress of approved significant ICT projects of value greater than \$500,000.
- Review the findings and recommendations of any examinations by external agencies and regulatory bodies that fall within the scope of the Committee's Terms of Reference, and which are not the responsibility of another Board Committee, and monitor management's implementation of any recommendations made.
- Consider any other matters referred to the Committee by the Board or by the Chief Executive Officer.
- Monitor budgets related to asset management, maintenance and development.
- Oversee the process to appoint an independent person as a member of the Committee, when required.

Committee Chair: Sandy Burgoyne (ceased 31 December 2022)

Committee members: Sandy Burgoyne, Brian Crook, Chris Holloway (ceased 30 June 2022), Mark Fidge

Innovation and Industry Committee

The Innovation & Industry Committee did not meet in 2022 and the Board terminated the Committee at the Board meeting on 23 March 2022.

Committee Chair: Susan Brumby (ceased 30 June 2022)

Committee members: Susan Brumby, Denise Lovett, Kirsten Diprose, Mark Fidge

Nominations and Remuneration Committee

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

- Oversee the implementation of remuneration principles and procedures in line with Ministerial Direction and the Victorian Government's Public Entity Executive Remuneration Policy administered by the Victorian Independent Remuneration Tribunal.
- Provide advice and make recommendations to the Board regarding CEO remuneration and related employment benefits, based on available policy, guidelines, directions from the Board and the Minister, and comparative market data.
- Ensure appropriate regulatory approval of CEO remuneration and related employment benefits is achieved.
- Monitor and measure CEO performance, including consulting with the Board, to undertake an annual performance review.
- Oversee the continuous development and implementation of a succession plan for the CEO.
- Oversee the recruitment process for the appointment of co-opted directors to the Board.
- Oversee the recruitment process for the election of a staff member as an elected director to the Board.
- Oversee the process to appoint an independent person as a member of this Committee, as required.
- Oversee the process to appoint a Board Observer.

Committee Chair: Steven Waterhouse

Committee members: Steven Waterhouse, Susan Brumby (ceased 30 June 2022), Jacinta Ermacora (ceased 14 December 2022), Kirsten Diprose, Kerry Nelson (appointed 24 August 2022)

Strategic Issues and Innovation

The Strategic Issues and Innovation Committee was created and approved by the Board at its meeting on 23 March 2022. The main responsibilities of the Strategic Issues & Innovation Committee are to:

- Raise, explore and receive briefings on matters of strategic nature relevant to South West TAFE's operating environment, in particular matters relating directly or indirectly to education and training.
- Review and provide strategic guidance for preparation of the Strategic Plan.
- Engage with, and/or monitor relationships and perceptions of, stakeholders, including the government, industry, education sector, the community and staff.
- Enable an environment that encourages Director professional development.
- Assist the Board to discharge its duties in respect to good governance and other matters as requested.
- Oversee the process to appoint an independent person as a member of the Committee, when required.
- Offer and consider insights regarding strategic innovations and emerging trends consistent with the Board's approved strategic intent.

Committee Chair: Steven Waterhouse

Committee members: Steven Waterhouse, Susan Brumby (ceased 30 June 2022), Sandy Burgoyne (ceased 31 December 2022), Brian Crook, Kirsten Diprose, Jacinta Ermacora (ceased 14 December 2022), Chris Holloway (ceased 30 June 2022), Denise Lovett, Mark Fidge, Kerry Nelson (appointed 1 July 2022), Susan Pettigrew (appointed 1 July 2022), Eva Tsahuridu.

South West TAFE Board Members



Steven Waterhouse
BOARD CHAIR

Commenced as a Ministerial appointment on the South West TAFE Board in February 2017

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

Steven has been on the Board since February 2017 and Chair of the Board since July 2019. He is a member of the Audit, Risk and Compliance Committee and the Chair of the Nominations and Remuneration Committee and Strategic Issues and Innovation Committee.

With a background in financial management, corporate services and governance, Steven is General Manager, People and Business Services and Chief Financial Officer at Wannon Water. He is also an active member of Wannon Water's Executive team, responsible for leading the financial, people, safety, risk and internal audit functions.

Steven is a member of the Warrnambool Racing Club, undertaking Treasurer, Deputy Chair and/or Chair roles for the past 13 years. He was previously a Board Member of the South West Academy of Sport.



Mark Fidge
DIRECTOR

Commenced on the South West TAFE Board in July 2016

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

Mark is currently the Chief Executive Officer of South West TAFE, a position he has held since 2015 after initially joining as Finance Manager in 2003. He was appointed to the role of Executive Manager, Corporate Services in 2005, incorporating the role of Chief Finance Officer and appointed as the 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 on the Board of the South West Local Learning and Employment Network and represents South West TAFE on several other like-minded community Boards.



Susan Brumby
DIRECTOR

Commenced as a Ministerial appointment on the South West TAFE Board in September 2013 and ceased on 30 June 2022

PhD, Master of Health Management (MHM), Graduate Cert. Higher Education Learning Teaching (GCertHELT), GDip WomensSt, RN, RM, Fellow Australian Rural Leadership (ARLF), Graduate Australian Institute of Company Directors (GAICD)

Susan Brumby was appointed to the South West TAFE Board in September 2013, with her term ending on 30 June 2022. Susan chaired the Innovation and Industry Committee prior to its termination and was a member of the Nominations and Remuneration Committee. Susan was a strong supporter of the Board Observership Program.

With extensive experience in nursing, agriculture, research and higher education, Susan is committed to promoting positive educational opportunities and economic growth in south-west Victoria.

Susan was the founding Director of the National Centre for Farmer Health and a senior executive of Western District Health Service. She holds a PhD, Master of Health Management and a Graduate Diploma of Women's Studies. Susan is a Fellow of the Australian Institute of Company Directors, Life Fellow of the Australian Rural Leadership Program and Director of the Western Victoria Primary Health Network.



Sandy Burgoyne

DIRECTOR

Commenced on the South West TAFE Board in October 2016 and ceased on 31 December 2022

Graduate Australian Institute of Company Directors (GAICD), Master of Sustainable Development, Bachelor of Arts (Geography), Diploma of Education

Sandy was appointed to the South West TAFE board in October 2016, with her term ending on 31 December 2022. Sandy chaired the Infrastructure Committee and was a member of the Strategic Issues and Innovation Committee.

Based in Portland, Sandy brings 25 years of executive education and commercial experience in developing and leading business strategy, marketing, change and business transformation within the telecommunications, information technology, retail and not-for-profit sectors.

Sandy 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, Smart Urbanism Lab. Sandy is a member of several advisory boards and a board member at Place Leaders Asia Pacific.



Brian Crook

DIRECTOR

Commenced as a Ministerial appointment on the South West TAFE Board in December 2017

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

Brian has been on the South West TAFE board since December 2017. He is currently Chair of the Audit, Risk and Compliance Committee and a member of the Infrastructure Committee and Strategic Issues and Innovation Committee.

Brian's career has spanned over 40 years in primary, secondary and alternative education. He retired from teaching commitments at Trinity College Colac in December 2018. Brian was instrumental in opening up TAFE opportunities for all VCAL students through the VET in schools program and was a key player in the delivery of a Trade Training Centre for the Colac Otway Shire. Brian has also had a career in local Government serving the Colac Otway Shire as Mayor and Councillor for over 15 years between 2002 and 2020.



Kirsten Diprose

DIRECTOR

Commenced on the South West TAFE Board in January 2021

Bachelor of Arts (Media and Communications), Honours (Communication)

Kirsten has been on the South West TAFE Board since 1 January 2021 and is currently a member of the Nominations & Remuneration Committee and the Strategic Issues and Innovation Committee.

Kirsten brings 15 years of experience in communication, having previously worked as a journalist for the Australian Broadcasting Corporation as well as in marketing, content creation and public relations for various companies and organisations.

Kirsten is a Research Fellow at Deakin University and Knowledge Broker at the Victorian Drought Resilience Adoption and Innovation Hub. In this role, Kirsten uses her communication skills in agriculture to help bridge the gap between science, innovation and what's happening on-farm. Kirsten lives on a mixed farm in south-west Victoria and is also involved in a dairy business. She is currently undertaking a PhD at Deakin University on media, communications and agriculture.

South West TAFE Board Members cont.



Jacinta Ermacora
DIRECTOR

Commenced as a Ministerial appointment on the South West TAFE Board in July 2018, ceased on 14 December 2022.

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

Jacinta was appointed to the South West TAFE Board in July 2018 and her term ended on 14 December 2022. She was a member of the Nominations and Remunerations Committee, Audit Risk & Compliance Committee and Strategic Issues & Innovation Committee.

Jacinta is currently Chair of Wannon Water Corporation and a Great South Coast Regional Partnerships Board member. She is also the Chair of the Wollaston Campus Committee Merri River School.

With a background in social work and community engagement in the primary health and consumer advocacy sectors, Jacinta 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.



Christopher Holloway
DIRECTOR

Commenced on the South West TAFE Board in July 2019 and ceased in June 2022

Diploma of Vocational Education and Training, Certificate IV in Building & Construction

Certificate III in Carpentry, Trade certificates and licences.

Chris commenced on the South West TAFE Board on 1 July 2019 as the elected staff member. He was a member of the Infrastructure Committee and Strategic Issues & Innovation Committee.

Chris is a Trainer and Assessor in the Building department in Pre-apprenticeship, Apprentice & Certificate IV in Building & Construction courses. Chris also has an Auspice Co-ordinator role across several secondary schools in the region for VET DSS in Building and Construction.



Denise Lovett
DIRECTOR

Commenced as a Ministerial appointment on the South West TAFE Board in December 2019

Denise commenced as a Ministerial appointed Director on the South West TAFE board in December 2019, after working at South West TAFE as the Koorie Liaison Officer for 5 years. Denise is a member of the Strategic Issues and Innovation Committee.

Denise is currently employed at Gunditj Mirring Aboriginal Traditional Owners Corporation in their Heritage Unit and is the current Chair of The Victorian Aboriginal Heritage Council. The Victorian Aboriginal Heritage Council is an instrument of the Victorian Aboriginal Heritage Legislation.

Denise is appointed to the Koorie Court as an Aboriginal respected person for the Koorie Children, Magistrate and County Courts in south-west Victoria and an Elected Director of Winda Mara Aboriginal Corporation.



Susan Pettigrew
DIRECTOR

Commenced on the South West TAFE Board in July 2022 and ceased in December 2022

Masters of Education, Bachelor of Education, Diploma of Teaching

Susan commenced on the South West TAFE Board on 1 July 2022 as the elected staff member and ceased in December 2022 to take up the opportunity of Executive Manager Student Experience.

Susan began her career at South West TAFE as a teacher and has held a Management position for the past 10 years including the Schools, Jobs and Pathways portfolio. Susan has experience managing large industry projects and is passionate about providing educational opportunities for her local community.



Eva Tsahuridu
DIRECTOR

Commenced on the South West TAFE Board in January 2021

Doctorate of Philosophy (PhD), Master of Business Administration (MBA), Bachelor of Business (Accounting)

Eva has been on the South West TAFE Board since January 2021 and is a member of the Audit, Risk and Compliance Committee and Strategic Issues & Innovation Committee.

Eva is currently also the Deputy President of the Professional Standards Division of the Police Registration and Services Board, a board member of VITS Language Loop and an organisational integrity advisor.

Eva has extensive higher education leadership experience in Australia and overseas, as well as ethics, governance, policy and stakeholder engagement expertise. She was previously Associate Professor and Industry Fellow at RMIT University.

Eva has been researching, educating and advising on governance, culture, ethics and professional standards for over two decades. She has executive experience in public, private and not for profit organisations in Australia and abroad, including academic roles as director of undergraduate and postgraduate programs. She also has extensive accounting policy and professional standards development experience. Her academic bibliography is extensive including edited books, journal articles, book chapters and conference papers.



Kerry Nelson
DIRECTOR

Commenced on the South West TAFE Board in July 2022

Post Graduate Diploma in Aged Services Management, Diploma Welfare

Member and Graduate of the Australian Institute of Company Directors,

Kerry Nelson has been on the South West TAFE Board since July 2022 and is a member of the Strategic Issues and Innovation Committee and Nominations and Remuneration Committee.

Kerry brings executive and director experience in the community sector in the south west including local government, health, disability, aged care and not for profit organisations. Kerry was a Victorian state committee member for the National Disability Services peak body and chair and member of Lyndoch Living.

Kerry was a member of the Skills Commissioners Round Table on skills demand in the southwest in 2019 and chaired local project groups which coordinated the collaboration of several agencies including South West TAFE and Deakin University.

For 20 years, Kerry was the CEO of Mpower, a local not for profit organisation providing disability, family and carer services.

Board and Committee Membership

The SWTAFE Board met 10 times during the year. Committees met 14 times to review and monitor various aspects of operations. During 2022, 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	SI&I	N&R	INF	
Steven Waterhouse	Director	1 July 2019 – 30 June 2022 1 July 2022 – 30 June 2025	10	4	3	3		
Susan Brumby	Director	1 July 2019 – 30 June 2022	5		1	2		
Sandy Burgoyne	Director	1 January 2019 – 31 December 2022	7		1			4
Brian Crook	Director	1 August 2020 – 31 July 2023	9	3	3			4
Kirsten Diprose	Director	1 January 2021 – 31 December 2023	9		3	3		
Jacinta Ermacora	Director	1 July 2018 – 14 December 2022	7	2	1	1		
Chris Holloway	Director	1 July 2019 – 30 June 2022	5		1			2
Denise Lovett	Director	3 December 2019 – 2 December 2022 3 December 2022 – 30 June 2023	6		2			
Susan Pettigrew	Director	1 July 2022 – 13 December 2022	0		0			
Kerry Nelson	Director	1 July 2022 – 30 June 2025	4		2	1		
Eva Tsahuridu	Director	1 January 2021 – 31 December 2023	9	4	3			
Mark Fidge	Director	1 July 2016 (ex officio)	7		1			3
TOTAL NUMBER OF MEETINGS FOR 2022			10	4	3	3	4	

IB – Institute Board

ARC – Audit, Risk and Compliance Committee

SI&I – Strategic Issues & Innovation Committee

N&R – Nominations and Remuneration Committee

INF – Infrastructure Committee

Board Remuneration

Director's fees paid in 2022 - \$213,273.



Executive Management Group

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



Mark Fidge
CHIEF EXECUTIVE OFFICER

Commenced 2015

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

Mark has been Chief Executive Officer (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, as determined by the Board, and ensuring efficiency across the Institute to meet the requirements of Government, enterprises and individuals.



Shannyn Martin
EXECUTIVE MANAGER CORPORATE SERVICES

Bachelor of Management (Human Resources, Commercial Law, Accounting), Certified Practising Accountant (CPA), Diploma of Government Investigation, Diploma of Occupational, Health and Safety.

Shannyn commenced in the role of Executive Manager, Corporate Services in November 2019. Prior to that Shannyn began her career at South West TAFE in 2014 as the Audit and Compliance Officer.

Shannyn is responsible for the leadership of the Corporate Services portfolio that includes digital innovation and information technology, facilities management and master planning, occupational health and safety, audit and risk management and is the Executive Sponsor for the \$20M Learning and Library Hub Project, in partnership with the Warrnambool City Council.

Executive management group cont.



Louise Cameron
EXECUTIVE MANAGER
EDUCATION

Commenced June 2019

Bachelor of Training and Development, Program, Diploma of Management, Diploma of VET, Certificate IV in TAE, Graduate of the Australian Women's Business Program, Masters Business Administration, Masters Human Resource Management and Graduate of the Australian Institute of Company Directors (GAICD).

Louise Commenced as Executive Manager for Education in June 2019, bringing 17 years of experience from the VET-sector and Higher Education. Louise is very passionate about providing quality education with pathways of opportunities for anyone choosing to study a vocational training course to gain successful employment outcomes.

Louise oversees the management of the Educational portfolio including short courses, business development and industry engagement.



Karen Ellen

EXECUTIVE MANAGER PEOPLE
AND ORGANISATIONAL
DEVELOPMENT

Commenced February 2020

Master of Ed (Adult Education) Hons, Bachelor of Training and Development, Diploma of Quality Auditing, Diploma of Management, Diploma of Business, Diploma of Training and Assessment, Professional Member of AHRI.

Karen commenced with South West TAFE in 2011 as Educational Manager and has worked across a variety of innovation, quality and large projects within SWTAFE. This portfolio strategically oversees People and Culture, Data Analytics, RTO Governance, Workforce Development and Gender Equity Projects.

Professional interests are Aboriginal Education, Workplace Culture, and Wellbeing and Quality Training.



Andrew Long
ACTING EXECUTIVE MANAGER
CORPORATE SERVICES

Ceased on 2 September 2022

FCIS (Fellow The Chartered Governance Institute), CSA (Member The Chartered Governance Institute), Certified Practising Accountant (CPA), Member Australian Institute of Company Directors (AICD), Bachelor of Commerce (Accounting, Law).

Andrew commenced in the role of Executive Manager, Corporate Services in June 2021. Prior to joining SWTAFE he was the Chief Financial Officer at the Royal Children's Hospital Foundation. Andrew brings a wide range of experience including finance, corporate services, reporting, governance, strategic planning, financial and investment management, project, and policy areas. Andrew is passionate and committed to the service sector and being part of organisations that make a difference to the lives of young people.

Andrew was responsible for the leadership of the Corporate Services portfolio that includes digital innovation and information technology, facilities management, master planning, projects, procurement and contracts and disability support services. He is also the Executive Sponsor for the \$20M Learning and Library Hub Project, in partnership with the Warrnambool City Council.



Susan Pettigrew
EXECUTIVE MANAGER
STUDENT EXPERIENCE

Acting appointment effective 7 June 2022. Permanent appointment 12 December 2022

Masters of Education, Bachelor of Education, Diploma of Teaching

Susan commenced with South West TAFE in 1998 and is currently the Executive Manager of Student Experience. Susan began her career at SWTAFE as a teacher and has held a Management position for the past 10 years including the Schools, Jobs and Pathways portfolio. Susan has experience managing large industry projects and is passionate about providing educational opportunities for her local community.

Susan's portfolio includes the management of the Portland, Hamilton and Colac campuses and is responsible for Student Enquiries and Enrolment, Student Engagement and Support, Reconnect, Apprenticeship support and Disability support teams. The portfolio is accountable for the end-to-end student lifecycle from student recruitment, school engagement, enrolment and pathway to employment. It has a strong student focus that aligns with industry needs and community expectations.



