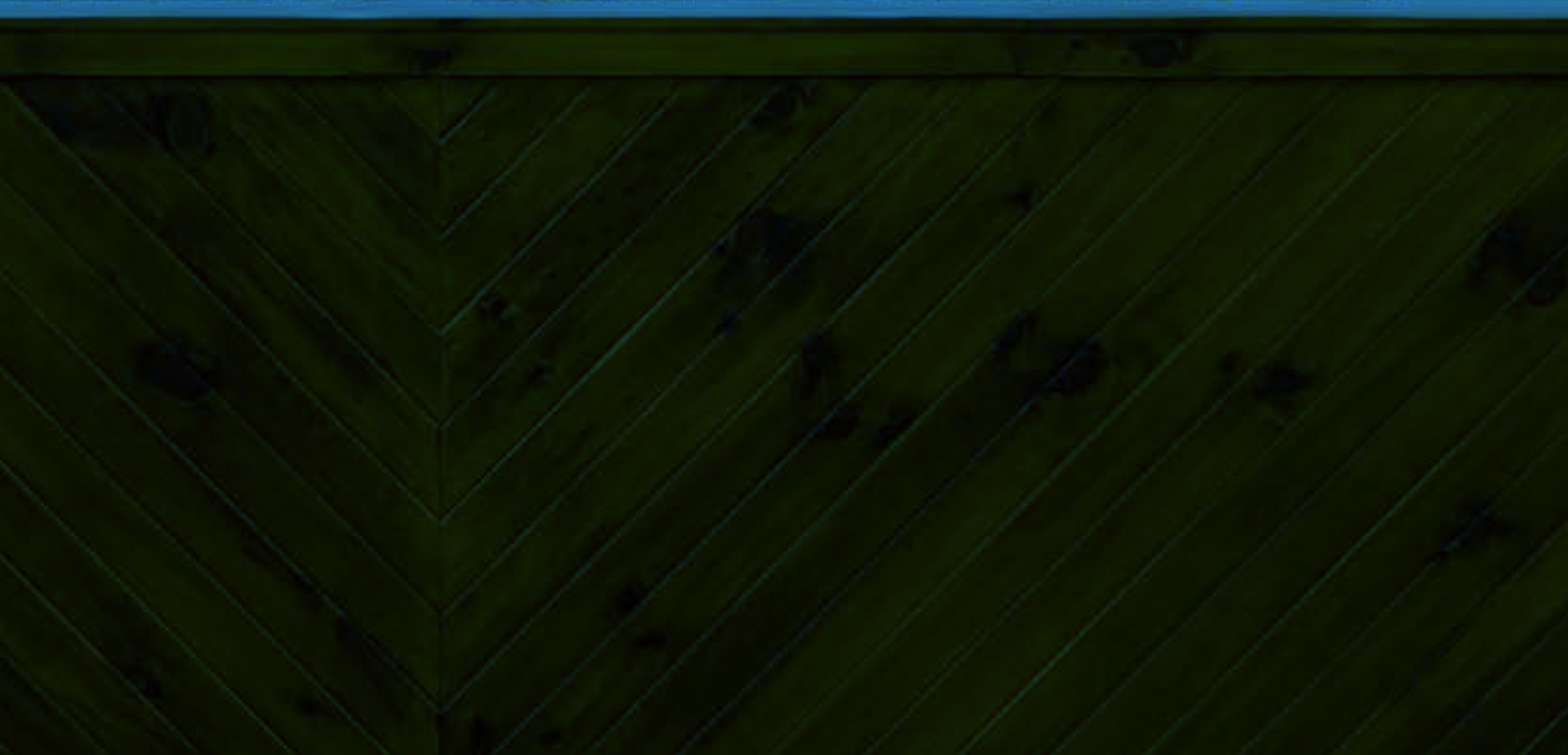


the
Gordon

Annual Report 2022



Acknowledgment of Country

The Gordon would like to respectfully acknowledge the Traditional Owners throughout Victoria and acknowledge their ancestors and Elders past, present and emerging who have taught their children and adults on this land.

Our facilities recognise the Traditional Custodians and land of our following campuses:

- Geelong City campus - Wadawurrung Country
- East Geelong campus - Wadawurrung Country
- Werribee campuses - Wadawurrung, Woiewurrung and Boonwurrung Country.

We acknowledge the hardships, the destruction, disrespect, the impact on Traditional language, and the harm to First Nations peoples' ancestors that was endured following colonisation. The devastating impacts of which are still evident and felt today within the spirit and manipulation to country and natural process's on country, that caused destruction to their waterways, cultural values and song lines connected to country.

The Traditional Owners and First Nations people have been subject to many past practices that have heavily and deeply impacted on their people and culture. With strength, they have managed to advocate, survive and thrive. This demonstrates enormous inner spirit, connection to Country, strength, resilience and adaptability.

Traditional Owners are determined and culturally committed to their cultural obligations to see their unique cultural heritage and cultural values protected and respected.

The Gordon is an inclusive workplace and welcomes people of any age, culture, religion, gender, sexuality and ability.

The Annual Report 2022

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/ Board Chair's Welcome

The Gordon Annual Report 2022

It is with great pleasure that I submit the 2022 Annual Report of The Gordon Institute of TAFE. The report comprises commentary on the operations of the Institute, highlights areas of achievement and includes detailed, audited financial statements.

On behalf of the Gordon Board, I would like to acknowledge all Institute staff for their contribution to The Gordon over 2022. The Institute has delivered exceptional education and training experiences across another challenging year. The Board recognises the commitment of our people to ensure all learners, including those experiencing disadvantage, have access to the training they need to participate fully in their local communities and the broader economy.

The ongoing efforts by Institute staff to support learners, employers, and our local communities throughout the COVID-19 pandemic are particularly praiseworthy. The Gordon plays a central role in delivering skilled and highly sought-after graduates into critical healthcare roles, including nursing and pathology. These graduates are supporting the workforce and the community at a time when it's needed most.

The Board actively engaged with staff across 2022, seeking ideas on how we can achieve growth in existing or new course areas. This engagement aimed to better harness the knowledge and expertise of our staff and demonstrated the passion and skill of our education community. The recommendations in the shortlisted proposals were fully accepted and reflected a vision to equip students with the knowledge and confidence to flourish amid the moving patterns of life and work.

To our graduates and their families, I congratulate you on your achievement. Completing your qualification is a great personal triumph and a milestone shared by parents, siblings and friends who contributed to your success. I encourage you to address the new challenges facing you and your community and contribute positively. Seize these opportunities and help shape the future.

To our industry partners, I thank you for working with us to create lifelong learners who are job-ready and able to navigate the new world of work. In delivering on the ambitions set out in our 2022-2025 Strategic Plan, a key commitment is to enhance existing industry partnerships and foster new connections for the benefit of industry, our students, and the Institute. This year saw some important areas of collaboration, including the launch of 25 micro-credentials as part of the Future Health Skills program in partnership with Barwon Health, the St John of God Geelong Hospital, the Epworth Geelong and the Geelong LLEN; the development of the Certificate III in Correctional Practice to train G4S Limited staff across Australia and delivery of histology training to develop systematic processes for CSIRO scientists. Across the year, the Board initiated direct stakeholder engagement with key industry partners to demonstrate our commitment to developing the capabilities of both students and industry. As a Board, we are committed to ensuring the Institute delivers the right skills for jobs.

The Board is focused on additional investment in infrastructure, equipment and technology to meet new skills requirements brought about by a changing economy. Across 2022, we continued to invest in the redevelopment of our campuses with modernised, future-focused facilities, dedicated to the enhanced delivery of modern training packages. These facilities are crucial to building our capacity to meet the increasing demand for training places across programs. A notable highlight was the opening of our new Culinary Precinct in September. The new facility has created excellent opportunities for our hospitality graduates to thrive in Geelong's flourishing food scene. At the same time, the precinct will support the local economy by ensuring a pipeline of skilled workers is available to meet future needs.

This is an exciting time for The Gordon as we look to the future and plan to meet the important challenges which lay before us. We wholeheartedly welcome the recent election announcement to establish a Centre of Excellence for Health, Community and Disability Services at The Gordon. This is a key area of interest and expertise for the Institute, and we are excited to progress this proposal.

I acknowledge and thank the Hon. Gayle Tierney MP, the Minister for Training and Skills and Higher Education for her support in 2022. The commitment and ongoing support by the Minister, the Victorian Skills Authority and the Office of TAFE Coordination and Delivery during a challenging, yet rewarding, year for The Gordon is greatly appreciated.

I want to acknowledge Joe Ormeno and the Executive Leadership Team for their unflagging work throughout the year. They are delivering education that is innovative at heart, focused on emerging challenges and building skills, careers and community prosperity.

I would also like to thank Board members for their commitment to leading and supporting The Gordon throughout this year. The Gordon's ambition - to lead the way in unlocking human potential through innovative, flexible education - is our call to action. We are proud of the Institute's progress toward this ambition across 2022.



David Bowen
Board Chair
March 2023

/ Overview

History

The Gordon Institute of TAFE was established in 1887 as the Gordon Memorial Technical College. This was in honour of General Charles George Gordon, a man devoted to civic duty, particularly the education of the disadvantaged. After his passing at the Siege of Khartoum in 1885, the people of Geelong were inspired to build a memorial in his honour. Thus The Gordon was born.

Opening with 63 students enrolled in subjects ranging from mechanical drawing to architecture and languages, the Institute operated from Davidson Hall, a single-story building in Fenwick Street. Today, this building houses the Davidson Restaurant, forming part of The Gordon's Culinary School.

The Gordon today

The Gordon is one of the largest regional TAFE's in Victoria, operating as a public education and training organisation under Victorian Government legislation.

With multiple campuses servicing the Geelong, Wyndham, Ballarat and Colac regions, The Gordon delivers an extensive range of study options, with qualifications ranging from Certificate I to the Advanced Diploma level.

To deliver an education and skills mix that moves with the changing face of the economic and social landscape, The Gordon partners with secondary schools, universities, employers and community groups, consulting extensively to ensure agility in the continued development and delivery of quality education and training. Ensuring current and future workforce needs are met will provide students with clear pathways to further study and a career.

As an essential service provider, The Gordon offered more than 100 nationally accredited qualifications, 36 other accredited training products, a range of VCE and VCAL programs, and 60 accredited and non-accredited specialist short courses.

With more than 900 staff supporting students, The Gordon registered more than 14,000 enrolments, equating to more than 12,300 students studying via a range of modes, including on-campus, off-campus, full and part-time, online and industry-based. The Gordon also managed more than 4,000 apprenticeships and traineeships Australia-wide.

Throughout 2022 The Gordon also had 25 new international students commence studies, while a further 42 continued their education at the Institute. The Gordon also delivered the Diploma of Building Construction program to students at Chongqing Jianzhu College in China, with the 14 remaining students from this project graduating in 2022.

With the continued efforts of the International team in keeping international students connected to the Institute, to the community and to each other, along with the significant achievement of delivering 100 years of international education, resulted in The Gordon receiving three awards at the Study Melbourne Victorian International Education Awards, including the Premiers Award for the International Provider of the Year.

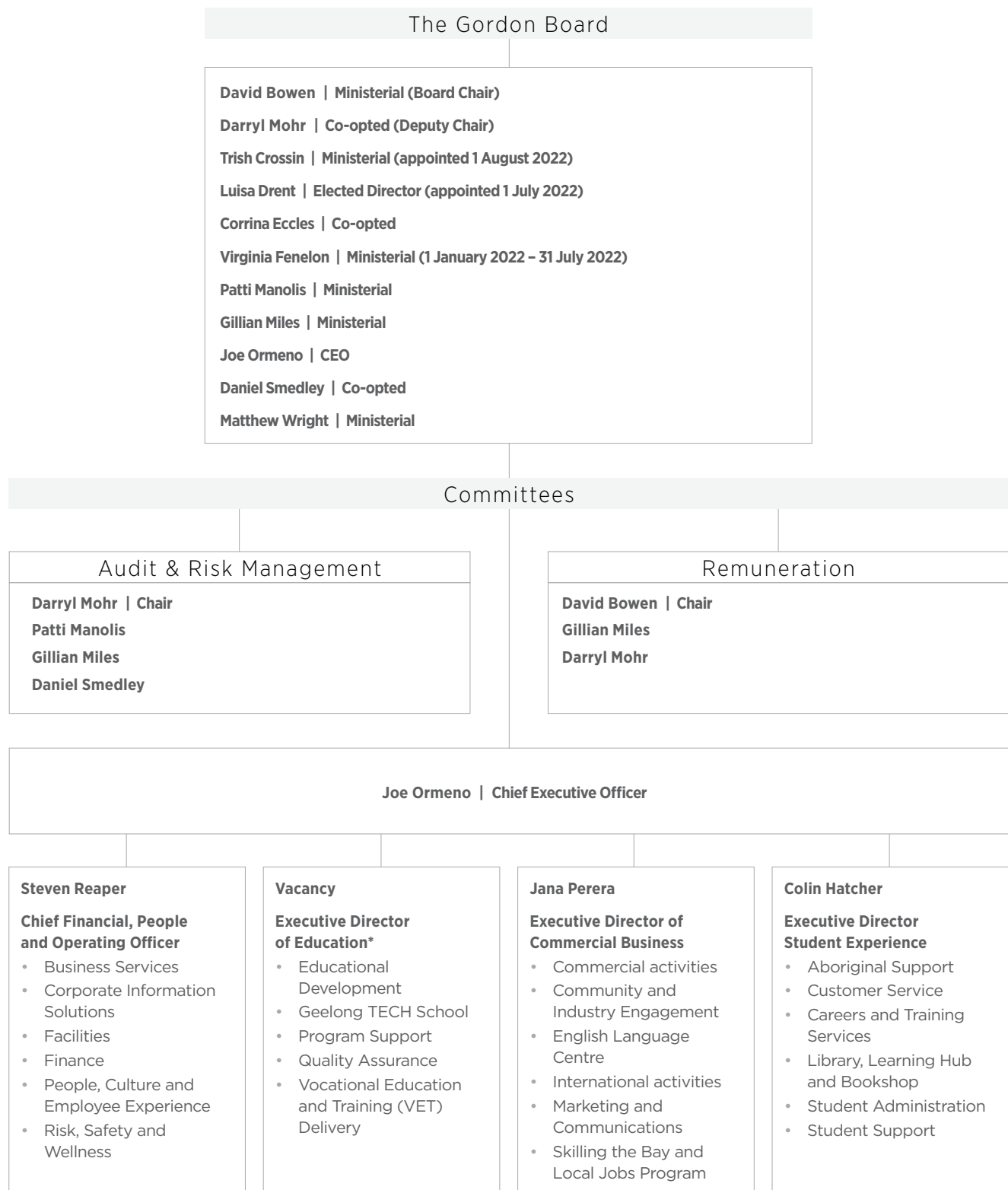
The delivery of more than \$30 million of state-of-the-art infrastructure development, including the Culinary School Development, Kitjarra wurrun-geen Centre and the Trade Optimisation Project in 2022, significantly strengthened students' future training and development and further cements The Gordon as a leader in vocational training and education.

The Geelong Tech School, hosted by The Gordon at its Geelong City Campus, maintained engagement with secondary students, teachers, industry, and the community, utilising face-to-face and remote learning methods to deliver a growing range of STEM programs in 2022.

The Gordon's objectives, powers, and functions are set out in the Constitution, revised as part of the *Education Legislation Amendment (TAFE and University Governance Reform) Act 2015*. The Gordon reports to Parliament through the Hon. Gayle Tierney MP, Minister for Training and Skills and Higher Education.



/ Organisational Chart



* Education portfolio currently being managed across the executive team in the interim.

/ The Gordon Board

Role and Responsibilities of the Board

- The Board is responsible to the Victorian Government for the overall strategy, governance and performance of The Gordon's functions. The Board's business is consistent with the role, responsibilities and powers detailed in the Constitution and Board Charter. The role of the Board includes the following:

Strategic Direction

- Provide strategic direction and assist management to develop and monitor strategic and performance objectives.
- Oversee performance indicators and targets, and review The Gordon's performance against those targets.
- Guide the preparation and obtain approval of the strategic plan from the responsible Minister.

Financial Management and Governance

- Ensure best practice financial management and governance policies and procedures (that comply with the legal requirements of Victorian public sector bodies) are established and maintained.
- Develop and implement procurement policies and procedures for letting contracts or authorising expenditure on the supply of goods or services, or the carrying out of works for the Institute.

Risk Management

- Ensure an effective framework is developed to identify, assess, monitor and manage the significant business risks that The Gordon is exposed to in the course of its activities and responsibilities.

Powers of the Board

In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are as follows:

Reviewing and ratifying

- risk management processes and systems of internal control and compliance with codes of conduct and legal compliance
- financial and audited financial annual reports
- major capital expenditure, capital management, and acquisition and disposal of assets
- formation of a partnership, trust or joint venture
- a decision to undertake, or participate in, any major commercial activity.

Approving

- the strategic plan, at least annually
- the Statement of Corporate Intent, at least annually
- the budget, at least annually
- the appointment of Board Secretary
- significant changes to organisational structure
- the acquisition, establishment, disposal or cessation of any significant business of the Institute.

Values of the Board

The values of the Board are reflected in the Board Code of Conduct which is consistent with The Gordon Code of Conduct. As a values-based organisation, The Board has developed its own trademark behaviours which demonstrate its values. The 2022-2025 Strategic Plan sets out the Institute's strategic direction and strategic priorities.

Summary of training

Board members undertake Governance training provided by the Victorian TAFE Association, where appropriate.

Summary of performance and activities of the Board

Key priorities and major decisions during 2022 included:

- Approving the audited annual financial statement
- Meeting the required obligations of the Strategic Planning Guidelines and Commercial Guidelines
- Approving an annual budget
- Ensuring that Board membership complies with legislative requirements and that Board members comply with the Board Members Code of Conduct
- Ensuring all Governance obligations are met by the Board, including the review of all policies, procedures and Committee Charters to meet legislative, regulatory and organisational requirements
- Monitoring the 2022 Gordon Institute Statement of Priorities
- Monitoring the Culinary School Development project
- Overseeing of the performance indicators and targets, and reviewed The Gordon's performance against those targets
- Progressing the Institute's Wyndham Growth Strategy;
- Overseeing of the overall risk management framework; the management of business risks by ensuring an effective framework is in place to identify, assess, monitor and manage the significant financial risks that The Gordon is exposed to in the course of its activities and responsibilities
- Monitoring the Institute's involvement in the Skilling the Bay Project
- Closely monitoring the financial performance, and in particular, the cash flow management of the Institute given the demand driven funding model
- Continuous improvement of the Institute's Occupational Health and Safety performance, with appropriate strategies
- Monitoring of staff agreements
- Monitoring the progress of the Institute's Reconciliation Action Plan (RAP)
- Monitoring the Institute's Gender Equality Action Plan (GEAP).

The Gordon Board Members

The Board comprises ten members:

- Five Ministerial Directors appointed by the relevant Minister
- Three Co-opted Directors
- Elected Director (Staff member)
- CEO of the Institute

In 2022 the following Directors served on The Gordon Board:

- David Bowen | Ministerial (Board Chair)
- Trish (Patricia) Crossin | Ministerial (appointed 1 August 2022)
- Luisa Drent | Elected Director (appointed 1 July 2022)
- Corrina Eccles | Co-opted
- Virginia Fenelon | Ministerial (1 January 2022 – 31 July 2022)
- Patti Manolis | Ministerial
- Gillian Miles | Ministerial
- Darryl Mohr | Co-opted (Deputy Chair)
- Joe Ormeno (CEO)
- Daniel Smedley | Co-opted
- Matthew Wright | Ministerial

David Bowen | Board Chair

David Bowen retired as CEO of the National Disability Insurance Agency in 2017 after 5 years in the position. He is one of the key architects of that scheme. David worked in Government for over 35 years and held several senior positions including as CEO of both State and Commonwealth Agencies for over 20 years.

David has professional qualifications in law and extensive senior experience in corporate governance, strategic planning, financial and risk management. He has over 25 years experience as a member of Government Boards and Committees, including as Board and Committee Chair.

David has a long interest and involvement in professional education and continuous learning. As the architect of the Professional Standards Scheme, he worked with many professional associations in developing continuing education modules to meet the requirement of the scheme. He has also had long term involvement in several academic Institutes including as a Board member of the Injury Risk Management Research Centre at the University of New South Wales and as a member of the Advisory Committee to the Sydney University Rehabilitation Studies Unit.

David has a long involvement in community organisations, with a specific interest in disability. He was very involved in the Sydney 2000 Paralympic Games. He continues to be involved in the Geelong area providing pro bono assistance to several organisations for people with disability and as a long term foster carer as Chair of the BCYF Carers Reference Group and as a Member of the Western Division Carers Advisory Group.

Trish (Patricia) Crossin (appointed 1 August 2022)

Trish has a teaching background, specialised in Technical and Further Education and Higher Education as a member of the National Australian Education Union TAFE Executive and Director of the Northern Territory Institute of TAFE.

As a former Senator (and first woman to represent the NT), she has direct knowledge and experience working as a member of the federal Government. She is also an experienced Director with an extensive background in corporate governance, risk management and strategic planning as Chair and Board member of community, education and sporting organisations and statutory authorities.

Her previous board positions include Directorship of the Indigenous Land and Sea Corporation, Australian Indigenous Agribusiness Company, Voyages Indigenous Tourism Pty Ltd, President of Netball NT and Netball ACT and currently Director of Westjustice Community Legal Centre, St Columba's College, Asthma Foundation NT, Wyndham City Council Reconciliation Advisory Committee and Special Advisor to Gender Equity Victoria.

Trish has a National Service Award from Asthma Australia, life membership of the National Tertiary Education Union and was a founding chairperson of the NT Working Women's Centre. She is a member of the Australian Institute of Company Directors and holds a Diploma of Teaching and Bachelor of Education.

Luisa Drent (appointed 1 July 2022)

Luisa Drent is a teacher in the Advanced Design and Building Program at The Gordon Institute. Luisa is a Registered Architect with the Architects Registration Board of Victoria (ARBV) and a member of the Design Institute of Australia (DIA) and was in private practice for nearly 20 years prior to a career change to become a full time design teacher in 2019. Luisa is also a consultant Interior Architect for Envirotecture, a Sustainable and Passive House specialist Architecture firm based in Vic and NSW.

In addition to the TAE40116 Certificate IV in Training and Assessment, Luisa has an undergraduate Arts degree (Cultural Studies) and Planning and Design degree, and a Postgraduate Certificate in Adult Vocational Education and Training and a Masters of Architecture. None of these University degrees prepared her for industry in the way that TAFE training can, and this has made her appreciation for the sector even greater. She has a strong passion for making TAFE the best it can be, as post-secondary, stand-alone and a pathway to further education. Luisa is also very interested in policy development, current and future.

Since joining The Gordon, Luisa has written a number of training packages that are in current delivery, as well as delivering at the Cert III, IV and Diploma level. Luisa will continue to be fully engaged as a teacher while on the Board.

Corrina Eccles

Wadawurrung woman Corrina Eccles has 24 years of employment experience in Aboriginal organisations in the region. She brings knowledge and experience of community engagement, awareness of Education providers and sectors, advocacy for cultural values, support and connection. She is a board director on various boards in the region, both Government and community level, and a member of many advisory and committee groups.

Corrina has undertaken board governance training. She brings Aboriginal cultural knowledge of the community and country, a perspective of reconciliation and knowledge, advice on, and support of, cultural values and culturally safe practice. Corrina holds strong cultural values relating to positive outcomes for community, youth, education and reconciliation.

Virginia Fenelon (1 January 2022 – 31 July 2022)

Virginia has had senior and executive experience in TAFE and University and more recently was a VET consultant and auditor for 10 years. Her auditing work was undertaken for the Australian Skills Quality Authority (ASQA) the Victorian Registration and Qualifications Authority (VRQA) and internal audits for TAFES – these internal audits included off-shore delivery. Her consultancy work included working with three state-based TAFE systems in Australia and off-shore with the Vanuatu Qualifications Authority. Prior to her VET education career she had 10 year's experience as a secondary school teacher.

Virginia has had extensive experience as a Director on Education Boards at State, Regional and local levels across all sectors – these included the University of Ballarat Council, The Adult, Community and Further Education Boards (State and Regional Level) and Damascus Secondary College. In a joint project with the Regional Education Office in Ballarat, Virginia represented the University of Ballarat/TAFE to lead a major project which aimed to coordinate all education and service providers in the Grampians Region, so as to ensure there was a safety net process in place to support all early school-leavers in the Grampians Region.

Virginia was a Director on the Ballarat Health Services Board for six years and is currently a Director on the large Pharmacy and Medical Group, United Friendly Societies (UFS) Dispensaries. She is also actively involved with the Ballarat Tramway Museum (BTM) and was a Board Director until 2021 when she stepped aside to take a role as a volunteer Project Manager – the most recent project was the construction of a major new museum building for BTM.