Jodie Hill
EXECUTIVE MANAGER
STUDENT EXPERIENCE

Ceased on 5 August 2022

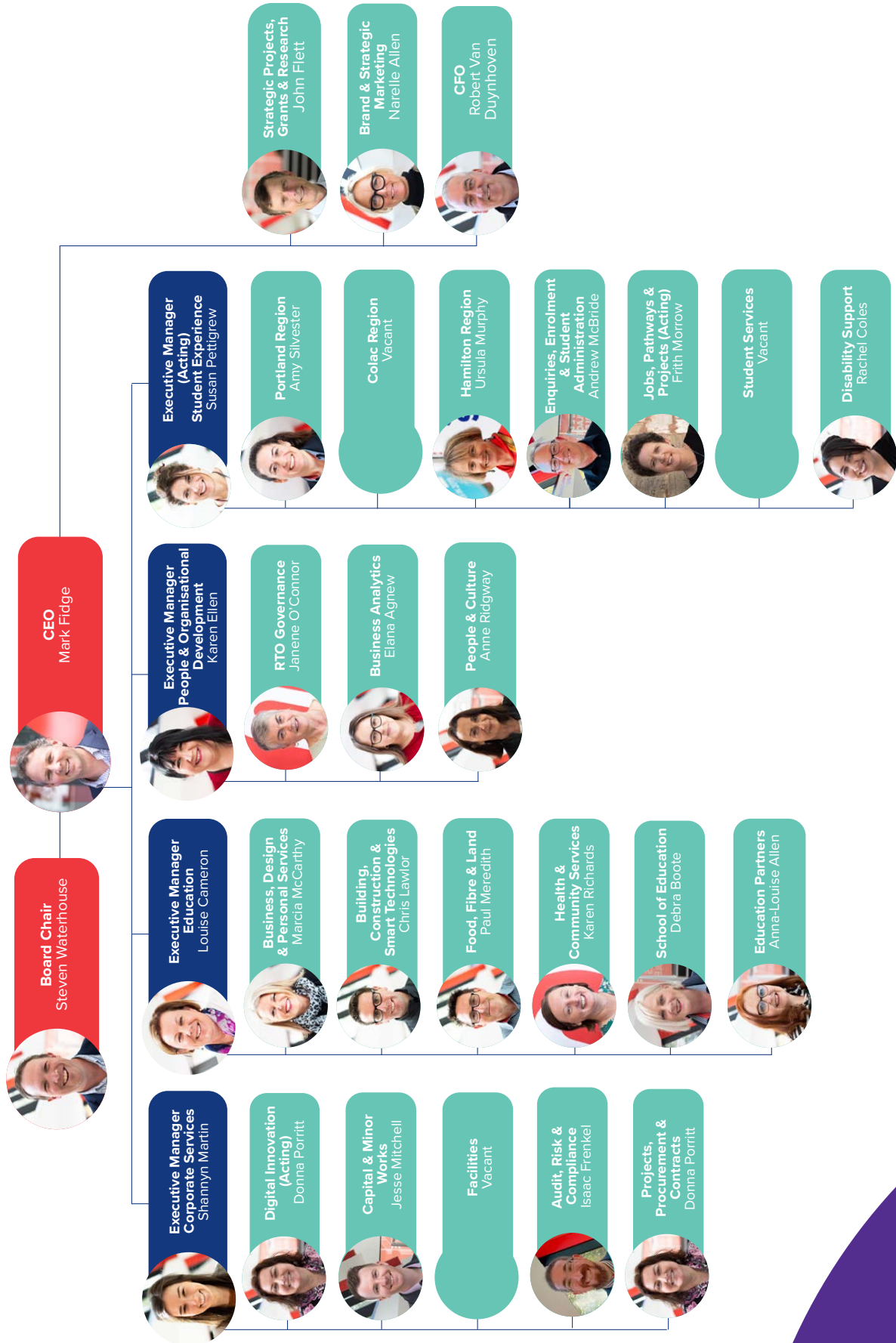
Masters Degree, Business Administration (Conflict Management and Resolution), Graduate Diploma, Education Studies, Graduate Certificate, Conflict Management and Resolution; Graduate of the National Excellence in Education Leadership Initiative (NEELI), Higher Education Advanced Leadership Program, Professional member of ANZSSA and Associate Fellow ATEM.

Jodie commenced in the role of Executive Manager, Student Experience in July 2021. Prior to joining SWTAFE she was the Director of Student Services at James Cook University and brings 10 years of experience in the university sector, as well as a genuine passion for the student experience to her role.

Jodie was responsible for leading the Student Experience portfolio including library and wellbeing services, client service, the enrolment function, the Skills and Job Centre and oversight of the campuses at Portland, Hamilton and Colac. Jodie was committed to a student-first approach to delivering and innovating student-facing administration and support services.

Jodie is a member of the Rotary Club (Warrnambool Daybreak) and a member of Business and Professional Women Australia (South West).

Organisational Structure



Accurate as at 7th November 2022



Innovation and quality in education

Teaching and Learning Strategy

South West TAFE strives to collaborate with industry and the community to develop educational programs to meet stakeholders' expectations and provide graduates who are work ready to meet our region's skill needs.

The key focus objectives for 2022:

- Ensuring SWTAFE students have the skills to meet employment and industry expectations through providing current industry practice skills training in a rapidly changing environment.
- Promote the value of public education and unique SWTAFE opportunities and continuously improve outcomes for students and employers in areas of 'essential' SWTAFE delivery.
- Work with industry partners, key stakeholders and other SWTAFEs to deliver skills for Victoria's economic growth and social inclusion.
- Deliver relevant courses linked to specialist industry partnerships and local industry and employer needs – particularly the care and building and construction sectors.
- Continue to build the capability within the teaching areas on developing digital ability, assessments and resources to enhance the student's experience.
- Continue to provide a strategic oversight of teaching programs and new course development through the governance of the Board of Studies, Assessment Panel, and Training Assessment Strategy (TAS) panel to support transition of qualifications into new training programs.

As we transition from the pandemic, education delivery to the new normal has provided SWTAFE with new opportunities to offer programs in a hybrid delivery model and on-the-job training (traineeships) to meet skill shortage needs. Through adopting these changes in delivery, the teaching area has continued to meet industry needs and support the labour shortages in skilled workers by offering an opportunity to learn on the job.

During 2022 SWTAFE successfully obtained several educational project funding through the TEFF and RSTF Victorian state initiatives totalling around \$6 million. The successful project funding has allowed SWTAFE to purchase equipment, upgrade facilities and purchase new resources used for training in high-skill needs industries such as traditional trades, civil construction, agriculture and horticulture, and the health sector. A Winnebago has been purchased to support our regional areas address the skill shortages in the regional age care facilities. The innovative project will see the Winnebago converted to a mobile training facility to deliver Certificate III Individual Support Trainees with on the job training.

Agriculture and Horticulture programs will also be supported with new equipment, hot houses and a new program to support industry skills to offer an introduction course to a new workforce entering the agricultural industry. All these projects will support industry to build the existing workforce to current industry practices and expectations of skills for the future.

In 2022 the School of Education has strongly focused on curriculum development for the new VCE – Major and Vocational Pathway Certificate in 2023. The new course will be delivered with a strong digital focus and incorporate a vocational program within the interest of a career pathway chosen by the student. The students will graduate with skills and knowledge to provide a path into higher education.

SWTAFE continued to lead in the delivery of the newly funded skill sets, including the continuation of the Civil Construction high risk courses initiative from 2021. The Victorian Government has committed to fund skill sets into 2023 and has expanded the funded list to cover skill sets within the health sector and business to support industry needs to upskill existing staff to meet skill shortages. SWTAFE has invested to continue to grow the delivery of the funded skill sets across all campuses including Glenormiston.

Education Partners

In 2022, the Education Partners Division was created and became six divisions within the Education Portfolio to support the development of teaching and administration staff responsible for compliance and business processes within the teaching portfolio's responsibilities. The Education Partners team supports the Assessment and TAS panels quality process which has seen a significant improvement across all teaching divisions, which has provided a better student experience and improved guidance on more appropriate assessments for individual course delivery.

The team also supported the new teacher mentor program which has been a huge success in retaining new teachers within the Victorian TAFE Teacher Scholarship Program. SWTAFE was awarded fifteen scholarships with 80% of scholarship holders having now completed their Certificate IV in Training and Assessment. The division also supports teaching staff in developing assessments, to gain the understanding of teaching and non-teaching responsibilities through a structured delivered training plan designed for each individuals' needs when a new staff member joins a teaching division. The Education Partners team has been a successful initiative and has been well received not only internally but also across the TAFE sector with the structure and purpose of the division being showcased across the TAFE sector for those organisations wanting to improve.

Business Development and Industry Connect

Stakeholder Engagement is a core business activity for SWTAFE. SWTAFE continuously aims to demonstrate best practice, be relevant and improve outcomes for our students, communities and industry.

A thorough understanding of stakeholders' perspectives, needs and expectations contributes to enhanced decision making and planning. Equally, effective engagement with stakeholders at a strategic level provides opportunity to influence, or demonstrate leadership, within our communities or with the Department. Effective relationships and connections are critically important to furthering both the strategic and operational objectives of the organisation.

Industry and community are key stakeholders in successfully developing educational programs to develop graduates who are work ready and are able to meet the workplace expectations.

SWTAFE has a holistic approach to capturing industry needs. Our teaching areas, business development team, Skills and Jobs Centre, Industry connect, short courses, Regional Managers, Executive and Board all play a role in capturing, actioning and nurturing industry needs.

In 2022 industry needs were captured and actioned based on engagement via industry connect events, advisory groups, industry forums, industry networks, visiting on-site, local government forums, research, on the job visits, work placements and joint projects. These events influence the delivery and courses SWTAFE undertakes ensuring they meet local market needs. The alignment of the Business Development and Short course team with teaching portfolios has supported this action.

With Free TAFE continuing in 2023 and the announcement of new funded Skill Sets across the health sector industries, SWTAFE will support our region to upskill their workforce. These funding opportunities will address the skill shortages for industries struggling to fill qualified trained workers.

SWTAFE holds 85.6% (TAFE average 76.1%) for Student and 87.9 % (TAFE average 73.9%) for Employer satisfaction provided through the 2022 RTO Performance data report. These results do not happen without great relationships, and a good understanding of training requirements for the individual industry sectors. COVID has provided opportunities to drive change in delivery models, through providing flexibility, and non-traditional ways of providing training such as the virtual classroom. 71.9% of students overall were satisfied with their remote learning experience during COVID.

People and Organisational Development Academic Governance

On 3 June 2022, the Australian Skills Quality Authority (ASQA) provided written confirmation of our renewal to operate as a Registered Training Organisation (RTO - No. 3120) for a further 7-year period until 30 June 2029. A Project Team was established in 2021 to plan for and oversee the registration process involving a whole of business review to demonstrate alignment to the Standards for RTO's 2015 (the Standards). ASQA is the nominated body which monitors and determines an RTO's alignment to the Standards as specified by the National Vocational Education and Training Regulator Act 2011.

ASQA is currently guiding the Vocational Education and Training (VET) sector towards a model of self-assurance. During our Registration Renewal process, a Project Control Group (PCG) was established and subsequently agree that post registration it would reform into the RTO Governance Reference Group. The Reference Group's primary focus is to continue the work of the PCG in monitoring the organisation's quality systems and processes. Continuous improvement is at the forefront of our approach to quality and this Reference Group focuses on high-level opportunities for improvement identified by the Continuous Improvement Response Team (CIRT). That is, opportunities that may indicate a systemic issue or compliance risk to the organisation, or opportunities of strategic significance.

A significant continuous improvement overlay was conducted leading up to our reregistration and evolving from our review we have nominated quality assurance pillars to include our Scope of Registration management, TAS Panel, Assessment Panel, validation monitoring, Professional Profile, surveying, Continuous Improvement register, internal audit charter, qualification Quality Reviews and Annual Fit and Proper Person checks for key roles.

Business Data Analytics

SWTAFE's Business Data Analytics team continued to support our organisation-wide strategic direction, working with multiple stakeholders and departments to design and deliver innovative data solutions across the business. In collaboration with our Education Portfolio and our ICT team, the team delivered Course Navigator, an online TAS platform designed to streamline our TAS process. Whilst in its infancy, it has undergone significant development to align to our robust business processes. The team delivered a student course withdrawal app, an online workplan tool, a VETDSS auspice assessment portal, and a Transitioning student data solution to provide line of sight and data solutions for this complex project. These innovative approaches to business processes, allows South West TAFE to streamline processes and builds valuable data to help inform our business better. Dashboards have continued to be developed to support the growth of SWTAFE. SWTAFE led the establishment of a TAFE Data and Analytics Network group to connect Data and Analytics professionals with the aim of collaborating and sharing ideas.

Digital Innovation

The 2022 year was another busy one for the SWTAFE ICT and Innovation Department. We continued to support the strategic objections of the organisation through providing stable infrastructure and delivery of key projects. The projects included several capital and building works ICT fit outs and the introduction of system improvements in teaching areas.

Government Funded Education Projects

A key focus for 2022 was improving the organisation's resilience against cyber and security threats to systems and data. This will be ongoing work in 2023 and beyond. We recognise that staff are our greatest asset but they also are a target for external threats, and to mitigate this SWTAFE has embarked on communications and various forms of testing to build "toughness" and awareness.

In our classrooms we improved communications by updating audio visual equipment to include a number of "Smart Boards" and touchscreens. This allows blended delivery for students who aren't on site and fosters connections between campuses. It also adds an element of work and industry readiness to our students as they have experience in the updated technologies.

The SWTAFE ICT and Innovation Department continues to be agile in addressing our internal business needs and responding to external drivers. We're fostering a collaborative working philosophy and are forming relationships with our governing bodies and other educational institutions in the ICT space, to share knowledge and platforms.

Glenormiston Training facility and Hamilton Campus

Glenormiston College

Agricultural courses resumed full-time onsite at Glenormiston College in 2022 after a disrupted year in 2021. The Glenormiston College agricultural training facility refurbishment works were completed in 2022 and saw the upgrade of some of the accommodation areas, classrooms and practical workshops, and a new greenhouse. New emergency safety measures were also installed including a new warning system, fire mains and storage tanks. In 2023 the refurbished facilities will be used to deliver agriculture and horticulture accredited qualifications, as well as a range of short courses. The renovated Artificial Breeding centre will be used to run Artificial Insemination Courses in

2023, as well as other short courses. The facility is also expected to host a number of school groups for day and overnight excursions.

A TAFE Equipment and Facilities Fund (TEFF) grant has enabled a new Civil Construction facility to be established at the Glenormiston site, with a range of new plant and equipment purchased, and a large training area constructed. In 2023 students will be able to study a set of Certificate III in Civil Construction (Plant Operations) units in 14 week blocks that will prepare them for entry level jobs in the civil construction sector.

Hamilton Campus

During 2022 the future of SWTAFE's long-term Hamilton Campus location was resolved. Following internal and external reviews the Board has determined that the former RMIT Campus location at 200 Ballarat Road was the best long-term strategic delivery site. SWTAFE will use the funds from the sale of Glenormiston College to purchase the campus from RMIT, and fund a major refurbishment and begin the redevelopment of the campus. The campus will officially become SWTAFE's on 23 January 2023.

During 2022 SWTAFE ran most mainstream courses from the 200 Ballarat Road campus, while the Hammond Street campus was used for a number of high risk and safety programs. Those courses will eventually be transferred to the Ballarat Road campus once its training facilities are upgraded.

New Projects and Industry Collaborations

In 2022 SWTAFE's strong and broad connections with many industry partners and key stakeholders identified a number of current and emerging regional training priorities requiring additional support. SWTAFE has been successful in receiving over \$5.8M in funding to address these regional issues and enabling the upgrade of specialist equipment, workshop facilities, and its learning and assessment resources to meet the needs of key industries.

The nursing facilities at Warrnambool and Hamilton began a renewal process with a Regional Specialist Training Fund (RSTF) grant of \$1.2M that is establishing a new nursing laboratory at Warrnambool, and a refurbishment of equipment and learning resources at the Hamilton Campus.

Other State government funding has facilitated the commencement of a \$993K renewal of the Electrotechnology workshops at Warrnambool, with a range of new equipment and learning spaces to be established.

The Individual Support Department has also benefited from a grant to expand and improve upon its trainee delivery program to help train aged care workers in remote and outer-regional areas with new teaching and learning resources, including a mobile aged care learning unit.

TAFE Equipment and Facilities Fund (TEFF) grants worth \$2M allowed for substantial equipment upgrades in the Engineering Department at the Portland Campus, as well as retooling and refitting parts of the Building Trades and Plumbing area's facilities in Warrnambool; and equipping a new Civil Construction facility and high risk training centre. The TEFF grant has also allowed for the establishment of an agriculture and horticulture training facility in Colac at the leased Pound Road site. This substantial investment meets a long-standing training gap for the Colac area.

Other State Government funding has been received for the second phase of the New Work Mindset Project (\$241K) and an Agriculture Safety program (\$57K). These shorter duration programs meet specific and critical skills needs in two vital regional industry sectors.

There were two emerging clean economy priority areas funded during 2022, with over \$294K provided to the Automotive Department to deliver key skills sets in servicing and maintaining electric and hybrid-electric vehicles. Secondly, and in a first for Victoria, a State grant of more than \$388K will allow



L to R = Jaqueline Tippet, Tegan Finnerty, Jake Noonan, Mark Fidge CEO, Daniel Lewis, Grace Simpson, Chris Holloway Teacher, Building and Construction.



Gayle Tierney, MP, Minister for Training and Skills and Higher Education

SWTAFE, Deakin and Federation Universities to work together with Warrnambool Bus Lines, and other key stakeholders to develop an accredited training program for companies operating hydrogen fuel cell heavy electric vehicles.

SWTAFE currently has a number of additional projects waiting to be assessed by DET. These projects include Certificate III in Early Childhood Development, Certificate III in Conservation and Ecosystem Management in partnership with three other TAFEs, the Diploma in Meat Safety, the Diploma of Agriculture, funding for a Gas Fitters course, and a grant to improve the capability of Victoria's Agriculture workforce.

In addition, SWTAFE has partnered with other key state and regional organisations to deliver new programs in south west Victoria. These include being a key partner with Dairy Australia, and two other TAFEs, in the design, development and delivery of a new Artificial Insemination Technicians course. The project will fund some additional artificial breeding simulators and specialist equipment for use at Glenormiston.

The Institute is also a key partner in the Brotherhood of St Lawrence's Agriculture Futures project. SWTAFE and other delivery partners such as Brophy Family Services and Dairy Australia, have commenced the co-design of a training and employment program to get up to 50 long-term unemployed young people into work on farms.

Other industry collaborations include our involvement on the Food and Fibre Great South Coast Board's Nurturing Careers Committee. SWTAFE also has strong links with the South West Local Learning Employment Network, and is a key partner in its new project to develop a mobile agriculture technology focused experience for regional schools under a \$200K Secondary School Agriculture Fund grant.

Warrnambool Library and Learning Centre (Learning and Library Hub Project)

The Library and Learning Centre project was successfully completed in October 2022 with a formal opening by Gayle Tierney MP, Minister for Training and Skills and Higher Education held on 22 October 2022.

The Library and Learning Centre was a joint project between DET, SWTAFE and Warrnambool City Council (WCC). The Library and Learning Centre is located in the heart of the Warrnambool SWTAFE precinct. Combining both WCC and SWTAFE libraries, it provides contemporary library services and facilities for current and future generations of library members, SWTAFE staff, students and members of the public.

This project involved Victorian State Government funding from DET of \$16.3M, Warrnambool City Council contributing \$2.75M and South West TAFE contributing \$830,000 in land value. An additional \$370,000 was realised through philanthropic and other sources of funding.

The facility is operated and maintained by WCC, as part of a new Service Level Agreement with SWTAFE, but is integrated into the SWTAFE campus and offers combined programs and access. The focus of the new facility is to deliver a lifetime of learning for all.

F Building Refurbishment

SWTAFE was successful in its application for funding as part of the Victorian Government's 2020 Asset Maintenance Program and was granted almost \$5M to refurbish the F Building at the Warrnambool campus. F Building accommodates the Pure Academy (Hair, Beauty & Massage), School of Education (VCAL, Disability, Reconnect and ESL), Automotive and Plumbing apprenticeship programs. Due to the age of the building it required significant refurbishment to provide accessible and fit-for-purpose facilities that meet compliance requirements for both students, visitors and employees.

The project was successfully completed in August 2022 with staff and students now enjoying the refurbished fit-for-purpose facilities.

The project addressed the increase in demand expected for the School of Education programs, trades and apprenticeships, and will assist in the growth of all of these areas. The refurbished Pure Academy provides enhanced public frontage to the new Library and Learning Centre. The expected increased pedestrian traffic should lead to a significant boost for the Pure Academy programs and clientele.

This refurbishment project will also address the lack of student meeting spaces within SWTAFE's busiest teaching building, providing a space where students can meet, gather, or use for after-hours study. The upgrades will provide a safe, comfortable and improved space for disadvantaged students, offering a place where they can prepare food, as well as having highly accessible student amenities.