Patti Manolis OAM

Commencing on the Board September 2021, Patti brings more than 30 years of senior management and leadership experience in the Local Government sector and a deep commitment to lifelong learning, the exchange of ideas, information and empowerment of communities. Patti's board experience includes her most recent role of 14 years as CEO and executive board member of the Geelong Regional Library Corporation, two terms as Independent Director on the Board of the G21 Region Alliance (2017-2020), Founding Director and President of Libraries for Timor-Leste Inc (2004-2014), President of Public Libraries Victoria (2016-2017), Member of the State Library Board of Victoria's Advisory Council on Public Libraries (2016 – 2021) and member of the Bill and Melinda Gates inaugural International Network of Emerging Library Innovators (INELI), selected in 2011.

In March 2016, following nomination by the Women in Local Democracy (WILD) group based in Geelong, Patti was one of 20 inductees to the Victorian Honour Roll of Women in recognition of her achievements in public libraries statewide, nationally and internationally. In 2019 she was awarded the Medal of the Order of Australia (OAM) for services to the Library and Information Services Sector.

Professional qualifications include Bachelor of Education, Graduate Diploma of Business and Graduate of the Australian Institute of Company Directors.

Dr Gillian Miles

With over 30 years' leadership experience at the national, state and local Government level, Gillian has a record of achievement in public sector excellence and reform, along with strong interests in governance, risk management and workforce diversity.

As Head of Transport for Victoria, she designed and led the most significant reform of the Victorian transport system in decades, integrating all transport services and transport agencies.

As CEO and Commissioner at the National Transport Commission (NTC), Gillian has reshaped how the NTC delivers its work by placing a greater focus on engagement, collaboration, partnerships, and structuring the NTC's program of work to deliver high-value reform.

Gillian has led the National Women in Transport initiative. She also chairs Roads Australia's Diversity and Inclusion Committee and is a Member of Chief Executive Women.

Gillian has been CEO of the City of Greater Geelong and head of Strategy and Performance at the Transport Accident Commission.

Gillian has a Bachelor of Education, Master of Letters in Cultural Theory and Doctor of Business Administration.

Darryl Mohr | Deputy Chair

Darryl brings to our Board extensive experience in governance, risk management, banking and finance following more than 30 years in the Financial Services sector. Darryl is also a Committee member for Regional Development Australia (Barwon South West region), a joint Federal and State Government initiative to promote economic sustainability across regional Australia.

Darryl is currently completing a Master of Public Policy and Management (University of Melbourne) to build upon his broad educational background that includes a Bachelor of Business (Accounting), CPA Australia accreditation, Company Director (AICD Graduate), Harvard Business School seminars (Boston USA and Shanghai China), Wharton Business School - Advanced Risk Management Program (Pennsylvania University USA).

Joe Ormeno

Joe was appointed as Chief Executive Officer as of 3 October 2019, a role in which he had been acting in since 6 May 2019. Joe joined The Gordon in February 2009 as Chief Finance Officer, a role he continued until December 2014. In July 2014 Joe was appointed to the Chief Operating Officer role and concurrently retained the role of Chief Finance Officer until December of that year. Prior to The Gordon, Joe spent five years as General Manager Finance and Administration with St. Laurence Community Services. He has also held various executive roles in corporate services within the private and not-for-profit sectors.

Joe holds a number of leadership roles across the Community and the TAFE Network and also brings a wealth of leadership and board experience to the Institute.

Daniel Smedley

Daniel joined the Board in 2016. He has over 20 years' experience as a lawyer involved in business and commercial law and has been recognised by industry groups and peer review bodies as a leading lawyer in his field of expertise. He is the Executive Chair of The Lantern Legal Group Pty Ltd which comprises the law firms Harwood Andrews and Sladen Legal. Daniel is accredited as a specialist with the Law Institute of Victoria and is a member of Law Institute of Victoria and Taxation Institute of Australia committees. Daniel is regularly invited to speak at state and national industry conventions, conferences and workshops.

Matthew Wright

Matthew is the Executive Director Sector Engagement and Advice at the National Disability Insurance Agency (NDIA). He has over 20 years' experience in the disability sector. He was previously the Chief Executive Officer of the Australian Federation of Disability Organisations and Murray Human Services, and a senior manager with Oakleigh Centre and Able Australia. Matthew also held the role of Advisor Diversity at National Australia Bank (NAB), developing the NAB's Disability Action Plan.

Matthew has represented Australians with disability at the UN Conference of State Parties, has been a member of the Australian Human Rights Commission (AHRC) Reference Panel on the National Enquiry into Employment Discrimination, Independent Advisory Council (IAC) Housing Innovations Working Group, the Australian Law Reform Commission's Disability Advisory Committee, the National Disability Workforce Strategy Committee, the Victorian Government's NDIS Implementation Task Force, and was one of the three members of the National Disability and Carers Alliance.

Matthew holds a Bachelor of Arts and Post-Graduate Diploma in Human Resource Management and Industrial Relations from the University of Melbourne. He is a fellow of the Williamson Community Leadership Program with Leadership Victoria. He has a severe hearing loss from birth and identifies as part of the Deaf community.

/ Board committees

Audit and Risk Management Committee

The Audit and Risk Management Committee acts primarily as an advisory and oversight committee to the Board.

Committee members must obtain an understanding of The Gordon's business, operations and risks, including governance practices.

The purpose of the Committee is to protect the interests of stakeholders and others by overseeing, on behalf of the Board:

- The risk management function
- The external audit function
- The internal audit function
- Compliance with the board's corporate governance framework
- Compliance with the organisation's legislative requirements and ethical standards.

Membership

- Darryl Mohr | Chair
- Patti Manolis
- Gillian Miles
- Daniel Smedley

Remuneration Committee

The Remuneration Committee's purpose is to:

- implement the remuneration principles and procedures in line with the Ministerial Directions as required by the Victorian Public Sector Commission
- within the limitation of legislation, Government policy and industrial awards, make recommendations, where permitted, on matters of remuneration of the CEO and other Executive Officer positions
- provide assurance to the Board regarding the effectiveness, integrity and compliance of the Institute's executive remuneration policies and practices
- approve the CEO's remuneration, and remuneration of all other Executive Officer positions
- approve performance-related incentive payments for the CEO and all other Executive Officer positions
- oversee application of the remuneration policy across the Institute
- ensure the disclosure in the Annual Report of Director and Executive Remuneration in accordance with regulatory requirements and good governance practices
- advise the CEO on other remuneration matters, as appropriate.

Membership

- David Bowen | Chair
- Gillian Miles
- Darryl Mohr



/ Executive

Chief Executive Officer

Joe Ormeno

BCom (FinAcc), CPA

Joe was appointed as Chief Executive Officer as of 3 October 2019, a role in which he had been acting in since 6 May 2019. Joe joined The Gordon in February 2009 as Chief Finance Officer, a role he continued until December 2014. In July 2014 Joe was appointed to the Chief Operating Officer role and concurrently retained the role of Chief Finance Officer until December of that year. Prior to The Gordon, Joe spent five years as General Manager Finance and Administration with St. Laurence Community Services. He has also held various executive roles in corporate services within the private and not-for-profit sectors.

Joe holds a number of leadership roles across the Community and the TAFE Network, bringing a wealth of leadership and board experience to the Institute.

Chief Financial, People and Operating Officer

Steven Reaper

BCom, CPA, Post Graduate Certificate in Human Resource Management (RMIT), Art and Practice of Leadership Development (Harvard Kennedy School - Boston U.S.A.)

Steven was appointed Chief Financial, People and Operating Officer in March 2020. He brings extensive senior executive experience to The Gordon, having previously worked in the AFL industry for over 15 years where he held key roles including Chief Executive Officer - AFL Victoria where he led the organisation's successful integration into the AFL. Other roles have included Head of Community Football Capability and Governance (AFL), Deputy General Manager and Chief Operating Officer - AFL Victoria and Chief Executive Officer and Chief Financial Officer of the Victorian Country Football League. Prior to working in the AFL industry, Steven was a Senior Taxation and Legal Consultant with PriceWaterhouseCoopers (PWC).

Steven brings a wealth of knowledge and expertise in a number of key areas, including leadership, strategy, finance, people and culture, commercial, community, Government relations, stakeholder relations, risk management, board management, program and project management.

Executive Director of Commercial Business

Jana Perera

BBus, MAdvtg

Jana is the Executive Director of Commercial Business. Jana joined The Gordon as Director International Education in September 2019. She has a strong track record of success in complex organisations across the TAFE, higher education and private sectors, leading teams across functional areas while leveraging cross-functional capability through focused collaboration. Jana currently leads marketing, business development, commercial projects, industry and community engagement, international partnerships and student recruitment, and strategic partnership areas at The Gordon.

Jana actively represents The Gordon in various forums, including as a judge in the Geelong Business Excellence Awards, Board member of International Education Association Australia (IEAA) and Board member for WynBay LLEN.

Jana holds a Master's degree in advertising, along with qualifications in business and project management and completed a Leadership program through Committee for Geelong in 2022. Jana's previous experience includes working at La Trobe University, CQUniversity, Victoria University, Bendigo Kangan Institute and Muresk Institute in critical roles, driving and supporting the achievement of key business objectives.

Executive Director Student Experience

Colin Hatcher

Master of Legal Studies (Int'l Law) (ANU), PGDip in Practitioner Research in Education (IOE, London), PGCert in Management (Melbourne Business School), BA (UQ)

Colin is the Executive Director Student Experience. He joined The Gordon as Head of Centre Health and Community Services in 2018 with 20 years' experience in the vocational and higher education sectors in Australia, the United States, Mexico, Brazil, India and The Netherlands. Prior to joining The Gordon, he worked as GM Health Services Development for Cobaw Community Health. He has held a range of executive roles including Executive Director Train@ CQUniversity, GM Health Skills Australia (Navitas), Co-founder and Executive Director Corporate Strategy for Endeavour Learning Group, numerous national Director roles with Endeavour College of Natural Health and Associate Vice-President Education Operations for Apollo International. Colin is committed to transforming and personalising the student experience at The Gordon.

/ CEO's message

The Gordon Annual Report 2022

Resilience is defined as the capacity to recover quickly from difficulties. This word captures an essential quality of the staff and students at The Gordon. Across recent years, COVID-19 has caused significant challenges for the Institute and educational institutions worldwide. Through the resilience of our education community, The Gordon has navigated complex challenges and emerged with a showcase of significant accomplishments, many of which are highlighted in this annual report. Through resilience, we have flourished.

While we are still living with COVID-19 and will continue to do so for some time to come, we can agree that it has been wonderful to see our teaching and student experience returning to normal this year. This greater sense of normality has allowed us to focus on advancing our vision and strategy. This report details several exciting projects and initiatives that will help us fulfil our ambition – to lead the way in unlocking human potential through innovative, flexible education. Significantly, 2022 saw the launch of the Institute's 2022-25 Strategic Plan. The launch was an important milestone and the culmination of extensive consultation and contributions across the Institute. Over 400 staff participated in planning workshops - and over 300 external stakeholders, including students, industry representatives and the broader community, contributed to the final document. Concurrently, we launched our new values. Across 2022, the Institute focused on embedding these values in everything we do.

The Plan supports our commitment to delivering an exceptional student experience centred on inspirational teaching and learning opportunities. Our 2022 Victorian Skills Authority student survey results attest to that commitment – where The Gordon exceeded the TAFE Network average on 10 of the 11 performance measures. This year's survey saw some record achievements for the Institute. Notably, 81.9% of students were satisfied with the training provided by The Gordon. The Institute also received top honours at the prestigious 2022 Study Melbourne Victorian International Education Awards. The Gordon was recognised for delivering 100 years of international education and secured three awards, including the Premier's Award for the International Provider of the Year. Awards like these serve as great recognition for our work - and I would like to thank the teaching and support teams involved in delivering education to our international students.

Building on our teaching and learning opportunities, 2022 saw The Gordon host the region's WorldSkills competitions. The competitions provide an amazing opportunity for students to develop skills, foster life-long partnerships and build industry networks. The Gordon's engagement in the competitions across our education community has always been a rich one. The competitions regularly see The Gordon's highly skilled teachers taking on roles as judges - both nationally and internationally. It is a marvellous opportunity to showcase the calibre of our staff - underpinned by an ongoing commitment to industry currency and excellence in the planning, delivery and assessment of training.

In delivering on the ambitions set out in our Strategic Plan, the Institute is focused on enriching existing industry partnerships and fostering new connections. 2022 saw important relationships established with G4S Custodial Services, the Australian arm of the British multinational security giant, and Geelong-based company Scale Facilitation to support their vision of creating a renewable future through Recharge Industries. G4S is partnering with The Gordon to deliver correctional training to staff employed across its extensive network of custodial services - and Scale Facilitation will develop an Avalon-based Gigafactory that will be ready for production in 2025. These connections are part of our vision that sees The Gordon as the industry partner of choice for workforce education and skills development.

The Gordon has inclusivity, diversity and opportunity at the core of its values to enrich our education community. This year, we commenced the development of our second Reconciliation Action Plan (RAP). Our first Plan set out how the Institute can benefit from Aboriginal and Torres Strait Islander knowledge and ways of learning. In terms of our sphere of influence, we focused on our education community - and that vocational education and training play a vital role in achieving a united Australia. Our Innovate RAP will articulate practical actions to achieve The Gordon's vision for reconciliation.

Our fostering of a more inclusive education community was recognised in 2022 when we were a finalist in the Inclusive Training Provider section of the 2022 Victorian Training Awards. Our nomination recognised the excellent work of the Disability Inclusion Unit. And over the year, the Institute's Gender Equality Working Group worked with staff to outline a shared vision for The Gordon - a vision where the Institute is a sector-wide equality leader, providing staff with a safe, respectful and inclusive space where all differences are understood, acknowledged and celebrated for the beauty of diversity in lived experience.

The Gordon continues to invest in leading-edge infrastructure, equipment and technology to drive business growth. Our Culinary School re-opened its doors in 2022 following a \$23.5m redevelopment. With the assistance of the State Government, the redevelopment has transformed our facilities into a world-class hospitality and cookery training centre capable of competing locally, nationally and internationally. The new facilities are anticipated to train an additional 579 students, including 275 new apprentices and trainees, over four years. We will deliver the skills needs of our booming hospitality industry - and the needs of our community for strong pathways to employment.

I want to acknowledge the strong support of both the Hon. Gayle Tierney, MP, the Minister for Training and Skills and Higher Education, and our local member Christine Couzens, MP, Parliamentary Secretary for First Peoples. The commitment shown by the Minister and the Victorian Government to The Gordon and the region's community is greatly appreciated.

The progress we have made in striving towards our vision, and the achievements I have outlined, is only possible with the talent, expertise, commitment and passion of our staff. I want to take this opportunity to thank them for their invaluable contribution to the Institute.

I am incredibly proud of our students who worked so hard to achieve their education goals. I commend you for your dedication and resilience.

I thank all Board members for their commitment and dedication. Our Board Chair, David Bowen, is a strong advocate for The Gordon as the leader in unlocking human potential through innovative, flexible education.

As the pages of this annual report demonstrate, we are nothing if not resilient, and I am proud to be the CEO of this incredibly dynamic Institute. We are The Gordon.



Joe Ormeno
CEO
March 2023

/ Reconciliation Action Plan

Journey and research

'Innovate' emphasised our commitment to working with and celebrating Aboriginal and Torres Strait Islander people and traditional knowledge. As an education community, we believe that vocational education and training play a vital role in achieving a reconciled society, pathways to personal and social growth that bridge misunderstandings, a grounding for tangible and robust change, and a foundation for empowerment, engagement and transformation. Developing our second Reconciliation Action Plan (RAP) enables changes to embedded actions which underwrite a vision in which First Nations people participate equally in all aspects of our education community.

Flying Aboriginal and Torres Strait Islander flags alongside the Australian flag atop the entrance to our Geelong City Campus was central to our amplification of First Nations culture and signalled our Institutional respect and commitment to reconciliation.

2022 Highlights

Key achievements across the year included:

- Successful re-engagement in education and Community for students participating in the pilot Mumgu-dhal tyama-tiyt (Pathways to Employment) courses, situated within the culturally safe spaces of the Kitjarra wurrun-ngeen (Talking House).
- The commissioning of artwork, including a painting entitled "Bundjil Watching Over Us", depicting the creation story by Wadawurrung artist Deanne Gilson, which will form part of storytelling for First Nations students and cultural education for all staff.
- Well attended student-led and co-designed events for National Reconciliation Week and NAIDOC Week, attracting staff, students and Community Leaders who participated as keynote speakers at our Student Awards celebration.
- Creation of a First Nations Cultural Mentor position to support our large number of young male students in gaining confidence and succeeding in their education.
- Establishment of an ongoing Traditional Owners Welcome to Country and Smoking Ceremony to mark the start of each term and student Orientation program.
- Increased informal partnerships with Community and regional stakeholder organisations.
- Increased attendance at staff Professional Development programs and coordinated digital communications acknowledging significant cultural dates.
- Consultation with First Nations educators for the co-creation of an online learning module to improve cultural competency for staff and students. This will be a key part of our achievements for the year ahead as we finalise our Innovate Reconciliation Action Plan
- Member of the Geelong Aboriginal Employment Taskforce, and having the privilege of hosting several meetings at The Gordon throughout the year..



The Gordon 2022 National
Reconciliation Week celebrations

/ Strategic Priorities

As a leader in vocational education, The Gordon is dedicated to unlocking the full potential of our students through innovative and flexible learning experiences. Our commitment to excellence is driven by our core values of teamwork, delivering impactful results, thinking big and bold, and placing students at the centre of all decisions and actions. These principles guide all we do and define who we are as an institution.

In this rapidly changing world, The Gordon understands the importance of staying agile and responsive to the needs of our students and industry partners. Our goal is to create a future where education anticipates industry needs, helping our students grow and succeed as the world evolves around them. The Institute is committed to acting across six strategic themes to achieve this goal.

The following is a summary of these themes, including an overview of milestones achieved in 2022.

Education

At the core of everything we do, we prioritise our students' education and career opportunities. We understand the importance of providing a first-class education and aim to deliver progressive, stimulating and innovative programs that will enhance their future prospects. To ensure quality and compliance, we invest in teacher capability, foster industry partnerships, and focus on financial sustainability. With this approach, we are committed to creating lifelong learners who are job-ready, capable of navigating the modern world of work, and ready to succeed in their chosen careers.

Milestones:

- Release of the Institute's Education Strategy.
- Future Health Skills: the launch of 25 micro-credentials in partnership with Barwon Health, St John of God Geelong Hospital, Epworth Geelong and the Geelong Region LLEN, funded by the Victorian Government's Workforce Training and Innovation Fund.
- Development of the Certificate III in Correctional Practice to train G4S Limited staff across Australia from 2023-2025.
- Strengthening teacher capability by introducing professional development days during term breaks.
- The Geelong Tertiary Futures Program expanded to include Year 9 students from nine local Government secondary schools. Over 1,400 students explored careers of interest from a suite of 28 options.
- At the 2022 Study Melbourne Victorian International Education Awards, The Gordon secured three awards, including the Premier's Award for the International Provider of the Year.

Experience

We are dedicated to providing impactful and empowering student experiences that make them feel valued and appreciated. We understand that students are at the heart of what we do, and we aim to tailor their experiences to their unique needs and preferences. From their first point of contact to graduation and beyond, we strive to make every interaction with our students inspiring and impactful. Our goal is to produce graduates who are equipped with the skills and knowledge to succeed in the modern world of work and who will continue to be lifelong learners.

Milestones:

- Delivery of an enhanced strategic communications plan and the launch of the refreshed student portal.
- Introduction of an onboarding survey for commencing students and development of a customer service index.
- Successful re-engagement in education and community for students participating in the pilot Mumgu-dhal tyama-tiyt (Pathways to Employment) courses.
- Initiation of the Institute's student retention initiative, focused on understanding student data, identifying trends, and designing early interventions.
- At the 2022 Victorian Training Awards, the Institute was an inclusive training provider finalist, recognising the work of the Disability Inclusion Unit and their 'Team Around the Learner' model.

Partnerships

We understand the importance of industry partnerships and strive to build trusted and synergistic relationships that enable us to drive workforce capability, innovation and career advancement. Our goal is to increase revenue, reduce our dependence on Government-based funding, and grow our market share and brand equity. We aim to provide industry partners with contemporary training and development programs and produce work-ready graduates capable of making an immediate impact in their workplace.

Milestones:

- Partnership established with:
 - G4S Custodial Services to deliver correctional training to staff employed across its extensive network of custodial services.
 - Scale Facilitation to support their vision of creating a renewable future through Recharge Industries.
- In collaboration with Wyndham industry and community groups, delivery of our pilot executive leadership course.
- Development of the Building Careers through Smart Skilling project, which will recruit and train workers from priority groups in Geelong and Wyndham regions through collaboration with industry stakeholders.
- Working in collaboration with the Wathaurong Aboriginal Cooperative to create a customised Diploma of Leadership Management.
- Hosting the region's 2022 WorldSkills competitions.

Community

We are committed to being a catalyst for positive social change, championing the needs of our communities and providing access to education and careers for all. We believe in working with community organisations, education providers and industry to address the challenges facing our communities and provide everyone with value and opportunities. Our goal is to promote diversity and inclusiveness and to drive positive change in our communities.

Milestones:

- Skilling the Bay delivered programs to strengthen and enhance pathways to work for people of all ages:
 - Education and Pathways Programs, including The Geelong Tertiary Futures Program, the STEM Manufacturing Futures Program, the World of Work – Health and Community Services Program, and the English for Transition Pathways (CALD) Program.
 - The Local Jobs Program brings together expertise, resources and access to funding at the local level to focus on reskilling, upskilling and employment pathways.
- Commenced the development of our second Reconciliation Action Plan (RAP). Our Innovate RAP will articulate practical actions to achieve The Gordon's vision for reconciliation.
- Recruitment of our First Nations Cultural Mentor position to support our students in gaining confidence and succeeding in their education.

People

At The Gordon, we value and empower our people to grow and succeed, knowing that our employees are our greatest asset and key to our success. We aim to create a high-performing environment where our people feel valued and respected and understand how their role contributes to our overall success. We believe in providing continuous learning and growth opportunities and fostering a fulfilling and progressive career for all.

Milestones:

- Release of the Institute's Gender Equality Action Plan, which presents a vision where the Institute is a sector-wide equality leader.
- Roll out of the Institute's refreshed values incorporating wide-ranging feedback from staff, students, industry and community.
- Roll out of a new staff reward and recognition program grounded in the Institute's refreshed values.
- Launch of the Institute's Contact Officer network – to support our commitment to creating a work environment free from harassment and where all staff are treated fairly, equitably and respectfully.
- Roll out of The Gordon's new safety management system to manage health, safety, and injury management.

Operations

We are committed to building strong systems, structures, and processes that enable our people to deliver their best to our students, partners, and communities. Our goal is to achieve long-term organisational sustainability through strong financial performance and to create an environment where our employees can succeed and thrive. With a focus on efficiency and effectiveness, we aim to support the delivery of the suite of strategic initiatives, ensuring the success of The Gordon now and into the future.

Milestones:

- Continuing activity to achieve agreed sustainability outcomes and actively addressing cost drivers, including a strategic course review.
- Investment in leading-edge infrastructure, equipment and technology to drive business growth, including:
 - A \$23.5m redevelopment of the Institute's Culinary School, transforming our facility into a world-class hospitality and cookery training centre.
 - Significant expansion of the trade training facilities at The Gordon's East Geelong Campus.
 - Successful funding bid to establish a Centre of Excellence for Health, Community & Disability Services.

/ Teaching and learning highlights

Education Strategy

The release of The Gordon's Education Strategy in 2022 focused on unlocking student potential through innovative, flexible and quality education. Supporting the need for greater connection and collaboration across education and employment systems, our Education Strategy aims to create lifelong learners who are job-ready and able to navigate the new world of work.

Following an extensive industry and community collaboration process, the Institute cemented its commitment to developing skills and experiences for modern workplaces through industry immersion, collaborative industry projects, improved access to, and equity, in education, greater flexibility in education delivery, and the development of micro-credentials. Accordingly, our approach delivered learning programs that:

- Are more agile and responsive to industry needs with training designed to meet skill demands and job trends
- Build trust and respected collaborations or partnerships to raise workforce capability and promote regional career advancement through accessible education pathway programs via placement and traineeships
- Develop accessible education pathways for secondary school students to consider a vocational learning pathway
- Empower a dynamic, industry-focused teacher via teacher scholarships and industry immersion programs.

Strengthening industry collaboration

The Gordon has continued to develop existing partnerships and foster new partnerships for the benefit of industry, our students and the Institute's growth and financial sustainability. 2022 highlights include:

- Future Health Skills – the development and launch of 25 micro-credentials in partnership with Barwon Health, the St John of God Geelong Hospital, the Epworth Geelong and the Geelong Region LLEN, funded by the Victorian Government's Workforce Training and Innovation Fund
- Development of the Certificate III in Correctional Practice to train G4S Limited staff across Australia from 2023-2025
- Delivery of the Certificate III in Health Services Assistance (Acute Care) qualification at the St John of God Geelong Hospital
- Delivery of histology training to develop systematic processes for CSIRO scientists
- MOU signed with The Human Service Skills Organisation to deliver training and strengthen the personal care workforce
- Development and delivery of Essential Business Skills for Trades; an accredited short course that enhances the business success of tradespeople across multiple sectors, funded by the Victorian Government's Workforce Skill Set Fund.

Gordon Culinary School

The Gordon's Culinary School re-opened its doors in 2022 following a \$23.5m redevelopment. The world-class hospitality and cookery training centre, including the iconic Davidson restaurant, is capable of competing locally, nationally and internationally, and is anticipated to train an additional 579 students, including 275 new apprentices and trainees over four years.

Strengthening teacher capability

Teacher capability and development was a significant focus in 2022, acknowledging the critical role quality teaching has on our student learning and achievement. Introducing professional development days during term breaks was a major success in engaging teachers to reflect critically and develop their practices. Professional development covered a range of topics, including teaching practice, compliance and VET capability, together with industry and student support. Another key initiative saw the implementation of a framework and system for Peer Observation that focused on collegial development and best practice sharing.

Applied vocational research and innovation

The Gordon adopted a more work-simulated, adaptable curriculum in 2022. Examples in which The Gordon applied research processes to provide hands-on opportunities for students to work alongside employers and industry to solve real-world challenges included:

- Co-designing learning with industry to identify training skill needs
- Equipping our training facilities with simulated work environments so that students can experience contemporary, real-work scenarios.

Investing in our future

The Gordon continued to rally its resources to promote its diverse offering of Government-subsidised courses and fee-for-service training options in order to meet community and industry needs. Funding received under the Apprenticeships Victoria Quality Apprenticeship Equipment grant saw two virtual classrooms created for the Early Childhood Education and Care program. The virtual classrooms allow students to gain hands-on experience in the childcare sector. The program plans to hold playgroups with community organisations throughout the Geelong region after its completion in early 2023.

Trade Optimisation Project

Increasing industry demand for plumbing and carpentry apprentices prompted a significant expansion of the trade training facilities at The Gordon's East Geelong Campus. Delivered in 2022, the \$5.4 million infrastructure investment, funded by the Victorian Government, allows over 1,500 plumbing and carpentry apprentices enrolling at The Gordon each year, to meet industry skill shortages, while learning their trade in the best possible training environment. A combination of traditional workshop spaces, multi-use skill bay construction and breakout spaces, provides a range of teaching and learning spaces. Expanded VDSS learning spaces also improve our ability to offer pathway options through pre-apprenticeship and apprentice training.

/ Strengthening education pathways

In 2022, The Gordon offered 28 VETDSS programs, each providing pathways into higher level Certificate and Diploma courses.

The Gordon experienced its highest (1,800) enrolment in VETDSS courses. It is projected this number will continue to grow as the recommendations of the Firth Review into Vocational and Applied Learning Pathways in Senior Secondary Schooling are implemented, including the introduction of the VCE Vocational Major (replacing the Victorian Certificate of Applied Learning - VCAL).

School partnerships

VETDSS programs were delivered in partnership with more schools than previously (79). This number is also set to increase as schools that have not previously offered VETDSS respond to new policy settings, insisting on the importance of vocational education, particularly in identified priority VETDSS courses that link to apprenticeships and the labour market.

VETDSS provides secondary school students with the opportunity to attain an accredited qualification or partial qualification alongside their Senior Secondary Certificate. Some VETDSS programs contribute directly to VCE ATAR scores, increasing students' options for university study. In 2022, 86 students undertook scored assessments in eight different programs, with results released on 12 December 2022.

As a preferred training partner, The Gordon delivered VETDSS programs for secondary schools from seven Trade Training Centres in Wyndham, Hobsons Bay, Colac and St Joseph's College, as well as four Gordon campuses. In total, The Gordon delivered VETDSS at 17 sites with over 130 teachers involved.

Inclusive education

Consistent with The Gordon's commitment to inclusive education for all, the new Certificate I Transition Education program was expanded at Warringa Park School and introduced to Armstrong Creek School.

In 2023, a new program, Certificate I in Baking, will be introduced, enabling students with special needs to train in the new state-of-the-art Culinary Academy in Geelong.

Introducing a new qualification, Certificate III in Emerging Technologies, will provide students with skills and experience for careers in a broad range of future businesses.

The Gordon will continue to partner with schools to implement universal access to high quality VETDSS, including applied and work-based learning linking to job outcomes and sustainable careers in a rapidly changing labour market.

VETDSS success

VETDSS is a compelling introduction to The Gordon and a powerful marketing tool. In 2021, 17% or \$5.4m of The Gordon's total Victorian Training Guarantee funding came from former VETDSS students who have returned to undertake a profile course or an apprenticeship. 41% of students involved in VETDSS in 2015 have since returned to study at The Gordon.

Geelong Tertiary Futures Program

The Geelong Tertiary Futures Program (GTFP) program expanded with the support of Skilling the Bay funding to include Year 9 students from nine local Government secondary schools. Over 1,400 students explored careers of interest by selecting six hands-on Career Previews from a suite of 28 options. The GTFP team also delivered two accredited units focused on employability skills in a blended delivery model in the students' home schools.

The program aims to increase students' understanding of vocational education, pathways and employment options. Students develop skills for entering the workforce in their first part-time job and are encouraged to aspire to further education and sustainable careers.

Student evaluations undertaken in 2022 demonstrate the effectiveness of the GTFP program:

- 81% of students reported they feel more motivated to continue with their education
- 92% of students reported increased knowledge and understanding of potential pathway opportunities
- 88% of students reported increased skills to transition to work
- 89% of students reported increased engagement with future study and/or work opportunities

GTFP is set to grow further in 2023, with discussions underway with 10 -12 local schools.

Indigenous program and funding

Throughout the year the deadly mob of 22 students undertaking the Mumgu-Dahl program have participated in many successful community projects, including the creation of a possum skin cloak, the construction of a reflection seat for the City of Greater Geelong, and jewellery making. These projects and community connections have supported the students learning in the classroom. Students adapted, embraced and relished in the linear and non-linear learning, connecting prior knowledge to new knowledge, and developing strength and support for each other. A structured Yarning Circle at the commencement of each day has further supported and encouraged students to be vulnerable while sharing feelings, seeing the world and resolving problems.

In 2022, the Victorian Government's Workforce Skill Set Fund provided The Gordon with a \$119,000 grant for upskilling aboriginal managers. Through the Workforce Training Innovation Fund, a further \$1.5m was granted to expand our course offering to include an Indigenous focused Certificate III in Cookery.

/ VCE and VCAL

Since 1969, The Gordon has been delivering high school education certificates and has made it a priority to educate students looking for an alternate pathway to traditional schooling as a part of its commitment to the community.

The Geelong Technical Education Centre (GTEC) building at East Campus opened ten years ago, and in 2021, the Victorian Certificate of Education and Victorian Certificate of Applied Learning (VCE/VCAL) programs were combined for the first time, and The Gordon was re-registered as a non-senior secondary school provider.

Between 2016 and 2022, The Gordon has educated over 1,198 VCAL/VCE students. Over 555 (or 46%) have continued their post-secondary education with The Gordon. In 2022, 245 students undertook a VCE or VCAL program through The Gordon. This has increased from 218 in 2021.

VCE and VCAL

In 2022 The Gordon's VCE/VCAL program concentrated on creating key stakeholder network groups and partnerships with the Department of Education and Training, the TAFE sector and the secondary school sector. These networks provided many opportunities for both The Gordon and the students from the region, including:

- Invitation to participate in the new VCE Vocational Pathways Certificate curriculum pilot program
- Increase of The Gordon profile with senior leadership in secondary schools promoting student pathways
- The VCE/VCAL TAFE network revival and reform group, which coordinated a strategy for funding opportunities and prospective career pathways.

New senior secondary certificates

In accordance with the findings of the Firth Review, new senior secondary certificates were developed, with implementation commencing in 2023.

Victorian Pathways Certificate (VPC)

- An accredited Foundation Program
- Australian Qualifications Framework Level 1
- Standards-based assessment, no external examinations, no ATAR
- Develop and extend pathways for young people

VCE Vocational Major Certificate (VCE VM)

- A new program within the VCE
- Replaces Intermediate and Senior VCAL
- Australian Qualifications Framework Level 2-3
- Standards-based assessment, no external examinations, no ATAR

Victorian Certificate of Education (VCE)

- No change to current VCE subjects or assessment
- Australian Qualifications Framework Level 2-3
- Standards-based assessment and external examinations, leading to an ATAR

2022 Highlights

- Gordon VCE student ATAR top score received was 72.
- Gordon Vocational Education and Training Delivered to Secondary Students (VETDSS) student ATAR top score received for Certificate III Community Services was 48 out of a possible 50, with an overall mark of A+.
- Over 52% of students undertaking a VETDSS VCE scored assessment course received an ATAR score of 30 or above and 7% of VETDSS students scored 40 or above.
- Seven of our returning 2023 students successfully received a \$1,100 grant from Kids Under Cover, which will help with their academic costs for the following year. We value the work of our staff members who support student wellbeing.
- Our Year 11 VCE students, led by Paul Conway, organised an R U OK Awareness event at the Student Hub as part of their Personal Development Skills. Activities included:
 - Mindfulness corner – colouring, drawing, beading and dog toy making
 - Conversation corner – conversation cards, R U OK conversation activity
 - Tasty corner – cupcakes
 - Activities corner – giant Jenga, trust walk and other team activities.

/ Awards for Excellence

Apprentice Employment Network Awards

- School-based Apprentice or Trainee of the Year – Sebastian Sreat

AUS-TAFE Regional Culinary Competition (Bendigo)

- Victorian State Champion Second Year Apprentice, Silver – Pippa MacPherson

AUS-TAFE Regional Culinary Competition (Melbourne)

- Second Year Apprentice, Silver – Pippa MacPherson

Geelong Business Excellence Awards

- Business Leader of the Year Finalist – Joe Ormeno

Independent Cabinet Makers Geelong Apprenticeship Awards

- Best First Year Apprentice - David Pezaro
- Best Second Year Apprentice - Liam Cunningham
- Best Third Year Apprentice - Charlie Phillips
- Apprentice of the Year - Tyler Pekin

Master Builders Victoria Regional Apprentice of the Year Awards

- Geelong Apprentice of the Year Craftsperson Award – Brock Smith

Master Builders Victorian Apprentice of the Year Awards

- Apprentice of the Year Craftsperson Award – Brock Smith

Master Painters' Association of Victoria and Tasmania Awards

- Apprentice of the Year (fourth year) – Damien Robinson

Proud to be a Chef National Apprentice Competition

- Victorian State Champion Second Year Apprentice, Silver – Pippa MacPherson

Small Home BIG LIFE Competition

- Best XXSmall House (up to 45m2) – Andres Gracia

Victorian International Education Awards

- Premier's Award, International Education Provider of the Year 2021-2022 winner
- Excellence in International Student Experience winner
- Excellence in International Education – TAFE winner

Victorian Training Awards

- Apprentice of the Year Finalist – Gerritt Maiai
- Inclusive Training Provider of the Year Finalist – The Gordon

WorldSkills Geelong Regional competition

Bricklaying

- Gold – Cooper Collett
- Silver – Thomas Gann
- Bronze – Bradley Chandler

Carpentry

- Gold – Trey McAuley
- Silver – Xavier Norman
- Bronze – Patrick Green

Floristry

- Gold – Cailen McLean
- Silver – Christine Widdicombe
- Bronze – Courtney Holden

Landscaping

- Gold – Riley Constable
- Silver – Jake Drever
- Bronze – Dylan Jobson

Mechatronics

- Gold – Jakeb Feldman
- Silver – Joshua Patten
- Bronze - Jake Thomas

Nursing

- Gold – Ms Campbell
- Silver – Brenda Fisher

Plumbing

- Gold – Flynn Walker
- Silver – Dylan Newman
- Bronze – Luke Cullen

VETDSS Commercial Cookery

- Gold – Shee Kee La Po Ywet
- Silver – Lucas Robertson
- Bronze – Coco Churton

VETDSS Food and Beverage

- Gold – Nell Trotter
- Silver – Alana Stretton
- Bronze – Megan Rockett

GEELONG TECH SCHOOL

In its fourth year, the Geelong Tech School, a centre for multi-disciplinary, applied learning using emerging technologies, has evolved into a network connector in the Geelong STEM education system.

Encouraging conversations about future work skills with the vision of being a skill disrupter in education, we are facilitating innovative STEM programs that support young people to understand and pursue skills which will open up new opportunities and pathways.

The learning is fun, engaging, hands-on and rewarding in helping build skills for life. As a place-based model, the Geelong Tech School is informed by an engaged and active steering committee hosted by The Gordon and funded by the Victorian Department of Education and Training.

Program Models

Tech Tasters

A one-day applied learning experience addressing a brief designed to build confidence and inspire the use of technologies to achieve school curriculum outcomes. Twelve different programs were available to schools throughout the year, including app design, animation, 2D design, 3D design, motion capture, virtual reality, electronics, robotics and drones.

Core Programs

Core programs aim for a deeper level of engagement and outcome. Inclusive of teacher professional development, two days onsite with fully supported pre/post-resources and solid industry representation. The nine programs already available were added to in 2022 with the successful trialling of the 'Coasting Drones' program supported by Life Saving Victoria.

Design to Thrive

This five-day program model includes an immersive industry visit to connect and identify real-life challenges. Through the design process, students prototype a solution to be presented to the industry.

'Conservation and Culture' with Parks Victoria has been very successful and available throughout the year. A New Design to Thrive program in development features agriculture in partnership with Cobram Estate, Boomaroo Nurseries, Common Ground, and STRUT.

Inclusive Education Programs

The Geelong Tech School has six programs available to accommodate a variety of learning needs using various technologies and software, including robotics, sphero, electronics, CAD, laser cutting, and 3D printing.

Remote and Virtual program

Remote and virtual programs were accessible to schools outside the Geelong local Government area. A high level of support for teachers and students is provided to participate in two engaging 'hands-on' STEM experiences, 'Introduction to CAD/3D Printing' and 'Electronics'. Each of the six schools that participated in the programs available received teacher professional development, a student starter session, six online workshops and program-specific equipment (3D printers + electronics) over six months.

Teacher Professional Development (PD)

Tech School staff facilitated structured PD workshops, including 'Technology Skill Builders' and Core program PD. The Geelong Tech School also worked closely with partner school teachers and Gordon teachers to develop the skills and confidence to incorporate technologies and design thinking into learning programs and their broader curriculum.

Collective impact throughout 2022

The Geelong Tech School has engaged with all stakeholders to achieve the following impact in 2022:

- 32,332 hours, surpassing the targeted 30,240 student program hours of face-to-face delivery were facilitated across the year. Attrition amounted to 22% of bookings.
- 29 of our 32 partner schools have accessed Tech School programs in 2022
- Teacher professional development was facilitated, amounting to 291 hours, surpassing the 252 hours set for the year.
- Remote and virtual programs were delivered in six schools outside the LGA, amounting to 600 hours of program facilitation to students and 43 hours of professional development for teachers
- An Indigenous camp for students, staff and parents was conducted over three days for 20 participants
- Two Geelong Design week events were undertaken, with 89 people attending the Student ambassador presentation event and 40 secondary students alongside three Gordon students participating in the industry design sprint over three days
- 121 students from two schools participated in our first year supporting the Regional Rail Revival challenge.
- Numerous tours for industry, community and interested stakeholders occurred.
- Eight new industry partners joined the Tech School and invested in learning programs

2022 Highlights

Geelong Design Week - Industry Design Sprint

Over three days, more than 40 students from nine partner schools participated in an Industry Design Sprint. The teams of students visited a local Geelong industry to gain understanding and learn about challenges for which they may design solutions. After the collaboration, teams decided to address the following issues:

- Boमारoo Nursery – how to stop a particular plant from growing into the adjacent pots to prevent stock losses
- Barwon Water – how to make their Black Rock facility more appealing to the public
- Cobram Estate – how to combat the energy consumption in transporting empty bottles across the country
- WorkSafe – preventing common push/pull injuries from occurring in the workplace
- GenU – a more practical way of setting up their nursery and a way to sort dirt that required less manual labour for staff.

Each team came up with various ideas and, with the help of the Geelong Tech School staff, set to work on designing and creating prototype solutions. The final day of the Design Sprint saw teams present their solutions to a panel of judges and an audience of their peers, families and representatives from each industry partner. Judges included Tina Perferment from the City of Greater Geelong in the Economic Development department, Matt Dingle the Managing Director of FormFlow, and Heather Kelly the Co-founder of Upstart.

Geelong Design Week – Tech school ambassador celebration

This was an opportunity for community members, parents and teachers to recognise the 2021 Ambassadors who persevered despite ongoing disruptions throughout the year. More than 70 people attended the presentation night to celebrate with eight ambassadors sharing their achievements throughout the program, including the skills learned, what they found interesting, engagement with industry partners and working collaboratively towards a project brief. The celebration was attended by new 2022 ambassadors, welcoming 35 new ambassadors to the program.

Indigenous camp

An Indigenous camp was held over four days during June which included STEM programs and access to local cultural experiences for 16 students and four support staff from the Western Koorie Academy of Excellence. Students and staff participated in workshops developing skills in animation, electronics, coding robots and designing and printing camp T-shirts. Throughout the camp, the students also participated in a traditional ceremony and visited culturally significant local sites.

Regional Rail Revival State-Wide Challenge

GTS supported 121 students from two schools to participate in teams in our first year supporting the Regional Rail Revival challenge. Over three months, the teams designed and prototyped ideas culminating in a pitch presentation. A team from Geelong College won the overall challenge, with a team from Oberon Secondary College receiving a high commendation.

The Gordon staff VR challenge

Geelong Tech School invited Gordon staff to participate in the VR collaborative challenge with 11 teams of four representing work areas within The Gordon. Team members were required to work together to address a series of challenges in a virtual world.

The Geelong Tech School Ambassadors

Throughout the year, the 35 ambassadors participated in fortnightly after-school workshops, a three-day industry design sprint and two excursions developing their knowledge, skills and understanding while connecting with like-minded students across the region.

Live Streaming program

The inaugural six-week after-school live-streaming program took part in Term 3, with 11 students participating. The students worked through the technology requirements developing a range of skills to design and produce a live stream of a game of table tennis.

Make and Learn PD for teachers

Teachers participated in the first trial of the six weeks after school 'make and learn' program, designed to build confidence in using technologies.



The Geelong Tech school showcase technology to visitors

/ Student Engagement

The Gordon has refreshed its commitment to improving the student experience.

This has involved developing of a strategy outlining priorities for student success, empowerment, employability and future pathways that provide innovative and exceptional services to students.

Student communications and insights

Student Experience undertook a comprehensive review and relaunch of the Student Portal, introducing a strategic communications plan to ensure that valuable, accurate and timely information is disseminated through targeted student communication channels. The Student Connection newsletter has proven a successful communication tool, with open and click-through rates remaining consistently above the industry average.

To improve how we measure and use customer insights, we introduced a Customer Service Index, undertook consultations relating to Unit and Teacher Evaluation Surveys and implemented a new Onboarding Survey for new students. The Survey assists in gaining a better understanding of the interactions and the sense of connection that students experience at the start of their learner journey. The data insights highlighted the importance of a whole-of-institute approach and have triggered a range of new service interventions for enrolment and onboarding.

Student retention initiative

The establishment of a Student Success portfolio aimed to improve student-centred design and integration of support services and initiatives, with a broad-ranging project launched to enhance student experience and retention.

Based on evidence drawn from administration dashboards, student onboarding surveys and feedback, staff responses to surveys and research from the education sector, a series of cross-functional working groups are identifying and working on critical areas for improving practice, services and pathways for all student cohorts. The project tracks data, identifies trends, co-designs early interventions, and reflects and collaborates on delivering excellent programs and safe learning environments.

Wellbeing and inclusion

Student Success' expanded its Wellbeing and Inclusion, Learner Engagement, and Aboriginal Education Support units to provide essential support and services to assist students in building confidence and skills throughout the learning journey. Inclusive events throughout the year highlighted student-led activities and increased student involvement for NAIDOC Week, National Reconciliation Week and Wear It Purple Day.

Our "Get Connected, Stay Connected" Orientation program provides technical help at libraries and welcomes students across study areas and safe spaces such as the Queer and Quiet spaces. The Student Success portfolio also offers

financial assistance through redesigned student scholarship offerings and fundraising, student accommodation, well-being and mental health check-ins, counselling, disability inclusion, language, literacy, numeracy and digital literacy support.

Disability inclusion

Central to the Institute's achievement as a finalist in the 2022 Inclusive Training Provider of the Year at the Victorian Training Awards is the Disability Inclusion Unit 'Team Around the Learner'. This model wraps collaborative support and expertise around students with additional needs. The student voice and lived experience are central to decision making within this collaborative approach. Teaching partners and disability inclusion officers are enabled to co-design reasonable adjustments, Personal Success Plans and employment pathway programs with students. The program includes a consultation service at pre-enrolment (course application) for potential students, care teams, teachers and the Wellbeing and Inclusion team. A new peer mentoring project will further these partnerships to support skills development and student wellbeing.

First Nations support

The Aboriginal Education Support Unit at our Kitjarra wurrun-ngeen Centre drove new collaborative initiatives supporting student learning and wellbeing. Student-led events attracted increased engagement for National Reconciliation Week, NAIDOC Week and wellbeing sessions.

Dedicated team support for students undertaking the pilot courses for Mumgu-dhal tyama-tiyt delivered successful employment and further study outcomes. Vital program elements include contact with First Nations business enterprises and Government-funded public initiatives, public art initiatives in the local area, music programs, storytelling with Elders, wrap-around services at the point of need and partnerships with units across the Institute.

Learning support expansion

The Learning support team merged with the library and the bookshop and became the Learner Engagement Unit (LEU). This will enable a wealth of opportunities for learning, skill development and research. It will offer access to resources and a safe space for students.

A new Learning Lounge platform, established on The Gordon's learning management system, gives students access to activities designed for self-paced learning. Specialist support offered at the time of need delivers digital literacy capability development, language, literacy, and numeracy support, as well as time management skills to build confidence around assessment tasks.

Scholarships and Student Support Fund

The Wellbeing and Inclusion unit redesigned The Gordon's scholarship offering in 2022. This included a new suite of Jump Start, Empowerment, and Inspire your Future scholarships for students seeking financial assistance. This will help students complete their studies successfully. The new program also includes Accessible scholarships, available throughout the year to provide financial aid to students who experience unexpected adversity.

A successful fundraising event, hosted annually as a partnership between The Gordon and the Student Support Fund benefactors, was held at the refurbished Davidson Restaurant. This event included a silent auction, raffle, public auction, donations and ticket prices, which contributed to the largest fundraising result since the community-focused event started more than 30 years ago. In 2023, a new Scholarships strategy will increase financial assistance opportunities for students in need.

Women's Career Pathways Program (WCPP)

The Gordon was successful in receiving funding through the National Careers Institute Partnership Grants Program to augment and expand the Skills and Jobs Centre's flagship Workwise Women workshop. The WCPP is a four-week employment readiness program offered to women of all ages and backgrounds. The program, delivered in a place-based blended mode across Geelong, Wyndham and online, with the support of our community and Learn Local partners, provides individualised employment readiness support, one-on-one mentoring, a range of wrap-around learner supports and industry tasters. Feedback from participants and partners has been overwhelmingly positive, with 44 women enrolled across five programs with an additional three programs scheduled for early 2023.

DET Reconnect Program

The Gordon Skills and Jobs Centre (SJC) joined the Reconnect Provider Advisory Committee. The Reconnect Program, Women's Career Pathways Program and SJC worked collaboratively to identify opportunities for cross-program referral and prospects to maximise the support offered to individuals from vulnerable and disadvantaged backgrounds. This feedback will be incorporated into the Department of Education and Training's continuous improvement of the Reconnect Program over the coming 2-3 years.

Skills and Jobs Centre

In addition to delivering a full range of employment readiness and career development workshops, the SJC has responded to industry and community needs to support students, job-seekers and apprentices through the following initiatives:

- In-demand industry and employer insights panels, run in collaboration with key community partner Opportunity Wyndham
- Screening expressions of interest for Apprenticeships Victoria's Big Build Apprenticeships program, providing wrap-around career advice to successful and unsuccessful applicants
- Contributing to the co-design of, and participation in, the Opportunity Wyndham 'Wyndham Emerging Professionals Network Action Group' – a place-based network for Wyndham professionals to connect, network, and learn new skills to work towards building careers and businesses.