LOCAL JOBS FIRST ACT 2003

The total value of Local Jobs First Projects within the 2022 reporting period was \$25.15m. This consisted of the Library and Learning Centre Project and the F Building Refurbishment, both being completed and opened in 2022.



Students



Students

Training Outcomes

South West TAFE (SWTAFE) delivered a total of 1,132,630 Student Contact Hours (SCH) in 2022. The table below provides a detailed breakdown of SCH delivery in 2022.

Student Contact Hours Delivered

OUTCOMES	SCH
Skills First Non Apprenticeship/Traineeship	528,929
Skills First Apprenticeship/Traineeships	462,736
Full Fee Paying	3,079
Fee For Service (Includes TAFE In Schools, overseas students, interstate apprenticeships, Adult Migrant English Program and short courses)	137,886
TOTAL DELIVERY	1,132,630

MOVEMENT IN STUDENT CONTACT HOURS OVER THE PAST FIVE YEARS

2018	2019	2020	2021	2022
1,120,473	1,385,914	1,300,657	1,255,683	1,132,630

Student Outcomes

The teaching departments achieved outstanding results considering the conditions teachers and students had to adapt to during the ongoing COVID-19 Pandemic. The Victorian Government's Skill Sets priorities continued to be embraced by our region's industries. Industries continued to support the Construction Skill Set, the Agricultural Chemical Skill Set, and the growing focus on family violence programs. This resulted in 761 students benefiting from the initiatives.

During 2022, SWTAFE delivered training to 6,072 individual student enrolments (which includes accredited and non-accredited programs) which equated to 1,132,630 enrolled student contact hours (SCH). The combined Free TAFE initiative and Job Trainer saw a total of 1,453 students benefit from these course offerings.

The Department of Education and Training, along with individual student tuition fee contributions, funded 88% of SCH delivered, with the remainder funded by individuals, industry and non-Victorian governments under User Choice Agreements. Free TAFE enrolments were most noticeable in professional education, nursing, community services, aged care, disability, education support, horticulture and early childhood.

This SCH figure underlines the impact that funding initiatives (Free TAFE, Construction Skillsets, Job Trainer and General Skillsets) had, as well as SWTAFE's dedication to delivering high quality training programs in a year of complex changes to the vocational education and training industry. Also reflecting the organisation's strategic intent to continue to grow in line with regional demand, 41% of our students undertook studies at campuses other than Warrnambool, which is a 7.9% growth in outer-regional Victorians accessing education.

In 2022 there were a total of 1,172 apprentices (↑7%) and 725 trainees (↑27%) studying at TAFE in building and construction, engineering, electrical, plumbing, agriculture, sport and recreation, tourism, automotive, IT, engineering, maritime operations, horticulture, commercial cookery, food processing, meat processing, business/business administration, retail cosmetics, hair and beauty services, beauty therapy, early childhood education and care, and education support. There was a total of 463,694 Student Contact Hours delivered across these programs.



Student Contact Hours Results

BY FUNDING SOURCE	SCH
Government Profile Excludes Trainees/ Apprentices	528,929
Government Contracted Apprenticeships/ Traineeships	462,736
Full Fee Paying	3,079
Fee for Service (includes short courses)	33,060
TAFE in Schools	90,722
Adult Migrant English Program	8,191
Other (incl. Interstate Apprenticeships, Motorcycle Training)	5,913
TOTAL	1,132,630
BY CAMPUS	
Colac	55,705
Hamilton	105,838
Portland	81,081
Warrnambool	708,547
Sherwood Park Training Facility	144,283
Glenormiston Training Facility	22,945
Industry Skills Centre	14,231
TOTAL	1,132,630
BY DEPARTMENT/CENTRE	
Division of Business Development and Industry Relationships	2,233
Division of Business, Design and Personal Services	125,757
Division of Building, Construction and Smart Technologies	310,076
Division of Food, Fibre and Land	242,900
Division of Health and Community Services	247,880
School of Education	203,784
TOTAL	1,132,630

Student Feedback

All students, staff and SWTAFE industry clients have an opportunity to provide online feedback, suggestions, 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, SWTAFE 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 via the Department of Education and Training from our students and employers, the outcome of which is published on our website as Learner Engagement and Employer Satisfaction. Our Industry Connect team facilitated over thirty successful industry engagement events in 2022, providing regional employers and community organisations with the opportunity to give their feedback on SWTAFE courses, facilities and programs.

During 2022 Survey Monkey was used to provide students the opportunity to help shape their learning experience. Each term, students were encouraged to participate in the feedback survey, so that we can work together to create a vibrant and inclusive community for our students. The application allows for students to be surveyed at a course level.

In 2022 students also had the opportunity to provide significant consultation and feedback on major initiatives across SWTAFE's facilities. As the physical location of South West Central, the new location for all student services and supports, was being developed our students had the opportunity to take part in focus groups about the services, their delivery in a modern education setting and the design elements of South West Central.

Students also had the opportunity to take part in workshops and focus groups to provide feedback on our digital platforms. As a result of this feedback, continuous improvements have been made to our online Student Hub, our public website, and our learning management system SWTAFE Online.

Students also had the opportunity to provide feedback to external facilitators on all of SWTAFE's facilities and campuses, as part of the extensive Accessibility & Inclusivity review that was undertaken.

In 2022 our Students Representative Council met on a regular schedule with Executive Management to discuss any student concerns, feedback and priorities. These meetings, held with a broad cross section of our student cohorts and with student membership from all campuses, greatly informed SWTAFE on matters that were of significance to our students.



VET Delivered to Secondary School Students

Considering the context that '9 out of 10 occupations predicted to have the most jobs growth in the next five years are in TAFE trained jobs', many school students, parents and career advisors are starting to promote and celebrate the achievements of vocational pathways. This has led to an increase in school students across the region choosing a VET DSS program as part of their VCE and VCAL studies.

VET DSS in 2022 saw many classes at capacity at the Warrnambool & Sherwood Park campuses. The Portland and Hamilton campuses had strong numbers in Engineering and Agriculture with increased growth predicted over the next few years. Both the Corangamite and the Hamilton District Skill Centre VET DSS Clusters were at capacity in most program areas being delivered under Auspiced Contracts.

515 secondary school students chose a vocational pathway in 2022. The VET DSS expect this number of students to grow in the future with the implementation of VCE Major in 2023.

In 2022 SWTAFE introduced Certificate III in Early Childhood Education and Care (ECEC) as a VET DSS program

across the Warrnambool and Portland Campuses. 44 VET DSS students enrolled in this new VET DSS program across the two campuses. As part of this program the 44 students had to undertake compulsory industry placement to complete units of competency for this program. SWTAFE engaged support from the South West Local Learning and Employment Network & Southern Grampians Local Learning and Employment Network (LLEN'S). Both LLEN's supported all of our VET DSS ECEC students in gaining successful industry placements for these students to complete their 2022 VCE/VCAL requirements.

The 'Try a Career Day' took place at the Sherwood Park, Portland and Hamilton Campuses across May and June. SWTAFE engaged with over 1,200 year 9 students from across the region experiencing their first taste of vocational learning at a TAFE. Year 9 students thoroughly enjoyed this experience across all of our SWTAFE campuses.

SWTAFE online VET DSS application to enrolment portal had upgrades to streamline continuing students wanting to re-apply for their VET DSS program. The online application to enrolment portal with the new improvements provided more access in tracking

student's VET DSS application progress for the schools and our own TAFE staff.

SWTAFE would like to thank every secondary school across the region in partnering with SWTAFE for most of their VET DSS delivery in 2022. Furthermore, SWTAFE VET DSS team are looking forward to the full implementation of the new VCE VM program in 2023.

South West TAFE Skills and Jobs Centre

School Based Apprentices and Trainees

The SWTAFE Skills and Jobs Centre (S&JC) continues to embed itself amongst the community as a trusted source of independent information for all community members. During 2022 the S&JC accepted referrals from and referred to many of our local community agencies. A sample of the key external agencies for 2022 include: Volunteer Connect, WRAD, Westvic Dairy, Committee for Portland, GForce (MAS NATIONAL), Anglicare, Axis Employment Portland, WDEA Portland & Warrnambool, Portland WIB, JVES Program providers, Neil Porter Legacy, Match Works Warrnambool, Axis, OCTEC, Aim Big employment, Brophy, Headspace, Standing Tall, Kuna Bim, secondary schools, EGF Employment



Solutions, Colac & Warrnambool Neighbourhood House, McKillop Family Services Colac, Barwon Youth Colac, Local Councils, Clontarf Academy, and the Archie Graham Community Centre.

It is widely recognised that employment is a major part of a person's identity and plays a significant role in their health and wellbeing. These organisations have specialty skills in many areas but often lack the expertise around career planning. They value partnering with the Skills & Jobs Centre and leveraging the expertise available. Overall SWTAFE recognises that the holistic approach to community welfare works best when wanting students to succeed in their studies. This combined with TAFE's wellbeing and support services ensures students are given their best chance of succeeding at their studies. The team of qualified career practitioners at the South West Skills and Jobs Centre (S&JC) provided service to around 1,100 clients during 2022, assisting them into further study or employment using face-to-face and online platforms for engagement. In 2022 the S&JC had over 109 community connections, serviced over 3,272 community clients with career advice, and ran 126 workshops for schools and community members.

Throughout the year the S&JC

continued to be heavily involved in many community projects including the 'Way Back Project', SGLLEN Enhanced Work Experience project, Warrnambool City Council Multicultural migrant network, Neighbourhood house projects, National Careers week, Apprenticeship Victoria Big Build project, Youth4Life project in Hamilton, Justice Department, South West Emerging Leaders program and many more. In 2022 the S&JC team engaged with a number of new community projects including, Volunteers Week, Passport to Employment (Portland, Colac, Warrnambool), Warrnambool and Portland Careers Expo, Deakin University Open Day, Neil Porter Legacy Industry tours and Warrnambool College, in collaboration with Westvic Industry Connect Program for Year 9 students.

The regional Apprenticeship Support Officer (ASO) has continued to support high numbers of apprentices in this region, demonstrating a strong economic growth in the South West. Apprenticeship growth has been noticeable in Hospitality and Hairdressing due to the recovery from the pandemic, overall the trades have held strong during 2022. Registrations commenced for Big Build apprenticeships in the second half of 2022 and is expected to have continued interest in 2023 with local Big Build projects in the region, including the

Warrnambool Line Upgrade and the redevelopment of the Warrnambool Base Hospital which is close to completing the planning phase and building expected to commence in 2023.

The Apprenticeship Support Officer (ASO) moved into the new Apprenticeship Victoria Apprentice Hub located in the new \$22.8m Library and Learning Centre which opened in October 2022 by the Minister for Training and Skills and Higher Education Gayle Tierney. The Centre will provide future and current apprentices with access to the ASO and resources to support them on their pathways journey.

In 2022 SWTAFE continued as a member of the Local Jobs Task Force, having input into identifying local job initiatives that can be implemented through a tendering process to access the local jobs recovery funds. As an in-kind contribution SWTAFE puts forward \$37,500 for students that are experiencing financial hardship to access. In 2022, 72 students benefited from accessing the 'Access & Equity' (A&E) funds to help complete their TAFE studies. The largest allocations were for students studying VCAL, followed by Nursing and Hairdressing, Beauty and Community Services. The top five reasons for applying for A&E

included: single parent/no job, travel, no concession, illness, and disconnect from family at young age.

This service has changed many students lives, providing them with resources to study and develop the skills for a chance at an improved and new life. SWTAFE is a highly valued member of our community and is seen as a place that offers opportunities for all.

South West Disability Services (SWDS)

South West Disability Services (SWDS) continues to focus on engagement within NDIS group-based programs and individual supports to provide opportunities for community members in this region. The team at SWDS provided a total of 3,826 hours of individual support and 29,860 hours of group-based support in 2022. SWDS implemented the Program of Supports model in 2022 with the successful delivery of 13 programs of support per term. These programs held a strong focus on structured lifelong learning, social and recreational objectives for greater outcomes.

Disability Support

The SWTAFE Disability Support department work holistically with students, carers, families, trainers and the community to promote and enhance access and equity in education across all areas of TAFE.

The dedicated team at SWTAFE continues to be firmly committed to adjusting supports and having discussions fundamental to the students' individual requirements. This included the facilitation of supports in a virtual space, via phone and in person.

The Disability Support team actively engaged with in excess of 240 students across all learning areas to establish individualised support plans, encompassing reasonable adjustment, course modification, assistive technology, scribes and tutoring sessions as required. 23,875 hours of direct support was provided to students to assist in their engagement at SWTAFE, empowering success in their

chosen education pathway. Likewise, the teaching teams continued in their dedication to reduce any barriers and implemented adjustments in an informal manner to over 360 students.

Learning Support

The Learning Support Unit is responsible for managing the language, numeracy and literacy (LLN) assessments of all students undertaking studies at South West TAFE. The unit then determines appropriate learner support services based on student and teacher requests, or the results of the student's pretraining review and LLN quiz. The Learning Support Unit continued to be an integral component in supporting SWTAFE student retention and course completions across all campuses in 2022.

Teachers evaluate the pre-training review and use the data in conjunction with the learning support unit staff to create personalised and whole class learning support programs related to core skill and study skill needs for students, allowing them to remain engaged and supported in their courses.

Additional literacy and numeracy support was provided to support students with identified low core skills to enable them to successfully undertake their course. Individual, drop-in service support, classroom learning support plan, and learning support referrals were utilised across all campuses.

Learning Support Unit staff also 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.

This was supported with one-to-one support within the class and with individual library sessions that covered an array of learning skills such as research and referencing and study skills; as well as specific and/or generalist program assistance. Overall the learning support unit worked with students from over 52 different courses.

Wellbeing

SWTAFE's Wellbeing team entered 2022 understanding that anxieties surrounding the COVID 19 epidemic were high amongst our students. Leading our response to this was the realisation that to overcome the impact of this phenomenon, we had to initially rebuild our student's capacity for social engagement by creating additional opportunities for social connectedness. As a result, TAFE moved beyond the previously used therapeutic case model into a community building empowerment framework.

To achieve this outcome, we engaged in a multi-pronged approach. One on one counselling services remained available for our most vulnerable students. However, most of our team's time was used in the promotion of connectedness and inclusivity through the organisation of events and activities for key dates. An increased classroom presence allowed greater accessibility in moments of minor distress. This at times included tree planting, sheep drenching and raising our voices in unison at Tower Hill. Through collaboration with teaching staff we were able to deliver cohort specific workshops and talks.

2022 was particularly challenging for our students in Portland with hail and flood damage closing parts of their campus, leaving some feeling disconnected as delivery of their courses moved to disparate sites. In these challenging times our staff were able to offer consistent support, responding to needs effectively as they arose.

2022 saw the emergence of a whole new Wellbeing team. As we settled into our new roles there was a period of adjustment as we engaged in relationship building and collaboration with the teaching staff in order to fully understand how we can most effectively respond to our student's needs.

We are excited to move into 2023 with a full team, giving us the opportunity to not only physically cover all campuses more effectively but allowing us to develop greater support opportunities for our students based off campus.

Apprentice of the Year
- Joshua Reynolds

Student awards and achievements

Outstanding Student Awards Presented in March 2022



Vocational Student of the Year
- Caitlin Cook



Koorie Student of the Year
- Gordon Slade



Trainee of the Year
- Jesse Beavis



Apprentice of the Year
- Joshua Reynolds

Trades Awards Presented in October 2022

Automotive Apprentice of the Year
- Zane Deicmanis

Carpentry Apprentice of the Year
- Todd Robinson

Electrical Apprentice of the Year
- Jack O'Sullivan

**Engineering Fabrication Trade
Apprentice of the Year**
- Riley Dark

**Engineering Mechanical Trade
Apprentice of the Year**
- Leigh McKenzie

Plumbing Apprentice of the Year
- Michael Smart

Trade Apprentice of the Year
- Todd Robinson



Pure Awards

– Presented in November 2022

Massage student of the Year

- Nicole Jephcott

Hairdressing Student of the Year

- Deborah Conheady

Hairdressing Apprentice of the Year

- Jasper Smith

Barbering Student of the Year

- Jack Mason

Nail Technology Student of the Year

- Blaire Thorne

Beauty Trainee Student of the Year

- Tiana Bullock

Diploma of Beauty Therapy Student of the Year

- Ashlea Baudinette

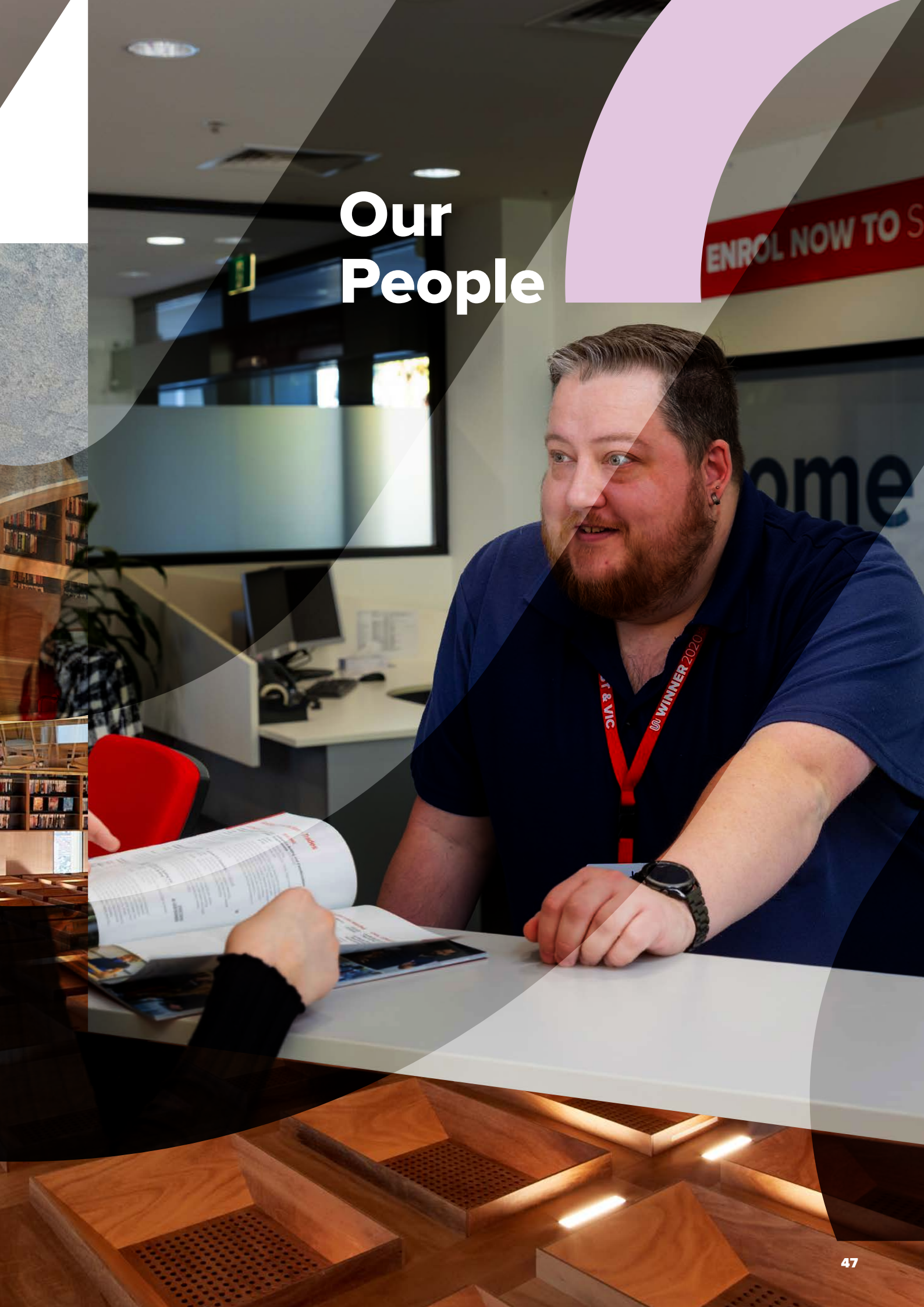


Diploma of Beauty Therapy Student of the Year

- Ashlea Baudinette

Ashlea Baudinette

Our People



Workforce Statistics

Employee figures for 2022, including an analysis by employment status, age and classifications, are represented in the tables provided. SWTAFE believes employees have been correctly classified in the workforce data collections.

	Year ending 31 December 2021							Year ending 31 December 2022 FTE						
	Full Time		Part Time		Casual		Total	Full Time		Part Time		Casual		Total
	Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other		Ongoing	Fixed Term	Ongoing	Fixed Term	Teacher	Other	
PACCT Staff	84	23	27.33	6.76		14.77	155.86	81	17	28.55	8.61	0	9.67	144.83
Executive	0	7	0	0	0	0	7	0	5	0	0	0	0	5
Other	3	1	0	0	0	0	4	4	2	0	0	0	0	6
Teacher	54	10	21.12	8.7	17.52	0	111.34	66	7	28.5	8.6	21.58	0	131.68
Total	141	41	48.45	15.46	17.52	14.77	278.20	151	31	57.05	17.21	21.58	9.67	287.51

	December 2021								December 2022							
	All employees				Fixed term and casual				All employees				Fixed term and casual			
	Ongoing								Ongoing							
	Number (headcount)	FTE	Full Time (headcount)	Part Time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full Time (headcount)	Part Time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE
Gender																
Women Executives	4	4	0	0	0	4	4	4	4	0	0	0	4	4		
Women (total staff)	252	179.4	87	68	129.7	97	49.77	297	192.03	91	76	140.97	130	51.06		
Men Executives	3	3	0	0	0	3	3	1	1	0	0	0	1	1		
Men (total staff)	126	98.73	54	10	59.75	62	38.98	141	95.34	60	11	67.08	70	28.26		
Self-described								1	0.16	0	0	0	1	0.16		
Age																
15-24	14	8.81	5	0	5	9	3.81	28	16.83	8	1	8.8	19	8.03		
25-34	63	52.07	27	7	31.6	29	20.47	69	47.09	26	6	29.7	37	17.39		
35-44	65	45.38	22	20	34.11	23	11.27	77	50.16	25	25	40.4	27	9.76		
45-54	117	88.83	42	23	55.93	52	32.90	122	80.65	38	26	55.61	58	25.04		
55-64	90	67.69	42	21	55.21	27	12.48	108	73.63	47	24	63.21	37	10.42		
Over 64	29	15.42	3	7	7.6	19	7.82	35	19.09	7	5	10.32	23	8.77		
Total employees	378	278.20	141	78	189.45	159	88.75	439	287.45	151	87	208.04	201	79.41		

Notes: As of the year ending 2022, 11 PACCT employees were employed as Associate Facilitators classified as teaching, but on PACCT agreement until they graduated with a TAE. Many of the PACCT roles were positions addressing funded projects such as Koorie Liaison Officers Job Victoria Advocate positions, NDIS Disability Support services workers, Apprenticeship support, and many fulfilling the quality requirements for compliance.

Our workforce FTE remained relatively stable during 2022 and did not alter significantly from 2021, with increases in teaching areas. Headcount changed slightly but this was due to reducing the casual employment arrangements to concentrate on retaining

ongoing and fixed term staff. We are pleased to have maintained employment continuity for our employees to deliver as much stability for our students as possible.

The Executive FTE numbers resulted from parental leave and replacement positions, and the filling of the executive manager student experience vacancy in December 2022. Our workforce data is measured in two ways, FTE (the number of individuals who worked hours considered equivalent to full-time in the period) and Headcount (all individuals who were employed in any capacity - full-time, part-time or casual at a point in time snapshot or an annualised view for the period).



The Human Resource Information Management System is the source of information for all employee reporting requirements. Regular 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 SWTAFE. Reports, as required, are to provide to relevant external authorities.

Employee figures for 2022, including an analysis by employment status, and classifications are represented in the tables provided. SWTAFE believes employees have been correctly classified in workforce data collections.

Other Disclosures

SWTAFE made \$40,839.06 ex-gratia payments during 2022.

L-R back row: Paul Meredith, Trevor Bullen, Karen Ellen, Emma Grady, Danielle Fatone, Mark Fidge, Susan Pettigrew and Taylia Craw.

L-R front row: Mary-Anne Lovera, Elana Agnew, Sarah Rowlands, Karen Graham, Rebecca Toleman.

**“the whole purpose
of education is to
turn mirrors into
windows”.**

Sydney J. Harris



People and Culture

Our Values

The People and Culture team lead the staff values and organisational development support to enable SWTAFE to achieve its strategic objectives. To realise this, People and Culture focus areas undertaken throughout 2022 included the following:

- Ongoing coaching and support to the leadership team that resulted in high staff engagement and increased staff satisfaction following the global pandemic despite significant disruption to planned staff engagement events and initiatives.
- The whole of SWTAFE workforce strategy and initiatives delivered the highest staff engagement in both the Victorian Public Service People Matter Survey in our comparator group and internally developed pulse checks to ensure our individual staff were engaged and supported.
- We supported our team to be agile, creative and engaged. Attention was given to developing leadership capability connected to purpose and accountability, igniting the potential of our team to inspire our students, placing the right people with the right skills and qualifications in the right job, being a great place to work with high staff satisfaction and wellbeing support and engaging the team in access to comprehensive professional development in new formats.
- A deliberate and ongoing focus on staff wellbeing and increased employee assistance support access.

Our Values

Integrity & Impartiality We are transparent and ethical in all that we do, every day	Respect & Human Rights We demonstrate trust, understanding and embrace diversity	Leadership We will be forward thinking, collaborative and inspirational	Accountability We take ownership of our actions and deliver on our promises	Responsiveness We will deliver and respond with care
I WILL <ul style="list-style-type: none"> > be trustworthy and transparent > insist on high standards and be my best > be impartial in my decision making I WILL NOT <ul style="list-style-type: none"> > keep quiet when I should speak up > be negative about my work place, colleagues or customers > play favourites or be influenced improperly 	I WILL <ul style="list-style-type: none"> > treat others with dignity, empathy and kindness > be open to all opinions and contributions > be approachable and understanding I WILL NOT <ul style="list-style-type: none"> > jump to conclusions or be judgmental > think I'm better or more important than others > exclude people or engage in rumours 	I WILL <ul style="list-style-type: none"> > lead by example and cultivate team spirit > empower others and encourage them to step up > take a clever and creative approach I WILL NOT <ul style="list-style-type: none"> > think 'me' rather than 'we' > abuse my authority or disempower others > settle for mediocrity 	I WILL <ul style="list-style-type: none"> > take responsibility for my actions > make things happen, deliver results and strive for quality > help to achieve our common goals I WILL NOT <ul style="list-style-type: none"> > shift my responsibility or blame others > impede progress or fail to contribute to solutions > walk away from a challenge or leave it to others 	I WILL <ul style="list-style-type: none"> > listen and respond as quickly as possible (with a smile) > adapt to change and new ways of working > always start with the customer and work from there I WILL NOT <ul style="list-style-type: none"> > slow things down or put up barriers > be critical and problem focused > forget the value of every customer

People Matters

SWTAFE has participated in the Victorian Public Sector Commission annual survey since 2013 and forms part of a comparator group of 12 Victorian TAFEs. In this challenging year, 92,000 employees from a record 241 organisations took part in the survey. An overall response rate of 52% was achieved across the public sector and the Commission has published results on their website.

The 2022 survey launched on 6th June and closed on 1st July with SWTAFE reaching 77% response rate. The Benchmarking Report indicates 77% employee satisfaction – an improvement in our results again this year. Both these achievements are an outstanding endorsement of the strategies and initiatives that create our positive culture.

SWTAFE continued to lead the state in both participation and satisfaction in our People Matter Survey in 2022. An all campus roadshow allowed us to communicate these results to all staff across our campuses and received valuable input on our action plan for 2023.

These results have allowed us to determine the key areas in which improvements will be made for 2023 and staff feedback has shaped our 2023 Action plan.

Workforce Development

During 2022, highlights were:

- Executive leadership, managers and team leaders participated in regular monthly forums geared to support and equip our leaders with current information, processes and training relevant to improving management capability, connection and positively supporting their teams throughout the challenges of remote working conditions. New leaders attended specific training on how to survive and thrive in their new role run by Pathways Australia, as well as one-on-one coaching from Sue McKenzie.
- Our team attended a Welcome back 2022 conference presented virtually due to the COVID environment in January 2022. This conference presented strategic and operational settings for 2022 and presented awards for Values champions and long service leave recipients. We introduced new staff service acknowledgment and recognition pins for ongoing service at 3, 5, 7 and 10 years at the conference and awarded these each month throughout 2022. These increased recognition milestones were well received.
- Occupational health and safety training delivery continued in 2022, as per the OHS Training Plan. The focus of 2022 included training in First Aid, Mental Health First Aid, CPR, HSR initial/refreshers, Manual Handling, Asbestos Awareness, Construction Induction, Contractor Supervision, Fire Warden and Managing difficult behaviours.
- Introduction to SWTAFE inductions were held fortnightly for all newly recruited team members. New teachers were also provided with an additional teacher induction support. The executive team meet and greet all new staff members on their first day as an important onboarding initiative that is highly valued by new team members.

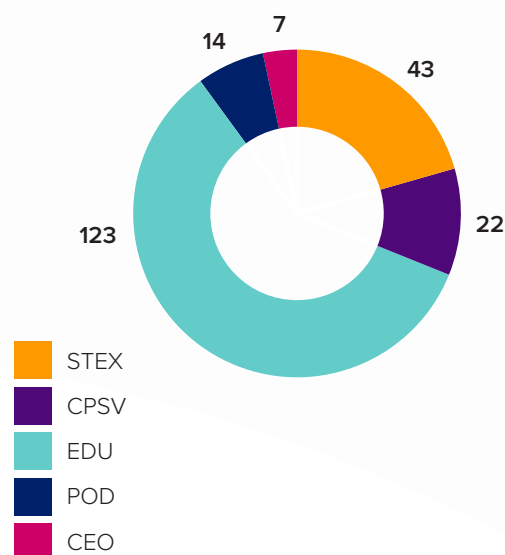
Training and Professional Development

Professional development provided to SWTAFE staff members saw an increase in participation as well as costs due to the easing of travel restrictions. Although some learning is still offered in an online or blended capacity, we were pleased to be able to facilitate out staff to attend numerous activities all over Australia.

In 2022, our professional training and development cost was \$146,028 for various activities throughout the year. In addition to the portfolio figures shown below, other funded activities provided through workforce development include the annual conference, SWTAFE online self-paced modules, additional in-house group training activities, occupational health and safety group training delivery and specific funded professional development allocated through projects.

A total of 202 professional development applications were submitted in 2022 across all portfolios, with 188 approvals for workforce development funding support (refer to diagram below).

APPROVED PROFESSIONAL DEVELOPMENT APPLICATIONS



Note: The figures shown above may represent group requests in one application in some instances. Figures do not include additional in-house group training, workshops, annual conference, and project funded professional development.

Total Distance in km travelled by Air

There were 4679km travelled by air in 2022.

Traineeships 2022

SWTAFE is committed to providing new traineeship opportunities annually. In 2022, SWTAFE hosted 4 trainees who completed a Cert III in Business Administration. The trainees were split across 5 different departments including; People & Culture, Short Courses, Building Construction and Smart Technologies in Sherwood, RTO Governance and, Land, Food and Fibre. All trainees successfully completed their Business Administration qualification by the end of their contract.

Three trainees were successful in gaining permanent positions at SWTAFE at the end of the traineeship period. A new group of trainees will be recruited for 2023.

Wellbeing, Wellness & Connection

Creating an inclusive environment and positive culture was a key focus for 2022. Key highlights included: morning tea and free cupcakes for R U OK day, coffee vouchers for staff who were on leave, International Women's Day hamper raffle and free cookies. Staff also participated in a variety of fundraising initiatives including: STEPtember, International Women's Day, Biggest Morning Tea, as well as morale boosters such as Christmas decorating competitions, social club events, social breakfasts and forums.

'Bring your pet to work day' continues to lead the field as the happiest and most popular day for staff connection so this year we ran two of these events. The many pets and fun photos were shared virtually across the different campuses.

Wellbeing was a focus across the team with different webinars, speakers and leadership initiatives conducted to highlight and balance the returning from COVID settings back to campuses. Supporting our team's wellbeing is a priority for SWTAFE. A diverse range of internal team members and the Executive team are members of the Wellbeing and Staff Development group that met monthly to do wellbeing, culture pulse checks and feedback on ongoing activities throughout the year.

Gender Equality Action Plan and equity initiatives

The 2021 set up of the 2022 board-endorsed Gender Equality Action Plan (GEAP) created a well-designed annual plan of activities and initiatives to address this important work. SWTAFE appointed a specialist advisor to oversee the plan and facilitate several training sessions. During 2022 the SWTAFE board, executive team and the leadership group attended excellent training facilitated by Women's Health and Wellbeing Barwon South West. An additional full-time position was added late in 2022 to support this large piece of work as the Equity and Inclusions project lead.

Industrial Relations

SWTAFE is committed to productive relations with our union partners, the Australian Education Union and the National Tertiary Education Union, regarding Enterprise Agreement negotiation, change management communication, and regular communication to the relevant partners, government and commissioners regarding our adherence to agreements and reporting requirements. Regular meetings were held with our AEU Organiser and SWTAFE Representatives throughout 2022, which will continue in 2023.

The negotiation of a new Multi Enterprise Agreement (MEA) for our teachers commenced in 2022, anticipated to be finalised and endorsed in 2023. The Specialist Agreement was extended by 12 months, allowing further discussions by all TAFEs regarding a potential MEA.

There were no days lost to industrial action in 2022.

Recruitment

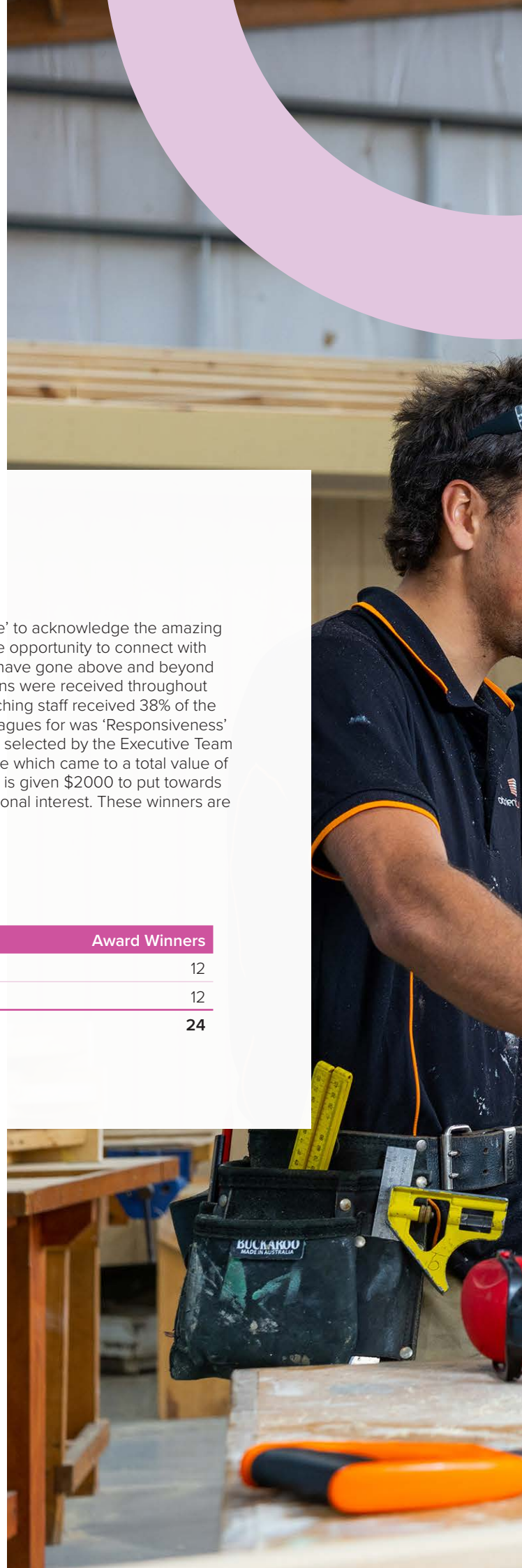
In 2022 we faced new global workforce challenges due to an all-time low unemployment rate and a high job mobility rate. We rapidly transitioned to social media advertising and looking at new innovative ways to promote vacancies. Career succession resulted in a lot of internal movement and career progression through 2022. We remain committed to leveraging the strength of our brand to recruit the best people and focus on our employee experience to retain key staff. During 2022 we recruited a total of 125 new staff to deliver our organisational focus and commitments.

Value Champion Award Nominations 2022

We hosted our monthly staff recognition events 'Munch & Mingle' to acknowledge the amazing work our staff do all throughout the year. This allows our staff the opportunity to connect with fellow colleagues and share their stories of staff members who have gone above and beyond for the month and demonstrated SWTAFE values. 142 nominations were received throughout 2022. Specialist staff received 62% of the nominations and Teaching staff received 38% of the nominations. The most popular value staff nominated their colleagues for was 'Responsiveness' (40% of nominations). Throughout 2022, 24 staff members were selected by the Executive Team as Value Champions, each received a gift voucher of their choice which came to a total value of \$2400. A winner from each the Specialist and Teacher category is given \$2000 to put towards professional development the following year in any area of personal interest. These winners are announced at our staff conference on 30th January, 2023.

Staff Values Award Nominations by Specialists/Teachers

Award	Nominations	Award Winners
Specialist (incl. Trainees)	87	12
Teacher	55	12
Total	142	24





Student and community experience

SWTAFE aims to improve outcomes for our students, communities and industry. We encourage our students to deliver on their future career and educational aspirations as we strive to provide an exceptional student experience. Over many years SWTAFE has committed to providing educational pathways to its community members of this region and beyond. Graduates from a short-course to a Diploma all provide meaningful skills to meet local workforce and societal needs.

Snapshot

Stakeholder engagement including our schools, community, students, industry, minority cohorts, and government occurs at both a strategic and operational level across SWTAFE. Broadly, stakeholder engagement at SWTAFE aims to be purposeful, targeted and contribute to successful achievement of the strategic goals of the organisation. Post pandemic, 2022 encouraged our stakeholders to have a meaningful, timely, relevant and professional experience when engaging with SWTAFE. Our students were supported in their transition to and from a blended learning model with our teachers demonstrating excellent flexibility in their delivery and assessment methods. This approach combined with a more flexible hybrid delivery model and on-the-job training has opened up new opportunities to our students and stakeholders for educational engagement and skill development.

South West TAFE Advanced Diploma of Visual Arts student James Cody-Davis

 [HARIDIAN.ARTS](https://www.instagram.com/HARIDIAN.ARTS)

Student Experience

SWTAFE were number one in the state for:

- the number of students would recommend SWTAFE as an RTO (86%)
- employer satisfaction (87.9%)
- achieved their main reason for studying

The results from the 2022 DET survey indicated that SWTAFE stakeholders felt they were being supported in achieving their goals and valued their partnership with SWTAFE.

Key themes for the student experience portfolio focused on:

- Creating and delivering stronger pathways from school to higher education for all learners.
- Generating, nurturing and building on community and industry partnerships to collaborate in how to best meet their skill needs.
- Improving engagement to all learners through increased inclusivity and accessibility to learning.
- The development of a centralised student support model across the TAFE.