Apprenticeship Support Officer (ASO) Program

The ASO Program team was selected to participate in the Australian Apprenticeships and Traineeships Information Service (AATIS) Partner Program to exchange ideas, innovations and resources relating to best practices in Australian Apprenticeships and Traineeships.

The Gordon – Learn Local Organisation (LLO) Forum

The Gordon LLO Steering Group, in partnership with the DET Adult, Community and Further Education team and LLOs from Geelong and Wyndham, hosted a successful forum to collaborate on improving education and training pathways for individuals from diverse backgrounds in a post-COVID environment. Findings and recommendations centred around three key themes: relationship nurturing, increased information sharing and referral process mapping, and the development of consistent pre-accredited to accredited education pathways. These findings align with the 2023 Victorian Skills Plan for Action (See Action 2: Enable learners and workers to make informed skilling and career choices and Action 4: Build foundation skills to enhance workforce participation).

Skilling THE BAY

Skilling The Bay (STB) is focused on improving education and employment outcomes for people in the Geelong and Barwon regions with a guiding purpose to promote, strengthen and supplement pathways for people of all ages into sustainable and decent work.

In 2022, STB delivered two distinct, although inter-related portfolios of work to achieve this aim:

- Education and Pathways Program
- Local Jobs Program

Education and Pathways Programs – funded by the Department of Education and Training

Throughout 2022, STB delivered education and school-based programs that help connect students to Geelong’s changing economic landscape, including industries experiencing significant growth. The STB program suite aims to inspire and engage secondary students in learning and the world of work, promote the value of Vocational Education and Training (VET) and purposefully align to the implementation of policy reforms, resulting from the Firth Review into Vocational and Applied Learning Pathways in Senior Secondary Schooling.

Highlights for 2022 include:

- 1,553 students participated in a STB program
- 20 secondary schools engaged with STB
- 1,483 students attended an on-campus STB event
- 1,412 students participated in the Geelong Tertiary Futures Program
- 40 employers were involved in the delivery of programs
- 35 individuals attended the first Government and Professional Services industry immersion

Program Delivery

The Geelong Tertiary Futures Program (GTFP)

After two years of COVID disruptions, this flagship program, delivered by The Gordon, is designed for Year 9 students and saw its successful expansion from five (in 2021) to nine regional secondary schools in 2022. Over 1,400 students had the opportunity to experience hands-on vocational tasters to increase their knowledge of pathways and career options. The program is now widely recognised as an example of good VET pathways delivery and engagement, and the Career Previews were highly successful, with high engagement and positive feedback.



The STEM Manufacturing Futures Program (GFLOI, GLAM & GFLOI VET)

The program, delivered in partnership with Geelong Manufacturing Council (GMC), encourages students in Years 10 and 11 from the Geelong region to consider a career pathway focused on advanced technology, design, engineering, or innovative manufacturing and to raise the profile of advanced manufacturing among future leaders in the Geelong region. In 2022, GMC delivered Geelong Future Leaders of Industry, Girls Leading Advanced Manufacturing and a new stream called Geelong Future Leaders of Industry – VET. This stream highlighted the highly skilled careers in a constantly evolving manufacturing sector. Over 30 students from eight regional schools participated in the three streams.

The World of Work – Health & Community Services Program

The program delivered by Geelong Region Local Learning and Employment Network (GRLEN) provided students with industry immersion experiences, including Vocational Education and Training Delivered to Secondary Students (VETDSS), School-based Apprentices and Traineeships and structured workplace learning opportunities, to increase their awareness of the diverse careers and pathways available in the Health and Community Services sector. The program also incorporated participation in The Gordon Future Health Skills digital course modules delivered over the school year alongside industry visits and panel discussions. Students heard about various occupations, career journeys and day-to-day job requirements in the sector. There was a total of 59 Year 10 students from ten regional schools participating in the program.

English for Transition Pathways (CALD) Program

This pilot program arose from the needs of Culturally and Linguistically Diverse (CALD) youth in the northern suburbs of Geelong who could not successfully engage in and complete a mainstream senior secondary school certificate due to their low English language skills. Delivered in collaboration with Northern Bay College and The Gordon and supported by Catholic Care Victoria, the project was designed to develop learners’ English language skills and open their world beyond their immediate neighbourhood. As well as improving their English language skills, other aims of the program focused on developing the learner’s confidence, independence, and awareness of services and support in Geelong, to assist with finding job opportunities and TAFE pathways. At the course’s conclusion, participants had the skills and knowledge to make informed decisions about further study or job seeking.

Local Jobs Program

The Gordon was successful in a tender submission to deliver the Local Jobs Program (LJP) funded by the Australian Government for the Barwon region and managed by Skilling the Bay. The LJP runs until 30 June 2025 in 51 regions throughout Australia, bringing together expertise, resources and access to funding at the local level to focus on reskilling, upskilling and employment pathways for people in each region. During 2022, the Employment Facilitator (EF) and Support Officer (SO) for the LJP focused on building collaborative relationships with key regional stakeholders in developing local activities to support individuals in accessing training and employment opportunities. The Geelong Jobs Fair was held by the Barwon LJP in collaboration with the Department of Employment and Workplace Relations in April, with 44 booths hosted by industry representatives, 350 job seekers in attendance and a jobs board displaying over 2,500 vacancies. As one of eighteen regions in Australia with a significant change to federally funded Employment Service providers from 1 July, the Barwon LJP played a key role in stakeholder engagement, hosting a forum to introduce local industry and community organisations to the new Workforce Australia model and regional providers. The team implemented a new Trello board and website to support marketing activity and engagement with the LJP. In consultation with the Barwon Local Jobs and Skills Taskforce, the Barwon LJP released an updated Local Jobs Plan for the region in September 2022, incorporating five key priorities in the region to drive activity in 2023 and meet the strategic objectives of the program. The EF chaired eight Local Jobs and Skills Taskforce meetings, and the team prepared a submission to the Australian Government Employment White Paper on behalf of the Barwon Region LJP Taskforce.

Advancing Industry and Community Collaboration

Throughout the year, the STB and LJP team contributed to numerous regional roundtable discussions regarding education and employment and gave presentations to various stakeholders regarding labour market data, challenges and opportunities to improve skills and job outcomes, including:

- Jobs and Skills Roundtable

The Gordon was delighted to contribute to the regional discussion regarding jobs and skills challenges and opportunities at the Jobs and Skills Roundtable. Hosted by local MP Libby Coker and Hon. Brendan O'Connor, Minister for Skills and Training. The roundtable addressed many vital issues and identified key strategies to increase employment and productivity.

- TAFE Directors Conference

Carley Brennan and Dr Yasmin Chalmers presented at the TAFE Directors Australia (TDA) National Conference in

November on Educating the Future Workforce: Connection, Collaboration and Co-design, discussing the challenges we face in educating the future workforce in our communities, changes in the broader education and employment landscape and the leadership role TAFEs can play to support social and economic recovery.

The presentation was an opportunity to highlight work The Gordon is undertaking to foster greater connection across the education ecosystem and showcase initiatives in the Barwon (Geelong) and Wyndham regions that are:

- Advancing industry and community collaboration
- Creating new education pathways and training solutions
- Building skills for modern workplaces
- Developing teacher capability.



Secondary students participate in trade tasters delivered through the Geelong Tertiary Futures Program.

/ Industry and Community Engagement

As per our Strategic Plan 2022-2025, The Gordon continues to develop trusted, synergistic partnerships with industry, enabling innovative and agile execution to raise workforce capability and promote career advancement.

Commercial partnerships

G4S

The Gordon completed the development of resources for G4S Custodial Services, the Australian arm of the British multinational security giant. G4S is partnering with The Gordon to deliver correctional training to staff employed across its extensive network of custodial services. The delivery of this 12-month training program will commence in 2023 through a blended delivery mode comprising of online tutorials, face-to-face onsite training and self-paced learning.

Scale Facilitation

The Gordon signed a MoU with New York headquartered and Geelong based company Scale Facilitation to support their vision of creating a renewable future through Recharge Industries.

As part of the Scale Facilitation portfolio, Recharge Industries uses artificial intelligence and multinational partnerships to research lithium-ion batteries and create advanced battery manufacturing capabilities in Australia. This includes Recharge Production, an Avalon-based Gigafactory that will be built ready for production in 2025 to provide economic growth and ongoing energy security to Australia and the United States, which will create sustainable employment and revive ex-manufacturing cities through clean energy.

The Memorandum of Understanding (MOU) will see the two organisations form a collaborative strategic partnership to create a highly skilled local workforce ready for Recharge Industries. The collaboration will include developing a range of education and training program opportunities specific to the industry.

Executive leadership in the 21st Century

The Gordon commenced the delivery of its first-ever executive leadership course. Executive Leadership in the 21st Century is aimed exclusively at current and emerging executives to build leadership capability.

The pilot program commenced in late May, with 15 leaders from Wyndham taking part. A diverse range of industries were represented in the group, with directors and managers participating from G4S, Mercy Hospital, Werribee Open Range Zoo, Pacific Werribee and Wyndham City Council, to name a few.

The program focuses on four stages of leadership; leading self, leading others, leading organisations and leading communities. The six-month course culminated with three group capstone projects.

Sponsorship

Women in Manufacturing

The Gordon entered into a sponsorship partnership with the Geelong Manufacturing Council (GMC) that saw The Gordon as the major sponsor of their Women in Manufacturing Network (WIMN) for 2022. This partnership builds on our long-term relationship with GMC, the programs we have collaboratively facilitated and our support for attracting and advancing women in non-traditional roles.

Geelong Business Excellence Awards

The Gordon once again sponsored the Emerging Business – Under 3 Years category at the Geelong Business Excellence Awards. This award recognises newcomers operating for less than three years but already making a significant impact. The Gordon was delighted to support the Geelong Business Excellence Awards and foster excellence in our business community, with the Executive Director of Commercial Business undertaking a judging role at the Awards, improving connection and workforce development opportunities.

Wyndham Women in Business

The Gordon is the sponsor of the Wyndham Women's Business Network, building on our relationship with the Wyndham City Council. The network supports and develops the personal growth and professional development of Wyndham businesswomen.

Tender and grants

In 2022, The Gordon successfully partnered with several organisations to deliver quality education and training services and was awarded more than \$9m in grant funding for several projects, including WTIF, WSSF and RSTF funding from Victorian Government grant programs:

Workforce Training Innovation Fund (WTIF)

- Indigenous Culinary School – An indigenous culinary focus added to Certificate III in Commercial Cookery. The program aims to increase the number of Indigenous and Torres Strait Islander chefs and hospitality workers in the region while diversifying local menus.
- Building Careers through Smart Skilling - The project recruits and trains workers from priority groups in the Geelong and Wyndham regions through collaboration with industry stakeholders. The project delivers training, an industry 'try-before-you-buy' program, mentorships, and wraparound supports to provide jobseekers with pathways into TAFE courses and meaningful career opportunities.

Workforce Skills Set Fund (WSSF)

- Upskilling Aboriginal Managers - Adapting an existing management course to create a customised and culturally sensitive version of the Diploma of Leadership Management for Wathaurong Aboriginal Cooperative staff.
- Frontline Leadership - Addressing an industry gap in the training and development of management positions within small, medium and large hospitality businesses, this online course provides hospitality leadership skill sets for frontline managers, coordinators and supervisors to develop their leadership skills.
- Essential Business Skills for Trades - The business program uses contextualised resources and relevant case studies to make it applicable to a trade-based cohort, such as carpentry, plumbing, electrical, landscaping, personal services (such as hair and beauty) and animal studies.

Regional and Specialist Training Fund (RSTF)

- Hybrid Vehicle Simulated Automotive Workshop - Through the upgrade of the automotive workshop and new specialist hybrid equipment, including a car available for student use in a simulated training environment, this workshop enhances the overall training experience for students in Certificate IV in Automotive Mechanical Diagnosis
- Early Childhood Education and Care (ECEC) - Addressing ECEC workforce shortages, this funding provides contextualised training and support for students from culturally and linguistically diverse (CALD) backgrounds in Wyndham. The specialist English language training is contextualised to the industry, and assessment is integrated with ECEC course outcomes.
- Industry 4.0 - Simulated Engineering Workspace - Enhances the overall training experience for engineering and manufacturing students by providing new state-of-the-art classroom equipment to develop the skills of Industry 4.0 and its increasing use of automation and modern smart technology.

Clean Economy Workforce Capacity Building Fund (CEWCBF)

- Identifying Clean Economy Training Needs for Advanced Manufacturing - The program develops specialist skills and experience among students to support a sustainable career within local manufacturing and construction industries. The project will build a future manufacturing workforce committed to reducing carbon emissions and environmentally unsustainable practices.

WorldSkills – Regionals

This year, WorldSkills regional competitions took place all over Australia to champion excellence in vocational, technological and service-oriented careers.

The Gordon was proud to host nine regional competitions this year. The competitions provide an amazing opportunity to showcase the exceptional talent of our students. They also offer a unique opportunity for students to represent their region, state and ultimately their country through their chosen profession. The high-pressure environment created by the competition requires emotional intelligence and self-management to succeed. Competitors come out of the WorldSkills experience with greater leadership skills, career recognition, life-long partnerships and industry networks.



Caileen McLean, gold medalist in the WorldSkills Geelong Regional Floristry competition.

/ Marketing and Promotion

2022 - Life restarted

It took a while, but eventually, we returned to face-to-face living in 2022. The Marketing Team embraced a hybrid working model, and by March, events had returned to real life.

While the pandemic job losses incurred in 2020 prompted a heightened urgency to enrol in 2020/2021, this trend was reversed in 2022. As lockdowns eased and social interaction returned, students found it increasingly hard to find the motivation to study. A buoyant employment market made study even less appealing, with many employers willing to hire unqualified staff due to the significant talent shortages.

A key theme for the year was working with industry, particularly hospitality, health, aged care and child care, to help them source staff and promote targeted courses to fill their urgent training needs.

Events

Culinary Precinct Launch

The \$23.5 million renovation and redevelopment of The Gordon's Culinary Precinct were unveiled at a Grand Opening event on Tuesday, 6 September. Industry guests, Members of Parliament, staff and Gordon cookery graduates joined special guest Matt Preston to eat, drink and explore as they were taken on a guided tour of the new precinct; the Davidson Restaurant, the Social Café, the Barista School, the Culinary Academy and the Share Plate. The event ran at capacity, and the new precinct was extremely well received.

The event was shared organically through media coverage (print and online), reaching an audience in excess of 156,000 after news of the Culinary Precinct launch was shared by eight media outlets, including the Geelong Advertiser, Forte magazine, GT magazine, the Geelong Independent and the Times Group.

Open Day

Open Day returned to campus in August for the first time since 2019. Each program area had teachers on hand to provide information, application support was available all day, and free food, giveaways, and a floristry WorldSkills competition helped build the atmosphere. While attendance numbers were lower than in the past, 183 prospective students, plus friends and family, attended. The feedback was overwhelmingly positive, and 54 attendees applied post-event.

Campaigns

As per our Strategic Plan 2022-2025, our campaigns were challenged to be more agile, responsive and innovative. Nine brand campaigns and 60 program/course campaigns ran throughout the year, including; Trade up (apprenticeships), Information nights (January, May, October, December), Mid-Year Intakes, Open Day, Fast track your future, Apply 2023 and Change of Preference. Our targeted approach meant advertising expenditure did not exceed \$100,000 for any single campaign.

Our regional location allows us to target advertising effectively, utilising local above the line media to reduce wastage and geo-target our digital advertising. We collect media usage insights from students when they commence study. This information is filtered by age and gender and cross-referenced with student demographic data to inform our media choices in advertising campaigns.



/ International Operations

Onshore

In 2022, The Gordon continued to strengthen international partnerships with agent networks via webinars and visits to Indonesia and the Philippines. The Gordon had 67 international students throughout the year. Seven withdrew and seven completed after semester one, leaving 53 enrolled in semester two.

Twenty-five new students started studying at The Gordon in 2022 across all four intakes. The most popular programs were the Diploma of Nursing, Laboratory Technology, Cookery and Hospitality programs.

Offshore

The Gordon TAFE continued to engage with partners overseas and completed the delivery of the Diploma of Building and Construction program at Chongqing College in China. This program's last cohort of 14 students will graduate in December 2022.

Pearson Test Centre

The Pearson Test Centre exam delivery began the year in line with expectations, with additional seating to accommodate 12 per test. This year saw the test centre at maximum capacity, with additional exam sessions being delivered to meet the lockdown backlog and new demand.

Risk management and risk mitigation strategies

We regularly assess and monitor operational and strategic risks and report to the Risk and Compliance Committee and Board of Studies. The Institute's internal audit strategy includes a regular review of our international operations. Internal audit findings and recommendations are reported to The Gordon's Risk and Compliance Committee, with additional risk moderations identified and implemented immediately.

Victorian International Education Awards

The Gordon Institute of TAFE has received top honours at the prestigious Study Melbourne Victorian International Education Awards.

The Gordon was recognised for putting the best interests of students first and for its incredible achievement of delivering 100 years of international education with three awards, including the Premier's Award for the International Provider of the Year.

- Excellence in International Education - TAFE
- Excellence in International Student Experience
- Premier's International Provider of the Year

Keeping International students connected to the Institute, the community, and each other is an integral part of the regional study experience at The Gordon. Through regular communication with students, the international team minimised student withdrawals due to the pandemic's lockdowns, providing a broad range of personalised support services internally and externally.

As the VIEA recognises and showcases exceptional Victorian international students and alumni in our community, as well as education providers who champion international education in Victoria and across the globe, winning these awards has positioned The Gordon as a premier Victorian international education provider. This presents the Institute with an immense opportunity to increase the recruitment of international students in the coming years.



Awards presented to The Gordon at the Study Melbourne Victorian International Education Awards.

/ Summary of Operating Results

The primary factor influencing the movement in the Institute's working capital ratio continues to be the decline in cash reserves held. This was heavily influenced by the works undertaken in relation to the Culinary School development and the completion of other scheduled capital works in 2022, all of which were delayed as a direct result of pandemic restrictions. These works have been an investment in student-facing outcomes providing modern spaces in which students can learn. It is anticipated that they will positively influence future revenue streams, having opened for use late this year.

The COVID-19 pandemic ceased to directly impact delivery, with an onsite presence reinstated and a business-as-usual approach taken for the year. Whilst we were not reliant upon Government business continuity support to operate, we were afforded assistance with additional funding provided to the sector.

The Institute's operating revenue exceeded budget and was assisted by the recognition of \$10.5M from contract liabilities. Whilst all non-essential expenditure was placed on hold, the opening of the new Culinary area required significant investment in small items of equipment that, due to the delay in the project, had carried over this year. 2022 did see an increase in the use of leave accruals

The effects of COVID-19, whilst they cannot be directly attributed to the fall in Student Contact Hours (SCH) delivered and funded, a sector-wide decline has been experienced. With a current economic climate of low unemployment and a lack of skilled labour, it is felt that this has contributed to the decline in demand for skilled labour, with the option of informal on-the-job training being an interim solution.

Fee for Service revenue remained stable primarily due to positive results derived from the VET Delivered to Secondary Schools program.

Summary of Operating Results	\$'000 2022	\$'000 2021	\$'000 2020 [^]	\$'000 2019	\$'000 2018
Working Capital					
Current Assets	21,251	31,702	55,061	56,074	61,436
Less: Current Liabilities	13,298	24,368	22,456	16,935	15,077
Net Working Capital	7,953	7,334	32,605	39,139	46,359
Net Working Capital Ratio	1.60	1.30	2.45	3.31	4.07
Financial Results					
Operating Revenue *	95,335	77,262	67,774	68,194	71,480
Operating Expenditure **	87,930	82,521	79,706	75,489	70,398
Operating Surplus/(Deficit) ***	7,405	(5,259)	(11,932)	(7,295)	1,082
Operating Surplus/(Deficit) excluding Abnormal and Extraordinary Items ****	7,405	(5,259)	(11,932)	(7,295)	1,082
Contact Hours					
Total Funded SCH '000	2,426	2,916	2,483	2,849	2,581
Fee for Service \$'000	6,609	6,635	6,663	6,287	5,278

* Operating Revenue includes net gain/(loss) on disposal of non-financial assets.

** Operating Expenditure includes Depreciation and Long Service Leave expenses that are both unfunded liabilities of the Institute. For consistency and comparability, the Long Service Leave has been calculated using the Department of Treasury and Finance Present Value Model. Includes other gains/(losses) from other economic flows.

*** Operating Surplus (Deficit) including Abnormal and Extraordinary items.

**** Operating Surplus (Deficit) excluding Abnormal and Extraordinary items.

Consultants

In 2022, six consultants were used with fees payable to each of \$10,000 or more. The combined amount for these services was \$306,710 (ex GST). Consultancy details are made available on the Institute's website thegordon.edu.au. Three other consultants were utilised during the year with fees payable under \$10,000, representing a total of \$9,675 (ex GST).

Consultant	Purpose of consultancy	Total approved project fee \$ (exc. GST)	Expenditure 2021 \$ (exc. GST)	Future expenditure \$ (exc. GST)
Playmakers Consulting	Support service	151,910	151,910	0
GL Business Services	Business advisory services	11,450	11,450	0
ISSA Associates Architects	Project evaluation	26,500	26,500	0
Sheridan Consulting Group	Business advisory services	62,000	62,000	0
Smartin Safety	Support services	20,000	20,000	0
Vincent Chrisp Architects	Project evaluation	34,850	34,850	0
6	Total	306,710	306,710	0
< \$10K:				
Kelly Architects	Program evaluation	2,300	2,300	0
Enterprise Monkey	Business advisory services	4,000	4,000	0
Waterman AHW	Program evaluation	3,375	3,375	0
3	Total	9,675	9,675	0

ICT Expenditure

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 the 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.

Business As Usual (BAU) ICT expenditure (Total \$)	Non-Business As Usual (non-BAU) ICT expenditure (Total \$ = Operational expenditure and Capital Expenditure)	Operational Expenditure \$	Capital Expenditure \$
6,259,500	926,391	272,775	653,616

**note Capital expenditure predominately relates to the completion of the refurbishment of The Culinary Precinct.

/ Enrolment Statistics

As at 30 December 2022:

Totals		
Enrolments	Students	SCH
14,063	12,343	3,113,348

Enrolments vs Students	Full-time	Part-time	Total
Students	2,301	10,042	12,343
Enrolments	2,832	11,231	14,063

Enrolments by Age & Status	Full-time	Part-time	Total
0 - 15		84	84
15 - 18	259	3,138	3,397
19 - 25	1,389	4,392	5,781
26 - 35	638	1,759	2,397
36+	546	1,858	2,404
Total	2,832	11,231	14,063

Enrolments by Gender & Status	Full-time	Part-time	Total
Male	1,377	7,033	8,410
Female	1,455	4,198	5,653
Total	2,832	11,231	14,063

Students by Gender & Status	Full-time	Part-time	Total
Male	1,211	6,286	7,497
Female	1,090	3,756	4,846
Total	2,301	10,042	12,343

Enrolments by Funding & AQF Level				
Sum of SCH Funding	AQF Level 0-1-2	AQF Level 3-4	AQF Level 5-6+	Total
Profile	651	2,296	861	3,808
Trade Apprentices		4,135	5	4,140
Fee-for-Service and Other	4,407	1,211	110	5,728
Other Trainees	13	351	23	387
Total	5,071	7,993	999	14,063

Student Contact Hours by Funding & AQF Level				
Enrolments Funding	AQF Level 0-1-2	AQF Level 3-4	AQF Level 5-6+	Total
Profile	221,241	742,222	502,020	1,465,483
Trade Apprentices		996,945	1,948	998,893
Fee-for-Service and Other	295,769	160,163	91,355	547,287
Other Trainees	6,038	83,033	12,614	101,685
Total	523,048	1,982,363	607,937	3,113,348

/ VCE and VCAL outcomes

Participation & Completion	Language and Further Education Program			Geelong Technical Education Centre		
	Youth Programs - Year 11 Preparation & Youth Foundation Pathways	VCE Year 11	VCE Year 12	VCAL Foundation (Year 10)	VCAL Intermediate (Year 11)	VCAL Senior (Year 12)
Participation	31	49	29	9	56	39
Completion	28	30	17	9	43	25
Completion rate %	88%	62%	59%	100%	77%	65%

Student Outcomes	Language and Further Education Program			Geelong Technical Education Centre		
	Youth Programs - Year 11 Preparation & Youth Foundation Pathways	VCE Year 11	VCE Year 12	VCAL Foundation (Year 10)	VCAL Intermediate (Year 11)	VCAL Senior (Year 12)
Achieved Year level and further study pathway	27	30	17	8	23	4
Achieved Year level and employment	0	0	0	1	7	16
Achieved Year level (pathway unknown)	0	0	0	0	0	5
Further study with non-completion	0	4	4	0	3	0
Employment with non-completion	1	4	4	0	7	4
Withdrawn in 2022	3	11	4	0	13	10
Other/Unknown	0	0	0	0	3	0
TOTAL	31	49	29	9	56	39

/ Workforce and Employment

Recognition and Reward

This year our employees' achievements were recognised and celebrated under a reviewed Recognition and Reward program. The review incorporated consultation from internal and external stakeholders, including staff, industry and community partners. The new program encourages peer-to-peer nominations that recognise the contribution of our people through effort and behaviour related to the following Values proposition:

- We are The Gordon; we are one team, united through purpose, strengthened by difference, and better for our collective contribution.
- We bring our best; we deliver results that make a difference, of which we are proud.
- We create the future; we think big and bold and push ourselves to be better.
- We are student minded; we put our students at the centre of every decision and action.