Student Experience takes a holistic approach to the student journey. 2022 saw the opening of 'South West Central' (SWC) that has a 'student first' approach where students have their enquiries and concerns managed the first time, as a single point of contact where possible. The Centre is based in the heart of the campus and has adopted universal design principles to increase inclusion for all. It is based on a model of placing the student at the centre of learning. Student support is an important component of improving the quality of the whole learning experience. SWC incorporates the services of Learning Support, IT Helpdesk, Career Advice, Koorie, Wellbeing and Disability support along with customer service and reconnect programs. It's also a place where employees can share information and learn from each other.

Our Skills and Jobs Centre was ready to assist our graduates in meeting the demand for new workers, and looked at ways to better support women and older workers enter the workforce with new re-imagined skills and opportunities. Strong, innovative, objective conversations were had by our qualified career practitioners ensuring students had a clear path with many options that supported life-long learning and skill development across the region.

The student experience portfolio operates with a strong emphasis on putting the enrolled students, prospective students and industry clients first. The team focusses on the needs of the customer first and aims to provide flexible, responsive, innovative solutions. All aspects of the organisation play a pivotal role in supporting our students reach their long-term goals. From application to graduation all students are influenced, guided and nurtured by the four pillars of our organisation.

Regional Campuses

The Student Experience portfolio is deeply embedded in our regions. The connection addresses and meet the needs of students as customers but also extends beyond into the community, servicing the workforce needs of our local regions. Through the Regional Managers at the Colac, Hamilton and Portland campuses, there is an active connection with local government, schools, health, aged and disability support services, industry and community groups. Their involvement on committees, Chamber of Commerce, business associations and community organisations, as well as an active connection with indigenous organisations, supports SWTAFE to understand the region's challenges and be responsive. Regional Managers play an important role of partnership brokers within TAFE and between organisations.

The analysis of industry and community challenges led to the development of the three regional training plans for Glenelg, Southern Grampians and Colac Otway regions. These plans enabled SWTAFE to identify opportunities and work jointly with our regional industries.

When innovative opportunities were identified in the regions, SWTAFE applied for State Government grants in partnership with local industry in an effort to address them. The Workforce Training and Innovation Fund (WTIF) was developed to encourage efficient, flexible and responsive training that meets the needs of industry. Further consultations with industry partners identified training for specific skills and specialist areas that are not being met by current training options. SWTAFE has initiated applications for grants through Regional and Specialist Training Fund (RSTF) to support the development and delivery of such training. In 2022 two successful RSTF grant applications have been received to support nursing and aged care training in the regional areas.

South West TAFE are pleased to have certainty to purchase Hamilton's Ballarat Road campus. Master planning is to be carried out in 2023 and will provide a clear pathway forward for the campus. The Hamilton Campus has an advisory committee comprising of industry, education and community members. This committee provided advice, feedback and recommendations on the master planning and future training needs.

Early January 2022, the Portland campus suffered a one-in-a-hundred-year flood, causing a closure of the campus. Alternative customer service and delivery spaces were sourced and rectification works commenced. Engineering training was the first to be reactivated, complemented with new equipment purchased with over \$660k in TAFE Equipment and facilities funding (TEFF). After a minor second flood, final rectification works were completed in December 2022 with the whole site handed back to SWTAFE just prior to Christmas. Teaching areas showed enormous flexibility in delivery models and locations and managed to engage in quality training with students across the Portland region.

The activation of the Colac's Pound Road site for agriculture training has greatly enhanced the delivery options in the Colac region. Glenormiston continues to also offer agriculture training, and now, with the completion of the civil construction training pad, there is an expectation of more activity on the campus in 2023.

Pathways

With the ongoing events of the COVID-19 pandemic in 2022 many people continued to contemplate life changes. Many have looked to re-think their career options and their approach to work.

2022 experienced significant change to the way the government and the community managed COVID-19. Restrictions were removed and employees were encouraged to return to the office and look to a return to the normal way of living. With this brought significant impact to industries with the demand for goods and services returning to higher demand than previous to the pandemic. With this the demand for staff across retail, hospitality and travel sectors led to regional Victoria unemployment rates at a record low in August 2022 with South West Victoria region at 1.1%. Job seekers have taken this opportunity to build the skills needed for entry into a new industry or to embrace a career change. Free TAFE courses and skill-sets, online training opportunities and Job Trainer concessions all contributed and helped community members take the leap to up-skill during 2022 through SWTAFE. Through new platforms of social engagement such as Facebook, Instagram, LinkedIn the S&JC team are able to stay connected to the community via both online and face to face interactions, workshops and visits. The team focused on skill transferability and adaptability to meet the changing needs of the workforce. The students of 2022 benefitted from: the closer collaboration between the S&JC staff for pathway advice and career direction; the teaching areas for confirmation; and the customer service team for the administration of enrolment and eligibility; all whilst adhering to the ongoing changing pandemic restrictions. Through 2022 people skills were in highest demand from employers across the South West. These skill requirements were highlighted with the continued industry demand to utilise the S&JC Jobs Board advertising local employer vacancies. Over the year it hosted over 230 jobs from local employers looking for staff, up 55% on 2021. This continues to be a great service to the hundreds of SWTAFE graduating students and community members. <https://www.swskillsandjobscentre.com.au/local-jobs-board/>.

SWTAFE continued the partnership with the Victorian Skills Authority through the Jobs Victoria Advocate

position that is overseen by the Department of Jobs, Precincts and Region until June 2023. The JVA's role is to support people who are looking for work by connecting them to information, advice and the right services. This outreach service was hit hard by the COVID restrictions but has moved forward into 2022 working within the TAFE's Skills and Jobs Centre.

One of the main reasons that students choose to study at SWTAFE is to reach a career goal of employment or a pathway into further education. Students appreciate the stepping stone approach TAFE can provide from a pre-apprenticeship, certificate II program through to the Advanced Diploma, that provides guaranteed entry pathways into Deakin Warrnambool.

Establishing a meaningful, achievable pathway is the first step to having a great TAFE experience.

WorldSkills South West Region

Every two years South West TAFE is privileged to host the regional WorldSkills competition, designed for apprentices, trainees and students to test their skills and knowledge within a particular field or industry.

Taking part in WorldSkills Australia's Regional competitions offers participants a wide range of benefits and opportunities, including being recognised for excellence, improving their workplace skills and performance, and demonstrating their potential to current and future employers.

In 2022, 6 Regional competitions were conducted across our Warrnambool, Sherwood and Portland campuses where competitors performed a broad range of tasks in the categories of Automotive, Hairdressing, Beauty, Engineering, Carpentry, and Commercial Cookery.

With over 30 competitors taking part, those who did well at our regional competition were invited to compete at the National Championships where Australia's best trades and skills talent compete over three days to showcase and benchmark their skills on the national stage. The next National competition is in Melbourne in 2023.



SOUTH WEST TAFE

DATE 20/10/22

PAY Brophy Youth Homelessness Team

\$1,246

SIGNED South West TAFE

Community

Koorie Engagement



Our Indigenous communities play a vital role in the region, and within South West TAFE. SWTAFE hosts a regular Aboriginal Advisory Committee, holding several forums throughout the year to discuss how better to support our Koorie students while they are studying with South West TAFE and to encourage those students to share their unique cultural knowledge within class and groups. The Advisory Committee is made up of representatives from Gunditj Mirring Aboriginal Traditional Owners Corporation, Winda Mara Aboriginal Corporation, Gunditjmara Aboriginal Co-operative, the Department of Education, and the Regional Koorie Education Support Officer.

SWTAFE's Koorie team experienced some movement of team members in 2022, and were pleased to have successfully recruited an identified Aboriginal person for the Koorie Liaison Team Leader position, providing direction and ongoing stability to the team of Koorie Student Support Officers. SWTAFE's Koorie Team will play a vital role in mentoring our Koorie students and staff, providing culturally appropriate support and increasing course completion rates and engagement with further education.

Cultural Safety Training was delivered to teachers in the Early Childhood Centre to ensure best practice delivery of the course to all Koorie learners, and our Health and Community Services Department was supported in ensuring that students were trained in Aboriginal and Torres Strait Islander cultural safety by teachers who had been accredited by local elders in the community.

All staff at South West TAFE successfully completed online Cultural Awareness Training in 2022 to increase awareness and visibility of issues impacting on our Koorie Community. Team members from SWTAFE's Warrnambool campus enjoyed the opportunity to go on Country and taking part in enlightening Cultural tours at Tower Hill with a visit to Worn Gundidj, while team members from Hamilton and Portland campuses took part

in exploring World Heritage listed Budj Bim.

In 2022 four Koorie students were recognised as future leaders in their communities and industries, and awarded scholarships through the SWTAFE Community Scholarship Program. These students received financial support to be used on any fees and course consumables, towards ICT equipment or tools required to effectively participate in industry, or any travel requirements as a part of their studies.

Our Koorie Student Support Officers have continued to build on developing relationships with our Koorie Students through individual and group study sessions online and in person. The continued successes that were identified from the delivery of a bi-monthly Koorie newsletter have been so well received by students that this newsletter will now be released on a monthly schedule.

In March 2022 the SWTAFE Koorie Team were pleased to partner with a proud Worimi artist living in Gulidjan Country to paint eye-catching new totems at the front of SWTAFE's Colac Campus. The team collaborated to develop the concept of painting the Australian, Aboriginal and Torres Strait Islander flags in the artist's unique First Nation's style. The public art piece symbolises the connections amongst all communities, while reflecting on the journey of strength and resilience of thousands of generations.

In July 2022 SWTAFE's Koorie Student Support Officers collaborated with ladies from Winda Mara and our VCAL students to create an intergenerational artwork proudly on display at Hamilton Campus. This Reconciliation Action Plan Mural was created by local women who identify as Aboriginal or Torres Strait Islander and our students who took part in sharing First Nations culture as they worked together in intergenerational 'Paint n Yarn' workshops. The workshops brought together different groups to create art and exchange views about local and family history and 'her-story.' The Mural was officially launched at an unveiling event proudly attended by the artists, members of the Koorie Community and many representatives of SWTAFE and other significant regional organisations and community members.

Other significant artworks and elements of cultural recognition are currently being planned for Portland campus, with a mural being created for the Engineering Department as part of the Plasma Cup Medal, and discussions commencing around rejuvenating the campus gardens with indigenous plants. An Honour Board for the Koorie Student of the Year has been created in consultation with the community to be shortly displayed at a prominent location in Warrnambool Campus.



Throughout 2022 significant consultation and considerable work has been undertaken by the Koorie Team to develop South West TAFE's new Reconciliation Action Plan (RAP). Building on the successes of the previous plan, SWTAFE's new RAP will be published in 2023 and be driven by the formation of a Working Group with a focus on further consultation with the community.

VCAL Projects / Partnerships

South West TAFE's VCAL (Victorian Certificate of Applied Learning) program has continued to provide an alternate setting for young people to undertake or complete this course at either a Foundation, Intermediate or Senior level. A feature of our VCAL programs is the applied learning approach that uses the design, development and implementation of community-based projects as a vehicle for learning. 2022 has seen a return to face to face learning and community-based projects like Harmony Day.

Some of these projects include:

- Harmony Day
- Beekeeping
- Tree planting at Chetwynd with the Budj Bim Rangers planting Stringy Bark Gums
- Partnership with Lyndoch Living
- Wheelchair basketball
- VCAL store
- Community Garden Portland and Indigenous Garden at Merrivale Primary School
- Fundraiser for the Salvation Army
- RSPCA
- Liverwell Street Shot Competition
- Deep Thinkers, a film with the Warrnambool City Council raised \$1246 for Youth Homelessness (Brophy Youth).

A highlight of our VCAL programs are community projects which are only possible with the wonderful assistance and support of our schools and careers networks, educational and community partners who support our programs and students. A focus of 2022 has been reengaging young people with their learning after almost two years of remote learning and community-based projects have played a vital role in this process.

In 2023 there is the introduction of the VCE Vocational Major and the Victorian Pathway Certificates (replacing VCAL) which

has given us the opportunity to create and explore new curriculum. Community partnerships will continue to be a vital and engaging part of our students learning and a key feature of their Personal Development Skills units. We look forward to continuing our connections with our current community partners and are looking forward to new opportunities also.

Community Connection

In 2022 we were able to continue with a number of community connections and activities across the region, sometimes virtually or with smaller groups, including:

- IDAHOBIT Day
- Rainbow Day
- International Day of People with a Disability
- Anzac Day wreath laying service
- Remembrance Day
- Warrnambool Standing Tall mentoring program – administrative support and mentors
- Warrnambool Foodshare – food donation, administrative support and volunteers.
- Youth Affairs Council Victoria (YACVIC) – advocating for young people and their rights
- Local Support Network meetings
- National Volunteer Week
- Enhance Work experience Glenelg and Southern Grampians
- Careers Week
- Passport to employment; Warrnambool, Portland and Colac

During 2022 we worked with the following key partners in the education community who have directly or indirectly supported our students and their outcomes:

- Brophy Family and Youth Services
- Glenelg Southern Grampians LLEN
- South West LLEN
- Beyond the Bell Great South Coast
- Deakin University Advisory Group
- Warrnambool and Portland Special Development School
- Schools and careers networks
- Westvic Staffing Solutions
- Gunditjmara Aboriginal Co-operative
- The Navigator Program – DET program in cooperation with Anglicare to support and re-engage younger people into study
- Volunteer Connect
- Committee for Portland
- Kuna Bim – subsidiary of Wellways with a focus on youth housing in particular for mental health/ residential care
- The Foyer



- The Way Back Program – working with SW Healthcare as part of a recovery plan for those who have attempted suicide, providing advice on study or employment opportunities
- Colac Neighborhood House
- Bethany Family Services
- Mackillop Family Services – a partnership with Skills & Jobs Centre with clients coming for course/career advice
- Emma House
- WRAD
- RSL Active
- Local Jobs Program
- Neil Porter Legacy
- Reconnect Program
- Portland Women in Business
- DWECH – Portland
- Kyeema Support Services Portland
- U3A Warrnambool
- Port Fairy Community House
- Salvation Army – Portland
- Camperdown Neighborhood House
- Clontarf Academy
- PARC

SWTAFE funds five Open Scholarships up to a value of \$2,000 each which are available to any student studying at SWTAFE. We also fund regional scholarships that acknowledge outstanding students at each of the Sherwood Park, Portland, Hamilton and Colac campuses. These scholarships recognise the additional challenges faced by students in our more rural and remote communities.

In 2022 SWTAFE was pleased to be able to offer thirteen community-based scholarships to students across the region, financially supporting students up to a total value of \$27,500. These students received financial support to be used on any fees and course consumables, or funds towards meeting the needs of a student completing training in a modern education setting, such as ICT equipment and tools required to effectively participate in industry, or any travel requirements as a part of their studies.

Community-based Scholarships Program

Each year South West TAFE awards a significant number of scholarships to students who are excelling in their chosen vocation or who aspire to be future leaders in our community and in industries across South West Victoria. SWTAFE takes great pride in its role as a community leader and our community engagement contributions are an integral part of who we are.

Community partners and philanthropic organisations such as the DemoDAIRY Foundation and the Glenormiston Foundation have provided generous scholarships up to \$5,000 in value to students studying dairy, agriculture or horticultural programs, while industry partners such as Acciona Australia and Portland Aluminium have supported our Mt Gellibrand and Women in Trades scholarships.

In 2022 four Koorie students were recognised as future leaders in their communities and industries, and awarded Scholarships through the SWTAFE Community Scholarship Program. These students received \$7,500 in total support to assist their studies and future careers in industry.

Five students were offered the Open Scholarship positions with a value up to \$2,000 each. One recipient received \$2,000 support as part of the Women in Trades Scholarship program and another student received \$4,000 support from the Glenormiston Foundation. Additional Scholarships were offered across Colac, Portland and Hamilton to assist learners from across our region gain access to financial support.

A photograph of three male mechanics in a workshop. They are gathered around the open hood of a car, looking at a diagnostic tool connected to the engine. The mechanic on the left wears glasses and a dark jacket. The middle mechanic has a beard and wears a dark jacket with 'RENAULT' and 'SAFARI' visible. The mechanic on the right wears a grey and black jacket with 'DARCY' and 'Callaghan Motors' visible. The background shows a workshop environment with yellow and blue equipment.

Compliance

Occupational Health and Safety (OHS)

Throughout the reporting period, SWTAFE 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.

A major portion of OHS activity throughout 2022 involved supporting the organisation's construction and refurbishment projects, with environmental hazard identification and risk mitigation, contractor management, implementation of safe systems of work and interim Traffic Management plans. Staff and student wellbeing was also a key consideration for SWTAFE.

The Occupational Health Safety and Emergency Planning Committee (OHS & EP Committee) membership includes the Chief Executive Officer ex officio, five management representatives, Chief Emergency Warden, OHS Officer, Disability Services Coordinator, People and Culture Advisor and 15 Health and Safety Representatives (HSRs) representing 384 employees in 15 Designated Work Groups (DWGs) across SWTAFE's six campuses.

The HSR roles included:

- Completing the 5 day initial training and the annual one day refresher course as required.
- Assisting the review of Safe Operating Procedures for the organisation's plant and teaching equipment.
- 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 the Executive and external sources to assist with their OHS role.
- Attending interviews, when required, between employees and management regarding OHS matters.
- Attending meetings of the OHS & EP Committee.

The OHS & EP Committee met six times during the year with a clear focus on staff and student wellbeing following the easing of mandatory pandemic restrictions, as well as proactive and preventative OHS measures generally.

The following notable health, safety and wellbeing initiatives were implemented:

- Participation in the state government Asbestos Eradication Program, including lawful disposal of any teaching equipment with asbestos containing materials (ACM).
- Installation of accessible walkways and disability parking at Sherwood Park campus, including provision of accessible training resources for relevant students and teachers.
- Improved online incident reporting and investigation processes with increased automation, reducing duplication.

- Improved emergency evacuation procedures, resources and training delivered.
- Completion of OHS Action items including Test and Tagging of Electrical Appliances.
- Review of relevant OHS policies, procedures, guidelines and forms.
- Emergency/Fire evacuation drills conducted at all SWTAFE sites despite disruption from multiple building projects and the Portland flood damage.
- OHS training delivered across the organisation, with a return to face-to-face delivery for all categories following the lifting of COVID restrictions.
- Office ergonomic assessments and installation of reasonable adjustments for staff returning to the workplace after working from home due to COVID restrictions.
- Traffic Management Plans (TMPs) refreshed for all campuses, including implementation of interim TMPs in the vicinity of construction works at some sites.
- Standard operating procedures (SOPs) updated across campuses following introduction of new plant and equipment.

A total of 149 OHS incident reports were received during 2022, summarised as follows:

- 21% of incidents involved students. Two were reportable to Worksafe and 1 Improvement Notice issued. This is a decrease of two reportable incidents against the previous year.
- 33% of incidents involved SWTAFE employees, two of which were reportable to Worksafe and three resulted in Workcover claims. In 2021 there was one Worksafe reportable employee incident and five Workcover claims.
- 3 incidents involved members of the public.
- Two contractor incidents (not reportable to Worksafe). This compares with two contractor incidents in 2021 (not reportable).
- The highest number of incidents reported were categorised as 'behavioural incidents', followed by 'near misses', with 'strike against or by an object' accounting for the third highest category of incident reported for 2022. Trips and falls were a close fourth, and an increase in strain/over exertion injuries were also reported.
- The number of incidents reported across 16 departments was relatively low, ranging between 1-6 incidents per department, with two exceptions being the VCAL/VCE cohort (10) and South West Disability Services (87).
- OHS incident investigations were conducted and corrective/preventive actions implemented, involving relevant Health and Safety Representatives where available.
- There were three (3) Worksafe Improvement Notices received.
- There were no Worksafe Prohibition Notices received.
- There were five (5) Worksafe Inspection Reports received.

Performance Indicators

Statistics for reported hazards and incidents are listed below:

HAZARDS AND INCIDENTS	2022	2021	2020
Total full-time equivalent staff numbers at the last pay in December	288	278	264
Total Hazards Reported	21	40	24
Total Incidents Reported	149	48	74
Hazards per 100 full-time equivalent staff numbers	4.9	14.4	9.1
Incidents per 100 full-time equivalent staff numbers	33.9	17.3	28
Number of time lost standard claims per 100 full-time equivalent staff numbers	1.39	2.16	2.3
Time lost (hours)	114	266	277.4
Number of claims (standard and minor)	4	6	6
Number of fatalities	0	0	0

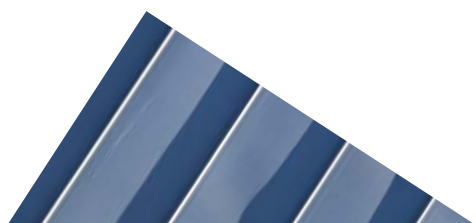
WORKCOVER CLAIMS	2022	2021	2020
Average cost per claim total paid for the year	\$2,537	\$23,648	\$63,486
Payments total to-date	\$10,149	\$141,893	\$253,946
Estimate of outstanding claim costs	\$0	\$918,267	\$666,238



Activity Table

For the year ended 31 December 2022

		2022	2021
	Note	\$'000	\$'000
NOTE A1 - OPERATING STATEMENT			
Total Operating Expenses			
Delivery provision and support activity	A2	22,053	21,157
Administration and general services activity	A3	9,103	8,374
Property plant and equipment services activity	A4	7,824	6,550
Student and other services activity	A5	1,433	1,382
Total Operating Expenses		40,413	37,463
NOTE A2 - DELIVERY PROVISION AND SUPPORT ACTIVITY			
Salaries, wages, overtime & allowances		16,636	16,641
Superannuation		1,794	1,645
Payroll Tax		272	279
Other salary related costs		119	99
Consumables		1,312	1,182
Fees		244	210
Travel and motor vehicle expenses		272	190
Depreciation		423	445
Other direct delivery expenses		981	466
Total expenses from transactions		22,053	21,157
NOTE A3 - ADMINISTRATION AND GENERAL SERVICES ACTIVITY			
Salaries, wages, overtime & allowances		5,622	5,311
Superannuation		634	533
Payroll Tax		93	83
Other salary related costs		16	27
Consumables		320	275
Communication expenses		826	745
Fees		434	490
Travel and motor vehicle expenses		59	18
Depreciation		21	22
Other expenses		1,078	870
Total expenses from transactions		9,103	8,374



		2022	2021
	Note	\$'000	\$'000
NOTE A4 - PROPERTY PLANT AND EQUIPMENT SERVICES ACTIVITY			
Salaries, wages, overtime & allowances		1,118	1,216
Superannuation		121	122
Payroll Tax		19	20
Consumables		69	35
Equipment		918	269
Energy costs		652	475
Contract Services		1,410	1,442
Rent / leasing charges		110	44
Repairs & maintenance		1,286	970
Depreciation		1,848	1,867
Other expenses		273	90
Total expenses from transactions		7,824	6,550
NOTE A5 - STUDENT AND OTHER SERVICES ACTIVITY			
Salaries, wages, overtime & allowances		1,039	1,036
Superannuation		117	108
Payroll Tax		18	17
Consumables		78	32
Fees		60	40
Travel and motor vehicle expenses		12	1
Other expenses		109	148
Total expenses from transactions		1,433	1,382

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

1 January – 31 December 2022

I Steven Waterhouse, on behalf of the Responsible Body, certify that the South West Institute of TAFE has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Steven Waterhouse
Board Chair

22 February 2022

POSTAL ADDRESS:

PO BOX 674
WARRNAMBOOL
VIC 3280
AUSTRALIA
ABN: 76 750 969 979

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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 2022 reporting period.

Public Interest Disclosure

South West TAFE retained its policy in relation to the Public Interest Disclosure Act 2013, 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 2022 reporting period.

Building and Construction

South West TAFE, through its Facilities Department, continued to provide and maintain high-quality facilities that:

- Complied with the Building Act (Vic) 1993, Building Regulations (Vic) 2018 and the Disability Discrimination Act (Fed) 1992.
- Met the applicable Occupational Health and Safety standards.
- Exceeded the expectations of students, staff, conference & events clients and tenants.
- Respected the heritage of occupied sites in accordance with Local and State heritage laws.
- Met requirements for all relevant Planning Authorities, Local Authorities, Australian Standards, Regulations and Codes including the Building Code of Australia;
 - NPWC3 Australian Cost Management Manual Vol.1 (AIQS);
 - [Ministerial Directions and Instructions for Public Construction Procurement in Victoria](#) (effective 1 July 2018);
 - [Guidance for Public Construction Procurement in Victoria](#) (effective 1 July 2018);
 - [Practitioners Toolkit - Standard form contracts](#);
 - [Practitioners Toolkit - Fact sheets for public construction procurement](#);
 - Occupation Health and Safety legislation, and
 - Victorian Industry Participation Policy (Victorian Government Purchasing Board).

The organisation also 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 related to buildings across all SWTAFE campuses, including maintenance of fire protection and evacuation systems in accordance with Essential Safety Measures (ESM) maintenance standards.

The SWTAFE Facilities Department continued to engage consultants Stokes Safety to conduct quarterly audits of the ESM maintenance contractors and produce the mandatory annual ESM reports for all buildings.

Two additional project staff were employed to assist in the coordination and progression of the two large construction projects taking place on the Warrnambool Campus, The Learning and Library Hub Project and the F Building Refurbishment Project. The additional resources ensure project program is met and both site safety and operational effectiveness is not impacted during the extensive works which will take place in a live environment.

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 are to 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 Victorian Carers Recognition Act 2012

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



Financial Position

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**DECLARATION BY BOARD CHAIR
CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCE AND ACCOUNTING OFFICER**

The attached financial statements for the South West Institute of TAFE have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ended 31 December 2022 and financial position of the Institute as at 31 December 2022.

At the date of signing this financial report, we are not aware of any circumstances that would render any particulars included in the financial report to be misleading or inaccurate.

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



Steven Waterhouse, Board Chair

Date: 08/03/2023

Warrnambool



Mark Fidge, Chief Executive Officer

Date: 08/03/2023

Warrnambool



Robert Van Duynhoven, Chief Finance
and Accounting Officer

Date: 08/03/2023

Warrnambool

POSTAL ADDRESS:

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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 2022 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • declaration by the Board Chair, Chief Executive Officer and Chief Finance and Accounting Officer. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the institute as at 31 December 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the institute is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institute's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board • conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the institute to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. • obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the institute to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the institute and the consolidated entity. I remain solely responsible for my audit opinion. <p>I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE
20 March 2023



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 2022, 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
20 March 2023

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

South West TAFE - FINANCIAL STATEMENTS

How this report is structured

South West TAFE has presented its audited general purpose financial statements for the financial year ended 31 December 2022 in the following structure to provide users with the information about South West TAFE stewardship of resources entrusted to it.

Financial statements	Comprehensive operating statement	76
	Balance sheet	77
	Statements of changes in equity	78
	Cash flow statement	78
Notes to the financial statements	1. About this report	
	1.1 Basis of preparation	79
	1.2 Compliance information	80
	1.3 Impact of COVID19	80
	2. How we earned our funds	
	2.1 Government grants	81
	2.2 Revenue from fees, charges and sales	83
	2.3 Other income	85
	3. How we expended our funds	
	3.1 Employee benefits	87
	3.1.1 <i>Employee benefits in the comprehensive operating statement</i>	87
	3.2 Superannuation	87
	3.3 Supplies and services	88
	3.3.1 <i>Non-cancellable lease commitments – short-term and low value leases</i>	89
	3.3.2 <i>Other expenditure commitments</i>	89
	3.4 Other operating expenses	89
	3.5 Depreciation and amortisation	89
	4. The assets we invested in	
	4.1 Property, plant and equipment	90
	4.1.1 <i>Reconciliation of movements in carrying amount of property, plant and equipment</i>	91
	4.1.2 <i>Capital commitments</i>	91
	4.1.3 <i>Gain / loss on property, plant and equipment</i>	91
	4.2 Intangible assets	92
	4.3 Depreciation and amortisation	92
	4.4 Investments properties	93
	5. Balances from operations	
	5.1 Receivables	93
	5.2 Prepayments	94
	5.3 Payables	95
	5.4 Contract and other liabilities	96
	5.5 Employee benefits in the balance sheet	97
	6. How we financed our operations	
	6.1 Cash and deposits	98
	6.2 Borrowings	99
	6.3 Contributed equity	100
	6.4 Leases	100
	7. Managing risks and uncertainties	
	7.1 Financial instruments	102
	7.2 Contingent assets and contingent liabilities	106
	7.3 Fair value determination	106
	8. Governance disclosures	
	8.1 Responsible persons	110
	8.2 Remuneration of executives	111
	8.3 Related parties	112
	8.4 Remuneration of auditors	112
	9. Other disclosures	
	9.1 Other economic flows included in net result	113
	9.2 Other equity reserves	113
	9.3 Ex-gratia expenses	113
	9.4 Joint venture	113
	9.5 Non-financial assets held for sale	113
	9.6 Events after reporting date	113
	9.7 Application of standards issued but not yet effective	114
	9.8 New or amended Accounting Standards and Interpretations adopted	114

FINANCIAL STATEMENTS

COMPREHENSIVE OPERATING STATEMENT

For the year ended 31 December 2022

		2022	2021
	Note	\$'000	\$'000
Continuing operations			
Revenue and income from transactions			
Government grants			
Operating grants - revenue	2.1.1	12,971	15,365
Operating grants - income	2.1.1	22,287	16,822
Capital grants - income	2.1.2	25,636	7,879
Revenue from fees, charges and sales	2.2	3,434	3,544
Interest income		144	22
Other income	2.3	183	285
Total revenue and income from transactions		64,655	43,917
Expenses from transactions			
Employee benefits	3.1.1	27,482	27,011
Depreciation and amortisation	3.5	2,298	2,341
Supplies and services	3.3	7,821	6,082
Other operating expenses	3.4	2,812	2,029
Total expenses from transactions		40,413	37,463
Net result from transactions		24,242	6,454
Other economic flows included in net result			
Net gain on non-financial assets	4.1.3	72	44
Net (loss) on investment property revaluation	4.4	-	(595)
Other gains/(losses) from other economic flows	9.1	(247)	9
Total other economic flows included in net result		(175)	(542)
Net result from continuing operations		24,067	5,912
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	9.2	1,612	5,468
Comprehensive result		25,679	11,380

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

FINANCIAL STATEMENTS

BALANCE SHEET

As at 31 December 2022

	Note	2022 \$'000	2021 \$'000
Assets			
Financial assets			
Cash and cash equivalents	6.1	7,025	11,494
Receivables	5.1	1,499	1,564
Total financial assets		8,524	13,058
Non-financial assets			
Inventories		8	39
Assets designated as held for sale	9.5	4,685	-
Prepayments	5.2	836	698
Property, plant and equipment	4.1	83,954	58,528
Right of use asset	6.4	174	312
Intangible assets	4.2	1,208	1,466
Investment property	4.4	-	2,100
Total non-financial assets		90,865	63,143
Total assets		99,389	76,201
Liabilities			
Payables	5.3	4,861	3,299
Contract liabilities	5.4	561	3,991
Employee provisions	5.5	4,219	4,468
Lease liabilities	6.4	192	328
Borrowings	6.2	2,362	2,600
Total liabilities		12,195	14,686
Net assets		87,194	61,515
Equity			
Contributed capital	6.3	9,361	9,361
Accumulated surplus		46,760	22,693
Physical assets revaluation surplus	9.2	31,073	29,461
Net worth		87,194	61,515

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 2022

	Physical assets revaluation surplus	Accumulated surplus	Contributed Capital	Total
	\$'000	\$'000	\$'000	\$'000
At 1 January 2021	23,993	16,781	9,361	50,135
Net result for the year	-	5,912	-	5,912
Other economic flows - other comprehensive income	5,468	-	-	5,468
Year ended 31 December 2021	29,461	22,693	9,361	61,515
Net result for the year	-	24,067	-	24,067
Other economic flows - other comprehensive income	1,612	-	-	1,612
Year ended 31 December 2022	31,073	46,760	9,361	87,194

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

CASH FLOW STATEMENT

For the year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Receipts			
Government grants		39,415	40,541
Receipts from Customers - fees, charges and sales		3,240	3,563
Goods and services tax recovered from the ATO		1,850	1,179
Interest received		144	22
Other receipts		45	1,068
Total receipts from operating activities		44,694	46,373
Payments			
Payments to employees		(28,056)	(27,258)
Payments to suppliers		(12,276)	(8,458)
Other payments		(91)	(67)
Short term and low value leases		(321)	(138)
Goods and services tax paid to the ATO		(1,712)	(1,683)
Interest paid - lease liability		(12)	(10)
Total payments		(42,468)	(37,614)
Net cash flows provided by/(used in) operating activities	6.1.1	2,226	8,759
Cash flows from investing activities			
Payments for property, plant and equipment		(6,387)	(4,219)
Proceeds from sales of non-financial assets		122	140
Net cash used in investing activities		(6,265)	(4,079)
Cash flows from financing activities			
Repayment of borrowings		(238)	-
Payment of Lease liabilities		(192)	(130)
Net cash flows used in financing activities		(430)	(130)
Net increase/(decrease) in cash and cash equivalents		(4,469)	4,550
Cash and cash equivalents at the beginning of financial year		11,494	6,944
Cash and cash equivalents at the end of the financial year	6.1	7,025	11,494

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

1. ABOUT THIS REPORT

South West Institute of TAFE (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.

South West TAFE is a Technical and Further Education (TAFE) provider, based predominantly in south west Victoria.

Its registered office and principal address is:

South West 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, 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 financial information being presented. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 7.3);
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to note 5.5);
- determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring South West TAFE's satisfaction of a performance obligation (refer to Note 2.2);
- AASB 16 *Leases* and the requirements to determine the lease term to the extent that extension options are certain (note 6.4); and
- the recognition of revenue in relation to contracts with customers (note 2).

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.

These financial statements cover South West TAFE as an individual reporting entity. South West TAFE had no controlled entities for the year ended 31 December 2022.

Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO 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.

South West TAFE has substantial economic dependency on Government operating and capital contributions in particular, the Department of Education and Training.

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

1. ABOUT THIS REPORT

1.2 Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA), the *Australian Charities and Not-for-profits Act 2012* and applicable AAS, which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

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

1.3 Impact of COVID-19

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

Various restrictions such as lockdowns and closure of the state's borders continue to be enforced and implemented by the government as required to contain the spread of the virus and to prioritise the health and safety of our communities. These actions have in turn, continued to impact the manner in which businesses operate, including South West TAFE. However, the financial impact has been lower than previous years.

COVID-19 continued to impact student course completion, delivery and our teaching capability. South West TAFE continued to deliver programs in a virtual class at the beginning of 2022, as our region's COVID-19 cases grew substantially. A number of programs were targeted at continuing students from 2021, whose course was unable to complete due to work placement, or class attendance in 2021. Our student withdrawals were strategically managed, though we had students withdrawing due to the impact of COVID 19. South West TAFE also experienced some delays in training delivery due to trainer availability.

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

The key impacts on the performance is summarised as follows:

Basis of preparation

South West TAFE has a strong financial position, with a net asset position of \$87.194m (2021: \$61.515m), a net current asset position of \$1.876m (2021: \$3.519m), net surplus of \$24,067m (2021: \$5.912m) and positive operating cash flows of \$2.226m (2021: \$8.759m). Considering South West TAFE's financial position, together with the impacts of COVID-19 on the business as discussed. South West TAFE has concluded it is appropriate to prepare the financial statements on a going concern basis.

Revenue and other income

The impact of COVID-19 on 2022 revenue is unable to be accurately measured. South West TAFE did not receive any business continuity grants in 2022. (2021: nil)

Expenses

South West TAFE's daily activities continued to be affected by the pandemic, but at a lesser level than previous years. This resulted in direct and indirect costs being incurred, such as additional cleaning costs and provision of additional support to students.

Liquidity risk

The impact of the COVID-19 pandemic on TAFE finances is expected to continue in 2023, which may require TAFEs to draw on their cash reserves to cover their operating costs.

The TAFE's ability to meet its financial obligations has also benefited from the Department of Education and Training deferring quarterly repayments due on its Government loan until 2023.

Credit risk

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

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

Fair value of non-financial physical assets

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

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

- assets under construction which are measured under cost.

2. HOW WE EARNED OUR FUNDS

2.1 Government grants

This section presents the sources and amounts of revenue raised by South West TAFE. Contributions are received from both State and Commonwealth Government, and from other fees and charges.

2.1.1 Revenue and income from government grants

	2022 \$'000	2021 \$'000
Grants and other transfers		
Government grants – operating revenue		
State government - contestable	13,917	14,550
State government - contestable recoup	(1,952)	-
Commonwealth Government - other contributions	1,006	815
Total government grants - operating revenue	12,971	15,365
Government grants – operating income		
State government - other grants	22,287	16,822
Total government grants - operating income	22,287	16,822
Total government grants – operating	35,258	32,187

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

Revenue and Income from government grants

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

Revenue from government grants

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

Revenue is measured at the amount of consideration to which South West TAFE expects to be entitled in exchange for transferring promised goods or services to a customer.

Contestable recoup

Contestable recoup recognises that South West TAFE has been advised that it must repay income received in relation to a historical overpayment of training subsidies. This is repayable over the 2022-2029 years.

Income from government grants

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

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

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

Revenue Type	Nature	Performance obligation	Timing of satisfaction
State government – contestable	Refers to Victorian state government funding for which the Institute must compete with other registered training providers. Funding is allocated primarily through a combination of a 'User Choice' system for all providers and a competitive tendering process for private providers.	The funding agreement for these grants outlines the performance obligations to provide education services to eligible students and relevant terms and conditions. These grants are recognised as revenue from contracts with customers in line with the requirements of AASB15.	Revenue is recognised over time, on the basis of the number of units of training delivered to eligible students over the life of the agreement.

2. HOW WE EARNED OUR FUNDS

2.1 Government grants (continued)

State government – other grants	Refers to funding that is not recognised as contestable and includes specific purpose grants.	In general, funding agreements for these grants do not contain sufficiently specific performance obligations and are therefore recognised as income under AASB 1058. The Institute recognises income immediately in the comprehensive operating statement when control is achieved over the funds which occurs on execution of the relevant contract.	
		Where performance obligations are sufficiently specific in accordance with AASB15.	Revenue is recognised over time in the comprehensive operating statement as the performance obligations are delivered.

Transaction price allocated to remaining performance obligations

Revenue is recognised on a quantitative basis using the time bands that are most appropriate for the duration of the remaining performance obligations.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date:

	2023 \$'000	2024 \$'000	2025 \$'000
Revenue expected to be recognised	-	-	-

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

2.1.2 Income from government contributions

	2022 \$'000	2021 \$'000
Government contributions		
State government – capital	3,716	3,194
Government - transfer of title Glenormiston College	-	4,685
Government - Warrnambool Learning & Library Hub	21,920	-
Total government contributions	25,636	7,879
Total government contributions	60,894	40,066

Income Type	Nature	Performance obligation	Timing of satisfaction
State government – capital	Where South West TAFE receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by South West TAFE.	Whilst South West TAFE has an obligation acquire or construct a non-financial asset, such transactions are accounted for following specific guidance under AASB 1058.	When the asset is acquired. Or Over time, as the building or facility is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction are the best measure of the stage of completion of the building. Where government contributions has been received for services to be delivered in the following year, these amounts are deferred as a liability (Note 5.4).
Government - transfer of title Glenormiston College	The transfer of title of Glenormiston College occurred on the 27th of January 2021. The resources have been recognised as property, plant and equipment and have been included in note 4.	None	Upon confirmation that the transfer of title had been executed.