The program received over 220 quality submissions for recognition in its first year.

Gender Equality Action Plan

A Gender Equality Working Group was established to outline a shared vision and provide staff with a safe, respectful and inclusive environment where all difference is understood, acknowledged and celebrated for the beauty and diversity in lived experience. The resulting Gender Equality Action Plan accepted by the Commission for Gender Equality delivered a flexible framework that enables targeted action centred on three priorities:

1. Ensuring a safe environment for all with zero tolerance for inappropriate behaviours
2. Celebrating and promoting diversity and inclusion
3. Understanding and addressing drivers of our gender pay gap.

People Matters Survey

The survey was open to all employees with an improved campaign of awareness to increase participation. An increased employee participation rate from all areas of the Institute saw 65% of employees respond with a significant data footprint from our Education Directorate in 2022. Focus groups and action planning were conducted post-survey to ensure employees were informed of outcomes and involved in shaping change for organisational or area improvements.

Careers Recognition Act 2012

The Gordon provides a range of flexible workplace options to ensure employees can balance work and caring responsibilities.

Public Interest Disclosures Act 2012

Guidance is available on our internal and external websites to encourage and facilitate the making of protected disclosures of improper conduct by its officers and employees. This procedure notes that protection and support will be available for people who may make a disclosure.

Conduct and Employment Principles

The Gordon continues to promote its Code of Conduct which is aligned to the Code of Conduct for Victoria Public Sector Employees through our induction and welcome experience. The Code of Conduct is available to employees at all times via the intranet.

The Gordon follows recruitment guidelines and procedures for appointment and classification based on best practice public sector approaches. These procedures support merit-based appointments along with policies and processes to support equal opportunity, gender equality and flexible working options, together with reasonable adjustment practice for employees of differing abilities.

Victorian Public Sector Travel Policy

The Gordon's travel policy adheres to the Public Sector principles for travel.

Workforce data reporting by FTE*

2022	Full-time		Part-time		Casual	
	Ongoing	Fixed term	Ongoing	Fixed term	Teacher	Other
PACCT	139.4	67.0	46.9	20.6	0	17.5
Executive	0	4.8	0	0	0	0
Other	0	0	0	0	0	0
Teacher	115.1	42.9	44.4	52.3	22.1	0
2021						
PACCT	151.7	45.8	41.5	17.9	0.0	11
Executive	0.0	5	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Teacher	137	49.8	35.8	62.4	20.5	0.0

* All employees have been correctly classified in the workforce data collections.

Workforce Disclosures (December 2021 - December 2022)

		All employees		Ongoing			Fixed-term & Casuals	
2022		Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Demographic dates	Gender							
	Women Executives	2	2	0	0	0	2	2
	Women (total staff)	562	336	135	119	190	308	146
	Men Executives	3	3	0	0	0	3	3
	Men (total staff)	343	237	147	36	156	160	81
	Self-described	0	0	0	0	0	0	0
	Age							
	15-24	31	7	1	0	1	30	6
	25-34	81	46	24	10	24	47	22
	35-44	203	126	56	33	71	114	55
45-54	277	194	98	40	116	139	78	
55-64	251	170	89	59	115	103	55	
Over 64	62	29	14	13	18	35	11	
Total Employees	905	573	282	155	346	468	227	

		All employees		Ongoing			Fixed-term & Casuals	
2021		Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Demographic dates	Gender							
	Women Executives	2	2	0	0	0	2	2
	Women (total staff)	548	332	136	102	188	310	144
	Men Executives	3	3	0	0	0	3	3
	Men (total staff)	328	246	168	25	178	135	68
	Self-described	0	0	0	0	0	0	0
	Age							
	15-24	11	4	2	0	1	9	3
	25-34	74	40	26	3	21	45	19
	35-44	199	127	59	27	76	113	51
45-54	269	196	99	38	119	132	77	
55-64	263	182	103	49	131	111	51	
Over 64	60	29	15	10	18	35	11	
Total employees	876	578	304	127	366	445	212	

/ Environmental Performance

The Gordon's commitment to improving environmental performance continued throughout 2022, with strategies employed to support this.

My eEquals

Launched late in 2021, the initiative to transition to My eEquals has proven successful for the Institute. Close to 13,000 documents were issued in the first 12 months, which would otherwise have been printed and posted to students.

In addition to the environmental benefits of issuing academic records electronically, the financial savings have resulted in My eEquals being a cost-neutral initiative, with savings covering the annual licence cost.

Organisational boundary

The Gordon is a Tier 3a entity defined under Financial Reporting Direction 24 *Reporting of environmental data by Government entities*. Figures referenced in the 2022 Environmental data have been collated in line with the guidance material, using consumption data from suppliers and providers. The reportable site list excludes the Student Residence and sites where staff are located within other school facilities.

Base data for reporting calculations

Base performance	Measurement	Result
Geelong City Campus	m2	23,790
East Geelong Campus	m2	26,823
Werribee Campus (Watton Street)	m2	1,106
Hoppers Crossing Trades Campus	m2	838
Werribee Campus (Princes Highway)	m2	765
Total UFA	m2	53,322
Total FTE		739

2022 Environmental data

REPORTING INDICATOR & DESCRIPTION		MEASUREMENT	2022 VALUE
Electricity production and consumption			
EL1	Total electricity consumption	MWh	2,936
EL2	On-site electricity generated - solar, behind the meter	MWh	218
EL3	On-site installed generation capacity - solar	MW	0.22
EL4	Total electricity offsets	MWh	Nil
Stationary fuel use			
F1	Total fuels used in buildings - natural gas	MJ	6,464,664
F2	Greenhouse gas emissions from stationary fuel consumption	t CO2-e	359
Transportation			
T1	Total energy used in transportation - petrol	MJ	871,929
	Total energy used in transportation - diesel	MJ	239,745
	Total energy used in transportation - hybrid	MJ	122,812
T2	Number and proportion of vehicles - petrol	No. and %	27, 64%
	Number and proportion of vehicles - diesel	No. and %	9, 21%
	Number and proportion of vehicles - hybrid	No. and %	6, 14%
T3	Greenhouse gas emissions from vehicle - petrol	t CO2-e	58,768,015
	Greenhouse gas emissions from vehicle - diesel	t CO2-e	16,758,148
	Greenhouse gas emissions from vehicle - hybrid	t CO2-e	8,277,542
T4	Total distance travelled by commercial air travel	km	82,430
T5	Total vehicle travel associated with operations - petrol	km	285,057
	Total vehicle travel associated with operations - diesel	km	61,631
	Total vehicle travel associated with operations - hybrid	km	71,291
Total energy use			
E1	Total energy usage from fuels (natural gas and vehicles)	MJ	7,699,150
E2	Total energy usage from electricity	MJ	10,570,320
E3	Total energy usage	MJ	18,269,470
E4	Units of energy per FTE	MJ per FTE	24,722
Water consumption			
W1	Total units of metered water consumed - potable	kL	6,942
	Total units of metered water consumed - rainwater	kL	2,453
W2	Units of metered water consumed by FTE	kL per FTE	13
Waste and recycling			
WR1	Total units of waste disposed of - landfill	kg and %	82,645 kg, 67%
	Total units of waste disposed of - paper and cardboard	kg and %	9,274 kg, 8%
	Total units of waste disposed of - comingle	kg and %	2,925 kg, 2%
	Total units of waste disposed of - greenwaste	kg and %	10,728 kg, 9%
	Total units of waste disposed of - organics	kg and %	3,825 kg, 3%
	Total units of waste disposed of - metals	kg and %	4750 kg, 4%
	Total units of waste disposed of - other recycle streams	kg and %	8,453 kg, 7%
WR3	Total units of waste disposed of by FTE - landfill	kg per FTE	112
	Total units of waste disposed of by FTE - paper and cardboard	kg per FTE	13
	Total units of waste disposed of by FTE - comingle	kg per FTE	4
	Total units of waste disposed of by FTE - greenwaste	kg per FTE	15
	Total units of waste disposed of by FTE - organics	kg per FTE	5
	Total units of waste disposed of by FTE - metals	kg per FTE	6
	Total units of waste disposed of by FTE - other recycle streams	kg per FTE	11
WR4	Recycling rate - % of total waste by weight	%	33%
WRO	Greenhouse gas emissions associated with waste disposal	t CO2-e	107
Greenhouse gas emissions			
G1	Total scope one (direct) greenhouse gas emissions	Tonnes CO2, CH4, N2O, other and CO2-e	83,804,063
G2	Total scope two (indirect electricity) greenhouse gas emissions	Tonnes CO2-e	2,701
G3	Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal	Tonnes CO2-e	115

/ Occupational Health and Safety

Throughout 2022, The Gordon has actively implemented a range of health, safety and wellbeing activities to ensure a safe working environment for staff, students, contractors and visitors. To guarantee that The Gordon met its obligations under the *Occupational Health and Safety Act 2004*, the Risk, Safety and Wellness team focused on compliance with legislation and regulations, injury, incident and risk management.

COVID-19

COVID-19 continues to be a risk and an essential focus for the Institute. As such, The Gordon's COVID-19 response has been ongoing with support to program areas and management for COVID recovery, updates and changes to policy, and COVIDSafe plans.

Health and Safety Committee

The Gordon has an active Health and Safety Committee who have met regularly throughout the year to consider and consult on all health, safety and wellbeing matters, including COVID-19 policy. The committee has representation from across teaching and support areas and is proving to be an effective forum for discussing health and safety issues.

MyOSH

How The Gordon manages health, safety, and injury management day to day has improved over the past 12 months due to the full integration of the safety management system MyOSH. Training occurred for all MyOSH operators, including the Executive. Critical areas for improvement include;

- Strategic and operation risk registers
- Management and reporting of complaints
- Risk profiling and risk register, now operational online in MyOSH
- Asbestos management and registers
- Transfer of chemical management, chemical register and safety data sheets
- Improved reporting on injuries through dashboard reporting for People Leaders, Health and Safety Committee, and the Risk and Compliance Committee
- Implementation of the Injury Management module.

Risk, Safety and Wellbeing

Considerable work has been undertaken in relation to risk management, health and safety compliance, staff wellbeing and legislation changes, including;

- New legislation, such as Crystalline Silica
- Mental Health First Aid training funded for over 30 staff including the new Contact Officer Network
- Working towards meeting Child Safe Standard regulations
- Emergency management and critical incident management

- Risk Management and revision of strategic risks register with a focus on operational risk
- Implementation of our Employee Assistance Programs Wellbeing App, which was made available to all staff
- The OHS Policy and Mental Health and Wellbeing Policy have been reviewed and reprioritised to align with a review of the health and safety framework and mental health strategy.

Contact Officers Network

In December 2022, The Gordon launched the revised Contact Officer network. The six contact officers selected through an Expression of Interest process will contribute to The Gordon's commitment to creating a work environment that is free from harassment and where all staff are treated fairly, equitably and with respect.

Contact Officers from various positions and campuses will provide their peers with information and impartial support regarding harassment, discrimination, bullying, victimisation or family violence, as well as clarification on specific policies and procedures. The Contact Officers have been trained through the Equal Opportunity Commission and completed the Mental Health First Aider certificate. They will be the first point for any staff member should they require support.

The duties of a Contact Officer will be to:

- Promote awareness of The Gordon's policies and procedures regarding issues of bullying, discrimination, harassment and victimisation, intimidation, threats or violence in the workplace
- Provide accurate and impartial information to staff, respondents and Managers, including complaints, about the Institute's policies and resolution procedures related to these issues
- Provide information and guidance to staff about where to access support or advice, both internally and externally.

Key Performance Indicators	2022	2021	2020
Number of staff hazards/ incidents per 100 FTE	8.8	4.8	3.5
Number of student hazards/ incidents per 100 students	0.01	0.2	0.3
Number of staff lost time injury claims per 100 FTE	2.2	0.1	0.4
Number of student serious injury claims per 100 students	0.01	0.01	0.02
Average cost per staff lost time claim	\$132,297	\$28,550	\$24,410*

* The WorkCover Agent advised in January 2021 that the average claims costs for 2020 were adjusted due to changes in claims costs and valid medical certificates being provided.

Note: Average claims costs have increased from 2021 due to increased claims and claims costs.

Note: Increase to Staff hazards and injury due to implementation of MyOSH and improved reporting capability.

/ Fees and Charges

In 2022, fees payable by enrolling students were made up of three components:

1. Tuition contributions

Tuition contributions were charged at an hourly rate which varied from course to course. A large portion of the tuition was subsidised by the Victorian Government, as part of the Victorian Skills First Program. The fees were calculated based on the number of hours of enrolment, at a rate that varied depending on the course. All hourly rates were set and approved by The Gordon as part of the budget process.

Those students enrolling into a Certificate I to IV course, and were eligible for concession fees, paid 20% of the published standard hourly rate. All eligible students who self-declared as Aboriginal or Torres Strait Islanders, paid 20% of the published standard hourly rate for all courses. Those eligible for the Free TAFE program paid zero tuition fees. Students eligible for various other Government Programs were charged tuition fees in line with those directions. Students who did not meet the eligibility criteria for the Skills First Program were charged a fee-for-service rate.

2. Resource or materials fees

Resource or materials fees are charged to cover the costs of materials, excursions and other incidentals. This fee varied according to which course was being undertaken.

3. Education Levy

The Education Levy funds learner support services that assist students to succeed in their studies. It is a compulsory fee charged at \$0.15 cents per nominal hour excluding Short Course students, VET Delivered to Secondary School students and International students.

Additional service charges

In addition to the tuition fees and resource/materials fees, The Gordon made the following charges to students for services provided at times other than the completion of the academic year, or completion of a student's course:

- Student ID card replacement \$10
- Fee receipt replacement FREE
- Official Statement of Results FREE
- Archive result search \$50
- Digital award or statement issued via My eEquals FREE
- Hard copy award or statement \$20
- Replacement certificate \$50
- Archive result search and replacement certificate \$100

Compulsory fees

There were no compulsory non-academic fees charged in 2022.

VET Student Loans and Payment Plans

Students undertaking a Diploma or Advanced Diploma who were eligible and applied to do so, were able to defer their full course tuition fees to a VET Student Loan. Students undertaking a Certificate I to IV course were able to apply to pay fees via a payment plan.



/ Further Compliance Information

Relevant legislation

The Gordon complies with all relevant legislation and subordinate instruments including, but not limited to:

TAFE and Public Sector Governance (Victoria)

- Education and Training Reform Act 2006
- The Constitution of the Gordon Institute of Technical and Further Education 2016
- Directions of the Minister for Training and Skills (or predecessors)
- Commercial Guidelines - TAFE Institute (2013)
- Strategic Planning Guidelines - TAFE Institute (2014)
- Public Administration Act 2004
- Financial Management Act 1994
- Public Interest Disclosures Act 2012
- Appointment and Remuneration Guidelines
- Public Records Act 1973
- Freedom of Information Act 1982
- Independent Broad-Based Anti-Corruption Commission Act 2011

Education (Commonwealth)

- National Vocational Education and Training Regulator Act 2011
- Standards for Registered Training Organisations 2015
- Education Services for Overseas Students Act 2000
- National Code of Practice for Providers of Education and Training to Overseas Students 2018
- Education Legislation Amendment (Governance) Act 2015
- VET Student Loans Act 2016
- Higher Education Support Act 2003
- Copyright Act 1968

Staff and Student Wellbeing and Inclusion (Victoria)

- Occupational Health and Safety Act 2004 (Victoria)
- Workplace Injury and Rehabilitation Compensation Act 2013
- Equal Opportunity Act 2010 (Victoria)
- Charter of Human Rights and Responsibilities Act 2006
- Working With Children Act 2005
- Child Safety and Wellbeing Act 2005

Other (Victoria)

- Local Jobs First Act 2003
- Building Act 1993
- Privacy and Data Protection Act 2014

External reviews

The following external reviews/audits of The Gordon were completed in 2022:

- Victorian Auditor General audit of financial statements
- Continuous audit program by BDO
- Department of Education and Training – Skills First Program, Business Process and Transactional Compliance Audit
- Australian Skills Quality Authority – Quality Self-Assurance Review.

Freedom of Information Act 1982

The Gordon is subject to the provisions of the *Freedom of Information Act 1982* and delegates responsibilities under the Act to a Freedom of Information (FOI) Officer to ensure that the information it provides in relation to any request complies with the Act. In 2022, The Gordon received nineteen applications for the release of information under the Act.

Public Interest Disclosures Act 2012

The Gordon has maintained its policy in relation to the *Public Interest Disclosures Act 2012*, which covers the procedures staff may access to disclose any concerns in relation to the Act. No disclosures were made under the Act during the 2022 reporting period.

Carers Recognition Act 2012

The Gordon ensures the rights and interests articulated in the Carers Recognition Act 2012, providing a range of flexible workplace options to ensure employees can balance work and caring responsibilities.

Competition Policy

The Gordon has implemented a strategy ensuring each appropriate segment of operations, that is not recurrently funded, is required to recover full overheads, including an allowance for net competitive advantages, where they exist. This includes developing and maintaining a pricing model that ensures prices charged for business activities reflect all costs incurred, and that all advantages and disadvantages of Government ownership be taken into account, and the Institute's pricing regime continued to meet the requirements of both National Competition Policy and Victorian Government policies on competitive neutrality.

Compliance with the Building Act 1993

The Gordon considers that new buildings constructed after the effective date of the *Building Act 1993*, conform to the relevant requirements of the Act. Buildings in existence prior to the *Building Act 1993*, comply with the relevant building regulations, existent at that time. The Gordon's ongoing maintenance programs and any improvements or alterations to buildings are completed in a manner compliant with the relevant requirements of the *Building Act 1993*.

Register of Major Commercial Activities

The register is required to comply with Commercial Guideline 10. The Board is responsible for oversight of the register. The Gordon's policy mandates compulsory reporting of activities that are in excess of 5% of total revenue, and compulsory reporting of any activity that exposes The Gordon to significant risk. In 2022, no activity was reported.

Local Jobs First Policy Disclosures

The *Local Jobs First Act 2003* requires departments and public sector bodies to apply the Local Jobs First policy to all projects over \$3 million in metropolitan Melbourne or state-wide, and \$1 million in regional Victoria. In 2022 The Gordon had two applicable projects. The total value of Local Jobs First projects within the 2022 reporting period is \$36.3 million.

Audit Committee review and recommendations

The financial statements were reviewed and recommended by the Audit and Risk Management Committee at the meeting held on 23 February 2023.

Ex-gratia payments

The Gordon made \$20,000 ex-gratia payments in 2022.

Information available on request

The Gordon has prepared material on the following items, further details of which are available on request from the Accountable Officer, and subject to the provisions of the *Freedom of Information Act 1982*:

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

Finance attestation statement

I, David Bowen, on behalf of the Responsible Body, certify that for the period 1 January 2022 to 31 December 2022, The Gordon has no Material Compliance Deficiency with respect to the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



David Bowen
Board Chair
23 February, 2023

/ Disclosure Index

The Gordon's Annual Report is prepared in accordance with all Victorian legislation. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

Item No	Source reference	SUMMARY OF REPORTING REQUIREMENT	
REPORT OF OPERATIONS			
CHARTER AND PURPOSE			
1	FRD 22	Manner of establishment and the relevant Minister.	3
2	FRD 22	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements.	3, 11-29
3	FRD 22	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future.	14-29
4	FRD 22	Nature and range of services provided, including communities served.	3, 11-29
MANAGEMENT AND STRUCTURE			
5	FRD 22	Organisational structure and chart, detailing members of the governing board, Audit Committee, CEO, senior officers and their responsibilities.	4-10
FINANCIAL AND OTHER INFORMATION			
6	FRD 10	Disclosure index	42-43
7	FRD 22	Workforce data disclosures for current and previous reporting period.	34-35
8	FRD 29	Employment and conduct principles, including a statement on the appointment and selection process and correct classification of employees in workforce data collections.	34
9	FRD 22	Occupational health and safety policy including performance indicators and performance against those indicators.	38
10	FRD 22	Summary of financial results for the year including comparative information for the preceding four reporting periods.	30
11	FRD 22	Significant changes in financial position during the year.	30
12	FRD 22	Summary of operational and budgetary objectives including performance against objectives and achievements.	14-15, FIN 63-64
13	FRD 22	Major changes or factors affecting performance.	5, FIN 14-15
14	FRD 22	Subsequent events.	FIN 61, FIN 90
15	FRD 22	Application and operation of the <i>Freedom of Information Act 1982</i> .	40
16	FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i> .	41
17	FRD 22	Statement on National Competition Policy including compliance with requirements of the policy statement 'Competitive Neutrality Policy Victoria' and subsequent reforms.	40
18	FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i> .	40
19	FRD 22	Application and operation of the <i>Carers Recognition Act 2012 (Carers Act)</i> .	34
20	FRD 22	Details of consultancies over \$10,000 including: <ol style="list-style-type: none"> 1. Total number of consultancies valued at \$10,000 or greater (excluding GST). 2. Location (e.g. website) of where details of these consultancies over \$10,000 have been made publicly available. <ul style="list-style-type: none"> • Consultant engaged • Brief summary of project • Total project fees approved (excluding GST) • Expenditure for reporting period (excluding GST) • Any future expenditure committed to the consultant for the project. 	31
21	FRD 22	Details of consultancies under \$10,000 including total number of consultancies individually valued at less than \$10,000 and the total expenditure (excluding GST) for the reporting period.	31
22	FRD 22	Details of Government advertising expenditure for each Government advertising campaign of \$100,000 or greater.	N/A
23	FRD 22	Disclosure of ICT expenditure including total entity ICT Business As Usual (BAU) expenditure and ICT Non-BAU expenditure for: <ol style="list-style-type: none"> a) Operational expenditure (OPEX); and b) Capital expenditure (CAPEX). 	31
24	FRD 22	Summary of Environmental Performance.	36-37
25	FRD 22	Statement of availability of other information.	41
26	FRD 25	Local Jobs First	41
27	SD 5.2	Specific requirements under Standing Direction 5.2.	FIN 7, FIN 76
28	CG10 Clause 27	Summary of Major Commercial Activities involving transactions with a total estimated cost greater than 5 per cent of annual revenues, but does not include: <ol style="list-style-type: none"> a) supply of vocational training and higher education consistent with the strategic plan; and b) the supply of vocation training and higher education that is supplied pursuant to a competitive tender process. 	41
29	CG12 Clause 33	TAFE Institute Controlled Entities.	FIN 13, FIN 69, FIN 89
COMPLIANCE ATTESTATION AND DECLARATION			
30	SD 5.1.4	Financial Management Compliance Attestation Statement. The Responsible Body must attest to compliance with applicable requirements in the FMA, the Standing Directions and the Instructions, and disclose all Material Compliance Deficiencies.	41
31	SD 5.2.3	Declaration in report of operations, signed and dated by a member of the Responsible Body.	FIN 65

Item No	Source reference	SUMMARY OF REPORTING REQUIREMENT	
FINANCIAL STATEMENTS			
DECLARATION			
32	SD 5.2.2	<p>Declaration in financial statements:</p> <p>a) An Agency's financial statements must include a signed and dated declaration by:</p> <ul style="list-style-type: none"> • the Accountable Officer • subject to Direction 5.2.2(c), the CFO; and • for Agencies with a statutory board or equivalent governing body established by or under statute, a member of the Responsible Body. <p>b) The declaration required under Direction 5.2.2(a) must state that in the joint opinion of the signing persons:</p> <ul style="list-style-type: none"> • the financial statements present fairly the financial transactions during the reporting period and the financial position at the end of that period; and • the financial statements have been prepared in accordance with applicable requirements in the FMA, the Directions, the Financial Reporting Directions and Australian Accounting Standards. 	FIN 7
OTHER REQUIREMENTS UNDER STANDING DIRECTIONS 5.2			
33	SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements.	FIN 13-14
34	SD 5.2.1(a)	Compliance with Standing Directions.	FIN 7, FIN 76
OTHER DISCLOSURES AS REQUIRED BY FINANCIAL REPORTING DIRECTIONS IN NOTES TO THE FINANCIAL STATEMENTS			
35	FRD 11	Disclosure of ex-gratia payments.	41
36	FRD 21	Disclosures of Responsible Persons, Executive Officer and Other Personnel (contractors with significant management responsibilities) in the Financial Report.	FIN 56
37	FRD 103	Non-financial physical assets.	FIN 9, FIN 29-31
38	FRD 110	Cash flow statements.	FIN 11
39	FRD 112	Defined benefit superannuation obligations.	FIN 23
COMPLIANCE WITH OTHER LEGISLATION, SUBORDINATE INSTRUMENTS AND POLICIES			
40	Legislation	<p>The TAFE Institute Annual Report must contain a statement that it complies with all relevant legislation, and subordinate instruments, including, but not limited to, the following:</p> <ul style="list-style-type: none"> • <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 Disclosures Act 2012</i> • <i>Carers Recognition Act 2012</i> • <i>Local Jobs First Act 2003</i>. 	40
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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 initiatives taken or strategies relating to the Institute's overseas operations. • Nature of strategic and operational risks for overseas operations. • Strategies established to manage such risks of overseas operations. • Performance measures and targets formulated for overseas operations. • The extent to which expected outcomes for overseas operations have been achieved. 	29

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The Financial Report

Gordon Institute of TAFE

ABN 27 241 053 246

Financial Statements

For the Year Ended 31 December 2022

Gordon Institute of TAFE

ABN 27 241 053 246

For the Year Ended 31 December 2022

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Independent Auditor's Report

To the Board of the Gordon Institute of TAFE

Opinion	<p>I have audited the financial report of the Gordon 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 and Chief Financial, People and Operating Officer. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"> • presenting fairly, in all material respects, the financial position of the institute as at 31 December 2022 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the institute in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and 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 Australia. 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, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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



Charlotte Jeffries

as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Board, Gordon 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 the Gordon 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
31 March 2023

Charlotte Jeffries
as delegate for the Auditor-General of Victoria

Gordon Institute of TAFE

ABN 27 241 053 246

Financial Report For the Year Ended 31 December 2022

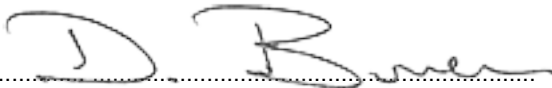
Declaration by Board Chair, Chief Executive and Chief Financial, People and Operating Officer

The attached financial statements for the Gordon Institute of TAFE ("The Gordon") 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.