2. HOW WE EARNED OUR FUNDS

2.2 Revenue from fees, charges and sales

	2022 \$'000	2021 \$'000
Student fees and charges	1,518	1,827
Fee for service - government	801	612
Fee for service - other	651	782
Other non-course fees and charges		
Sale of goods	464	323
Total revenue from fees, charges and sales	3,434	3,544

Revenue by timing of revenue recognition

	2022 \$'000	2021 \$'000
Revenue recognised over time	2,970	3,221
Revenue recognised at a point in time	464	323
Total revenue from fees, charges and sales	3,434	3,544

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

Revenue for student fees and charges is recognised as the course is delivered to the student and is measured as the amount the South West TAFE expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.

Other non-course fees and charges are recognised as the service is delivered to the student or the public. For example, rent revenue is recognised as South West TAFE provides the use of the space to the public.

South West TAFE uses actual student contact hours, performance obligations as set out in project plans to recognise revenue over time in line with AASB 15.

Revenue Type	Nature	Performance obligation	Timing of satisfaction
Student fees and charges	<p>South West TAFE provides educational services to eligible domestic students.</p> <p>Student fees and charges revenue includes student tuition fees and course materials received or to be received from eligible students for the provision of these services.</p>	Provision of education services	<p>Student fees and charges are recognised in accordance with the relevant enrolment terms and conditions and over the period that the education and training services are provided.</p> <p>Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.</p>

2. HOW WE EARNED OUR FUNDS

2.2 Revenue from fees, charges and sales (continued)

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

Revenue recognised in relation to contract liabilities

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

Revenue recognised in relation to contract liabilities	2022 \$'000	2021 \$'000
Student fees and charges	61	-
Other	170	-
Total revenue recognised in relation to contract liabilities	231	-

2. HOW WE EARNED OUR FUNDS

2.2 Revenue from fees, charges and sales (continued)

Transaction price allocated to remaining performance obligations

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

Payment terms

The payment terms for student fees are as follows:

- up-front payment via cash, EFTPOS or credit card prior to course commencement;
- payment plan via a third party (Debit success);
- federal government assistance (VET Student Loan); and/or
- invoice to a third party (e.g. a student's employer or workers' compensation provider), where a credit check has been performed on the party being invoiced (payment terms are 30 days).

Students are generally entitled to a refund (less administration fee) if they withdraw from a course within 28 days of enrolment. Students who withdraw after this time are generally not entitled to a refund.

2.3 Other income

	2022 \$'000	2021 \$'000
Rental income	96	172
Donations, bequests and contributions	9	6
Other revenue	78	107
Total other income	183	285

Other Income Type	Nature	Performance obligation	Timing of satisfaction
Rental income	South West TAFE 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.	Provision of services	Rental income is recognised on a time proportional basis and is brought to account when South West TAFE's right to receive the rental is established.
Other income		Other income is recognised when South West TAFE's right to receive payment is established.	

2. HOW WE EARNED OUR FUNDS

2.3 Other income (continued)

Other Income Type	Nature	Performance obligation	Timing of satisfaction
Donations and bequests	From time to time, generous benefactors may provide donations or gifts to further the objectives of the TAFE. Typically, donations and bequests do not contain performance obligations that are sufficiently specific.	None	Recognised on receipt, when there are no sufficiently specific performance obligations or it cannot be identified when the obligation is satisfied. Typically, the stated purpose of the gift is not specific enough for the requirements of the standard. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied.

2.3.1 Leases receivable

	2022 \$'000	2021 \$'000
Receivable:		
Within one year	64	87
Later than one year but not later than five years	34	31
Total leases receivable	98	118
GST payable on the above	9	11
Net operating leases receivable	89	107

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.

3. HOW WE EXPENDED OUR FUNDS

3.1 Employee benefits

The present value of employee benefit obligations including annual leave, long service leave and on-costs are determined using various assumptions that may differ from actual developments in the future. These include future salary growth rate, future discount rates, tenure of existing staff, and patterns of leave claims. Wage inflation rates and discount rates used are those advised by the Assistant Treasurer.

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

Expense	2022 \$'000	2021 \$'000
Salaries, wages, overtime and allowances	24,203	23,282
Superannuation	2,450	2,223
Payroll tax	402	399
Worker's compensation	184	148
Long service leave	(394)	291
Annual leave	(94)	3
Termination benefits	699	627
Other	32	38
Total employee benefits	27,482	27,011

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.

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

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

3.2 Superannuation

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

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

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

3. HOW WE EXPENDED OUR FUNDS

3.2 Superannuation (continued)

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

Paid contribution for the year	2022	2021
	\$'000	\$'000
Defined benefit plans:		
State Superannuation Fund – revised and new	39	47
Total defined benefit plans	39	47
Accumulation contribution plans:		
VicSuper	859	851
Other	1,356	1,054
Total accumulation contribution plans	2,215	1,905
Total paid contribution for the year	2,254	1,952

Contribution outstanding at year end	2022	2021
	\$'000	\$'000
Accumulation contribution plans:		
VicSuper	69	114
Other	118	153
Total accumulation contribution plans	187	267
Total contribution outstanding at year end	187	267

Accumulation contribution plans

Contributions are expensed when they become payable.

The bases for contributions are determined by the various schemes.

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

3.3 Supplies and services

	2022	2021
	\$'000	\$'000
Purchase of supplies and consumables	1,779	1,524
Communication expenses	384	395
Contract and other services	1,964	1,866
Cost of goods sold/distributed (ancillary trading)	65	133
Building repairs and maintenance	1,369	999
Minor equipment	1,405	478
Fees and charges	855	687
Total supplies and services	7,821	6,082

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

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.

3. HOW WE EXPENDED OUR FUNDS

3.3 Supplies and services (continued)

3.3.1 Non-cancellable operating lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

	2022	2021
	\$'000	\$'000
Payable:		
Within one year	67	62
Later than one year but not later than five years	4	48
Total short-term and low value lease commitments	71	110
GST payable on the above	6	10
Net short-term and low-value lease commitments	65	100

3.3.2 Other expenditure commitments

Commitments for future services in existence at reporting date but not recognised as liabilities are as follows:

	2022	2021
	\$'000	\$'000
Payable:		
Within one year	137	99
Later than one year but not later than five years	-	-
Total other expenditure commitments	137	99
GST payable on the above	12	27
Net other expenditure commitments	125	72

3.4 Other operating expenses

	2022	2021
	\$'000	\$'000
Marketing and promotional expenses	702	610
Utilities	655	475
Audit fees and services	96	102
Staff development	136	127
Travel and motor vehicle expenses	364	220
Grants and subsidies	91	67
Interest on lease liabilities	12	10
Short term and low value leases	321	138
Other expenses	435	280
Total other operating expenses	2,812	2,029

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

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

3.5 Depreciation and amortisation

Depreciation and amortisation	2022	2021
	\$'000	\$'000
Buildings	975	816
Leasehold Improvements	117	-
Plant and equipment	589	886
Motor vehicles	178	180
Total depreciation	1,859	1,882
Right of use assets	182	115
Software	257	344
Total amortisation	439	459
Total depreciation and amortisation	2,298	2,341

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment

Fair value measurement

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

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

	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
Land	10,288	10,446	-	-	10,288	10,446
Buildings	66,276	41,371	-	(70)	66,276	41,301
Construction in Progress	-	3,169	-	-	-	3,169
Plant and equipment	15,072	13,374	(10,695)	(10,387)	4,377	2,987
Motor vehicles	1,568	1,165	(601)	(540)	967	625
Leasehold improvements	2,163	-	(117)	-	2,046	-
Net carrying amount	95,367	69,525	(11,413)	(10,997)	83,954	58,528

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

Initial recognition

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

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

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

Subsequent measurement

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

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

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

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

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

The last formal revaluation of land and building assets (including land improvements) were conducted for the year ended 31 December 2022 by Preston Rowe Paterson who were appointed by the Valuer-General Victoria. This is reflected in the revaluation increment noted in 4.1.1.

Revaluations of non-financial physical assets

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

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

4. THE ASSETS WE INVESTED IN

4.1 Property, plant and equipment (continued)

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

	Land \$'000	Buildings \$'000	Construction in Progress \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Total \$'000
2022							
Opening balance	10,446	41,301	3,169	-	2,987	625	58,528
Additions	-	26,765	-	2,163	1,989	560	31,477
Revaluations	2,002	(390)	-	-	-	-	1,612
Disposals	-	-	-	-	(10)	(40)	(50)
Transfers	(2,160)	(425)	(3,169)	-	-	-	(5,754)
Depreciation	-	(975)	-	(117)	(589)	(178)	(1,859)
Closing Balance	10,288	66,276	-	2,046	4,377	967	83,954
2021							
Opening balance	6,624	35,786	30	-	3,037	657	46,134
Additions	2,540	2,145	3,139	-	840	240	8,904
Revaluations	1,282	4,186	-	-	-	-	5,468
Disposals	-	-	-	-	(4)	(92)	(96)
Depreciation	-	(816)	-	-	(886)	(180)	(1,882)
Closing Balance	10,446	41,301	3,169	-	2,987	625	58,528

4.1.2. Capital commitments

	2022 \$'000	2021 \$'000
Payable:		
Within one year	-	2,358
Total capital expenditure commitments	-	2,358
GST payable on the above	-	214
Net capital expenditure commitments	-	2,144

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

4.1.3 Gain on property, plant and equipment

	2022 \$'000	2021 \$'000
Net gain on disposal of property, plant and equipment	72	44
Impairment of assets	-	-
Net gain on non-financial assets	72	44

impairments, and disposals of all physical assets and intangible assets.
determined after deducting from the proceeds, the carrying value of the asset at the time.

4. THE ASSETS WE INVESTED IN

4.2 Intangible assets

	2022 \$'000	2021 \$'000
Software		
Gross carrying amount		
Opening balance	3,561	4,794
Disposals	(384)	(1,233)
Closing balance	3,177	3,561
Accumulated amortisation and impairment		
Opening balance	2,095	2,984
Amortisation charge	258	344
Amortisation on Disposal	(384)	(1,233)
Closing balance	1,969	2,095
Net carrying amount at end of the year	1,208	1,466

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.

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

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

Judgement is required in determining whether:

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

Subsequent measurement

Intangible assets with 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 of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

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

4.3 Depreciation and amortisation

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

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

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

Class of assets	Useful Life	Method
Buildings	8 – 69 years (2021: 12 – 100 years)	Straight Line
Plant and equipment	2 – 20 years (2021: 2 – 20 years)	Straight Line
Motor vehicles	5 – 15 years (2021: 5 – 7 years)	Straight Line
Internal use software	13 – 15 years (2021: 5 – 15 years)	Straight Line
Leasehold improvements	Lease term	Straight Line
Right of use asset	Lease term	Straight Line

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

4. THE ASSETS WE INVESTED IN

4.4 Investment properties

	2022 \$'000	2021 \$'000
Opening balance	2,100	2,695
Revaluations	-	(595)
Transfer to Property, plant and equipment	(2,100)	-
Closing balance	-	2,100

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

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. Properties are revalued on an annual basis by a qualified valuer at year end.

5. BALANCES FROM OPERATIONS

5.1 Receivables

	2022 \$'000	2021 \$'000
Current		
Accounts receivable	807	668
Loss allowance on accounts receivable	(110)	(39)
Amounts receivable from Victorian Government	525	566
Other receivables	51	44
Total receivables from contracts with customers	1,273	1,239
Statutory		
GST input tax credit recoverable	226	325
Total receivables	1,499	1,564
Represented by		
Total Current receivables	1,499	1,564

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 other than sale of goods and services are stated exclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

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

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

Due to the short-term nature of current receivables, their carrying amount approximates the fair value.

5. BALANCES FROM OPERATIONS

5.1 Receivables (Continued)

Impairment

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

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

	2022 \$'000	2021 \$'000
Balance at the beginning of the year	39	43
Reversal of unused loss allowance recognised in net result	-	(4)
Increase in loss allowance recognised in net result	71	-
Balance at the end of the year	110	39

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

Ageing analysis of contractual receivables

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
			Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000
2022	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual receivables	1,383	1,014	21	40	308	-
Total	1,383	1,014	21	40	308	-
2021						
Contractual receivables	1,278	852	17	113	296	-
Total	1,278	852	17	113	296	-

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

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

	2022 \$'000	2021 \$'000
Current		
Prepayments	836	698

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

	2022 \$'000	2021 \$'000
Contractual payables		
Supplies and services	1,480	1,374
Other payables	3,083	1,635
Total contractual payables	4,563	3,009
Statutory payables		
GST payable	259	238
FBT Payable	7	11
Other taxes payable	32	41
Total statutory payables	298	290
Total payables	4,861	3,299
Represented by		
Current payables	2,721	2,323
Non-current payables	2,140	976
Total payables	4,861	3,299

Payables consist of:

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Other payable

Other payables includes a balance repayable to Government of \$2.6m. The remaining balance consists of Employee Salary Accruals, including oncosts.

Ageing 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
2022							
Supplies and services	1,480	1,480	1,480	-	-	-	-
Other payables	3,083	3,083	399	-	544	1,896	244
Total	4,563	4,563	1,879	-	544	1,896	244
2021							
Supplies and services	1,374	1,374	1,374	-	-	-	-
Other payables	1,635	1,635	459	-	200	976	-
Total	3,009	3,009	1,833	-	200	976	-

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.

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

5. BALANCES FROM OPERATIONS

5.4 Contract and other liabilities

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

	2022 \$'000	2021 \$'000
Contract liabilities		
Student fees	101	61
Other	300	470
Government contributions - other contributions	160	160
Total contract liabilities	561	691

Contract liabilities

Any fees received by South West TAFE during the current financial year in respect of performance obligations that have not been satisfied are classified as a liability and recognised as a contract liability.

	2022 \$'000	2021 \$'000
Other liabilities		
Deferred capital grants	-	3,300
Total other liabilities	-	3,300
Total contract liabilities	561	3,991

Deferred capital grants

Grant consideration was received from the Department of Education and Training to support the refurbishment of Warrnambool Campus - Building F and the Glenormiston Campus. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction are most closely reflect the stage of completion of the refurbishment projects. As such, South West TAFE has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

	2022 \$'000	2021 \$'000
Contractual		
Deferred capital grants at beginning of the year	3,300	490
Grant consideration for capital works received during the year	416	6,010
Grant consideration recognised as income under AASB 1058	(3,716)	(3,200)
Closing balance of deferred capital grants	-	3,300

5. BALANCES FROM OPERATIONS

5.5 Employee benefits in the balance sheet

	2022 \$'000	2021 \$'000
Annual leave	1,403	1,505
Long service leave	2,159	2,050
Total short-term benefits	3,562	3,555
Long service leave	657	913
Total long-term benefits	657	913
Total employee benefits	4,219	4,468

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

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$3.562m (2021 - \$3.555m) is presented as current, since South West TAFE does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, South West TAFE does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

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

	2022 \$'000	2021 \$'000
Unconditional and expected to wholly settle within 12 months	1,554	1,561
Unconditional and expected to wholly settle after 12 months	2,008	1,994
Total current employee provisions	3,562	3,555

6. HOW WE FINANCED OUR OPERATIONS

6.1 Cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash at bank and on hand	7,025	11,494
Total cash and deposits	7,025	11,494

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

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

	2022 \$'000	2021 \$'000
Net result for the year	24,067	5,912
Non cash movements		
Depreciation & amortisation of non-financial assets	2,298	2,341
Net (gain) on sale of non-financial assets	(72)	(44)
Other losses/(gains) from other economic flows	247	(9)
Net loss/(gain) on invest property revaluation	-	595
Increase/(decrease) in allowance to recoverable amounts	71	(4)
Transfer of title Glenormiston College	-	(4,685)
Contribution to Warrnambool Learning & Library Hub	(21,920)	-
Write-off of obsolete stock	7	12
Movements in assets and liabilities		
Decrease in receivables	(6)	729
Decrease in inventories	24	11
Increase in prepayments	(138)	(25)
Increase in payables	1,562	317
(Decrease)/increase in contract liabilities	(3,418)	3,325
(Decrease)/increase in employee provisions	(496)	284
Net cash flows from operating activities	2,226	8,759
Per cash flow statement	2,226	8,759

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 ATO are presented as operating cash flows.

6. HOW WE FINANCED OUR OPERATIONS

6.2 Borrowings

	2022 \$'000	2021 \$'000
Current		
Advances from government	472	238
Non-Current		
Advances from government	1,890	2,362
Total borrowings	2,362	2,600

Advances from government

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

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

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

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

Changes in liabilities arising from financing activities

	Advances from Government \$'000	Lease liability \$'000	Total \$'000
2022			
Balance at 1 January 2022	2,600	328	2,928
Net cash used in financing activities (per Cash Flow Statement)	(238)	(192)	(430)
Lease additions/remesurements/modifications	-	56	56
Balance as at 31 December 2022	2,362	192	2,554
2021			
Balance at 1 January 2021	2,600	110	2,710
Net cash used in financing activities (per Cash Flow Statement)	-	(130)	(130)
Lease additions/remesurements/modifications	-	348	348
Balance as at 31 December 2021	2,600	328	2,928

Maturity analysis of borrowings

	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
2022							
Advances from Government	2,362	2,362	-	-	472	1,890	-
Total	2,362	2,362	-	-	472	1,890	-
2021							
Advances from Government	2,600	2,600	-	-	238	2,362	-
Total	2,600	2,600	-	-	238	2,362	-

The fair values are not materially different to their carrying amounts, since interest is not payable.

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

6. HOW WE FINANCED OUR OPERATIONS

6.3 Contributed capital

	2022 \$'000	2021 \$'000
Contributed capital		
Balance at 1 January	9,361	9,361
Balance at 31 December	9,361	9,361

Contributed capital

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

6.4 Leases

Policy

At inception of a contract, all entities will assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- the contract involves the use of an identified asset;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset.

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

As a lessee

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

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

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

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

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

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

6. HOW WE FINANCED OUR OPERATIONS

6.4 Leases (continued)

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

- when there is a change in future lease payments arising from a change in an index or rate;
 - if there is a change in South West TAFE's estimate of the amount expected to be payable under a residual value guarantee;
- or

- if South West TAFE changes its assessment of whether it will exercise a purchase, extension or termination option.

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

Peppercorn leases

South West TAFE has no leases that have significantly below market terms.

Right of use assets	Property \$'000	Other \$'000	Total \$'000
2022			
Balance as at 1 January 2022	298	14	312
Additions	44	-	44
Amortisation	(175)	(7)	(182)
Balance as at 31 December 2022	167	7	174
2021			
Balance as at 1 January 2021	68	21	89
Additions	338	-	338
Amortisation	(108)	(7)	(115)
Balance as at 31 December 2021	298	14	312

Lease liabilities	2022 \$'000	2021 \$'000
Maturity analysis – contractual undiscounted cash flows		
Within one year	180	182
Later than one year but not later than five years	17	161
Total undiscounted lease liabilities as at 31 December	197	343
Future finance charges	(5)	(15)
Total discounted lease liabilities as at 31 December	192	328
	2022 \$'000	2021 \$'000
Current	176	170
Non-current	16	158
Total lease liabilities	192	328

Short-term and low value leases

South West TAFE has elected not to recognise right of use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, and leases of low-value assets (individual assets worth less than \$10,000), including IT equipment. South West TAFE recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments

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

Categories of financial instruments

Contractual financial assets	2022 \$'000	2021 \$'000
Financial Assets at amortised cost		
Cash and cash equivalents	7,025	11,494
Trade receivables	697	629
Other receivables	51	44
Total contractual financial assets	7,773	12,167
Contractual financial liabilities	2022 \$'000	2021 \$'000
Loans and payables		
Supplies and services	1,480	1,374
Other payables	3,083	1,635
At amortised cost		
Advances from Government	2,362	2,600
Lease liability	192	328
Total contractual financial liabilities	7,117	5,937

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

Categories of financial instruments

South West TAFE classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets measured at amortised cost are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any necessary impairment).