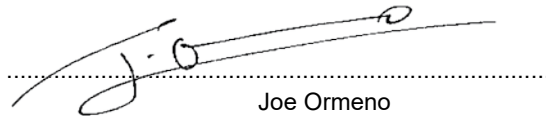
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, presents fairly the financial transactions during the year ended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

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

The Board Chair, Chief Executive, and Chief Financial, People and Operating Officer sign this declaration as delegates of, and in accordance with a resolution of, the Board of the Gordon Institute of TAFE.



David Bowen
Board Chair



Joe Ormeno
Chief Executive Officer



Steven Reaper
Chief Financial, People and Operating Officer

Dated 28 March 2023
Geelong

Gordon Institute of TAFE

ABN 27 241 053 246

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 33,790	38,303
Operating grants - income	2.1.1 35,128	17,235
Capital grants - income	2.1.2 10,582	6,220
Revenue from fees, charges and sales	2.2 14,710	13,912
Other income	2.3 1,007	1,454
Total revenue and income from transactions	95,217	77,124
Expenses from transactions		
Employee benefits	3.1.1 (60,625)	(59,178)
Depreciation and amortisation	3.6 (6,416)	(5,764)
Supplies and services	3.3 (13,476)	(11,135)
Finance costs	3.5 (86)	(101)
Other operating expenses	3.4 (8,024)	(6,761)
Total expenses from transactions	(88,627)	(82,939)
Net result from transactions	6,590	(5,815)
Other economic flows included in net result		
Net gain/(loss) on disposal of non-financial assets	4.1.3 118	138
Net gain/(loss) on financial instruments	9.1 (42)	107
Other gains/(losses) from other economic flows	9.1 739	311
Total other economic flows included in net result	815	556
Net result from continuing operations	7,405	(5,259)
Net result	7,405	(5,259)
Other economic flows - other comprehensive income		
Items that will not be reclassified to net result		
Gain/(loss) on revaluation of physical assets	9.2 33,890	11,125
Other comprehensive income for the year, net of tax	33,890	11,125
Comprehensive result	41,295	5,866

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

Gordon Institute of TAFE

ABN 27 241 053 246

Balance Sheet

As At 31 December 2022

	Note	2022 \$'000	2021 \$'000
ASSETS			
FINANCIAL ASSETS			
Cash and deposits	6.1	15,980	26,441
Receivables	5.1	3,564	3,857
TOTAL FINANCIAL ASSETS		19,544	30,298
NON-FINANCIAL ASSETS			
Property, plant and equipment	4.1	196,413	150,442
Right-of-use assets	6.4	1,779	2,438
Intangible assets	4.2	1,420	2,027
Other non-financial assets	5.2	1,707	1,404
TOTAL NON-FINANCIAL ASSETS		201,319	156,311
TOTAL ASSETS		220,863	186,609
LIABILITIES			
Payables	5.3	4,214	3,641
Contract liabilities	5.4	749	833
Other liabilities	5.4	1,660	6,976
Employee provisions	5.5	12,132	13,658
Other provisions	5.6	118	115
Borrowings	6.2	1,225	1,183
Lease liabilities	6.4	2,017	2,750
TOTAL LIABILITIES		22,115	29,156
NET ASSETS		198,748	157,453
EQUITY			
Accumulated surplus		52,333	44,923
Contributed capital	6.3	27,729	27,729
Reserves	9.2	118,686	84,801
NET WORTH		198,748	157,453

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

Statement of Changes in Equity

For the Year Ended 31 December 2022

2021

	Physical Asset Revaluation Surplus \$'000	Special and General Purpose Reserves \$'000	Accumulated Surplus \$'000	Contributed Capital \$'000	Total \$'000
Balance at 1 January 2021	72,348	1,340	50,170	27,729	151,587
Net result for the year	-	-	(5,259)	-	(5,259)
Other economic flows - other comprehensive income	11,125	-	-	-	11,125
Total comprehensive income	11,125	-	(5,259)	-	5,866
Transfers (to)/from reserve	-	(12)	12	-	-
Balance at 31 December 2021	83,473	1,328	44,923	27,729	157,453

2022

	Physical Asset Revaluation Surplus \$	Special and General Purpose Reserves \$'000	Accumulated Surplus \$'000	Contributed Capital \$'000	Total \$'000
Balance at 1 January 2022	83,473	1,328	44,923	27,729	157,453
Net result for the year	-	-	7,405	-	7,405
Other economic flows - other comprehensive income	33,890	-	-	-	33,890
Total comprehensive income	33,890	-	7,405	-	41,295
Transfers (to)/from reserve	-	(5)	5	-	-
Balance at 31 December 2022	117,363	1,323	52,333	27,729	198,748

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

Gordon Institute of TAFE

ABN 27 241 053 246

Cash Flow Statement For the Year Ended 31 December 2022

	2022	2021
Note	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts		
Government contributions	74,080	64,495
Receipts from customers - fees, charges and sales	14,137	14,341
Goods and services tax recovered from the ATO	4,206	3,700
Interest received	287	113
Other receipts	399	842
	<u>93,109</u>	<u>83,491</u>
Total receipts from operating activities		
Payments		
Payments to employees	(62,431)	(58,319)
Payments to suppliers	(18,906)	(22,707)
Goods and services tax paid to the ATO	(4,034)	(4,933)
Other payments	(353)	-
	<u>(85,724)</u>	<u>(85,959)</u>
Total payments from operating activities		
Net cash provided by/(used in) operating activities	6.1.1 <u>7,385</u>	<u>(2,468)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(16,924)	(19,039)
Proceeds from sale of non-financial assets	137	184
	<u>137</u>	<u>184</u>
Net cash provided by/(used in) investing activities	<u>(16,787)</u>	<u>(18,855)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of lease liabilities	(1,059)	(585)
	<u>(1,059)</u>	<u>(585)</u>
Net cash provided by/(used in) financing activities	<u>(1,059)</u>	<u>(585)</u>
Net increase/(decrease) in cash and cash equivalents held	(10,461)	(21,908)
Cash and cash equivalents at the beginning of the financial year	26,441	48,349
	<u>26,441</u>	<u>48,349</u>
Cash and cash equivalents at the end of the financial year	6.1 <u>15,980</u>	<u>26,441</u>

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

1 About This Report

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

The Gordon is a Technical and Further Education (TAFE) provider, based predominantly in Geelong, Victoria.

Its registered office and principal address is:

Gordon Institute of TAFE
2 Fenwick Street
Geelong Victoria 3220

1.1 Basis of preparation

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

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

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

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

- determining whether government contributions received should be recognised as revenue under AASB 15 or income under AASB 1058 depending on whether the performance obligations within the contract are assessed as sufficiently specific and measuring The Gordon's satisfaction of a performance obligation (refer to Note 2.2); and
- AASB 16 *Leases* and the requirements to determine the lease term to the extent that extension options are certain (refer to Note 6.4).

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

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

Notes to the Financial Statements For the Year Ended 31 December 2022

1 About This Report (continued)

1.1 Basis of preparation (continued)

These estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

These financial statements cover The Gordon. All transactions related to the operation of its controlled entity, Gotec Limited, are reported separately and are not consolidated based on materiality.

Goods and Services Tax (GST)

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

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

Basis of consolidation

In accordance with AASB 10 *Consolidated Financial Statements*, control exists when an entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Gordon operates one controlled entity whose operations are reported separately and not consolidated based on materiality.

Funding risk

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

The Gordon has substantial economic dependency on Government operating and capital contributions, in particular, the Department of Jobs, Skills, Industry and Regions. The Department of Jobs, Skills, Industry and Regions has provided written confirmation in a letter of support which states that it will continue to provide The Gordon adequate cash flow support to meet its current and future obligations as and when they fall due for a period till 1 April 2024. On that basis, the financial statements have been prepared on a going concern basis.

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

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

1.2 Compliance information

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

1 About This Report (continued)

1.2 Compliance information (continued)

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

1.3 Impact of COVID-19

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

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

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

The Gordon continued to conduct classes through remote learning where possible, held examinations online, placed restrictions on non-essential work, performed COVID-19 testing and implemented work from home arrangements, where appropriate.

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

The key impacts on the performance is summarised as follows:

Basis of Preparation

The Gordon has a strong financial position, with net asset position of \$198,748,000 (2021: net asset position of \$157,453,000), a net current asset position of \$3,932,000 (2021: \$7,334,000), net profit of \$7,405,000 (2021: net loss of \$5,259,000) and positive operating cash flows of \$7,385,000 (2021: negative operating cash flows of \$2,468,000). Considering The Gordon's financial position, together with the impacts of COVID-19 on the business as discussed below, The Gordon has concluded it is appropriate to prepare the financial statements on a going concern basis.

Revenue and other income

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

1 About This Report (continued)

1.3 Impact of COVID-19 (continued)

In 2022, no directly attributable costs associated with COVID-19 were able to be identified to specific courses but a sector wide decline in enrolments was experienced impacting on expected delivery targets. The skilled labour shortage is felt to have had an impact with minimum education requirements forgone to fill vacant roles. In 2021, there was a measurable financial impact as a direct result of the decline in student enrolments in particular courses were unable to be conducted remotely. The financial implication of the fall in student enrolments were \$346,000.

Expenses

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

The financial implication of the additional expenditure was \$98,000 (2021: \$371,000).

Employee provisions

In 2021, COVID-19 forced the cancellation of numerous instances of planned leave by staff, and this was further impacted by their inability to take leave during the Victorian State lockdowns. This resulted in an increase in employee provisions by \$175,000. With the pandemic rules lifting and Victoria returning to a new normal, 2022 saw a surge in leave taken by employees, resulting in a reduction in the same provisions by \$1,500,000.

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

Allowance for expected credit losses

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

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

Fair value of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis, in accordance with *Financial Reporting Direction (FRD) 103*. A full revaluation of education assets normally occurs every five years, with this last occurring for the year ended 31 December 2017. Due to COVID-19, there is an increased element of estimation uncertainty with regard to the fair values of The Gordon's non-financial physical assets. This is further discussed in Note 7.3.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 How We Earned Our Funds

This section presents the sources and amounts of revenue and income raised by The Gordon. Grants are received from both State and Commonwealth Government, and from other fees and charges.

2.1 Government Grants

2.1.1 Revenue and income from government grants

	2022 \$'000	2021 \$'000
Grants and other transfers		
Government grants - operating revenue		
State government - contestable	33,790	38,303
Total government grants - operating revenue	33,790	38,303
Government grants - operating income		
State government - other grants	34,626	17,199
Commonwealth government grant	477	36
Other	25	-
Total government grants - operating income	35,128	17,235
Total government contributions - operating	68,918	55,538

Note: The above comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Impact of COVID-19

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

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

Revenue from government grants

The Gordon's revenue streams are predominantly 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 Gordon satisfies the performance obligations by transferring the promised goods or services to its customers. Where government grants have been received for services to be delivered in the following year, these amounts are deferred as a contract liability (Note 5.4).

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

Income from government grants

Income from government grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when The Gordon has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, The Gordon 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 *Contributions*;

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 How We Earned Our Funds (continued)

2.1 Government Grants (continued)

2.1.1 Revenue and income from government grants (continued)

- a lease liability in accordance with AASB 16 *Leases*;
- a financial instrument, in accordance with AASB 9 *Financial Instruments*; and
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

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

Source of Funding	Nature	Performance Obligation	Timing of Satisfaction
State government – contestable	Refers to Victorian state government funding for which The Gordon 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 AASB 15.	Revenue is recognised over time, on the basis of the number of units of training delivered to eligible students over the life of the agreement.
State government – other grants	Refers to funding that is not recognised as contestable and includes specific purpose grants.	In general, funding agreements for these grants do not contain sufficiently specific performance obligations and are therefore recognised as income under AASB 1058. The Gordon 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 AASB 15.	Revenue is recognised over time in the comprehensive operating statement as the performance obligations are delivered.

2.1.2 Capital grants income

	2022 \$'000	2021 \$'000
Government grants - capital		
State government - capital	10,582	6,220
Total government grants - capital	10,582	6,220
Total government grants	79,500	61,758

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 How We Earned Our Funds (continued)

2.1 Government Grants (continued)

Revenue Type	Nature	Performance Obligation	Timing of Satisfaction
State government – capital	Where The Gordon receives a financial asset to construct or acquire a non-financial asset which is to be retained and used by The Gordon.	Whilst The Gordon has an obligation to acquire or construct a non-financial asset, such transactions are accounted for following specific guidance under AASB 1058.	Over time, as the building or facility is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction are the best measure of the stage of completion of the building. Where government grants has been received for services to be delivered in the following year, these amounts are deferred as a liability (Note 5.4).

2.2 Revenue from fees, charges and sales

	2022 \$'000	2021 \$'000
Student fees and charges	4,519	4,520
Fee for service - government	4,310	3,795
Fee for service - international operations - onshore	892	1,077
Fee for service - international operations - offshore	112	215
Fee for service - other	1,295	1,548
Other non-course fees and charges		
Sale of goods	3,582	2,757
Total revenue from fees, charges and sales	14,710	13,912

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

Revenue recognised over time	9,275	9,089
Revenue recognised at a point in time	5,435	4,823
Total revenue from fees, charges and sales	14,710	13,912

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 The Gordon expects to be entitled to. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.

Other non-course fees and charges are recognised as the service is delivered to the student. For example, student amenities and services revenue is recognised as The Gordon provides the service to the student.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2 How We Earned Our Funds (continued)

2.2 Revenue from fees, charges and sales (continued)

The Gordon uses actual student contact hours and 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	The Gordon provides educational services to eligible domestic students. Student fees and charges revenue includes student tuition fees and course materials received or to be received from eligible students for the provision of these services.	Provision of education services	Student fees and charges are recognised in accordance with the relevant enrolment terms and conditions and over the period that the education and training services are provided. Any fee waivers are recognised as a reduction in the amount of revenue recognised. Where revenue has been received for programs or services to be delivered in the following year, these amounts are deferred as a contract liability.
Fee for service – government	Relates to course fees funded by State government departments (excluding revenue/income recognised in Note 2.1.1).	Provision of services	Revenue is recognised over time by reference to the percentage completion of each contract, i.e. in the reporting period in which the services are rendered. 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 – International onshore/offshore	Relates to international student course fees and other revenue for onshore and offshore training operations.		

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 How We Earned Our Funds (continued)

2.2 Revenue from fees, charges and sales (continued)

Revenue Type	Nature	Performance Obligation	Timing of Satisfaction
Fee for service - other	Relates to revenue from training programs to domestic students (who are not eligible for a government funded subsidy) and private organisations (industry)		
Revenue from sale of goods		Delivery of goods	Revenue is recognised at a point in time when the goods are delivered and have been accepted by customers. Sales are recognised based on the contractual price, net of any discounts (if applicable). Payment of transaction price is due immediately.

Revenue recognised in relation to contract liabilities

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

	2022 \$'000	2021 \$'000
Student fees and charges	749	833
Revenue recognised from performance obligations satisfied in previous periods	1,660	6,976
Total	2,409	7,809

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	2,409	-	-

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 How We Earned Our Funds (continued)

2.2 Revenue from fees, charges and sales (continued)

Payment terms

The payment terms for student fees are as follows:

- up-front payment via cash, EFTPOS or credit card prior to course commencement;
- 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
Interest income	286	113
Rental income	104	133
Donations, bequests and scholarships contributions	96	572
Other income	521	636
Total other income	1,007	1,454

Other Income Type	Nature	Performance Obligation	Timing of Satisfaction
Interest	Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets.	None	Recognised taking into account the effective interest rates applicable to the financial assets
Rental income from operating leases	The Gordon receives rental income for certain land and buildings leased out to the general public during the semester break period and when the buildings are excess to the current requirement. The Gordon also receives rental income from long term lease arrangements with third parties.	None	Rental income is recognised on a time proportional basis and is brought to account when The Gordon's right to receive the rental is established.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 How We Earned Our Funds (continued)

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. Typically, the stated purpose of the gift is not specific enough for the requirements of the AASB 15. In the rare circumstance where a gift has a sufficiently specific performance obligation revenue will be recognised when or as the obligation is satisfied.
Other income		Other income is recognised when The Gordon's right to receive payment is established.	

3 How We Expended Our Funds

3.1 Employee benefits

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

All assumptions are reviewed at each reporting date.

3.1.1 Employee benefits in the comprehensive operating statement

	2022 \$'000	2021 \$'000
Salaries, wages, overtime and allowances	48,655	47,542
Superannuation	5,211	4,862
Payroll tax	805	838
Mental health levy	244	-
Workers compensation	674	633
Annual leave	4,358	4,252
Long service leave	598	969
Termination benefits	-	-
Other	80	82
Total employee benefits	60,625	59,178

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 How We Expended Our Funds (continued)

3.1 Employee benefits (continued)

3.1.1 Employee benefits in the comprehensive operating statement (continued)

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

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

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

The Gordon 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 operating statement.

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

	2022 \$'000	2021 \$'000
Paid Contribution for the Year		
Defined benefits plans:		
State Superannuation Fund - revised and new	106	132
Total defined benefit plans	106	132
Accumulation contribution plans:		
VicSuper	2,462	2,277
Other	2,929	2,420
Total accumulation contribution plans	5,391	4,697
Total paid contribution for the year	5,497	4,829
Contribution outstanding at year end		
Accumulation contribution plans:		
VicSuper	209	303
Other	254	334
Total accumulation contribution plans	463	637
Total contribution outstanding at year end	463	637

Notes to the Financial Statements For the Year Ended 31 December 2022

3 How We Expended Our Funds (continued)

3.2 Superannuation (continued)

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 \$'000	2021 \$'000
Purchases of supplies and consumables	3,575	3,034
Building repairs and maintenance	2,792	1,701
Contract and other services	1,696	2,270
Cost of goods sold / distributed (ancillary trading)	2,595	1,387
Professional fees and charges	1,545	1,526
Operating lease payments	7	66
Computer software and hardware expenses	1,266	1,151
Total supplies and services	13,476	11,135

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

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

3.3.1 Non-cancellable lease commitments - short-term and low value leases

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

Payable		
Within one year	271	111
Later than one year but not later than five years	-	-
Later than five years	-	-
Total short-term and low value lease commitments	271	111
GST claimable on the above	25	10
Net short-term and low-value lease commitments	246	101

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 How We Expended Our Funds (continued)

3.3 Supplies and services (continued)

3.3.2 Other expenditure commitments

Commitments for future maintenance, repairs or enhancements to investment property in existence at reporting date but not recognised as liabilities are as follows:

	Note	2022 \$'000	2021 \$'000
Payable			
Within one year		984	970
Later than one year but not later than five years		-	984
Later than five years		-	-
Total other expenditure commitments		984	1,954
GST reclaimable on the above		(89)	(178)
Net other expenditure commitments		895	1,776
3.4 Other operating expenses			
Audit fees and services	8.4	224	161
Equipment below capitalisation threshold		1,869	584
Marketing and promotional expenses		1,591	1,358
Staff development		380	406
Travel and motor vehicle expenses		437	336
Utilities		1,113	1,116
General expenses		1,948	2,111
Impairment loss allowance		217	588
Expenses relating to short-term leases		238	94
Expenses relating to low-value leases		7	7
Total other operating expenses		8,024	6,761

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

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

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

3.5 Finance costs

Finance costs		86	101
Total finance costs		86	101

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 How We Expended Our Funds (continued)

3.6 Depreciation and amortisation

	2022 \$'000	2021 \$'000
Depreciation of non-financial assets		
Leasehold improvements	99	105
Buildings	3,809	3,102
Plant and equipment	1,243	1,154
Motor vehicles	136	225
Library collections	27	25
Works of art	5	5
Right-of-use assets	464	586
Total depreciation of non-financial assets	5,783	5,202
Amortisation of non-financial assets		
Amortisation - computer software, other	633	562
Total amortisation of non-financial assets	633	562
Total depreciation and amortisation	6,416	5,764

4 The Assets We Invested In

4.1 Property, plant and equipment

Fair value measurement

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

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

	Gross Carrying Amount		Accumulated Depreciation		Net Carrying Amount	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Land	39,750	23,780	-	-	39,750	23,780
Buildings	148,000	100,462	-	(22)	148,000	100,440
Construction in progress	716	17,646	-	-	716	17,646
Plant and equipment	22,538	20,617	(15,775)	(15,738)	6,763	4,879
Plant and equipment in progress	220	2,501	-	-	220	2,501
Motor vehicles	1,087	1,287	(971)	(1,017)	116	270
Leasehold improvements	1,138	1,174	(697)	(600)	441	574
Library collection	3,612	3,573	(3,429)	(3,402)	183	171
Works of art	224	197	-	(16)	224	181
Net carrying amount	217,285	171,237	(20,872)	(20,795)	196,413	150,442

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 The Assets We Invested In (continued)

4.1 Property, plant and equipment (continued)

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.

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

Subsequent measurement

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

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

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

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

For the majority of The Gordon'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) was conducted for the year ended 31 December 2022 by the Office of the Victorian Valuer-General. A formal revaluation of Cultural Art Works was also undertaken by the Victorian Valuer-General for the year ended 31 December 2022.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 The Assets We Invested In (continued)

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	Plant and Equipment \$'000	Plant and Equipment in Progress \$'000	Motor Vehicles \$'000	Leasehold Improvements \$'000	Library Collection \$'000	Works of Art \$'000	Total \$'000
2022										
Opening net book amount	23,780	100,440	17,646	4,879	2,501	270	574	171	181	150,442
Additions	-	1,389	15,133	3,127	1,381	-	-	39	10	21,079
Revaluations	15,970	17,917	-	-	-	-	(34)	-	38	33,891
Disposals	-	-	-	-	-	(18)	-	-	-	(18)
Transfers	-	32,063	(32,063)	-	(3,662)	-	-	-	-	(3,662)
Depreciation	-	(3,809)	-	(1,243)	-	(136)	(99)	(27)	(5)	(5,319)
Net carrying amount	39,750	148,000	716	6,763	220	116	441	183	224	196,413
2021										
Opening net book amount	23,780	92,139	1,886	5,340	437	534	679	151	176	125,122
Additions	-	273	15,824	387	2,318	-	-	45	10	18,857
Revaluations	-	11,125	-	-	-	-	-	-	-	11,125
Disposals	-	-	-	(7)	-	(39)	-	-	-	(46)
Reclassification	-	(59)	-	59	-	-	-	-	-	-
Transfers	-	64	(64)	254	(254)	-	-	-	-	-
Depreciation	-	(3,102)	-	(1,154)	-	(225)	(105)	(25)	(5)	(4,616)
Net carrying amount	23,780	100,440	17,646	4,879	2,501	270	574	171	181	150,442

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 The Assets We Invested In (continued)

4.1 Property, plant and equipment (continued)

4.1.2 Capital commitments

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

	2022	2021
	\$'000	\$'000
Payable		
Within one year	1,890	18,370
GST payable on the above	172	1,670
Net capital expenditure commitments	1,718	16,700
4.1.3 Gain / loss on property, plant and equipment		
Net gain/(loss) on disposal of property plant and equipment	118	138
Net gain/(loss) on disposal of property plant and equipment	118	138

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

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

4.2 Intangible assets

Software

Gross carrying amount

Opening balance	7,756	7,574
Additions	26	182
Closing balance	7,782	7,756

Accumulated amortisation and impairment

Opening balance	(5,729)	(5,167)
Amortisation charge	(633)	(562)
Closing balance	(6,362)	(5,729)
Net carrying amount at end of the year	1,420	2,027

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 The Assets We Invested In (continued)

4.2 Intangible assets (continued)

Initial recognition

The Gordon's purchased intangible assets include ICT Software and are initially recognised at cost.

Internally generated intangible assets

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

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset for use or sale;
- the ability to use or sell the asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

SaaS arrangements are service contracts providing The Gordon with the right to access the software provider's application software over the contract period. Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where The Gordon has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset. Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide The Gordon 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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 The Assets We Invested In (continued)

4.2 Intangible assets (continued)

Subsequent measurement

Intangible assets are amortised as an 'expense from transactions' on a straight-line basis over their useful lives as outlined in Note 4.3.

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

Impairment of intangible assets

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

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

The Gordon did not capitalise any expenditure in relation to the development of software.

4.3 Depreciation and amortisation

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

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

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

Class of Assets	Useful Life
Buildings	50 years (2021: 50 years)
Plant & equipment	4 - 12.5 years (2021: 4 - 12.5 years)
Motor vehicles	5 years (2021: 5 years)
Library collections	4 - 10 years (2021: 4 - 10 years)
Works of art	50 years (2021: 50 years)
Leasehold improvements	10 - 12.5 years (2021: 10 - 12.5 years)
Software	2.5 - 10 years (2021: 2.5 - 10 years)
Right-of-use assets	Lease term

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

5 Balances from Operations

5.1 Receivables

	2022	2021
	\$'000	\$'000
Current		
Contractual receivables		
Trade receivables	2,589	2,708
Loss allowance on trade receivables	(923)	(1,181)
Other receivables	640	879
Total contractual receivables	2,306	2,406
Statutory receivables		
GST input tax credit recoverable	37	317
Accounts owing from the Victorian Government	1,221	1,134
Total statutory receivables	1,258	1,451
Total current receivables	3,564	3,857

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, accrued investment income, and finance lease receivables.

Receivables other than sale of goods and services are stated exclusive of the amount of GST receivable. Receivables that are contractual are classified as financial instruments. Statutory receivables are recognised and measured similarly to contractual receivables, but are not classified as financial instruments and are not included in the category of financial assets at amortised cost, because they do not arise from a contract.

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

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

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

Impairment

The Gordon 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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

5 Balances from Operations (continued)

5.1 Receivables (continued)

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	1,181	794
Amounts written off	(424)	(166)
Net remeasurement of loss allowance	166	553
Balance at the end of the year	923	1,181

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

Ageing analysis of contractual receivables

	Carrying amount \$'000	Not past due and not impaired \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
2022						
Trade receivables	1,666	64	507	179	401	515
Other receivables	640	640	-	-	-	-
Total	2,306	704	507	179	401	515
2021						
Trade receivables	1,527	42	376	110	730	269
Other receivables	879	879	-	-	-	-
Total	2,406	921	376	110	730	269

Note: The disclosures above exclude statutory receivables (e.g. amounts owing from Victorian Government and GST credits).

The Gordon's receivables relate to commercial sales of goods. The average credit period on receivables is 31 days (2021: 21 days).

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

5 Balances from Operations (continued)

5.2 Other non-financial assets

	2022 \$'000	2021 \$'000
Current		
Prepayments	1,557	1,242
Inventories	150	162
Total current other non-financial assets	1,707	1,404

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

Inventories include goods and other items held either for sale or for distribution at a zero or nominal cost, or for consumption in the ordinary course of business operations.

Inventories held-for-distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Cost, includes an appropriate portion of fixed and variable overhead expenses. Cost is assigned to other high value, low volume inventory items on a specific identification of cost basis. Cost for all other inventory is measured on the basis of weighted average cost.

5.3 Payables

	2022 \$'000	2021 \$'000
Current		
Contractual payables		
Supplies and services	4,214	3,618
Total contractual payables	4,214	3,618
Statutory payables		
FBT payable	-	23
Total statutory payables	-	23
Total current payables	4,214	3,641

Payables consist of:

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

5 Balances from Operations (continued)

5.3 Payables (continued)

Ageing analysis of contractual payables

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

	Carrying amount \$'000	Nominal amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000
2022						
Supplies and services	4,214	4,214	3,387	397	130	300
Total	4,214	4,214	3,387	397	130	300
2021						
Supplies and services	3,618	3,618	2,241	825	533	19
Total	3,618	3,618	2,241	825	533	19

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

The average credit period is 30 days (2021: 30 days), with the exception of the agreement for the program Greener Government Buildings, which has an agreed payment schedule over 5 years to 2025. No interest is charged on the other payables.

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

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

5.4 Contract and other liabilities

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

	2022 \$'000	2021 \$'000
Contract liabilities		
Student fees and charges	749	833
Total contract liabilities	749	833

Any fees received by The Gordon 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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

5 Balances from Operations (continued)

5.4 Contract and other liabilities (continued)

	2022 \$'000	2021 \$'000
Other liabilities		
Deferred capital grants	1,660	6,976
Total other liabilities	<u>1,660</u>	<u>6,976</u>

Deferred capital grants

Grant consideration was received from the Victorian Government to support the construction of the Culinary Precinct. 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 Culinary Precinct. As such, The Gordon has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Contractual

Deferred capital grants at beginning of the year	6,976	10,119
Grant consideration for capital works received during the year	5,266	3,077
Grant consideration recognised as income under AASB 1058	<u>(10,582)</u>	<u>(6,220)</u>
Closing balance of deferred capital grants	<u>1,660</u>	<u>6,976</u>

5.5 Employee benefits in the balance sheet

Short-term benefits

Annual leave	3,964	4,121
Long service leave	6,856	7,995
Total short-term benefits	<u>10,820</u>	<u>12,116</u>

Long-term benefits

Long service leave	1,312	1,542
Total long-term benefits	<u>1,312</u>	<u>1,542</u>
Total employee provisions	<u>12,132</u>	<u>13,658</u>

The leave obligations cover The Gordon'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 \$10.8m (2021: \$12.1m) is presented as current, since The Gordon does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, The Gordon does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Notes to the Financial Statements

For the Year Ended 31 December 2022

5 Balances from Operations (continued)

5.5 Employee benefits in the balance sheet (continued)

In 2021, COVID-19 forced the cancellation of numerous instances of planned leave by staff, and this was further impacted by their inability to take leave during the Victorian State lockdowns. This resulted in an increase in employee provisions by \$175,000. With the pandemic rules lifting and Victoria returning to a new normal, 2022 saw a surge in leave taken by employees, resulting in a reduction in the same provisions by \$1,500,000. The impact of COVID-19 is further discussed in Note 1.3.

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

	2022 \$'000	2021 \$'000
Unconditional and expected to settle within 12 months	5,026	5,100
Unconditional and expected to settle after 12 months	5,794	7,016
Total current employee provisions	10,820	12,116

5.6 Other provisions

Make good provision	118	115
Total other provisions	118	115

Make good provision

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

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

Reconciliation of other provisions

Opening balance	115	112
Adjustments resulting from re-measurement or settlement without cost	3	3
Closing balance	118	115

Notes to the Financial Statements

For the Year Ended 31 December 2022

6 How We Financed Our Operations

6.1 Cash and deposits

	2022 \$'000	2021 \$'000
Cash at bank and on hand	7,624	2,270
Deposits at call	8,356	24,171
Total cash and deposits	15,980	26,441

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

Net result for the year	7,405	(5,259)
Non-cash movements		
Depreciation / amortisation of non-financial assets	6,416	5,764
Net (gain) / loss on sale of non-financial assets	(118)	(138)
Transfers (to) / from equity	5	12
Movements in assets and liabilities		
Decrease / (increase) in receivables	(915)	1,416
Decrease / (increase) in inventories	12	68
Decrease / (increase) in other assets	(315)	(33)
(Decrease) / increase in payables	1,732	(1,180)
(Decrease) / increase in provisions	(1,523)	177
(Decrease) / increase in contract and other liabilities	(5,314)	(3,295)
Net cash flows from / (used in) operating activities	7,385	(2,468)
Per cash flow statement	7,385	(2,468)

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

6.1.2 Changes in liabilities arising from financing activities

	Lease Liability \$'000	Total \$'000
Balance at 1 January 2021	3,892	3,892
Net cash from/(used in) financing activities	(665)	(665)
Acquisition of leases	97	97
Lease modification	(574)	(574)
Balance at 31 December 2021	2,750	2,750
Net cash from/(used in) financing activities	(394)	(394)
Acquisition of leases	242	242
Lease modification	(581)	(581)
Balance at 31 December 2022	2,017	2,017

Notes to the Financial Statements

For the Year Ended 31 December 2022

6 How We Financed Our Operations (continued)

6.2 Borrowings

	2022 \$'000	2021 \$'000
Current		
Advances from Government (interest-free loan)	245	258
Non-current		
Advances from Government (interest-free loan)	980	925
Total borrowings	<u>1,225</u>	<u>1,183</u>

Advances from Government

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

The measurement basis subsequent to initial recognition depends on whether the The Gordon 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.

Maturity analysis of borrowings

	Carrying Amount \$'000	Nominal Amount \$'000	Less Than 1 Month \$'000	1-3 Months \$'000	3 Months to 1 Year \$'000	1-5 Years \$'000
2022						
Advances from Government	1,225	1,225	-	-	245	980
Total	<u>1,225</u>	<u>1,225</u>	<u>-</u>	<u>-</u>	<u>245</u>	<u>980</u>
2021						
Advances from Government	1,183	1,183	-	-	258	925
Total	<u>1,183</u>	<u>1,183</u>	<u>-</u>	<u>-</u>	<u>258</u>	<u>925</u>

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

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

Notes to the Financial Statements For the Year Ended 31 December 2022

6 How We Financed Our Operations (continued)

6.3 Contributed capital

	2022 \$'000	2021 \$'000
Balance at 1 January	27,729	27,729
Issued for cash	-	-
Balance at 31 December	27,729	27,729

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

6.4 Leases

Policy

At inception of a contract, The Gordon 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.

As a lessee

The Gordon 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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

6 How We Financed Our Operations (continued)

6.4 Leases (continued)

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

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

6 How We Financed Our Operations (continued)

6.4 Leases (continued)

Right-of-use assets

	Property \$'000	Vehicles and Equipment \$'000	Total \$'000
2022			
Balance as at 1 January 2022	2,352	86	2,438
Additions to right-of-use assets	144	242	386
Reductions in right-of-use assets due to changes in lease liability	(581)	-	(581)
Amortisation	(376)	(88)	(464)
Balance as at 31 December 2022	1,539	240	1,779
2021			
Balance as at 1 January 2021	3,395	106	3,501
Additions to right-of-use assets	-	97	97
Reductions in right-of-use assets due to changes in lease liability	(574)	-	(574)
Amortisation	(469)	(117)	(586)
Balance as at 31 December 2021	2,352	86	2,438

Lease liabilities

Maturity analysis - contractual undiscounted cash flows

	2022 \$'000	2021 \$'000
Within one year	367	646
Later than one year but not later than five years	1,826	1,828
Later than five years	-	551
Total undiscounted lease liabilities as at 31 December	2,193	3,025
Future finance charges	(176)	(275)
Total discounted lease liabilities as at 31 December	2,017	2,750
Lease liabilities included in the balance sheet at 31 December		
Current	306	562
Non-current	1,711	2,188
Total lease liabilities	2,017	2,750

Short-term and low value leases

The Gordon 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. The Gordon recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the Year Ended 31 December 2022

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

	Note	2022 \$'000	2021 \$'000
Contractual financial assets			
Financial assets measured at amortised cost			
Cash and deposits	6.1	15,980	26,441
Trade receivables	5.1	1,666	1,527
Other receivables	5.1	640	879
Total contractual financial assets		18,286	28,847
Contractual financial liabilities			
Loans and payables			
Supplies and services	5.3	4,214	3,618
At amortised cost			
Borrowings (Advances from Government)	6.2	1,225	1,183
Lease liabilities	6.4	2,017	2,750
Total contractual financial liabilities		7,456	7,551

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

Categories of financial instruments

The Gordon classifies its financial assets at amortised cost only if both of the following criteria met:

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

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

The Gordon recognises the following assets in this category:

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

Notes to the Financial Statements For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

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

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

7.1.1 Financial risk management objectives and policies

The Gordon is exposed to a variety of financial risks, market risk (including interest rate risk), credit risk and liquidity risk.

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

Primary responsibility for the identification and management of financial risks rests with The Gordon's finance function, overseen by the Audit and Risk Management Committee of The Gordon on behalf of the Board.

7.1.2 Credit risk

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

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

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

The trade receivables balances at 31 December 2022 and 31 December 2021 largely relate to student debtors, sponsor debtors, other debtors who engage The Gordon to provide training services or short courses as well as government agencies. These balances do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Notes to the Financial Statements

For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

7.1.2 Credit risk (continued)

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

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

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

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

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

	Financial Institutions (AA-rating) \$'000	Government Agencies (AAA-rating) \$'000	Other Counterparty \$'000	Total \$'000
2022				
Cash and deposits	15,980	-	-	15,980
Receivables	-	-	2,306	2,306
Total contractual financial assets	15,980	-	2,306	18,286
2021				
Cash and deposits	26,441	-	-	26,441
Receivables	-	-	2,406	2,406
Total contractual financial assets	26,441	-	2,406	28,847

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

7.1.2 Credit risk (continued)

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

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

The following table provides information about the estimated exposure to credit risk and ECLs for trade and other receivables as at 31 December 2022 and 2021:

	Estimated gross carrying amount \$'000	Weighted average loss rate %	Estimated loss allowance \$'000	Credit impaired? Yes/No
31 December 2022				
Current (not past due)	217	9	19	No
1 - 30 days past due	514	16	83	No
31 – 60 days past due	290	60	173	No
61 – 90 days past due	197	65	127	No
91 - 120 days past due	56	88	49	No
More than 120 days past due	<u>1,315</u>	36	<u>472</u>	No
Total	<u><u>2,589</u></u>		<u><u>923</u></u>	
31 December 2021				
Current (not past due)	45	9	4	No
1 - 30 days past due	72	39	28	No
31 – 60 days past due	332	60	199	No
61 – 90 days past due	339	54	183	No
91 - 120 days past due	154	89	137	No
More than 120 days past due	<u>1,766</u>	36	<u>630</u>	No
Total	<u><u>2,708</u></u>		<u><u>1,181</u></u>	

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.1 Financial instruments (continued)

7.1.2 Credit risk (continued)

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 The Gordon, 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, \$Nil (2021: \$Nil) relate to receivables arising from contracts with customers.

7.1.3 Liquidity risk

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

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

The Gordon's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in Note 7.1.

The Gordon manages liquidity risk by:

- maintaining adequate short term reserves and banking facilities that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial market; and
- careful maturity planning of its financial obligations by matching the maturity profiles of financial assets and liabilities, and continuously monitoring forecast and actual cash flows.

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

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

In its daily operations, The Gordon is not exposed to market risks, including foreign exchange, price and interest rate risk. As such no related disclosures regarding these risks have been made.

Notes to the Financial Statements

For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.2 Contingent assets and contingent liabilities

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

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

There were no contingent assets or contingent liabilities as at 31 December 2022 (31 December 2021: None) that may have a material effect on the financial operations of The Gordon.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

- land, buildings, plant and equipment, vehicles, and leasehold improvements.

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

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

Fair value estimation

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

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

The Gordon 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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

There were no transfers between levels during the year.

The Valuer-General Victoria (VGV) is The Gordon's independent valuation agency.

Fair value determination of financial assets and liabilities

The Gordon 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 and 2021.

7.3.1 Fair value determination of non-financial assets including right-of-use assets

The Gordon holds property, plant and equipment for which fair values are determined.

The Gordon, in conjunction with the Valuer-General Victoria (VGV), monitors changes in the fair value of each asset through relevant data sources to determine whether revaluations are required. The recurring fair value measurements of non-financial physical assets, such as land and buildings, are based on Level 2 observable inputs and Level 3 unobservable inputs due to the nature and characteristics of The Gordon'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 Hierarchy			
	Carrying amount at 31 December \$'000	Level 1 Quoted Prices \$'000	Level 2 Observable Price Inputs \$'000	Level 3 Unobservable Inputs \$'000
2022				
Land at fair value				
Non-specialised land	20,026	-	20,026	-
Specialised land	19,724	-	-	19,724
Total land at fair value	39,750	-	20,026	19,724
Buildings at fair value				
Specialised buildings	111,755	-	-	111,755
Heritage buildings	36,245	-	-	36,245
Total buildings at fair value	148,000	-	-	148,000
Cultural assets at fair value				
Works of art	224	-	224	-
Total cultural assets at fair value	224	-	224	-

Notes to the Financial Statements

For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.1 Fair value determination of non-financial assets including right-of-use assets (continued)

	Carrying amount at 31 December \$'000	Fair Value Hierarchy		
		Level 1 Quoted Prices \$'000	Level 2 Observable Price Inputs \$'000	Level 3 Unobservable Inputs \$'000
Other assets at fair value				
Plant and equipment	6,763	-	-	6,763
Vehicles	116	-	-	116
Leasehold improvements	441	-	-	441
Library collection	183	-	-	183
Right-of-use assets	1,779	-	-	1,779
Total other assets at fair value	9,282	-	-	9,282
Total assets measured at fair value	197,256	-	20,250	177,006
2021				
Land at fair value				
Non-specialised land	11,425	-	11,425	-
Specialised land	12,355	-	-	12,355
Total land at fair value	23,780	-	11,425	12,355
Buildings at fair value				
Specialised buildings	86,176	-	-	86,176
Heritage buildings	14,264	-	-	14,264
Total buildings at fair value	100,440	-	-	100,440
Cultural assets at fair value				
Works of art	181	-	181	-
Total cultural assets at fair value	181	-	181	-
Other assets at fair value				
Plant and equipment	4,879	-	-	4,879
Vehicles	270	-	-	270
Leasehold improvements	574	-	-	574
Library collection	171	-	-	171
Right-of-use assets	2,438	-	-	2,438
Total other assets at fair value	8,332	-	-	8,332
Total assets measured at fair value	132,733	-	11,606	121,127

Notes to the Financial Statements For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.1 Fair value determination of non-financial assets including right-of-use assets (continued)

Impairment

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

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

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

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

7.3.2 Valuations of property, plant and equipment

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. 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.

A managerial adjustment was required during the preparation of the comparative year financial report. The VGV indices, which were based on data to December 2021, indicated an average cumulative increase of 5.8% across all land parcels and a 12.5% cumulative increase in buildings since the 2017 independent valuation. The managerial adjustment was therefore required in 2021 for buildings as the movements in the VGV indices were greater than 10%.

Management regards the VGV indices to be a reliable and relevant data set to form the basis of their estimates. The land and building balances are considered to be sensitive to declining market conditions.

During the current year, the RBA have progressively increased the cash rate target from 0.1% at 1 January to 3.1% 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.

Notes to the Financial Statements For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

Non-specialised land and non-specialised buildings are valued using the market approach. Under this 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.

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer General Victoria with an effective date of 31 December 2022. Valuation of the assets was determined by analysing comparable sales and allowing for share, 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.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land is valued using the market approach and then adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued.

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 share, 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.

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.

An independent valuation of The Gordon's specialised land 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.

Specialised and heritage buildings are valued using the current replacement cost method for all but some minor exceptions. This represents the highest and best use when the market approach is not suitable. The replacement costs assessment is based on replacement of the existing building with a modern equivalent standard, and where heritage buildings are involved, a cost loading to reflect the likely need to replace any destroyed buildings with closely similar (ie heritage) architecture, then adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings and heritage buildings are classified as Level 3 fair value measurements.

For The Gordon's majority of specialised buildings, the current replacement cost method is used. The replacement cost of specialised buildings is based on comparing the existing building with a modern equivalent, then adjusting for associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of The Gordon's specialised and heritage buildings was performed by the

Notes to the Financial Statements For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2022.

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

Motor vehicles are valued using the current replacement cost method. The Gordon 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 The Gordon 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.

Library collections are held at cost. The process of acquisition, use and disposal is managed by The Gordon who set relevant depreciation rates during use to reflect the utilisation of its collections.

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

There were no changes in valuation techniques throughout the period to 31 December 2022.

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

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

	Leasehold Improvements	Specialised and Heritage Buildings	Specialised Land	Plant and Equipment	Motor Vehicles	Library Collection	Right-of- Use Assets
	\$'000	\$'000	\$'000	\$'000	\$	\$	\$
Level 3 Fair value measurements 2021							
As at 1 January 2021	679	92,139	12,355	5,340	534	151	3,501
Additions	-	273	-	387	-	45	97
Disposals / Reductions in right-of-use assets due to changes in lease liability	-	-	-	(7)	(39)	-	(574)
Depreciation / Amortisation	(105)	(3,102)	-	(1,154)	(225)	(25)	(586)
Revaluation	-	11,125	-	-	-	-	-
Transfers into or out of Level 3	-	5	-	313	-	-	-
Balance as at 31 December 2021	574	100,440	12,355	4,879	270	171	2,438
Level 3 Fair value measurements 2022							
As at 1 January 2022	574	100,440	12,355	4,879	270	171	2,438
Additions	-	33,452	-	3,127	-	39	386
Disposals / Reductions in right-of-use assets due to changes in lease liability	-	-	-	-	(18)	-	(581)
Depreciation / Amortisation	(99)	(3,809)	-	(1,243)	(136)	(27)	(464)
Revaluation	-	17,917	7,369	-	-	-	-
Write-ups/transfers/(write-offs)	(34)	-	-	-	-	-	-
Transfers into or out of Level 3	-	-	-	-	-	-	-
Balance as at 31 December 2022	441	148,000	19,724	6,763	116	183	1,779

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Notes to the Financial Statements

For the Year Ended 31 December 2022

7 Managing Risks and Uncertainties (continued)

7.3 Fair value determination (continued)

7.3.2 Valuations of property, plant and equipment (continued)

Description of significant unobservable inputs to Level 3 valuations

2022 and 2021	Valuation technique	Significant unobservable inputs	Estimated sensitivity
Specialised land	Market approach	Community service obligation (CSO) adjustment	A significant increase or decrease in the CSO adjustment would result in a significantly higher or lower fair value
Specialised buildings	Current replacement cost	Useful life of buildings and cost per square metre	A change in the useful life of the buildings and/or cost per square metre would result in a significantly higher or lower fair value.
Heritage buildings	Current replacement cost	Direct cost per square metre	A change in the direct 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 leases	A change in the useful life may have an impact on the fair value (higher / lower)
Library collection	Current replacement cost	Useful life of library books	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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

8 Governance Disclosures

8.1 Responsible persons

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

The persons who held the positions of Ministers and Accountable Officers in The Gordon were as follows:

Position	Name	Dates of Appointment
Minister for Training and Skills and Higher Education	The Hon. Gayle Tierney MLC	1 January 2022 to 31 December 2022
Board Chair	David Bowen	1 January 2022 to 31 December 2022
Deputy Chair	Darryl Mohr	1 January 2022 to 31 December 2022
Chief Executive Officer	Joe Ormeno	1 January 2022 to 31 December 2022
Board Director	Virginia Fenelon	1 January 2022 to 31 July 2022
Board Director	Daniel Smedley	1 January 2022 to 31 December 2022
Board Director	Matthew Wright	1 January 2022 to 31 December 2022
Board Director (employee representative)	Adam Canny	1 January 2022 to 23 May 2022
Board Director (employee representative)	Luisa Drent	1 July to 31 December 2022
Board Director	Corrina Eccles	1 January 2022 to 31 December 2022
Board Director	Gillian Miles	1 January 2022 to 31 December 2022
Board Director	Patti Manolis	1 January 2022 to 31 December 2022
Board Director	Patricia Crossin	1 August to 31 December 2022

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of The Gordon during the reporting period was in the range: \$420,000 – \$429,999 (2021: \$350,000 – \$359,999).

Included in the 2022 remuneration above is payment of termination benefits in the range: \$30,000 - \$39,000 (2021: Nil). These amounts were paid to one staff member acting as an employee representative on the Board who left the Institute in May.