South West TAFE recognises the following financial assets in this category:

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

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. South West TAFE recognises the following liabilities in this category:

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

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

7.1.1 Financial risk management objectives and policies

South West TAFE is exposed to a variety of financial risks, market risk, credit risk and liquidity risk.

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

South West 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 South West TAFE. South West 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 South West TAFE's exposure, or its objectives, policies and processes for managing South West TAFE's financial risks or the methods used to measure the risk from the previous reporting period.

7.1.2 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 South West TAFE, which comprise cash and deposits and non-statutory receivables. South West TAFE's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to South West TAFE.

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

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

The trade receivables balance at 31 December 2022 and 31 December 2021 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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

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

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

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

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
2022				
Cash and cash equivalents	7,025	-	-	7,025
Receivables	-	-	1,273	1,273
Total contractual financial assets	7,025	-	1,273	8,298
2021				
Cash and cash equivalents	11,494	-	-	11,494
Receivables	-	-	673	673
Total contractual financial assets	11,494	-	673	12,167

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

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

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

In measuring expected credit losses, trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 60 months before 31 December 2022 and the past 48 months before 31 December 2021, as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. South West TAFE has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

7. MANAGING RISKS AND UNCERTAINTIES

7.1 Financial instruments (continued)

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2022:

	Estimated gross carrying amount	Weighted average loss rate	Estimated loss allowance	Credit impaired
	\$'000		\$'000	
31 December 2022				
Current (not past due)	477	0%	2	No
1–30 days past due	25	0%	0	Yes
31–60 days past due	10	6%	1	Yes
61–90 days past due	38	9%	3	Yes
More than 90 days past due	308	34%	104	Yes
	858		110	
31 December 2021				
Current (not past due)	286	0%	1	No
1–30 days past due	17	0%	-	Yes
31–60 days past due	10	2%	-	Yes
61–90 days past due	103	5%	5	Yes
More than 90 days past due	296	11%	33	Yes
	712		39	

Loss rates are based on actual credit loss experience. 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 South West TAFE's view of economic conditions over the expected lives of the receivables.

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

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

Of the above impairment losses, \$71k (2020: \$4k) relate to receivables arising from contracts with customers.

7.1.3 Liquidity risk

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

South West 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 in note 7.1.

South West TAFE manages liquidity risk by:

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

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

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

7. MANAGING RISKS AND UNCERTAINTIES

7.2 Contingent assets and contingent liabilities

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

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

Contingent assets

There were no contingent assets as at 31 December 2022 (31 December 2021: nil) that may have a material effect on the financial operations of South West TAFE.

Contingent liabilities

There were no contingent liabilities as at 31 December 2022 that may have a material effect on the financial operations of South West TAFE. (31 December 2021 South West TAFE were in discussions with the Department of Education and Training with regards to a historical potential overpayment of training subsidies which were paid to South West TAFE. Subsequently an amount of \$1.952m has now been recognised as a liability and annual repayments will until 2029)

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

- land, buildings, investment property, vehicles, plant and equipment.

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

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

Fair value estimation

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

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

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

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

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

Fair value determination of financial assets and liabilities

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

There is no reportable difference between the carrying amount and fair value for the year ended 31 December 2022.

(a) Fair value determination of non-financial assets

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

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

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

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

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
2022				
Specialised land	10,288	-	-	10,288
Total land at fair value	10,288	-	-	10,288
Specialised buildings	66,276	-	-	66,276
Total buildings at fair value	66,276	-	-	66,276
Plant and equipment	4,377	-	-	4,377
Motor vehicles	967	-	-	967
Leasehold improvements	2,046	-	-	2,046
Total other assets at fair value	7,390	-	-	7,390
2021				
Specialised land	10,446	-	-	10,446
Specialised land - Investment property	380	-	-	181
Total land at fair value	10,826	-	-	10,627
Specialised buildings	41,301	-	-	41,301
Specialised buildings - Investment property	1,720	-	-	1,720
Total buildings at fair value	43,021	-	-	43,021
Plant and equipment	2,987	-	-	2,987
Motor vehicles	625	-	-	625
Total other assets at fair value	3,612	-	-	3,612

Impairment

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

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

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

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

Valuations of property, plant and equipment

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with Financial Reporting Direction (FRD) 1031 *Non-financial Physical Assets* issued by the Assistant Treasurer. A full revaluation of education assets normally occurs every five years, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations with interim revaluations determined in accordance with the requirements of the FRD. Revaluation increases and decreases arise from differences between an asset's carrying value and the fair value. Consistent with all government education assets, an independent valuation of all land and buildings was performed by the Valuer-General Victoria with an effective date of 31 December 2022.

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

For the year ending 31 December 2022 a South West TAFE conducted a managerial revaluation. As part of the managerial revaluation, the following inputs and assumptions were included:

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

During the current year, the RBA have progressively increased the cash rate target from 0.1% at 1 January to X% by year end. The RBA have taken these measures in response to higher than target inflation rates currently being experienced in the Australian economy. The increases in the cash rate target has had a consequential impact on the risk free and capitalisation rates used in determining the fair value of non-financial assets and creates increased estimation uncertainty as the market continues to adjust.

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

Specialised land and specialised buildings - including Investment Property

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

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

Under the market valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. Valuation of the assets was determined by analysing comparable sales and allowing for size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset.

For South West TAFE's majority of specialised buildings, the current 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 South West TAFE's specialised land and specialised buildings was performed by the Valuer General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2022.

Construction in progress assets are held at cost. South West TAFE transfers the assets out of construction in progress and into the relevant asset category when they are ready for use.

For investment properties, fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. Properties are revalued on an annual basis by a qualified valuer at year end.

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

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

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

7. MANAGING RISKS AND UNCERTAINTIES

7.3 Fair value determination (continued)

There were no changes in valuation techniques throughout the year to 31 December 2022. For all assets measured at fair value, the current use is considered the highest and best use.

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

	Specialised land & buildings	Specialised land & buildings - Investment property	Leasehold improvements	Plant and equipment	Motor vehicles
		\$'000	\$'000	\$'000	\$'000
Level 3 Fair value measurements 2022					
Opening balance	51,747	2,100	-	2,987	625
Additions	26,765	-	2,163	1,989	560
Disposals	-	-	-	(10)	(40)
Depreciation	(975)	-	(117)	(589)	(178)
Revaluations	1,612	-	-	-	-
Transfers	(2,585)	(2,100)	-	-	-
Closing Balance	76,564	-	2,046	4,377	967
Level 3 Fair value measurements 2021					
Opening balance	42,410	2,695	-	3,037	657
Additions	4,685	-	-	840	240
Disposals	-	-	-	(4)	(92)
Depreciation	(816)	-	-	(886)	(180)
Revaluations	5,468	(595)	-	-	-
Closing Balance	51,747	2,100	-	2,987	625

Description of significant unobservable inputs to Level 3 valuations

2022 and 2021

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

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

8. GOVERNANCE DISCLOSURES

8.1 Responsible persons

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

The persons who held the positions of Ministers and Accountable Officers in South West TAFE 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 2022 – 31 December 2022
Director and Chief Executive Officer (Accountable Officer)	Mark Fidge	1 January 2022 – 31 December 2022
Board Member	Steven Waterhouse	1 January 2022 – 31 December 2022
Board Member	Susan Brumby	1 January 2022 – 30 June 2022
Board Member	Brian Crook	1 January 2022 – 31 December 2022
Board Member	Christopher Holloway	1 January 2022 – 30 June 2022
Board Member	Sandy Burgoyne	1 January 2022 – 31 December 2022
Board Member	Kirsten Diprose	1 January 2022 – 31 December 2022
Board Member	Jacinta Ermacora	1 January 2022 – 14 December 2022
Board Member	Eva Tsahuridu	1 January 2022 – 31 December 2022
Board Member	Denise Lovett	1 January 2022 – 31 December 2022
Board Member	Kerry Nelson	1 July 2022 – 31 December 2022

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: \$360,000 – \$369,000 (\$260,000 – \$269,000 in 2021).

Income Range - Responsible persons

Remuneration of the Chief Executive Officer and Board Members in connection with the management of the institute are disclosed below:

	Total remuneration	
	2022	2021
Less than \$10,000	-	-
\$10,000 - \$19,999	4	5
\$20,000 - \$29,999	5	3
\$40,000 - \$49,000	1	1
\$260,000 - \$269,000	-	1
\$360,000 - \$369,000	1	-
Total number of members	11	10
Total remuneration of responsible persons (\$'000)	573	455

Remuneration of the Responsible Minister is included in the financial statements of the States Annual Financial Report.

Compensation of responsible persons

	Total remuneration	
	2022 \$'000	2021 \$'000
Remuneration		
Short-term employee benefits	496	411
Post-employment benefits	44	38
Other long-term benefits	33	6
Total remuneration	573	455

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.

	Total remuneration	
	2022 \$'000	2021 \$'000
Remuneration		
Short-term employee benefits	917	798
Post-employment benefits	94	71
Other long-term benefits	81	28
Termination benefits	15	-
Total remuneration	1,107	897
Total number of executives	6	6
Total annualised employee equivalents	4.06	4.85

Note: 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 South West TAFE 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); and
- all cabinet ministers and their close family members.
- all departments and public sector entities that are controlled and consolidated into the whole-of-state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis. There were no material transactions.

Key management personnel of South West TAFE includes the Board Members, the CEO Mark Fidge, and members of the Executive Team, which includes:

- Executive Manager, Corporate Services, Shannyn Martin;
- Executive Manager, Corporate Services (acting), Andrew Long; (January - May)
- Executive Manager, Education, Louise Cameron;
- Executive Manager, Education Support, Karen Ellen;
- Executive Manager, Student Experience, Jodie Hill; (January - July)
- Executive Manager, Student Experience, Susan Pettigrew; (August - December)

Compensation of Key Management personnel

Short-term employee benefits
Post-employment benefits
Other long-term benefits
Termination benefits

Total remuneration

	2022	2021
	\$'000	\$'000
Short-term employee benefits	1,413	1,209
Post-employment benefits	138	109
Other long-term benefits	114	34
Termination benefits	15	-
Total remuneration	1,680	1,352

8.4 Remuneration of auditors

Remuneration of the Victorian Auditor-Generals Office for:

Audit of the financial statements

Remuneration of Internal Auditors

Internal audit services

Total remuneration of auditors

	2022	2021
	\$'000	\$'000
Audit of the financial statements	79	57
Internal audit services	17	45
Total remuneration of auditors	96	102

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

Other (losses)/gains from other economic flows

Net (loss)/gains arising from revaluation of long service leave liability

Total other (losses)/gains from other economic flows

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

2022 \$'000	2021 \$'000
(247)	9
(247)	9

9.2 Other equity reserves

Physical asset revaluation surplus

Balance at 1 January

Revaluation decrement on non-current assets

Balance at 31 December

2022 \$'000	2021 \$'000
29,461	23,993
1,612	5,468
31,073	29,461

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

9.3 Ex-gratia expenses

Ex-gratia payments

In-Lieu-of-notice and gratuity payments

Total ex-gratia payments

2022 \$'000	2021 \$'000
41	107
41	107

All ex-gratia payments made during 2022 related to departing employees.

9.4 Joint venture

South West TAFE and Warrnambool City Council entered into a joint venture deed in June 1997 to purchase 27-47 Kepler Street, Warrnambool, currently known as Florence Collins Childcare Centre. Each party owns a 50% share in the Land and Buildings. This is reflected in the balance sheet of both entities. On an annual basis the Warrnambool City Council (Operator) pay South West TAFE (Manager) a fee for exclusive use of the facility. South West TAFE pay all out goings, utilities and maintain the facility. The contribution paid by Warrnambool City Council is used to offset the expenses. The balance of the funds are then apportioned 50%. South West TAFE proportion is recorded in the Profit Loss for the year. The Warrnambool City Council component is allocated to the Balance Sheet and a cumulative balance is held as a liability. The value of the transactions and share of results are insignificant for South West TAFE and therefore the summarised financial information has not been disclosed.

9.5 Non-financial assets held for sale

Non-financial physical assets classified as held for sale

Glenormiston - Buildings

Glenormiston - Land

Total non-financial physical assets classified as held for sale

2022 \$'000	2021 \$'000
2,145	-
2,540	-
4,685	-

How we recognise non-financial physical assets classified as held for sale

Non-financial physical assets are treated as current and are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset's sale is expected to be completed within 12 months from the date of classification, and the asset is available for immediate use in the current condition.

Non-financial physical assets classified as held for sale are treated as current and are measured at the lower of carrying amount and fair value less costs of disposal, and are not subject to depreciation or amortisation.

9.6 Events after reporting date

No matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of South West TAFE, the results of those operations or the state of affairs of South West TAFE in subsequent financial years. On 5 December 2022, the Government issued an administrative order restructuring some of its activities via machinery of government changes, effective 1 January 2023. As part of the machinery of government restructure, overall administrative responsibility for the South West TAFE institute was transferred from the Department of Education and Training, to the Department of Jobs, Skills, Industry & Regions. This change is not anticipated to have any significant impacts on the overall operations or financial position of South West TAFE moving forward, as the Responsible Ministers have not changed.

9. OTHER DISCLOSURES (continued)

9.7 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2022 reporting period.

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

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

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

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

The Standard also makes amendments to AASB Practice Statement 2 Making Materiality Judgements (December 2017).

These amendments arise from the issuance by the International Accounting Standards Board (IASB) in February 2021 of the following International Financial Reporting Standards:

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

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

AASB 2021-7c - Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections is the first of a three part series of amendments, that defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018. The amendment is not expected to impact South West TAFE and South West TAFE will not early adopt the standard.

9.8 New or amended Accounting Standards and Interpretations adopted

9.7.1 Conceptual Framework for Financial Reporting (Conceptual Framework)

South West TAFE has adopted the revised Conceptual Framework from 1 January 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

9.7.2 IFRIC Agenda Decision - Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)

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



Disclosure Index

Disclosure Index

Item No.	Source	Summary of Reporting Requirement	Page Number
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1.	FRD22	Manner of establishment and the relevant Minister	6
2.	FRD22	Purpose, functions, powers and duties	4-6, 18-20, 34-44, 57-62
3.	FRD22	Key initiatives and projects	36-38
4.	FRD22	Nature and range of services provided	18-19, 57-62
MANAGEMENT AND STRUCTURE			
5.	FRD22	Organisational structure	22-28, 32
FINANCIAL AND OTHER INFORMATION			
6.	FRD10	Disclosure Index	116-118
7.	FRD22	Employment and conduct principles Statement on appointment and selection process. Include a statement that employees have been correctly classified in the workforce data collections.	50-54 53 48
8.	FRD29	Workforce data disclosures	48-54
9.	FRD22	Occupational health and safety policy	64-65
10.	FRD22	Summary of the financial results for the year	15-16
11.	FRD22	Significant changes in financial position during the year	15-16
12.	FRD22	Summary of operational and budgetary objectives	4-6, 11-12
13.	FRD22	Major changes or factors affecting performance	15-16
14.	FRD22	Subsequent events	113-114
15.	FRD22	Application and operation of the <i>Freedom of Information Act 1982</i>	69
16.	FRD22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	69
17.	FRD22	Statement on National Competition Policy	69
18.	FRD22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	69
19.	FRD22	Application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act)	69
20.	FRD22	Details of consultancies over \$10,000 Total number of consultancies individually valued at \$10,000 or greater(exGST) and the total expenditure (ex GST) on these engagements for the reporting period. Location(e.g. website link) 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(exGST) • Expenditurefor reporting period(exGST) • Any future expenditure committed to the consultant for the project 	16

Item No.	Source	Summary of Reporting Requirement	Page Number
21.	FRD22	Details of consultancies under \$10,000	16
22.	FRD22	Disclosure of government advertising expenditure	NA
23.	FRD22	Disclosure of ICT expenditure	16
24.	FRD22	Summary of Environmental Performance	13-14
25.	FRD22	Statement of availability of other information	119
26.	FRD25	Local Jobs First	38
27.	SD5.2	Specific requirements under Standing Direction 5.2	71
28.	CG10 Clause27	Summary of Major Commercial Activities	NA
29.	CG12 Clause33	TAFE Institute Controlled Entities	NA
COMPLIANCE ATTESTATION AND DECLARATION			
30.	SD5.1.4	Financial Management Compliance Attestation Statement	68
31.	SD5.2.3	Declaration in report of operations	4-6
FINANCIAL STATEMENTS			
DECLARATION			
32.	SD5.2.2	Declaration in financial statements	71
OTHER REQUIREMENTS UNDERSTANDING DIRECTIONS 5.2			
33.	SD5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	80, 114
34.	SD5.2.1(a)	Compliance with Standing Directions	22, 71
OTHER DISCLOSURES AS REQUIRED BY FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
35.	FRD11	Disclosure of ex-gratia expenses	49, 113
36.	FRD21	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report	110-112
37.	FRD103	Non-financial physical assets	77, 91-93, 106-109
38.	FRD110	Cash flow statements	78, 98
39.	FRD112	Defined benefit superannuation obligations	87-88

Item No.	Source	Summary of Reporting Requirement	Page Number
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
40.	Legislation	<p>Compliance statement</p> <p>The Annual Report must contain a statement of compliance with all relevant legislation, and subordinate instruments, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • <i>Education and Training Reform Act 2006 (ETRA)</i> • TAFE Institute Constitution • Directions of the Minister for Training and Skills (or predecessors) • TAFE Institute Commercial Guidelines • TAFE Institute Strategic Planning Guidelines • <i>Public Administration Act 2004</i> • <i>Financial Management Act 1994</i> • <i>Freedom of Information Act 1982</i> • <i>Building Act 1993</i> • <i>Public Interest Disclosure Act 2012</i> • <i>Carers Recognition Act 2012</i> • <i>Local Jobs First Act 2003</i> 	118-119
41.	ETRA s3.2.8	Statement about compulsory non-academic fees, subscriptions and charges payable in 2022	NA
42.	Policy	Statement of compliance with the <u>Victorian Public Service Travel Policy</u>	119
43.	KPIs	<p>Key Performance Indicators:</p> <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 	11
44.	PAEC and VAGO (June 2003 Special Review – Recommendation 11)	<p>Overseas operations:</p> <ul style="list-style-type: none"> • Financial and other information on initiative 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 	NA

Compliance with other legislation and subordinate instruments and policies

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*
- *Public Interest Disclosure Act 2012*
- *Carers Recognition Act 2012*
- *Local Jobs First Act 2003*
- *Victorian Public Service Travel Policy*

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:
 - (vi) consultants/contractors engaged;
 - (vii) services provided; and
 - (viii) expenditure committed to for each engagement.



SWTAFE CAMPUS LOCATIONS

Warrnambool

197-205 Timor Street
WARRNAMBOOL VIC 3280

Hamilton

200 Ballarat Road
HAMILTON VIC 3300

Portland

154 Hurd Street
PORTLAND VIC 3305

Colac

89 Bromfield Street
COLAC VIC 3250

SWTAFE TRAINING FACILITIES

Sherwood Park

Princes Highway (Deakin University)
WARRNAMBOOL VIC 3280

Industry Skills Centre

8 Robson Street
WARRNAMBOOL VIC 3280

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