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

	2022	2021
Income range		
Less than \$10,000	1	1
\$10,000 – \$19,999	1	-
\$20,000 – \$29,999	6	6
\$30,000 – \$39,999	-	2
\$40,000 – \$49,999	1	-
\$70,000 – \$79,999 *	2	-
\$110,000 - \$119,999 *	-	1
Total number	11	10
Total remuneration (\$'000)	367	332

* Note that the responsible persons includes one member of staff acting as an employee representative.

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

8 Governance Disclosures (continued)

8.2 Remuneration of executives

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

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

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

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

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

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

Several factors affected total remuneration payable to executives over the 2022 year. For instance, staff turnover and the timing of appointments. Also, there were a number of officers who resigned or reached the completion of their tenure. This has had a significant impact on remuneration figures or the termination benefits category.

	2022	2021
	\$'000	\$'000
Remuneration		
Short-term employee benefits	974	783
Post-employment benefits	90	75
Other long-term benefits	19	22
Termination benefits	39	177
Total remuneration	1,122	1,057
Total number of executives	4	5
Total annualised employee equivalents (i)	4	4

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

8.3 Related parties

Related parties of The Gordon include:

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

8 Governance Disclosures (continued)

8.3 Related parties (continued)

- 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.

The following entity has not been consolidated into The Gordon's financial statements in accordance with AASB 10, as previously stated:

- Gotec Limited

Significant transactions with related entities

	Transaction values for year ended 31 December		Balances outstanding as at 31 December	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Related party transactions				
Debtor - Belmont High	58	1	-	-
Debtor - Lodge Catering	-	36	-	-
Debtor - B3Thirds Pty Ltd	-	1	-	-
Debtor - Avolon Airport	-	3	-	-
Debtor - Avolon No. 1 Pty Ltd	-	3	-	-
Debtor - Barwon Child Youth and Family (BCYF)	4	1	-	-
Debtor - Committee for Wyndham	-	-	-	1
Debtor - Victorian TAFE Association	43	48	-	-
Creditor - Barwon Water	(34)	(35)	-	-
Creditor - Lodge Catering	-	(54)	-	-
Creditor - Barwon Child Youth and Family (BCYF)	-	-	-	(2)
Creditor - Belmont High	(2)	(1)	-	-
Creditor - Committee for Geelong	(15)	(13)	-	-
Creditor - Committee for Wyndham	(3)	(3)	-	-
Creditor - Victorian TAFE Association	(90)	(151)	-	-
Creditor - Wadawurrung Traditional Owners Aboriginal Corp	(5)	(5)	-	-
Total	(44)	(169)	-	(1)

Key management personnel of The Gordon include the members of the The Gordon's Board, the Chief Executive Officer, the Chief Finance Officer, the Chief Operating Officer and other staff who have executive decision making responsibilities.

Notes to the Financial Statements

For the Year Ended 31 December 2022

8 Governance Disclosures (continued)

8.3 Related parties (continued)

Compensation of key management personnel

	2022 \$'000	2021 \$'000
Remuneration		
Short-term employee benefits	1,669	1,405
Post-employment benefits	144	125
Other long-term benefits	31	32
Termination benefits	75	177
Total remuneration	1,919	1,739

Transactions and balances with key management personnel and other related parties

The Gordon had no other related party transactions for the period ended 31 December 2022.

8.4 Remuneration of auditors

Remuneration of the Victorian Auditor-General's Office

Audit of the financial statements	98	95
Total remuneration of the Victorian Auditor-General's Office	98	95
Remuneration of other auditors		
Internal audit services	126	66
Total remuneration of other auditors	126	66
Total	224	161

The Victorian Auditor-General's Office is not allowed to provide non-audit services.

9 Other Disclosures

9.1 Other economic flows included in net result

Net gain/(loss) on financial instruments

Greener Government loan discount	(42)	107
Total net gain/(loss) on financial instruments	(42)	107
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service leave liability	739	311
Total other gains/(losses) from other economic flows	739	311
Total other economic flows included in net result	697	418

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

9 Other Disclosures (continued)

9.1 Other economic flows included in net result (continued)

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

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

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

9.2 Other equity reserves

9.2.1 Physical asset revaluation surplus

	2022 \$'000	2021 \$'000
Balance at 1 January	83,473	72,348
Revaluation increment/(decrement) on non-current assets	33,890	11,125
Balance at 31 December	117,363	83,473

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

9.2.2 Special and general purpose reserves

Balance at 1 January	1,328	1,340
Transfers from/(to) accumulated surplus	(5)	(12)
Balance at 31 December	1,323	1,328

Total reserves	118,686	84,801
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9.3 Ex gratia expenses

Compensation for economic loss	20	-
Total ex gratia payments	20	-

Notes to the Financial Statements For the Year Ended 31 December 2022

9 Other Disclosures (continued)

9.4 Events after reporting date

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 Gordon 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 The Gordon moving forward, as the Responsible Ministers have not changed.

No other matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of The Gordon, the results of those operations or the state of affairs of The Gordon in subsequent financial years.

9.5 Application of standards issued but not yet effective

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 31 December 2022 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises The Gordon of their applicability and early adoption where applicable.

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

AASB 2020-1 - Amendments to Australian Accounting Standards - Classification of liabilities as current or non-current amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued *2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non current - Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The amendment is not expected to impact The Gordon and The Gordon 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: Disclosures*;
- AASB 101 - *Presentation of Financial Statements*;
- AASB 108 - *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- AASB 134 - *Interim Financial Reporting*.

Notes to the Financial Statements

For the Year Ended 31 December 2022

9 Other Disclosures (continued)

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

The Standard also makes amendments to AASB Practice Statement 2 *Making Materiality Judgements* (December 2017). These amendments arise from the issuance by the International Accounting Standards Board (IASB) in February 2021 of the following International Financial Reporting Standards:

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

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

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

9.6 New or amended Accounting Standards and Interpretations adopted

The Gordon 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 Gordon's financial statements.

KEY PERFORMANCE INDICATORS

Key Performance Indicators

For the Year Ended 31 December 2022

TAFE Sector Standard Key Performance Indicators

Indicator Title	Description and Methodology	Metric	2022 Target	2022 Actual	Explanation of Variances	Prior Year
Training revenue diversity	Breakdown by training revenue split by government funded and fee for service. <i>Training revenue split by:</i> - Government Funded (GF) - Fee for Service (FFS) - Student Fees and Charges (SFC)	Percentage	71.00% 16.00% 13.00%	75.40% 14.60% 10.00%	The 2022 budget was prepared with the assumption that COVID-19 would no longer have an impact on our operations. Whilst it was not able to directly be attributed to the pandemic, The Gordon, along with the wider sector, experienced the challenge of operating in an environment which had low unemployment rates thus creating a decline in the minimal pre-requisite training requirements to gain employment which in effect was being reverted to on-the-job training. Whilst this still saw our dependence on Government Funded training remaining higher than budgeted, it did see an improvement from the prior year in Fee for Service and Students Fees and Charges revenue.	79.40% 12.30% 8.30%
Employment costs as a proportion of training revenue	Employment and third party training delivery costs as a proportion of training revenue.	Percentage	107.40%	133.50%	This result was largely affected by the utilisation of annual leave and long service leave along with favourable movements in bond rates following the pandemic restrictions of the previous two years. This assisted to soften the impact of a further increase in the superannuation guarantee charge from 10% to 10.5% along with the introduction of a 5% Mental Health Levy.	109.50%
Training revenue per teaching FTE	Training revenue (excl. revenue delivered by third parties) per Teaching FTE: <i>Training revenue (excl. revenue delivered by 3rd parties)/Teaching FTEs</i>	Dollars	\$202,896	\$164,059	The 2022 result was behind budget. This was driven by a sector-wide decline in enrolments due to enhanced workforce opportunities where previously, training had been a requirement. Throughout the year, the workforce remained relatively stable, however, the FTE of 276 was down on the prior year of 291, much of which was the result of teacher utilisation of excess availabilities.	\$176,912
Operating margin percentage	Operating margin %: <i>EBIT (excl. Capital Contributions)/Total Revenue (excl. Capital Contributions)</i>	Percentage	-8.60%	-4.60%	The 2022 result was ahead of budget due to additional once-off government grant funding which included additional transition funding of \$3.6m in December along with economic support of \$2.2m for apprentice expansion and various other opportunities for student facing outcomes.	-16.80%

Gordon Institute of TAFE

ABN 27 241 053 246

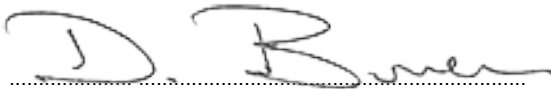
Performance Statement For the Year Ended 31 December 2022

Declaration by Board Chair, Chief Executive and Chief Financial, People and Operating Officer

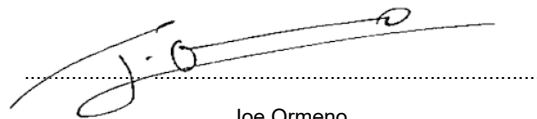
In our opinion, the accompanying Statement of Performance of the Gordon Institute of TAFE, in respect of the year ended 31 December 2022, is presented fairly.

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.



David Bowen
Board Chair



Joe Ormeno
Chief Executive Officer



Steven Reaper
Chief Financial, People and Operating Officer

Dated 28 March 2023

Geelong

Independent Auditor’s Report

To the Board of the Gordon Institute of TAFE

Opinion	<p>I have audited the accompanying performance statement of the Gordon 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 and Chief Financial, People and Operating Officer <p>In my opinion, the performance statement of the Gordon 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 <i>APES 110 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 are responsible for the preparation and fair presentation of the performance statement and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.</p>
Auditor’s responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.</p>

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

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

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

MELBOURNE
31 March 2023



Charlotte Jeffries
as delegate for the Auditor-General of Victoria

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GOTEC Limited

ABN 49 006 410 671

Financial Statements

For the Year Ended 31 December 2022

GOTEC Limited

ABN 49 006 410 671

For the Year Ended 31 December 2022

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GOTEC Limited ("the Company") 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 Company's stewardship of resources entrusted to it.

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Independent Auditor's Report

To the Directors of GOTECH Limited

Opinion	<p>I have audited the financial report of GOTECH Limited (the Company) 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 Directors of the Company. <p>In my opinion the financial report is in accordance with the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none">• giving a true and fair view of the financial position of the Company as at 31 December 2022 and its financial performance and cash flows for the year then ended• complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the «Entity Type» in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and 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>
Directors' responsibilities for the financial report	<p>The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Corporations Act 2001</i>, and for such internal control as the Directors 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 Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the «Entity Type»'s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the «Governing Body Name»
- conclude on the appropriateness of the «Governing Body Name»'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 «Entity Type»'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 «Entity Type» to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



MELBOURNE
31 March 2023

Nick Walker
as delegate for the Auditor-General of Victoria

Auditor-General's Independence Declaration

To the Directors, GOTEC Limited

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 GOTEC Limited 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 Financial Management Act 1994 or the Corporations Act 2001 in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
31 March 2023



Nick Walker
as delegate for the Auditor-General of Victoria

GOTEC Limited

ABN 49 006 410 671

Directors' Report

For the Year Ended 31 December 2022

The directors present their report on GOTEC Limited ("the Company") for the financial year ended 31 December 2022.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Mr Joe Ormeno

Qualifications Bachelor of Commerce (Accounting and Finance), CPA

Mr Daniel Smedley

Qualifications Bachelor of Commerce, Bachelor of Law, Masters in Tax, Chartered Tax Adviser, Accredited Specialist in Tax Law, Australian legal practitioner

Ms Patti Manolis (OAM)

(Appointed 1 August 2022)
Qualifications Bachelor of Education; Graduate Diploma of Business; Graduate Australian Institute of Company Directors)

Ms Virginia Fenelon

(Term ended 31 July 2022)
Qualifications Master of Education, Federation University, 2000; Higher Diploma of Teaching, Secondary (4 years), Rusden State College of Victoria, 1973; Diploma of Frontline Management, Federation University, 1999; Four auditing units from BSB51607 Diploma of Quality Auditing, Sunraysia Institute of TAFE, 2011; Assessment units from TAA04 Training and Assessment Training Package, Ballarat Group Training and Federation University, 2009

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Meetings of directors

The Company is largely dormant, the Directors meet once a year.

Principal activities

No activities were conducted this financial year and income relates to investment earnings.

Objectives

The objective of the Company is to support The Gordon Institute of TAFE in commercial activities as they arise. These opportunities are considered by reference to The Gordon Institute of TAFE Strategic Objectives.

Directors' liability

In the event that the Company was wound up, each member would be liable for a maximum amount of \$10. With a total of 3 members on the Board, the maximum contribution would be \$30.

Review of operations

The operating profit for the year is \$1,129 (2021: \$473).

GOTEC Limited

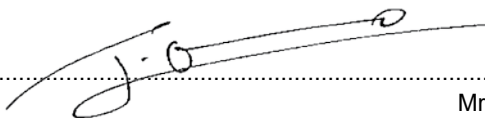
ABN 49 006 410 671

Directors' Report
For the Year Ended 31 December 2022

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 31 December 2022 has been received and can be found on page 71 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Mr Joe Ormeno

Dated this 28th day of March 2023

Geelong

GOTEC Limited

ABN 49 006 410 671

Financial Report For the Year Ended 31 December 2022 Declaration by the Directors of the Company

The directors of GOTEC Limited ("the Company") declare that the attached financial statements for the Company 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, Australian Accounting Standards including Interpretations, *Corporations Act 2001* and other mandatory professional reporting requirements.

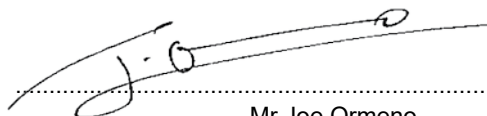
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of the financial report, give a true and fair view of the financial transactions during the year ended 31 December 2022 and financial position of the GOTEC Limited 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. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they became due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



.....
Mr Daniel Smedley
Director



.....
Mr Joe Ormeno
Director

Dated this 28th day of March 2023
Geelong

GOTEC Limited

ABN 49 006 410 671

Comprehensive Operating Statement For the Year Ended 31 December 2022

	2022	2021
	\$	\$
Continuing operations		
Revenue and income from transactions		
Other income	1,131	473
Total revenue and income from transactions	<u>1,131</u>	<u>473</u>
Expenses from transactions		
Other operating expenses	(2)	-
Total expenses from transactions	<u>(2)</u>	<u>-</u>
Net result from transactions	<u>1,129</u>	<u>473</u>
Other economic flows included in net result	-	-
Net result from continuing operations	<u>1,129</u>	<u>473</u>
Net result	<u>1,129</u>	<u>473</u>
Other economic flows - other comprehensive income		
Items that will be reclassified to net result	-	-
Items that will not be reclassified to net result	-	-
Comprehensive result	<u>1,129</u>	<u>473</u>

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

GOTEC Limited

ABN 49 006 410 671

Balance Sheet

As At 31 December 2022

	2022	2021
Note	\$	\$
ASSETS		
FINANCIAL ASSETS		
Cash and deposits	3.1 <u>47,565</u>	46,436
TOTAL FINANCIAL ASSETS	<u>47,565</u>	46,436
TOTAL ASSETS	<u>47,565</u>	46,436
LIABILITIES		
Payables	2.1 <u>41,345</u>	41,345
TOTAL LIABILITIES	<u>41,345</u>	41,345
NET ASSETS	<u>6,220</u>	5,091
EQUITY		
Accumulated surplus	<u>6,220</u>	5,091
NET WORTH	<u>6,220</u>	5,091

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

GOTEC Limited

ABN 49 006 410 671

Statement of Changes in Equity For the Year Ended 31 December 2022

2021

	Accumulated Surplus	Total
	\$	\$
Balance at 1 January 2021	4,618	4,618
Net result for the year	473	473
Balance at 31 December 2021	<u>5,091</u>	<u>5,091</u>

2022

	Accumulated Surplus	Total
	\$	\$
Balance at 1 January 2022	5,091	5,091
Net result for the year	1,129	1,129
Balance at 31 December 2022	<u>6,220</u>	<u>6,220</u>

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

GOTEC Limited

ABN 49 006 410 671

Cash Flow Statement

For the Year Ended 31 December 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts		
Interest received	1,131	473
Total receipts from operating activities	1,131	473
Payments		
Payments to suppliers	(2)	-
Other payments	-	-
Total payments from operating activities	(2)	-
Net cash provided by/(used in) operating activities	1,129	473
	3.1.1	
Net increase/(decrease) in cash and cash equivalents held	1,129	473
Cash and cash equivalents at the beginning of the financial year	46,436	45,963
Cash and cash equivalents at the end of the financial year	47,565	46,436
	3.1	

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

1 About This Report

GOTEC Limited ("the Company") is a company limited by guarantee. The controlling entity of GOTEC Limited is The Gordon Institute of TAFE. The financial statements cover GOTEC Limited as an individual reporting entity.

The Company's principal objective was to provide vocationally orientated training to meet specific needs of business, industry, government and individuals. From January 1996, the operations of the Company were transferred to The Gordon Institute of TAFE and it currently has no employees and remains dormant.

Its registered office and principal address is:

Gordon Institute of TAFE
2 Fenwick Street
Geelong Victoria 3220

1.1 Basis of preparation

These financial statements are presented in Australian dollars, the functional and presentation currency of the Company. These financial statements have been prepared in accordance with the historical cost convention, which is based on the fair values of the consideration given in exchange for assets.

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

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

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

There have been no critical judgements made by management in the application of Australian Accounting Standards (AAS) that have had a significant effect on the financial statements.

Goods and Services Tax (GST)

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

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

Funding risk

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

The Company currently has no substantial economic dependency, other than reliance on funding from its parent entity.

Notes to the Financial Statements

For the Year Ended 31 December 2022

1 About This Report (continued)

1.1 Basis of preparation (continued)

Funding risk (continued)

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

1.2 Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994 (FMA)*, the *Corporations Act 2001* and applicable AAS, which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

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

1.3 Impact of COVID-19

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

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

Consistent with the prior year, COVID-19 did not have a material impact on the Company and its operations as it has remained dormant during this period.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2 Balances from Operations

2.1 Payables

	Note	2022 \$	2021 \$
Current			
Contractual payables			
Loan payable to The Gordon	5.3	<u>41,345</u>	41,345
Total contractual payables		<u>41,345</u>	41,345
Total current payables		<u>41,345</u>	41,345

The Gordon Institute of TAFE has agreed that it will not recall this amount within the next 12 months. The liability is at call and is non-interest bearing.

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

Ageing analysis of contractual payables

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

	Carrying amount \$	Nominal amount \$	Less than 1 month \$	1-3 months \$	3 months - 1 year \$	1-5 years \$
2022						
Supplies and services	-	-	-	-	-	-
Loan payable	<u>41,345</u>	<u>41,345</u>	<u>41,345</u>	-	-	-
Total	<u>41,345</u>	<u>41,345</u>	<u>41,345</u>	-	-	-
2021						
Loan payable	<u>41,345</u>	<u>41,345</u>	<u>41,345</u>	-	-	-
Total	<u>41,345</u>	<u>41,345</u>	<u>41,345</u>	-	-	-

Due to their short-term nature, the carrying amounts of payables are considered to be the same as their fair values.

Notes to the Financial Statements For the Year Ended 31 December 2022

3 How We Financed Our Operations

3.1 Cash and deposits

	2022	2021
	\$	\$
Cash at bank and on hand	47,565	46,436
Total cash and deposits	47,565	46,436

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank.

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

Net result for the year	1,129	473
Net cash flows from / (used in) operating activities	1,129	473
Per cash flow statement	1,129	473

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

4 Managing Risks and Uncertainties

4.1 Financial instruments

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

Categories of financial instruments

	2022	2021
Note	\$	\$
Contractual financial assets		
Financial assets measured at amortised cost		
Cash and deposits	47,565	46,436
Total contractual financial assets	47,565	46,436
Contractual financial liabilities		
Loans and payables		
Related party payable	41,345	41,345
Total contractual financial liabilities	41,345	41,345

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 Managing Risks and Uncertainties (continued)

4.1 Financial instruments (continued)

Categories of financial instruments

The Company classifies its financial assets at amortised cost only if both of the following criteria met:

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

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

The Company recognises the following assets in this category:

- cash and deposits.

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

- payables (excluding statutory payables).

4.1.1 Financial risk management objectives and policies

The Company's main exposure to financial risks is interest rate risk.

4.1.2 Credit risk

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

The Company does not have a material exposure to credit risk. Its only financial assets are cash and deposits which are held with a reputable financial institution with an AA rating.

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 Managing Risks and Uncertainties (continued)

4.1 Financial instruments (continued)

4.1.2 Credit risk (continued)

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

	Financial Institutions (AA-rating)	Government Agencies (AAA-rating)	Other Counterparty	Total
	\$	\$	\$	\$
2022				
Cash and deposits	47,565	-	-	-
Receivables	-	-	-	-
Total contractual financial assets	47,565	-	-	-
2021				
Cash and deposits	46,436	-	-	-
Receivables	-	-	-	-
Total contractual financial assets	46,436	-	-	-

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

4.1.3 Market risk

The Company, in its daily operations, is exposed to a number of market risks. Market risks relate to the risk that market rates and prices will change and that this will have an adverse effect on the operating result and /or net worth of the Company.

The Company's exposure to market risk is primarily through interest rate risk. The objectives, policies and processes used to manage each of these risks are disclosed below.

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

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

Interest rate risk

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 Managing Risks and Uncertainties (continued)

4.1 Financial instruments (continued)

4.1.3 Market risk (continued)

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

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

Interest rate movements have not been sufficiently significant during the year to have an impact on the Company's year-end result.

The Company's exposure to interest rate risks and the effective interest rates of financial assets are set out in the table below:

Interest rate exposure of financial instruments

	Weighted average interest rate	Carrying amount at 31 December	Interest rate exposure		
			Floating interest rate	Fixed interest rate	Non-interest bearing
	%	\$	\$	\$	\$
2022					
Financial assets					
Cash and deposits	1	47,565	47,565	-	-
Total financial assets		47,565	47,565	-	-
2021					
Financial assets					
Cash and deposits	1	46,436	46,436	-	-
Total financial assets		46,436	46,436	-	-

Sensitivity analysis and assumptions

The Company's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 100 basis points up or down (2021: 100 basis points up or down) in market interest rates (AUD)

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 Managing Risks and Uncertainties (continued)

4.1 Financial instruments (continued)

4.1.3 Market risk (continued)

The following table shows the impact on the Company's net result and equity for each category of financial instrument held by the Company at the end of the reporting period, as presented to key management personnel, if the above movements were to occur:

	Carrying amount at 31 December \$	Interest rate risk			
		-1% (100 basis points)		+1% (100 basis points)	
		Result \$	Equity \$	Result \$	Equity \$
2022					
Financial assets					
Cash and deposits	47,565	(476)	(476)	476	476
Total impact	47,565	(476)	(476)	476	476
2021					
Financial assets					
Cash and deposits	46,436	(464)	(464)	464	464
Total impact	46,436	(464)	(464)	464	464

4.2 Contingent assets and contingent liabilities

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

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

There were no contingent assets or contingent liabilities as at 31 December 2022 (31 December 2021: None) that may have a material effect on the financial operations of the Company.

Notes to the Financial Statements

For the Year Ended 31 December 2022

5 Governance Disclosures

5.1 Responsible persons

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

The persons who held the positions of Ministers and Accountable Officers in the Company were as follows:

Position	Name	Dates of Appointment
Minister for Training and Skills and Higher Education	The Hon. Gayle Tierney MLC	1 January 2022 to 31 December 2022
Director	Joe Ormeno	1 January 2022 to 31 December 2022
Director	Daniel Smedley	1 January 2022 to 31 December 2022
Director	Virginia Fenelon	1 January 2022 to 31 July 2022
Director	Patti Manolis	1 August 2022 to 31 December 2022

Remuneration

The directors did not receive any remuneration from the Company in the year ended 31 December 2022 (2021: NIL). There are no other key management personnel in GOTEC Limited apart from the members of the board.

5.2 Ultimate parent entity

The ultimate parent entity of the Company is The Gordon Institute of TAFE.

5.3 Related parties

Related parties of the Company 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);
- the ultimate parent entity; and
- 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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

5 Governance Disclosures (continued)

5.3 Related parties (continued)

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Related party transactions

	Note	2022 \$	2021 \$
Current payables (loans)			
The Gordon Institute of TAFE	2.1	41,345	41,345
Total current payables		<u>41,345</u>	<u>41,345</u>

5.4 Remuneration of auditors

The Company is reliant upon its parent entity for financial support for payment of its annual audit fees. During the year ended 31 December 2022, \$8,000 (2021: \$7,950) was paid for the external audit of the annual report.

6 Other Disclosures

6.1 Interest income

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

6.2 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 the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

6.3 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.

As at 31 December 2022, there were no new accounting standards issued by the AASB, which are applicable for the year ending 31 December 2023 that are expected to impact the Company.



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Hoppers Crossing Trades Campus

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